

Nature Investments SARL

**Consolidated Financial Statements prepared in accordance with
International Financial Reporting Standards
and the Report of the Réviseur d'Entreprises Agréé
for the year ended 31 December 2024**

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1. Most significant milestones in 2024

The Group has taken on 12,827 new supply points to transport a total of 23 TWh (a 4% rise on the 22 TWh in 2023, excluding the non-remunerated amount) via its networks and has reached gross investment levels of €27.05 million, demonstrating the relevance of gas infrastructure in the energy transition and its role in a sustainable future

From a financial perspective, the Recurring EBITDA has decreased by 3.7% to €140 million. Part of this drop is the result of an adjustment to regulated revenue of €4.7 million caused by the regulatory changes announced in Circular 4/2020.

The Group has continued its demand generation strategy through the saturation of the current network and the construction of new infrastructure, as well as through other demand sources such as vehicular gas. In this regard, The Group had 9 operational natural gas service stations by the end of December 2024. Similarly, the company is also committed to transforming boiler rooms to natural gas, having successfully transformed 46 boiler rooms in 2024.

In 2024 intensive work has continued on developing the company's Strategic Plan to position our infrastructures at the service of energy transition through the use of renewable gases. We are investing heavily in various R&D programmes, including the H2SAREA project, which was completed in 2024. This project has won the best project award in the Green Generation category at the 4th Retina ECO awards, organised by PRISA Media and CapGemini. This category awards innovative, technology-based projects that reduce emissions by generating clean, renewable energy, its distribution, transport and storage, as well as self-consumption and shared generation. The H2SAREA project has also received a finalist's diploma for the best green hydrogen initiative in Spain in 2024 category, a prize awarded by El Periódico de la Energía.

The H2SAREA project shows that existing networks are compatible with the partial distribution of a blended green hydrogen of up to 20%. This ensures the same levels of safety as with natural gas and helps decarbonise end-users' consumption.

Other innovative projects have been launched in 2024, such as H2BIDEA to develop technical solutions for rolling out new, 100% hydrogen distribution networks for the industrial segment in so-called hydrogen valleys. The objective of the H2EAT project is to manufacture NET-0 aluminium car parts using hydrogen in the casting industry.

The Group has also begun the process of obtaining prior government authorisation for the 100% hydrogen Valle de Asturias project - Phase 1 (this project includes the EDP factory in Aboño, the Dupont factory and the Arcelor Mittal Gijón and Avilés factories).

As well as green hydrogen, the Group is also committed to developing biomethane to decarbonise our customers' consumption using current infrastructures. The Group actively works with developers in our areas of influence to enable biomethane injection points into current natural gas networks. Additionally, the Group is engaged in an ambitious plan for the construction and operation of biomethane production plants, currently in an advanced stage of commercial development and administrative processing. The produced gas can be injected into the distribution network, thereby contributing to decarbonization.

We are similarly continuing to make progress on the Group's digitalisation and, in particular, our infrastructures.

In line with the Group's objective to contribute to decarbonisation and the fulfilment of the goals adopted by the Paris Agreement and the Sustainable Development Goals (SDGs), and to have a positive impact on the

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communities in which it operates, the Group's sustainability strategy aims to maximise energy transition opportunities from the heart of the business, maintaining service excellence and solid financials.

Our performance has been assessed externally by ESG analysts such as GRESB, who awarded the Group 95 points out of 100, demonstrating the progress we have made in our ESG targets.

In terms of legislation, the challenge facing the Group has centred on emphasising the use of gas, both conventional and renewable, as an energy source in the future low-carbon economy.

The legal department has continued to reinforce a culture of personal data protection and privacy, once the Nortegas Group Data Protection Policy had been approved.

In the field of digital transformation, projects have been undertaken to modernise infrastructures and applications, to digitalise customer relations (such as the introduction of a chat bot), to digitalise the call centre in an in-house switchboard and to sign contracts using e-signatures. Biomethane projects include the document management and partnership platform and the financial performance monitoring system.

In 2024 the HR department has continued to support the business by addressing the new strategic challenges facing the company, focusing on attracting talent, technical and professional training, succession planning and people management.

Other highlights include management of the final stages of the Nortegas Leadership model, focusing on communication and assessment. Nortegas is undergoing a strategic adaptation process that involves a cultural change to bring people and their development to the centre of activity, so as to identify talent and develop the skills on our teams. The outcomes will help design the Nortegas leadership centre where professionals will receive training to be able to tackle the challenges of the future.

Furthermore, in line with our principles, values and commitment to people management, the first Nortegas equality plan has been negotiated and signed. It seeks to draw up and ensure policies that guarantee equal treatment and opportunities, objectivity and transparency, and to continue introducing specific measures to improve work-life balance, reinforcing the latest related projects in a harassment-free work environment.

Lastly, we have continued to work on Nortegas' talent programme, working with universities and training centres and taking part in forums and employment fairs in our industry, such as the Bilbao school of engineers and the Cantabria chamber of commerce employment fairs.

From a risk perspective, the six-monthly reviews of the risk matrix have been performed in 2024 and the results presented to the audit committee and the board of directors. In addition, the Risk Management System Handbook has been completed this year. This document includes the methodology for analysing and assessing risks and contains definitions of the impact and probability assessment scales. The most relevant indicators for each risk have also been included in the risk management system, so that they can be monitored and the analysis completed. Lastly, the controls that mitigate each risk on the matrix have been identified, leading to better risk management.

In 2024, an in-depth review of the Crime Prevention and Compliance Model has been carried out, using a simpler, more efficient methodology based on best practice.

In an effort to strengthen Nortegas' culture of ethics and compliance, mandatory training has been given to all employees using fictitious crime scenarios that could take place at any organisation and on behaviours that are not allowed under the Nortegas Code of Ethics.

Nortegas is the second largest gas distributor in Spain and the primary distributor in the north of the country. It has over one million supply points and a network measuring 8,551 km distributed throughout the Basque Country, Asturias and Cantabria. It employs 243 professionals at 31 December 2024.

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2. Operational data and milestones

Most of the activities carried out by the Group are regulated and at the end of 2024 it has more than 1 million natural gas and LPG supply points, is present in 398 municipalities, of which 226 are supplied with natural gas and the rest with LPG.

	2024	2023	2022	2021	CAGR (2021- 2024) ⁽¹⁾
Connection points	1,074,589	1,069,494	1,064,017	1,056,879	1%
Natural gas	985,510	980,181	974,919	968,233	
Natural gas (NG)<4 bar	984,836	979,470	974,237	967,549	
Natural gas (NG)>4 bar	674	711	682	684	
LPG	89,079	89,313	89,098	88,646	
Energy distributed NG+LPG (GWh)	23,038	23,275	24,587	30,481	-9%
Energy distributed (NG) (GWh)	22,692	22,926	24,210	30,077	
Energy distributed (LPG) (GWh)	346	349	377	404	
Network length (NG+LPG) (Km)	8,551	8,509	8,477	8,435	0%
Km NG	8,042	8,013	7,985	7,956	
Km LPG	509	496	492	479	

Note 1: Compound annual growth rate from 2021 to 2024

Investments have been made to extend the natural gas distribution network to a total of 8,042 km at 31 December 2024, which represents a 9% share of the industry in Spain.

Investments in new natural gas networks and the increase in the saturation of supply points in existing natural gas networks allowed the number of supply points to increase to 985,510 with an accumulated compound growth rate of 1% since 2021. 22,692 GWh of energy was distributed by the networks.

The LPG business at 31 December 2024 totalled 89,079 supply points and 509 km of LPG networks.

3. Analysis of 2024 results

In 2024, the Group has recognised consolidated Recurring EBITDA (operating profit before depreciation/amortisation and impairment, excluding non-recurring expenses) of €140 million, compared to €145.4 million in 2023, reflecting a decrease of 3.7% (Note 21).

The Group's consolidated revenues in 2024 totalled €208.0 million compared to €208.1 million in 2023.

Operating profit amounted to €40.1 million in 2024, after depreciation/amortisation totalling €85.4 million. The financial result and other profit/(loss), together with corporate income tax, gave rise to a loss of €22.6 million.

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Details by business segment of the investments made by Nortegas are broken down below. In 2024 there has been a decrease of 5% compared to 2023.

Gross investments (millions of euros)	2024	2023	2022	2021
Natural gas	19.6	20.6	25.5	26.9
LPG	2.0	2.0	2.3	8.2
TOTAL	21.5	22.6	27.8	35.1

4. Most significant events in 2024

The Group has continued with its standard business as a regulated natural gas and LPG sector enterprise. This activity consists of the management of the regulated distribution assets, including promoting, developing and building new infrastructure, as well as network operation, maintenance and optimisation services.

The Group is also present in the liquefied petroleum gas market, where it is in charge of supplying the fuel in addition to the activities mentioned above.

The Nortegas Group has continued to expand its network in its areas of influence.

Below are details of some of the key milestones and events in the gas distribution business:

- ✓ The Scheduled Preventive Maintenance Plan has been completed.
- ✓ The 2024 periodic inspection campaign has been completed, fulfilling the regulatory requirement to visit 100% of facilities before 31 December.
- ✓ Progress has been made on digitising periodic inspection and supply point registration work. In 2024, over half of communications relating to this work were by email.
- ✓ Start of invoicing using smart meter readings taken from the meters installed in the municipal areas of Ugao-Miraballes and Alonsotegui.
- ✓ Signing of the 2024 Gasification Agreement with the Principality of Asturias, which has led to the gasification project at the La Carrera industrial park in the municipal area of Siero being carried out.
- ✓ Signing of a connection agreement with ENAGAS for the new distribution pipeline at the EDP thermal generation plant in Aboño. The project involves 90,000 m³(n)/h, which will significantly increase natural gas use throughout 2025. Construction began in 2024.
- ✓ Gassing up of the LPG network in Campomanes - Lena.
- ✓ Signing of an agreement with Bilbao city council, manufacturers of centralised boilers and installer associations in Biscay to encourage replacement of the 400 oil-fed boiler rooms in Bilbao.
- ✓ Changes to the network at San Sebastian hospital.
- ✓ Starting up of the public NGV station in Vigo.

The regulatory scenario in 2024 has been impacted by the following published regulatory texts:

- ✓ CNMC Resolution of 28 November 2024, establishing the value of the 2025 Global Ratio Index and the financial prudence penalty for companies carrying out electricity transmission and distribution activities, and natural gas transmission, regasification, underground storage and distribution activities.

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- ✓ CNMC Resolution of 4 April 2024 establishing the temporary rental cost of natural gas smart meters for a flow rate of 6 m³/h or less for customers connected to networks with pressure of less than 4 bars and 50,000 kWh/year or less of usage.
- ✓ Order ITU/1475/2024 of 17 December, amending Order ICT/155/2020 of 7 February, which regulates the metrological control of certain measuring tools.
- ✓ CNMC Resolution of 23 May 2024, which establishes remuneration for 2025 for companies undertaking regulated liquefied natural gas plant, transmission and natural gas distribution activities.
- ✓ CNMC Resolution of 31 July 2024 establishing the adjustment calculation methodology for the annual remuneration of transmission companies, regasifiers and natural gas distributors for the provision of related products and services.
- ✓ Energy policy Order TED/1193/2024 of 30 October setting out energy policy guidelines for the Spanish National Markets and Competition Commission relating to the proposed amendment to Circular 2/2019 of 12 November, which establishes the methodology for calculating the financial remuneration rate of electricity distribution and transmission, and the regasification, transmission and distribution of natural gas activities.
- ✓ CNMC Resolution of 23 May 2024, which establishes access tolls to transmission networks, local networks and regasification for the 2025 gas year. Order TED/1013/2024 of 20 September, establishing the gas system charges and remuneration and fees for basic underground storage in 2025.
- ✓ CNMC Resolution of 20 December 2024 on the addendum for calculating, monitoring and measuring shrinkage in the gas system for the 2022 gas year and its impact on the remuneration of facility owners.
- ✓ CNMC Resolution of 20 December 2024 on the addendum for calculating, monitoring and measuring shrinkage in the gas system for the 2023 gas year and its impact on the remuneration of facility owners.
- ✓ CNMC Resolution of 19 April 2024 establishing the procedure for managing connections between biomethane generation plants and the distribution or transmission network.
- ✓ Energy policy Order TED/463/2024 of 24 April, which establishes energy policy guidance for the CNMC relating to the natural gas industry.
- ✓ Order TED/801/2024 of 26 July, establishing the rules for calls for the incentive programme for renewable hydrogen consumption and production projects (clusters or valleys), within the framework of the Recovery, Transformation and Resilience Plan financed by the European Union's NextGenerationEU.
- ✓ Resolution of 14 August 2024 by the Secretary of State for Energy publishing the council agreement of July 2024, which enables Enagás Infraestructuras de Hidrógeno, SLU to provisionally take on development tasks in the Hydrogen Network Projects of Common European Interest.
- ✓ Royal Decree-Law 4/2024 of 26 June, extending certain measures to address the economic and social consequences of the conflicts in Ukraine and the Middle East, and adopting urgent tax, energy and social measures.
- ✓ Royal Decree-Law 9/2024 of 23 December, adopting urgent economic, tax, transport and social security measures, and extending certain measures to address social vulnerability.
- ✓ Order TED/268/2023 of 20 March, establishing energy saving obligations, compliance via energy saving certificates and the minimum contribution to the National Energy Efficiency Fund for 2024.
- ✓ Energy performance Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings.
- ✓ Resolution of the Directorate General for Energy Planning and Coordination of 3 July 2024, updating Appendix I of Order TED/845/2023 of 18 July, approving the catalogue of standardised energy efficiency measures.

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- ✓ Resolution of the Directorate General for Energy Planning and Coordination of 8 November 2024, amending the resolution of 3 July 2024, updating the catalogue of standardised energy efficiency measures.
- ✓ The Integrated National Energy and Climate Plan - Royal Decree 986/2024 of 24 September, approving the update of the 2023-2030 Integrated National Energy and Climate Plan. Order TED/728/2024 of 15 July implementing the mechanism for promoting biofuels and other renewable fuels for transport purposes.
- ✓ Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC.
- ✓ Regulation (EU) 2024/1789 of the European Parliament and of the Council of 13 June 2024 on the internal markets for renewable gas, natural gas and hydrogen, amending Regulation (EU) No 1227/2011 (EU) 2017/1938, (EU) 2019/942 and (EU) 2022/869 and Decision (EU) 2017/684 and repealing Regulation (EC) No 715/2009.
- ✓ Regulation (EU) 2024/1787 of the European Parliament and of the Council of 13 June 2024 on reducing methane emissions in the energy industry and amending Regulation (EU) 2019/942.
- ✓ Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings.
- ✓ Autonomous region of the Basque Country. Act 1/2024 of 8 February on energy transition and climate change.

As shown in Note 23, the Company's average supplier payment period in 2024 is 29.11 days. This average period is below the maximum set out in late payment legislation.

5. Treasury shares

At 31 December 2024 there are no treasury shares and none have been acquired during the year.

6. Derivative financial instruments

The Group's derivative financial instruments are detailed in the accompanying consolidated annual accounts.

7. Risks

The Group has analysed the risks and uncertainties to which its business is subject, and the board of directors understands that the identified risks do not require any urgent or immediate additional or specific actions to be adopted beyond the mitigation measures already in existence that have been evaluated by an external expert.

Note 21 of the notes to the accompanying consolidated annual accounts describes these policies and risk management measures.

8. Research and development activities

During the year, the Group has continued to work on projects included in its Strategic Innovation Plan, such as:

- ✓ Closure of the H2SAREA project, which focuses on blending green hydrogen in the current natural gas network. The project, which is subsidised by the Basque government's HAZITEK programme in partnership with the Tecnalia and Ikerlan technology centres, the national centre for hydrogen and five

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partners (ABC Compresores, Erreka, CAE, H2Site and Orkli), has demonstrated the compatibility of the existing gas network and user facilities with a mix of natural gas and up to 20% hydrogen.

Nortegas has continued its research in the field of blending throughout 2024 using the H2SAREA testing platform and successfully carrying out network tests with hydrogen mixes of 25% and 30% with a view to demonstrating the safety margin of network operations with a 20% blend.

The success of this project, together with the ongoing move from natural gas to biomethane or e-methane, shows the compatibility of current distribution assets to distribute renewable gases without the need to change the existing facilities.

- ✓ The launch and approval by SPRI of a new strategic HAZITEK project, called H2BIDEA, which focuses on distributing 100% hydrogen to the industrial segment in so-called hydrogen valleys.
- ✓ The launch and approval by SPRI of a new competitive HAZITEK project called H2EAT, which focuses on using hydrogen in the aluminium industry. The project's aim is to validate and mainstream an analysis tool that can compare theoretical study with process reality in the different hydrogen operation modes.
- ✓ Completion of the second year of the H2INTEGRA project, which has seen the selection of the polymeric membranes that are part of the study, their manufacture and the first round of tests.
- ✓ Work continues on the European IS4H2C project, working on sustainable and circular decarbonisation solutions in different fields in the greater Bilbao area.

Similarly, an active presence is maintained in cutting-edge innovation forums in which Nortegas participates:

- ✓ Active participation in the EHEC 2024 fair held in BILBAO: 4 conferences were given on Nortegas projects and we hosted one of the hydrogen infrastructure visits in the Basque Country with a tour of the H2SAREA project.
- ✓ Participation in working groups for the READY4H2 project, where the aim is to combine hydrogen experiences at European gas distribution companies.
- ✓ Nortegas is a board member of the Alternative Energy Cooperative Investigation Centre Foundation "CIC energiGUNE".
- ✓ Within the SEDIGAS field, meetings of the THINK TANK working groups on hydrogen infrastructure and hydrogen uses.
- ✓ Nortegas is a member of UNE and actively takes part in several working groups: CTN- 60, where work continues in 2024 to systematically review Standard UNE 60.250 on "Storage facilities with liquefied petroleum gases (LPG) in fixed tanks for consumption in gas installation pipework"; CTN GET-25, which is a working group developing technical specifications for renewable energy certificates of origin; and CTN-181, which is a working group on hydrogen technologies.

9. Environment, social and governance

Nortegas' sustainability strategy is aimed at taking advantage of energy transition opportunities from the core business whilst maintaining service excellence and financial strength.

The role of the company's sustainability team is to ensure that all departments are aligned with the objective of generating long-term positive impact, bringing the expectations of all our stakeholders into the decision-making process.

At Nortegas, sustainability is a cornerstone of our business model and fully integrated into the decision-making process.

Due to this approach to corporate culture, Nortegas has become an organisation of people with a strong commitment to energy transition and social impact, with operational excellence and efficiency at the very heart of the business.

The most relevant environmental events are as follows:

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- ✓ For the third year running, Nortegas' carbon footprint has been successfully verified and registered at Spain's office for climate change.
- ✓ 13% decrease in direct greenhouse gas emissions compared to 2023 and a decrease of around 47% compared to average emissions between 2018 and 2020, due to leakage control.
- ✓ The first integrated audit of the quality, environment and occupational health and safety management systems, in accordance with ISO 9001 and 45001 and IS 45001, respectively, has been successfully performed. The scope of the certification covers the activities of natural gas distribution and the distribution and supply of LPG and LNG.

From a social perspective, many diversity- and volunteer-related initiatives have been undertaken in 2024. At Nortegas, corporate volunteering is a key driver in helping to build more diverse and inclusive organisations, encouraging initiatives that enable us to broaden our perspective and also learn from other cultures and situations, developing empathy.

In 2024, Nortegas was involved in 15 voluntary initiatives as part of its corporate "ImplicAccion" volunteering programme. 123 volunteers took part in these initiatives, donating 179 hours of their time and providing direct support to over 600 beneficiaries.

200 employees have received a total of 300 training hours on diversity, equity and inclusion: Cultural awareness, bias and the LGTBIQ+ movement.

From an occupational health and safety standpoint, we ensure the safety of processes and solutions, both for Nortegas' operations and for our stakeholders, with a focus on occupational health and safety and prevention, but with the capabilities and protocols needed to respond effectively if necessary. Key aspects of health and safety management in 2024 are as follows:

- ✓ The implementation of participative occupational health and safety management tools. The aim is to make improvements based on the experience of employees.
- ✓ The implementation of actions arising from the 2023 psychosocial risk assessment.
- ✓ Renewal of the ISO 45001:2018 certificate.

The 2022-2025 Strategic Sustainability Plan is based on the company's materiality analysis and Nortegas' business objectives. Targets are set with measurable objectives that aim to improve the company's sustainable performance and to improve the quality of non-financial information and the processes used to extract it.

Details of the 2024 objectives review are as follows:

Target	KPI	2024 result
Safety of our stakeholders	Frequency and severity indices (in-house employees)	0
Information security	Cybersecurity breaches	0
Supply quality	TCR index	1.14
Talent development	Training hours per employee	27
Diversity, equality and inclusion	Percentage of women in leadership roles	40%
Ethics and compliance culture	Percentage of employees trained in compliance and ethics	100% (*)
Customer-focussed	Satisfaction with service provided	8 (**)
Emissions control and reduction	Reduction of scope 1+2 emissions	47% (***)

(*) Percentage of employees (members of the board of directors, management committee and line managers) who have received training in line with the annual training plan.

(**) Questionnaires completed by sales workers every 3 years

(***) Provisional data. Pre-verification of the footprint in February and publication of the final data in June 2025.

10. Outlook

The Company's outlook is based on the following pillars:

- ✓ Continue to invest in the construction of new distribution networks and in the saturation of existing networks.
- ✓ Adapt and develop the company's infrastructures to be used with renewable gases, essentially biomethane and hydrogen.
- ✓ Consolidate new business areas that allow progress to be made on the path to decarbonisation through the use of renewable gases and the transformation to natural gas of energy infrastructures that use fuels with higher pollution levels than natural gas.
- ✓ Continue developing increasingly more demanding health, safety and environmental standards.
- ✓ Continuous improvement of quality and security of supply. Develop an efficient operational system entailing a high level of accountability and based on excellence in terms of operations, inspection and maintenance.
- ✓ Anticipate risks and efficiently manage regulatory requirements, which are essential given the nature of the business.
- ✓ Continue developing LPG activities throughout the entire network, maximising asset value and customer relationships.
- ✓ Continue developing and meeting the Company's sustainability objectives, generating a positive social and environmental impact on the communities where it operates.
- ✓ Continue investing in R&D+I to guarantee a sustainable future for the company in the long-term and to strengthen its role in the energy transition.

11. Events after the reporting date

Since 31 December 2024, no additional significant events have taken place other than those disclosed in Note 35.



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Independent auditor's report

To the Shareholders of
Nature Investments S.à r.l.
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Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Nature Investments S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.

- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

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Société anonyme
Cabinet de révision agréé



Luis Chamorro Cadarso

Luxembourg, 10 April 2025

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Consolidated statement of financial position as at 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

Assets	Note(s)	31 December 2024	31 December 2023
Property, plant and equipment	5	857,640	890,280
Intangible assets	6	1,346,489	1,371,529
Goodwill	6	47,576	47,528
Deferred tax assets	11	25	39
Investments in equity accounted associates	7	1,328	1,314
Other non-current financial assets	9, 10	11,040	5,095
Operating leases and rights of use assets	8	2,247	2,949
Derivative financial instruments		-	431
Total non-current assets		2,266,345	2,319,165
Cash and cash equivalents	9, 14	113,614	70,564
Trade and other receivables	9, 12	28,146	32,740
Inventories		6,248	6,871
Other current assets	13	2,629	2,515
Other current financial assets	9, 10	1,821	1,008
Derivative financial instruments		-	123
Income tax asset	11	635	3
Total current assets		153,093	113,824
Total assets		2,419,438	2,432,989
Equity and Liabilities			
Equity	15		
Share capital		648	648
Other reserves		49,352	48,035
Profit / (loss) brought forward		12,417	20,632
Profit / (loss) for the year		(22,564)	(8,215)
Equity Attributable to the Owners of the Company		39,853	61,100
Non-controlling interests		54	77
Total equity		39,907	61,177
Liabilities			
Financial liabilities from bond issue	16, 17	1,187,125	1,186,344
Payable to shareholders	16, 18	718,793	722,759
Bank borrowings	16, 19	133,878	133,255
Provisions for risks and expenses	22	5,639	4,222
Deferred income	24	21,532	18,813
Other financial liabilities	16	1,973	1,121
Deferred tax liabilities	11	232,913	237,859
Derivative financial instruments	16	864	-
Lease liability	16	1,740	2,317
Total non-current liabilities		2,304,457	2,306,690
Provisions for risks and expenses	22	6,082	-
Trade and other payables	16, 20	17,169	15,210
Payable to shareholders	16, 18	39,031	34,728
Current income tax liabilities	11	65	2,157
Financial liabilities from bond issue	16, 17	8,005	7,958
Lease liability	16	762	803
Other financial liabilities	16	334	871
Other current liabilities	25	3,626	3,395
Total current liabilities		75,074	65,122
Total liabilities		2,379,531	2,371,812
Total equity and liabilities		2,419,438	2,432,989

The accompanying notes form an integral part of these consolidated financial statements.

Nature Investments SARL

Consolidated statement of comprehensive income for the year ended 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

	Note(s)	2024	2023
Revenue	26	208,048	208,062
Other income		957	3,253
Capitalized production costs		8,135	7,320
Personnel expenses	28	(33,004)	(24,396)
Supplies	27	(29,442)	(27,493)
Change in trade receivables and contract assets		108	(31)
Other expenses	29	(29,284)	(21,517)
Operating profit before amortization and depreciation		125,518	145,198
Amortization and depreciation	5,6 & 8	(85,395)	(85,102)
Operating profit		40,123	60,096
Finance income		3,109	1,262
Finance expenses	30	(68,411)	(68,723)
Share of profits of equity-accounted investees	7	118	130
Income / (loss) from continuing operations before tax		(25,061)	(7,235)
Income tax expense	11	2,473	(997)
Loss for the year		(22,588)	(8,232)
Attributable to:			
Owners of the Company		(22,564)	(8,215)
Non-controlling interest		(24)	(17)
Other comprehensive income items		(1,419)	(4,922)
Total comprehensive income / (loss) for the year		(24,007)	(13,154)
Loss for the year attributable to owners of the Company		(23,983)	(13,137)
Loss for the year attributable to non-controlling interests		(24)	(17)

The accompanying notes form an integral part of these consolidated financial statements.

Nature Investments SARL

Consolidated statement of changes in equity as at 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

	Share capital	Other reserves	Retained earnings	Non- controlling interest	Total equity
Balance on 31 December 2022	648	42,957	20,632	-	64,237
Repayments during the year (note 15)	-	-	-	-	-
Contribution with issue of shares	-	-	-	94	94
Contribution without issue of shares	-	10,000	-	-	10,000
Adjustment to other reserves	-	(4,922)	-	-	(4,922)
Total transactions with owners	-	5,078	-	94	5,172
Loss for the year	-	-	(8,215)	(17)	(8,232)
Total comprehensive income for the year	-	-	(8,215)	(17)	(8,232)
Balance on 31 December 2023	648	48,035	12,417	77	61,177
Repayments during the year (note 15)	-	(7,355)	-	-	(7,355)
Contribution with issue of shares	-	-	-	-	-
Contribution without issue of shares	-	10,000	-	-	10,000
Adjustment to other reserves	-	(1,328)	-	1	(1,327)
Total transactions with owners	-	1,317	-	1	1,318
Loss for the year	-	-	(22,564)	(24)	(22,588)
Total comprehensive income for the year	-	-	(22,564)	(24)	(22,588)
Balance on 31 December 2024	648	49,352	(10,147)	54	39,907

The accompanying notes form an integral part of these consolidated financial statements.

Nature Investments SARL

Consolidated statement of cash flows for the year ended 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

	Note(s)	2024	2023
Cash generated from operating activities			
(Loss)/ Income from continuing operations before tax		(25,061)	(7,235)
Adjustments for:			
Amortisation and depreciation	5, 6	85,395	85,102
Impairment		(108)	31
Change in provisions	22	7,498	16
Grants recognised in the income statement		(652)	(528)
Finance income		(3,109)	(1,262)
Finance expenses		68,411	68,723
Share of profit of equity-accounted investees		(118)	(130)
Other income and costs		-	(120)
		157,317	151,832
Changes in:			
Inventories		623	1,540
Trade and other receivables		4,286	(8,002)
Other current assets		(223)	1,156
Trade and other payables		439	(6,716)
Other current liabilities		(421)	(2,413)
Other non-current assets and liabilities		-	(535)
Interest paid		(59,738)	(65,330)
Dividend received		82	92
Interest received		93	-
Income tax paid		(3,235)	(7,388)
Other amounts paid		-	(323)
Net cash flow from operating activities		74,162	56,678
Cash flows from investing activities			
Acquisition of intangible assets	6	(2,616)	(1,680)
Acquisition of property, plant and equipment	5	(23,721)	(24,829)
Business combinations		(51)	-
Other financial assets		(8,112)	(3,168)
		(34,500)	(29,677)
Proceeds from sale of investments			
Sale of Group companies and associated		188	-
Sale of property, plant and equipment		104	24
		292	24
Net cash used in investing activities		(34,208)	(29,653)
Cash flows from financing activities			
Proceeds from issue of equity instruments	15	10,000	-
Other shareholder contributions		10,000	-
Proceeds from and payments for financial liability instruments		299	2,219
Issue of Proceeds from term facility	18	1,042	-
Issue of Grants, donations and bequests received		4,176	3,214
Repayment of bridge loan and other financial debt		(148)	(134)
Repayment of group companies and associates		(3,966)	-
Payment of lease liabilities		(805)	(861)
Dividends and interest on other equity instruments paid		(7,355)	-
Distribution of share premium	15	(7,355)	-
Proceeds from transactions with non-controlling interests		152	-
Net cash from (used in) financing activities		3,096	2,219
Net increase in cash and cash equivalents		43,050	29,244
Cash and cash equivalents at beginning of the year		70,564	41,320
Cash and cash equivalents at end of the year		113,614	70,564

The accompanying notes form an integral part of these consolidated financial statements

Nature Investments SARL

Notes to the consolidated financial statements for the year ended 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

1. Nature, Activities and Composition of the Group

Nature Investments SARL (the "Company" or the "Group" if taken together with its subsidiaries) was incorporated in Luxembourg on 10 March 2017 as a *société à responsabilité limitée* ("S.à r.l.") for an unlimited period of time. The Company is governed by the law of 10 August 1915 on commercial companies as amended. The Company is registered with the "Registre de Commerce et des Sociétés" in Luxembourg under the number B213384.

As on 31 December 2024, the Company has its registered address at 15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411 Luxembourg. The Company changed its registered office from 9, rue de bitbourg, L-1273 Luxembourg to the new one effective 29th November 2022.

The object of the Company is the acquisition, holding and disposal of interests in Luxembourg and/or in foreign companies and undertakings, as well as the administration, development and management of such interests.

The Company may provide loans and financing in any other kind or form, or grant guarantees or security in any other kind or form, for the benefit of the companies and undertakings forming part of the group of which the Company is a member.

The Company may also invest in real estate, in intellectual property rights or any other movable or immovable assets in any kind or form.

The Company may borrow in any kind or form and issue bonds, notes or any other debt instruments as well as warrants or other share subscription rights.

In a general fashion, the Company may carry out any commercial, industrial or financial operation, which it may deem useful in the accomplishment and development of its object.

The Company was formed by an international consortium of infrastructure investors (the "Consortium") in order to acquire Nortegas Energía Distribución, S.A.U. (formerly Naturgas Energía Distribución, S.A.U. and hereinafter "Nortegas"). For this purpose the Company incorporated Nortegas Energía Grupo, S.L.U (formerly Naturned Gas S.L.U. and hereinafter "NEG") and NEG also incorporated Nature Gasned XXI, S.L.U. ("Nature Gasned") on 31 March 2017 in Spain.

On 27 July 2017, the Consortium, through Nature Gasned, formalised the purchase of Nortegas from the EDP group, acquiring 100% of its distribution business of natural gas and liquefied petroleum gas ("LPG") in Spain. Thereafter a reverse merger was carried out between Nortegas and Nature Gasned following the liquidation of Nature Gasned.

Nortegas is the main gas distributor in northern Spain and second in Spain. It has more than one million connection points and 8,551 kilometers (2023: 8,509 kilometers) of gas pipelines distributed between the Basque Country, Asturias and Cantabria.

On 16 April 2019, the Company incorporated Nature Investments Holding I S.à r.l. ("Nature Holding I") and the latter also incorporated Nature Investments Holding II S.à r.l. ("Nature Holding II") in Luxembourg.

On 9 May 2019 the Company, approved the transfer, en bloc and by universal succession, of the assets and liabilities relating to its gas distribution business represented by wholly owned subsidiary NEG. Accordingly, the shareholdings in NEG, were transferred en bloc to Nature Holding I and thereafter from Nature Holding I to Nature Holding II, effective for accounting purposes on 1 January 2019.

As a result, Nortegas is the second largest gas distributor in Spain and the primary distributor in the north of the country. The Group employees 245 (2023: 253) professionals as on 31 December 2024 and its corporate headquarters is in Bilbao, Spain.

The principal activities of the Group are as follows:

- The distribution of natural gas, including the construction, operation and maintenance of distribution facilities used to transmit natural gas from the transmission networks to consumption points.
- The construction, maintenance and operation of secondary transmission network facilities for natural gas, in order to facilitate the transmission of natural gas to distribution networks or to end consumers, where appropriate.
- The provision of services considered to be ancillary to supplies, to natural gas suppliers and end users.
- The acquisition, import, storage, bottling, all manner of industrial handling, transport, distribution and supply of liquefied petroleum gas, and the acquisition, manufacture, distribution and supply of all machinery and equipment required to conduct this activity, and the provision of technical assistance.

Nature Investments SARL

Notes to the consolidated financial statements for the year ended 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

- The production, acquisition, intra-EU exchange, import and export of liquefied petroleum gas and light hydrocarbons obtained from oil, natural gas and the storage, mixture, bottling and transportation of liquefied petroleum gas and light hydrocarbons obtained from oil, natural gas or biogas.
- The wholesale and retail sale of liquefied petroleum gas, natural gas and biogas, and the supply thereof, bottled or in bulk, including via tanker and the promotion, installation, maintenance and review of facilities required to conduct the above activities, including the construction, modification, operation and closure of LPG bulk storage and distribution facilities, and the pipelines required to supply end consumers from the aforementioned storage facilities.

The Group conducts its activity under the terms and within the scope provided for in the Hydrocarbon Industry Law and related implementing legislation and pursuant to the legislation issued by the autonomous regional governments in accordance with their powers. If, in order to engage in its activity, the Group would be required to provide prior authorizations or to meet any requirements, legal, technical or economic financial conditions or special training requirements, Nortegas would do so before carrying out its activity.

Regulatory framework

Details of the basic regulatory framework for the industry applicable to the Group at 31 December 2024 are as follows:

Hydrocarbon Industry Law 34/1998 of 7 October 1998, amended by Law 12/2007 and by Royal Decree-Law 13/2012, by law 18/2014 and by Law 8/2015, introducing mechanisms to foster competition within the sector and defining a new natural gas market model. This law implements the main system definitions as regards the parties that participate therein and organises the gas system, distinguishing between regulated activities (regasification, transmission, storage and distribution) and unregulated activities (supply and other services). Lastly, this law defines the rights and obligations of the parties that operate in the natural gas market and regulates the distribution of liquefied petroleum gases.

Natural gas

In accordance with the above framework, the following principles are established:

a) Gradual liberalisation of the natural gas system:

This law provides for the liberalisation of gas supply activities, gradually enabling different types of customers to select their supplier. Since 1 January 2003, different types of customers have been able to freely select their supplier. The schedule for implementing the last resort supply commenced on 1 July 2008, leading to the elimination of the tariff-based supplies from gas distributors in place up until this point.

Royal Decree 949/2001 of 3 August 2001 regulates third-party access to gas facilities and sets out an integrated economic system for the natural gas sector. This Royal Decree also sets out the model for calculating natural gas tariffs and the payments and fees charged for third-party use of the gas network. Subsequently, Royal Decree 984/2015 of 30 October 2015, in addition to creating the organised gas market, introduces amendments to the regime governing the access of third parties to gas facilities, establishes a centralised system of guarantees and modifies the regime associated with periodic inspections.

Following approval by the Delegate Commission on Economic Affairs, the Ministry for Ecological Transition and Demographic Challenge set the new prices for last resort tariffs and the tolls and charges for basic third-party access services. The entitlement of direct market consumers and suppliers to use the basic grid and transmission and distribution facilities was also established, and a single nationwide toll was set for the use of these networks.

Royal Decree 1434/2002 of 27 December 2002, implementing the Hydrocarbon Industry Law, regulates transmission, distribution, sale and supply activities and the authorisation procedures for gas facilities.

With respect to distributors, Order ECO/301/2002 set out the remuneration for distribution activities for the first time, to be determined as of that date on the basis of an annual revision, taking into account increases in the points of supply, the volume of gas transmitted and price fluctuations. Publication of Royal Decree-Law 8/2014 and Law 18/2014 brought about changes to the remuneration model applicable to distributors for the regulatory period July 2014 to December 2020, although the annual revision of remuneration will continue to be determined by reference to changes in demand.

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Notes to the consolidated financial statements for the year ended 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

In January 2019, Royal Decree-Law 1/2019 of 11 January was published on urgent measures to adapt the powers of the Spanish National Markets and Competition Commission (CNMC) to the requirements arising from Community law, which stipulates that the regulators of domestic natural gas and electricity markets be fully independent. Specifically, the regulation redistributes competences, whereby the CNMC is assigned, with regards the gas sector, the approval of the structure, methodology and the specific toll values granting access to the transmission and distribution networks, and to liquefied natural gas plants. Similarly, the Commission will approve the methodology and remuneration values for gas transmission and distribution activities and liquefied natural gas plants. It will also be in charge of remuneration for the gas system's technical management. Likewise, it shall be responsible for the methodology and conditions for access and connection to the natural gas transmission and distribution networks. These powers will be enacted through the issuing of Circulars and Resolutions.

Within the scope of its new regulatory powers, when preparing these Circulars on remuneration for regulated activities and the toll and charge for access to gas facility calculation, the CNMC must take into account the strategic priorities set out by the government, which were approved by Order TEC/406/2019 of 5 April, establishing the energy policy guidelines for the Spanish National Markets and Competition Commission when preparing Circulars and which cover issues such as supply security, the economic and financial sustainability of the gas system, the fight against climate change, etc.

With regard to remuneration, the Royal Decree-Law stipulates that the CNMC must approve, before 1 January 2020, the Circular containing the methodology for calculating remuneration for natural gas distribution for the 2021-2026 regulatory period. Circular 4/2020 by the National Markets and Competition Commission, establishing the remuneration methodology for natural gas distribution, was published in the Official State Gazette (BOE) on 3 April 2020. The approved methodology is in line with the remuneration framework in force in 2020, maintaining the current activity model (remuneration based on the number of supply points and structured demand), but it introduces an adjustment to the remuneration base. This adjustment reviews the remuneration unit values applicable to distributors' activity in 2000, keeping sufficient incentives to guarantee the operation and maintenance of distribution networks. The overall adjustment for the entire gas distribution sector in Spain is €239 million at the end of the 2026 regulatory period.

Another development introduced through the Circular is the change in remuneration period from the calendar year to the gas year, which runs from 1 October one year to 30 September the following year. In this respect and as explained below, in 2024 the CNMC published various resolutions recognising remuneration for the 2022 to 2025 gas years.

In reference to the toll and charge methodology dated 25 July 2020 published in the Official State Gazette (BOE), Circular 6/2020 of 22 July by the Spanish National Markets and Competition Commission establishing the methodology for calculating natural gas transmission tolls, local networks and regasification, shall be applicable in full as of 1 October 2021. Distribution and transmission tolls are subdivided into transmission network input tolls, transmission network output tolls and local network tolls (non-transmission trunk networks). These tolls will be differentiated by consumption level only and will be published before the start of each gas year (1 October). In addition to the remuneration, the CNMC also changed the reference periods for tolls from the calendar year to the gas year. Thus, the Resolution of the Spanish National Markets and Competition Commission of 22 September 2020 establishes the tolls for accessing transmission networks, local networks and regasification from October 2020 to September 2021, as per the methodology prior to Circular 6/2020.

In 2024, the Resolution of the Spanish National Markets and Competition Commission of 23 May 2024 was approved, establishing access tolls to transmission networks, local networks and regasification for the 2025 gas year. In 2023, the Resolution of the Spanish National Markets and Competition Commission of 30 May 2023 was approved, establishing access tolls to transmission networks, local networks and regasification for the 2024 gas year.

b) Settlements of regulated activities - gas sector:

As a result of the entry into force of Spanish Hydrocarbon Industry Law 34/1998 and the corresponding implementing provisions, inter-company settlements have arisen since 2002. These settlements are performed by the Spanish National Markets and Competition Commission (CNMC) and give rise to receipts and payments between companies in the sector in order to redistribute the proceeds obtained from access tolls and charges, so that each company receives the remuneration effectively allocated to it for regulated activities. These settlements are currently being carried out by the CNMC, although the responsibility for this process has returned to the Ministry.

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Notes to the consolidated financial statements for the year ended 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

Order ECO/2692/2002 of 28 October 2002 defines the settlement procedures for the payment obligations and rights to receivables necessary to remunerate natural gas regasification, transmission, storage and distribution activities and the pertinent, specifically allocated payments and charges, and defines a system for reporting on natural gas billing and use.

Order TED/1022/2021 of 27 September, regulating the procedures for the settlement of remuneration for regulated activities, charges and payments for specific purposes in the gas system, fully revises the gas system settlement process. In the new framework, a single settlement system has been replaced by a system for each regulated activity (storage, regasification, transmission and distribution) and another system for other system costs (MIBGAS, payment of outstanding balance of deficits, etc.).

c) Financing of the sector deficit:

Law 18/2014 establishes the treatment of the gas sector tariff deficit, i.e. financing the deficit between the income and costs of the gas system each year.

Thus, the Law determines that the amount of accumulated deficit at 31 December 2014 will be determined in the final 2014 settlement (settlement 15), and the regulated parties are entitled to recover the annual amounts corresponding to this accumulated deficit in the settlements for the following 15 years, recognising interest at market rates. Deficits subsequent to 2014 will be settled in the 5 following annual amounts, and will also recognise interest at market rates. The deficit recognised, the corresponding annual amount and the interest rate applied must be approved by the Ministry of Ecological Transition and Demographic Challenge.

The toll invoicing system and the settlement and funding of company deficits change dramatically with the entry into force of Circular 6/2020 of 22 July by the Spanish National Markets and Competition Commission, establishing the methodology for calculating natural gas regasification, local network and transmission tolls, and Order TED/1022/2021 of 27 September, regulating remuneration procedures for regulated activities, charges and payments for specific purposes in the gas system and reviewing the methodology for tolls and remuneration and deficit funding procedures. In light of these changes, since 1 October 2021 distributors have moved from billing for a single item to charging for different services (transmission output, local network, other regasification costs, GTS payment, CNMC fee and charges). In addition, as explained above, the settlement system is also split into several blocks. The system for managing deficits and surpluses is also different from block to block. Deficits and surpluses in the settlement systems for transmission activities, local networks (which includes regional and secondary transmission and distribution), regasification and storage facilities will now be settled in the following year. The payment system remains unchanged from before, with the option of repaying deficits over five years and using surpluses to repay prior years' deficits early.

The new settlement system is divided into different activities and distribution is included in the local network system. In terms of the local network system, the final settlement for the 2023 gas year, approved in 2024, shows a deficit of €62.2 million. Of this amount, €3.8 million correspond to Nortegas Energía Distribución, S.A.U. and €2.6 million to NED España Distribución, S.A.U.

d) Correct functioning of the system guaranteed through the following measures:

Enagás GTS, S.A.U. carries out technical management activities for the system, for which it receives remuneration. As the entity responsible for the technical management of the basic grid and secondary transmission networks, Enagás GTS, S.A.U. must guarantee the continuity and security of natural gas supplies and the correct coordination between access points, storage facilities and transmission facilities under criteria of non-discrimination.

e) Unbundling of activities:

Activities pertaining to the supply of natural gas by pipeline are conducted by transmission agents, distributors and suppliers. Regasification, strategic storage, transmission and distribution are regulated activities, whilst supply activities are carried out freely and the corresponding economic regime is determined on the basis of the terms and conditions agreed between the parties.

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Notes to the consolidated financial statements for the year ended 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

Trading companies that carry out any of the regulated activities described in the preceding paragraph should have this activity as their sole statutory activity and may not, therefore, carry out any supply activities. Similarly, companies engaged in the supply of natural gas should have this activity as their sole statutory activity and may not carry out any regulated activities.

Natural gas companies that conduct more than one of the regulated activities described above must maintain separate accounts for each of these activities in their internal accounting records, exactly as would be required if these activities were conducted by different companies. Furthermore, the Law defines a number of mandatory unbundling requirements applicable to companies that carry out regulatory activities and belong to a corporate group that also includes companies that carry out supply activities.

LPG - Liquefied Petroleum Gas

The Hydrocarbon Law implements the main system definitions regarding the parties involved and organises the activities related to the supply of liquefied petroleum gases (hereinafter LPG), distinguishing between wholesale and retail supply.

Subsequently, Law 8/2015 of 21 May 2015, which amends Hydrocarbon Industry Law 34/1998 of 7 October 1998 and regulates certain tax and non-tax related measures related to exploration, research and operations in the field of hydrocarbons, introduced profound changes into the general framework for the activity. It explicitly defined bulk supply and stipulated that the provisions for the supply of gaseous fuels through mains would also apply to the bulk supply of piped LPG, as long as there were no regulatory developments in this respect.

Royal Decree 1085/1992 of 11 September 1992, which in turn approved the regulation governing the distribution of liquefied petroleum gases, in implementation of Law 15/1992 of 5 June 1992 on urgent measures for the progressive adaptation of the oil sector to the community framework, included the main details for conducting the retail LPG supply activity, i.e. the sale to end consumers or users. It implements, among others, the requirements for parties to carry out the activity, aspects related to the facilities, details on supply and contracting, and the regime governing tariffs. This Royal Decree was subsequently amended by Royal Decree 197/2010 of 26 February 2010 adapting certain provisions relating to the hydrocarbon industry to the provisions of Law 25/2009 of 22 December 2009, which amended various laws to adapt them to the Law on unrestricted access to service activities and the provision thereof, for purposes of compliance with Law 34/1998.

a) Definition of the LPG supply sector:

Liquefied petroleum gases are defined as light hydrocarbon fractions, mainly propane and butane, which are obtained during the extraction of crude oil or natural gas or during refining of petroleum products.

The activities related to the supply of LPG are as follows: production, acquisition, intra-EU exchange, import and export; storage, mixing and packaging; transportation; wholesale supply; retail supply; installation, maintenance and review of the facilities related to the supply of LPG.

One of the methods by which LPG can be supplied is in bulk. This includes the distribution and/or supply of LPG through mains, the latter being understood as the distribution and supply of LPG from one or more mains tanks which are used to supply users with piped LPG supply contracts with a distribution company.

Wholesale supply is defined as that which does not involve the supply to an end consumer or user.

Retail supply is defined as the sale to end consumers or users.

b) Requirements and conditions for carrying out the retail distribution of LPG

Article 46 of Hydrocarbon Industry Law 34/1998 defines the role of retail distributor of bulk liquefied petroleum gases. It establishes the requirements for obtaining authorisation to carry out this activity as follows: to have the legal, technical and financial capacity and to comply with the technical and safety conditions established by law at its facilities.

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Notes to the consolidated financial statements for the year ended 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

In the absence of a regulation to implement article 46, the second transitional provision of Law 34/1998 is applicable. This provision maintains the validity of the regulations applicable to the matters governed by Law 34/1998 until new ones are introduced. In this case, the prevailing regulation is the aforementioned regulation governing the distribution of liquefied petroleum gases (Royal Decree 1085/1992, Official State Gazette of 9 October 1992). Although it does not define the same roles, it stands to reason that the retail distributor of bulk liquefied petroleum gases must fulfil the same conditions as the LPG supply company.

Under this regulation, the requirements for carrying out the activity are:

1. To possess the financial capacity to do so.
2. To possess the technical capacity to do so.
3. To have a guaranteed source of supply.
4. To have a means of storage.
5. To keep minimum security stocks, equivalent to thirty days' total sales, or to acquire LPG through a wholesale operator.

c) Economic regime

With regard to the economic regime governing piped LPG, the current wording of article 94 of Law 34/1998 stipulates that the Ministry may make the provisions required to establish the sales prices of piped LPG for end consumers, and the consumer transfer tariffs for distributors of piped gaseous fuels. The difference between both prices provides the supplier's margin on the activity of supplying end customers. This margin carries a fixed amount per consumer and a variable amount based on consumption.

The source of the current economic framework is the Order dated 31 July 1997 establishing the system of maximum sales prices before tax for liquefied petroleum gases (BOE of 1 August 1997). This Order has been the subject of successive revisions and updates:

- Order of 16 July 1998, updating the selling costs of the system for the automatic establishment of maximum pre-tax sales prices of liquefied petroleum gases, and liberalising certain supplies.
- Order ITC/3292/2008 of 14 November 2008, amending the system for the automatic determination of pre-tax sales tariffs of piped liquefied petroleum gases.
- Order IET/389/2015 of 5 March 2015, updating the system for the automatic determination of maximum pre-tax sales prices of bottled liquefied petroleum gases and amending the system for the automatic determination of pre-tax sales tariffs for piped liquefied petroleum gases.

The maximum price of piped liquefied petroleum gas (LPG) is established in the Resolution issued by the Directorate-General for Energy Policy and Mining, in accordance with the aforementioned regulations. Among these resolutions, which may be monthly, the July review each year is particularly important as it determines the sales margin of the activity. The 9 July 2024 Resolution of the Directorate-General for Energy Policy and Mining is notable in 2024, because it establishes the new pre-tax sales tariffs for piped liquefied petroleum gases.

Nature Investments SARL

Notes to the consolidated financial statements for the year ended 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

2. Basis of presentation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") as well as the interpretations issued by the IFRS Interpretations Committee ("IFRIC") applicable to companies reporting under IFRS, and in accordance with Luxembourg laws and regulations.

The consolidated financial statements have been prepared under the historical cost convention except for derivative financial instruments, which are carried at fair value through equity.

These consolidated financial statements have been prepared under the responsibility of management and were authorised for issuance on 10 April 2025 by the Board of Managers of the Company.

a) Going concern

Management has considered the Group's ability to continue as a going concern in the foreseeable future. It is established that the Group's subsidiaries have sufficient equity and liquidity. The third-party financing obtained by the Group in 2022, refinancing the 2019 HoldCo Debt facility of €135m, highlights the financial stability of the Group as well as the maturity of its business which provides predictable cash flows in a stable regulatory environment. On 21 January 2021, the Group issued bonds within the framework of the Euro Medium Term Note Programme (EMTN) and these obtained the S&P rating of BBB-. As of November 28, 2024, S&P confirmed the BBB- rating and stable outlook. This issue amounts to EUR thousand 550,000, matures on 22 January 2031 and has an annual interest rate of 0.905%. For the year ended 31 December 2024, the Group generated operating cash flows of EUR thousand 74,162 (2023: 56,678 EUR thousand) and a net working capital of EUR thousand 78,019 (2023: 48,702 EUR thousand). Furthermore, the Group is financed by both equity and shareholder loans.

As a result, management adopted the going concern basis in preparing these consolidated financial statements.

These consolidated financial statements have been prepared on a going concern basis.

b) Comparative information

In accordance with IAS 1, for comparison purposes the information contained in these notes to the consolidated financial statements for 2024 is presented alongside similar information for 2023.

c) Significant accounting estimates and key assumptions and judgements when applying accounting policies

Relevant accounting estimates and judgements and other estimates and assumptions have to be made when applying the Group's accounting principles to prepare the consolidated financial statements in line with IFRS-EU. A summary of the items requiring a greater degree of judgement or which are more complex, or where the assumptions and estimates made are significant to the preparation of the consolidated financial statements is as follows:

- *Impairment of non-current assets (see Note 3.h and 6)*

As described in notes 3.h and 6, in accordance with applicable accounting regulations, the Group performs annual impairment tests of its cash generating units. It carries out specific tests in the event it detects indications of impairment. These impairment tests imply an estimation of the future evolution of the businesses and of the most appropriate discount rates used in each case. The Group believes that its estimates in this regard are adequate and consistent with the current economic situation and that they reflect its investment plans and the best available estimate of its future income and expenses, and considers that its discount rates adequately reflect the risks corresponding to each cash generating unit.

- *Useful life of property, plant and equipment and intangible assets (see Notes 5 and 6)*

The Management of the Group has determined the estimated useful lives and corresponding depreciation and amortisation for its property, plant and equipment and intangible assets. This estimate is based on the expected duration of each of the Group's property, plant and equipment and intangible assets and the forecast life cycles of the products it sells. The Management of the Group will modify the depreciation charges for these items when the useful lives are considered to differ from the lives previously estimated and will depreciate or derecognise technically obsolete or non-strategic assets that have been abandoned or sold.

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- *Income tax (see Note 11)*

Due to the legal status of the tax regulation applicable to the Group companies, certain calculations are estimates and the ultimate quantification of the tax is uncertain. Tax is calculated based on Management's best estimates according to the current status of the tax legislation and taking into account its foreseeable evolution.

When the ultimate taxable income amount is different to the amounts initially recorded, the effect of these differences is recognised in income tax in the year in which they are determined.

- *Provisions for risks and expenses (see Note 22)*

Despite the fact that these estimates have been made based on the best information available at the close of the year ended 31 December 2024, it is possible that events may take place in the future which will require them to be changed (upwards or downwards) in future years, which would be done on a prospective basis.

- *Settlement of regulated activities (see Note 1.1b)*

At the end of each period, the Group estimates the final settlement for the regulated activities carried out in Spain in that period, determining, where appropriate, the corresponding revenue deficit, as well as the amount that will be subject to future recovery in accordance with the pronouncements of the authorities in this regard and the periods in which said recovery will take place (Note 1).

The estimates include the provisional settlements published up to the date of authorisation of the annual accounts, as well as all available sector information.

- First-time application of accounting standards

The accounting policies used in the preparation of these consolidated annual accounts coincide with those used for the year ended 31 December 2023, except for the following amendments adopted by the European Union on 1 January 2024 for application in Europe:

- Amendments to IAS 1: Presentation of financial statements: Classification of liabilities as current or non-current
- Amendments to IFRS 16: Lease liability in a sale and leaseback transaction.
- Amendments to IAS 7 and IFRS 7: Financing agreements with suppliers

The amendments to IAS 7 and IFRS 7 Financial Instruments clarify the details of the financing agreements with suppliers and require these agreements to be disclosed. The disclosure requirements in the amendments are aimed at helping users of financial statements understand the effects of financing agreements with suppliers on liabilities, cash flows and a company's exposure to liquidity risk. As a result of these amendments, the Group has provided additional disclosures on its financing agreement with suppliers (Note 22). The remaining mentioned regulations have had no impact in 2024 and the Group did not adopt any standards early.

Standards, amendments and interpretations issued that have not yet come into force

On the date on which these consolidated annual accounts were prepared, the following standards, amendments and interpretations had been issued, the effective date of which is subsequent to the years started as of 1 January 2024:

Standard, interpretation or amendment	Date of adoption by EU	Date of application by EU	Date of application by IASB
Amendments to IAS 21: Lack of exchangeability	13 November 2024	1 January 2025	1 January 2025
Amendments to IFRS 9 and IFRS 7: Classification and measurement of financial instruments	Pending	Pending	1 January 2026
Amendments to IFRS 9 and IFRS 7: Renewable electricity contracts	Pending	Pending	1 January 2026

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IFRS 18: Presentation and disclosure in financial statements	Pending	Pending	1 January 2027
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When preparing these consolidated annual accounts, the Group has not adopted the early application of any standard, interpretation or amendment that has been published but is not yet applicable. The Group is working to identify all impacts, if appropriate, on the consolidated financial statements and the notes thereto of the amendments.

3. Significant Accounting Policies

a) Subsidiaries

The subsidiaries that the Group holds control over are fully consolidated from the date on which control is obtained.

The Group considers that it holds control over a company when it is exposed to, or has the right to receive, variable yield as a result of its involvement in it and has the capacity to influence such yield through the power it exercises over the company. For the purposes of preparing these consolidated financial statements, a controlling interest is considered to be held in those companies in which an interest of over 50% of share capital is held and proof of control can be shown.

Results of subsidiaries acquired or disposed of during the year are taken to the consolidated income statement from the effective date of acquisition or until the effective date of disposal, as appropriate. All balances and transactions between fully consolidated companies are eliminated on consolidation.

At the date of taking control, the assets, liabilities and contingent liabilities of subsidiaries are recognised at fair value. Any excess of the cost of acquisition of the consolidated subsidiaries over the market value of these assets and liabilities is included under the heading goodwill, since these assets cannot be separately identified and measured. Any deficiency of the cost of acquisition below the market value is credited to the consolidated income statement.

When a Group company loses control of a Group company, their assets and liabilities and any minority interest that may be held are written off. The resulting gains or losses are recognised in the consolidated income statement. Shareholdings in subsidiaries for which control is no longer held are measured at fair value on the date on which control was lost. Gains or losses on purchases of minority interests in companies in which a controlling interest is held, as well as sales of shareholdings without loss of control, are charged or credited to reserves.

The subsidiaries' accounting policies have been adapted to Group accounting policies for like transactions and other events in similar circumstances.

The financial statements of the subsidiaries used in the consolidation process have been prepared as of the same date and for the same period as those of the Company.

In 2024 the Group has set up some subsidiaries (see table below) for the promotion, management and exploitation of biogas, biomethane and other energy production plants.

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The following are the entities included in the Group's scope of consolidation:

Name	Registered office	Activity	Group company directly holding the investment	% Ownership	Effective % ownership of the Company	Consolidation basis
Nature Investments Holding I S.à r.l.	Luxembourg	Holding	Nature Investments S.à r.l.	100%	100%	Fully consolidated
Nature Investments Holding II, S.à r.l.	Luxembourg	Holding	Nature Investments Holding I, S.à r.l.	100%	100%	Fully consolidated
Nortegas Energía Grupo, S.L.U.	Bilbao (Spain)	Holding	Nature Investments Holding II, S.à r.l.	100%	100%	Fully consolidated
NGES Instalaciones y Energía, S.L.U.	Asturias (Spain)	Boiler transformations and maintenance	Nortegas Green Energy Solutions, S.L.U.	100%	100%	Fully consolidated
Nortegas Green Energy Solutions, S.L.U.	Bilbao (Spain)	Engineering technical services and other activities	Nortegas Energía Grupo, S.L.U.	100%	100%	Fully consolidated
Nortegas Energía Distribución, S.A.U.	Bilbao (Spain)	Natural gas distribution	Nortegas Energía Grupo, S.L.U.	100%	100%	Fully consolidated
NED España Distribución Gas, S.A.U.	Bilbao (Spain)	Natural gas distribution	Nortegas Energía Distribución, S.A.U.	100%	100%	Fully consolidated
NED Suministro GLP, S.A.U.	Bilbao (Spain)	Distribution and sale of liquefied petroleum gas	Nortegas Energía Distribución, S.A.U.	100%	100%	Fully consolidated
Norbiogas Renovables, S.L.U. (former Berriztagas Bizkaia, S.L.U.)	Bilbao (Spain)	Provision of services and implementation of projects related to organic waste and biogas and biomethane	Nortegas Energía Grupo, S.L.U.	100%	100%	Fully consolidated
Bionorte Renovables, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Nortiben Green Energy I, S.L.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	55%	55%	Fully consolidated
Nortiben Green Energy II, S.L.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	55%	55%	Fully consolidated
Nortiben Green Energy IV, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Nortiben Green Energy V, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Nortiben Green Energy VI, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Nortiben Green Energy VII, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Nortiben Green Energy VIII, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Nortiben Green Energy IX, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Nortiben Green Energy X, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Norbiogas Biometano I, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Norbiogas Biometano II, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Norbiogas Biometano III, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Nortiben Green Energy XI, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Nortiben Green Energy XII, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Nortiben Green Energy XIII, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Nortiben Green Energy XIV, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Nortiben Green Energy XV, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Norbiogas Biometano IV, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Norbiogas Biometano V, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Norbiogas Biometano VI, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Norbiogas Biometano VII, S.L.U.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	100%	100%	Fully consolidated
Norbiogas Biometano VIII, S.L.	Bilbao (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	51%	51%	Fully consolidated
Valorizaciones Medioambientales de Bunyol, S.L.	Buñol (Spain)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	90%	90%	Fully consolidated

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b) Business combinations

The Group applies the acquisition method under IFRS 3 for business combinations.

The acquisition date is the date on which the Group obtains control of the acquiree.

The cost of the business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any consideration contingent on future events or compliance with certain conditions in exchange for control of the acquiree.

The consideration paid excludes any payments that do not form part of the consideration given in exchange for the acquiree. Acquisition costs are recognised as an expense when incurred.

The Group recognises the assets acquired, the liabilities assumed and any non-controlling interest at their acquisition-date fair value. Liabilities assumed include any contingent liabilities that represent present obligations arising from past events for which the fair value can be reliably measured. The Group also recognises indemnity assets granted by the seller at the same time and following the same measurement standards for the relevant indemnity item within the acquired business, taking into account any risk of insolvency and any contractual limitation to the indemnity amount.

With the exception of lease and insurance contracts, the assets acquired and liabilities assumed are classified and designated for subsequent measurement based on contractual agreements, economic terms, accounting and operating policies and any other conditions existing at the acquisition date.

The excess between the business combination cost, plus the value given to non-controlling interests, and the value of net assets acquired and liabilities assumed, is recognised as goodwill.

c) Associates

Associates are entities over which the Company, either directly, or indirectly through subsidiaries, exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The existence of potential voting rights that are exercisable or convertible at the end of each reporting period, including potential voting rights held by the Group or other entities, are considered when assessing whether an entity has significant influence.

Investments in associated entities are recorded using the equity accounting method from the date significant influence is exercised until the date on which the Company can no longer prove this influence exists. However, if at the date of acquisition, all or part of the investment meets the conditions for classification as non-current assets or disposable groups of elements classified as held for sale, these are recorded at their fair value, less costs of retirement or disposal. Investments in associated entities are initially recorded at cost of acquisition, including any cost directly attributable to the acquisition and any contingent asset or liability consideration that depends on future events or fulfilment of certain conditions.

The excess of the cost of the investment over the Group's share in the fair value of the identifiable net assets is recognised as goodwill which is included in the carrying amount of the investment. Once the cost of the investment is measured and the net assets of the associate are identified and measured, the deficiency is included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment was acquired.

If the investment results from the loss of control of a subsidiary that did not constitute a business, the cost of the investment is the fair value, net of the earnings written off as a result of the loss of control.

The Group's share of the profit or loss of an associate from the date of acquisition is recognised as an increase or decrease in the value of the investments, with a credit or debit to share of the profit or loss for the year of equity-accounted associates in the consolidated income statement. The Group's share of other comprehensive income of associates from the date of acquisition is recognised as an increase or decrease in investments in associates with a balancing entry, naturally, in other comprehensive income. The distribution of dividends is recognised as a decrease in the value of the

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investment. The Group's share of profit or loss, including impairment losses recognised by the associates, is calculated based on income and expenses arising from application of the acquisition method.

The Group's share of the profit or loss of an associate and changes in equity is calculated to the extent of the Group's interest in the associate at year end and does not reflect the possible exercise or conversion of potential voting rights. However, the Group's share is calculated taking into account the possible exercise of potential voting rights and other derivative financial instruments which, in substance, currently allow access to the economic benefits associated with the interests held, such as entitlement to a share in future dividends and changes in the value of associates.

The Group's share in the profit or loss of associated entities is recorded after taking into account the effect of dividends, agreed or otherwise, corresponding to cumulative preferential shares recorded in equity.

Losses of an associate attributable to the Group are limited to the extent of its net investment, except where the Group has legal or constructive obligations or when payments have been made on behalf of the associate. For the purposes of recognising impairment losses in associated entities, net investment is the result of adding the amount of any other item that substantially forms part of the investment in associates to the carrying amount resulting from applying the equity accounting method. The surplus of losses over the investment in equity instruments is applied to the remaining entries in inverse order of priority in the settlement. Profits obtained subsequently by those associates in which loss recognition was limited to the value of the investment are recorded if they exceed the previously unrecognised losses.

Unrealised gains and losses arising on transactions between the Group and its associates are only recognised insofar as they correspond to interests held by other non-related investors. This criterion is not applicable to recognition of unrealised losses constituting evidence of impairment of the asset transferred.

However, profits and losses on transactions between Group and associated companies regarding net assets that constitute a business are recognised fully.

The following are the entities included in the Group's scope of consolidation through Equity Method:

Name	Registered office	Activity	Group company directly holding the investment	% Ownership	Effective % ownership of the Company	Consolidation basis
Tolosa Gasa, S.A.	Tolosa (Guipuzcúa)	Distribution of natural gas	Nortegas Energía Distribución, S.A.U	40.00%	40.00%	Equity Method
Inkolan, A.I.E.	Bilbao (Vizcaya)	Compilation and management of all information related to the networks installed by each of its partners in the Basque Autonomous Community	Nortegas Energía Distribución, S.A.U	14.29%	14.29%	Equity Method
Biolvegas, S.L.	Olvega (Soria)	Biogas production through waste valuation	Norbiogas Renovables, S.L.U.	20.00%	20.00%	Equity Method
Norbiogas La Conchita, S.L.	Bilbao (Vizcaya)	Promotion and operation of biomethane production plants	Norbiogas Renovables, S.L.U.	50.00%	50.00%	Equity Method
Fundación Energy Intelligence Center Fundazioa	Abanto-Zierbena (Spain)	Development of an industrial technological ecosystem around the decarbonized economy	Nortegas Energía Grupo, S.L.U.	16,67%	16,67%	Equity Method

Details of equity-accounted associates are described in Note 7.

Impairment

The Group applies the impairment criteria contained in IAS 39: Financial Instruments, to determine whether it is necessary to recognise any additional impairment loss with respect to the net investment in the associate or in any other financial asset held with it as a result of applying the equity method.

Impairment is calculated by comparing the carrying amount of the investment with its recoverable amount. The recoverable amount is the higher of value in use and fair value less costs of retirement or disposal. Value in use is calculated based on the Group's share of the present value of future cash flows expected to be derived from ordinary activities and the amounts that may arise from the final disposal of the associate.

The recoverable amount of the investment in the associate is assessed in relation to each associate, except when it does not constitute a cash generating unit ("CGU").

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Impairment losses are not allocated to goodwill or other assets implicit in the investment in associates derived from application of the acquisition method. In subsequent years, reversals of impairment of investments are recognised in profit or loss to the extent of any increase in the recoverable amount.

Impairment losses are recognised separately from the Group's share of the profit or loss of an associate.

d) Functional and presentation currency

The figures disclosed in these consolidated financial statements are expressed in thousands of Euro ("EUR thousand"), the Group's functional and presentation currency, rounded off to the nearest thousand, unless otherwise stated.

e) Property, plant and equipment

Initial recognition

Property, plant and equipment are recognised at cost or deemed cost, less accumulated depreciation and any accumulated impairment losses.

Production costs are capitalised in the consolidated income statement under work carried out for the Group's own assets. Property, plant and equipment are carried at cost, less any accumulated amortization and impairment.

Subsequent costs

Subsequent to initial recognition of the asset, only the costs incurred which increase capacity or productivity or which lengthen the useful life of the asset are capitalised. The carrying amount of parts that are replaced is derecognised. Costs of day-to-day servicing are recognised in profit and loss as incurred.

Depreciation

Property, plant and equipment are depreciated by allocating the depreciable amount of the asset on a systematic basis over its useful life. The depreciable amount is the cost of an asset less its residual value.

Property, plant and equipment are depreciated using the following criteria:

	Depreciation Method	Estimated years of useful life
Buildings	Straight-line	10 - 50
Technical installations and machinery (gas distribution network)	Straight-line	30 - 35
Technical installations and machinery (regulation and metering stations)	Straight-line	15 - 30
Technical installations and machinery (LNG plants)	Straight-line	12
Other installations, equipment and furniture	Straight-line	5 - 20
Technical installations and machinery (LPG installations)	Straight-line	17.5 - 30
Other property, plant and equipment	Straight-line	4 - 10

The Group reviews residual values, useful lives and depreciation methods at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates.

Revaluations permitted by law are depreciated over the remaining useful life of the revalued assets.

Impairment

The Group measures and determines impairment to be recognised or reversed based on the criteria in Note 2.c.

f) Intangibles assets

Goodwill

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Goodwill is the excess between the consideration given, plus the value assigned to the non-controlling interests, plus the fair value of the prior participation in the acquired business, and the net amount of the assets acquired and the liabilities assumed.

The consideration given for the business combination is determined at the date of acquisition by the sum of the fair values of the assets delivered, incurred or assumed liabilities, the equity instruments issued and any contingent consideration that depends on future events or compliance with certain conditions in exchange for control of the acquired business.

The consideration given excludes any payment that is not part of the exchange for the acquired business. The costs related to the acquisition are recognised as an expense as they are incurred.

Goodwill reflects the excess of the cost of the business combination over the acquisition-date fair value of the assets acquired and liabilities and contingent liabilities assumed from the acquired business.

Goodwill is not amortised but is tested for impairment annually or more frequently where events or circumstances indicate that an asset may be impaired. Goodwill on business combinations is allocated to the CGUs or groups of CGUs which are expected to benefit from the synergies of the business combination, applying the criteria mentioned. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Internally generated goodwill is not recognised as an asset.

Patents, licences, trademarks and similar rights

This caption corresponds to the cost of the identifiable intangible assets acquired in the business combination, and reflects their fair value, except for the exceptions provided in the business combinations section.

The separable and identifiable intangible assets correspond to the value assigned to customers / connection points, by an independent expert in the process of identifying and assigning the cost of acquiring businesses. As a result, they have been recognised separately from goodwill.

Computer software

Licenses for software purchased from third parties are capitalised on the basis of the costs incurred in acquiring them and preparing them for use in the specific application.

Expenses related to the maintenance of computer applications are recognised as an expense when incurred. The costs directly related to the production of unique and identifiable computer applications controlled by the Group, and that are likely to generate economic benefits higher than costs for more than one year, are recognised as intangible assets. The direct costs include the expenses of the personnel that develop the computer applications and an adequate percentage of general expenses.

Useful life and amortisation rates

The Group assesses whether the useful life of each intangible asset acquired is finite or indefinite. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset will generate net cash inflows.

Intangible assets with indefinite useful lives are not amortised, but are instead tested for impairment on an annual basis or whenever there is an indication that the intangible asset may be impaired.

Intangible assets with finite useful lives are amortised by allocating the depreciable amount of the asset on a straight-line method over the following estimated useful lives:

	<u>Years</u>
Computer software	4
Patents, licences, trademarks and similar rights	40-60

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The depreciable amount is the cost or deemed cost of an asset, less its residual value.

The Group reviews the residual value, useful life and amortisation method of intangible assets at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates.

Impairment

The Group measures and determines impairment to be recognised or reversed based on the criteria in note 3.h below).

g) Lease contracts

Leases determine the control to use an identified asset for a period of time in exchange for a consideration.

The right-of-use asset is initially recorded at cost, which includes:

- The amount of the initial measurement of the lease liability;
- Any lease payment made on or prior to the commencement of the lease, less any incentives received;
- Any initial direct costs incurred by the lessee; and
- An estimate of the costs to be incurred by the lessee in dismantling and restoring the asset.

Subsequent to initial recognition, the right-of-use asset is recorded at cost less accumulated depreciation and impairment losses. Depreciation of the right-of-use asset is recognised under Amortisation and provisions in the consolidated income statement on a straight-line basis over the period from the start of the contract to its expiry date, except when ownership of the contract is transferred when the contract term ends or the right-of-use amount includes the exercise of a purchase option, whereby the depreciation period is calculated on the basis of the useful life of the underlying asset. Furthermore, the right-of-use asset is subsequently adjusted as a result of certain re-estimates affecting the lease liabilities.

The lease liabilities are measured at the present value of the lease payments to be made subsequent to the start of the contract discounted using the interest rate implicit in the lease or using the incremental rate if the former cannot be readily determined. Generally speaking, future payments are discounted using the incremental interest rate.

Lease payments include:

- Fixed or in-substance fixed payments;
- Variable payments that depend on an index or rate;
- The amounts expected to be paid by the lessee under residual value guarantees;
- The price of exercising a purchase option if the lessee is reasonably certain to exercise this option;
- The amounts payable during optional renewal periods, provided that the extension of a lease is considered to be reasonably certain; and
- Payments for terminating the lease early if it is considered reasonably certain that the lease will be terminated early;

Subsequently, lease liabilities are measured at amortised cost using the effective interest rate and they are remeasured when there is a change in the index or rate, in the amounts expected to be paid under residual value guarantees or when there are changes that affect the estimated price of exercising purchase options, or extending or terminating the lease.

Contingent rents subject to the occurrence of a specific event and variable payments that depend on the income from or the use of the underlying asset are recorded when incurred under Other expenses in the consolidated income statement instead of forming part of the lease liability

h) Impairment of non-financial assets subject to amortisation or depreciation

The Group evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount.

The Group tests goodwill and intangible assets not yet available for use for impairment at least annually, irrespective of whether there is any indication that the assets may be impaired.

The recoverable amount of assets is the higher of fair value less costs of retirement or disposal and value in use.

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Negative differences arising from comparison of carrying amounts of assets with their recoverable amounts are expensed, except in those cases in which the non-current asset is recorded at the revalued amount.

Recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses for cash-generating units are allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro rata with their carrying amounts. The carrying amount of each asset may not be reduced below the highest of its fair value less costs of retirement or disposal, its value in use and zero.

At the end of each reporting period the Group assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. Impairments losses on goodwill may not be reversed. Impairment losses on assets other than goodwill are reversed if, and only if, there has been a change in the estimates used to calculate the asset's recoverable amount.

A reversal of an impairment loss is recognised in the income statement except when the non-current assets is recorded at its restated amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

A reversal of an impairment loss for a CGU is allocated to the assets of each unit, except goodwill, pro rata with the carrying amounts of those assets. The carrying amount of an asset may not be increased above the lower of its recoverable amount and the carrying amount that would have been disclosed, net of amortisation or depreciation, had no impairment loss been recognised.

i) Financial instruments

Financial assets

Classification and measurement

The Group classifies and measures its financial assets, both current and non-current, as follows:

1. Assets at amortised cost:

This category includes the financial assets that meet the following conditions:

- The asset is held within the framework of a business model whose purpose is to hold financial assets in order to obtain contractual cash flows, and
- the contractual conditions of the financial asset give rise, on specified dates, to cash flows constituting solely payments of principal plus interest on the outstanding principle.

These assets are initially measured at fair value, plus any transaction costs, and then subsequently at amortised cost. The interest accrued is taken to the consolidated income statement applying the effective interest method. Nonetheless, financial assets falling due one year or less without a contractual interest rate are initially and subsequently measured at their nominal amount, if the effect of upgrading the cash flows is insignificant.

2. Financial assets at fair value through profit or loss

This category contains all other financial assets, including derivative financial instruments that do not meet the hedge accounting criteria in accordance with the requirements set out for this purpose in IFRS 9.

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs directly attributable to the acquisition or issue are recognised as an expense in the consolidated income statement when incurred. Changes in fair value are recognised in the consolidated comprehensive income under "Finance expenses and Finance income" captions, as appropriate.

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The Group identifies the most appropriate classification for each asset when it is acquired and this is reviewed at year end.

Impairment of financial assets at amortised cost

The Group recognises value adjustments relating to expected credit losses on financial assets measured at amortised cost and contract assets.

The Group applies the general approach of calculating the expected loss of its financial assets.

The general approach considers expected credit losses for the next twelve months, except when the credit risk of a financial instrument has increased significantly since its initial recognition, in which case the expected credit losses for the entire life of the asset are considered. The Group assumes that the credit risk of a financial instrument has not increased significantly since its initial recognition if the financial instrument has a low credit risk at the closing date.

Impairment losses and reversals of impairment losses on trade receivables and contract assets are recognised under "Change in trade receivables and contract assets" in the consolidated income statement. Impairment losses and reversals of impairment losses on other financial assets at amortised cost are recognised under "Impairment and gains/(losses)" on disposals of financial instruments in the consolidated income statement.

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership are considered to have been transferred.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received, net of transaction costs, including any new asset obtained less any new liability assumed and any cumulative gain or loss deferred in other comprehensive income, is recognised in the consolidated income statement.

At 2024 year-end, the Group has derecognised €22.7 million relating to assets recorded under trade and other receivables, as the conditions detailed above have been met.

Financial liabilities

Classification and measurement of financial liabilities

The Group classifies all financial liabilities as measured at amortised cost using the effective interest rate method, except derivative financial instruments that do not meet the hedge accounting criteria in accordance with the requirements set out for this purpose in IFRS 9: Financial Instruments, which are recognised at fair value through profit and loss.

Derecognition of financial liabilities

Financial liabilities are derecognised where they are extinguished, i.e., when the obligation deriving from the liability has been discharged or cancelled, or it has expired. When there is an exchange of debt instruments between the Group and the counterparty, provided that they have substantially different conditions, the original financial liability is eliminated, and the new financial liability is recognised. Similarly, any substantial modification to the current conditions affecting a financial liability is recognised.

The difference between the carrying amount of the financial liability, or a portion thereof, which has been eliminated and the consideration paid, including the attributable transaction costs and under which any assigned asset that is different from the assumed asset or liability is recorded, is recognised in the consolidated income statement in the year in which this occurs.

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The Group considers the terms to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

When there is an exchange of debt instruments that do not contain substantially different conditions, the modified flows are discounted at the original effective interest rate and any difference in the prior carrying amount is recognised in the consolidated income statement. Similarly, any costs or fees incurred adjust the carrying amount of the financial liability and are amortised over the remaining term of the modified liability.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability are offset only when the Group currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Interest and dividends

Interest revenue is recognised based on outstanding principal and taking into consideration the applicable effective interest rate, which matches the carrying value of the asset, discounting expected future cash flows over the estimated useful life of the asset.

Dividend income is recognised when the right to receive payment is established.

Derivative financial instruments-hedge accounting

Derivative financial instruments are initially recognised at acquisition cost in the consolidated balance sheet and subsequently all measurement adjustments that are necessary are applied to reflect their fair value at any given moment. Gains and losses arising from these changes are recognised in the consolidated income statement, unless the derivative has been designated as a cash flow hedge, or net foreign investment hedge instrument.

Embedded derivatives

The derivatives embedded in financial liabilities and transactions whose primary contract lies outside the scope of IFRS 9: Financial instruments are recognised separately when their characteristics and risks are not closely related to those of the host contracts in which they are embedded, provided that the contract taken as a whole is not stated at fair value, recognising changes in the value by applying a charge or credit to the consolidated income statement.

Hedge accounting

At hedge inception, hedging relationships were formally defined and documented, as were risk management aims and strategy. At the commencement of the hedging relationship, ongoing assessment also ensured that hedge effectiveness thresholds were being met prospectively.

Changes in temporary value of options hedging a component related to a forecasted transaction are recognised in the consolidated comprehensive income statement. If the hedged component results in the recognition of a non-financial asset or liability, the accumulated amount is recognised as a non-financial asset or liability adjustment in the consolidated comprehensive income statement. For other hedges, the deferred amount in the consolidated comprehensive income statement is reclassified as profit for the year or for periods in which the expected cash flows affect the profit.

Changes in temporary value of options hedging a component related to a period of time are recognised in the consolidated comprehensive income statement. The accumulated amount in another comprehensive income is systematically amortised during the period over which the hedge adjustment for the intrinsic option value affecting the consolidated income statement or the consolidated comprehensive income statement when the fundamental contractual terms match the hedged component. The Group also separates the term of term contracts and the differences in

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exchange rates of financial instruments applying criteria similar to those in previous sections. The election is made on a contract by contract basis.

The accounting treatment for hedging transactions is as follows:

1. Fair value hedges: All changes in the fair value of the derivative financial instruments designated as hedging, or the exchange rate component of a monetary item in the case of non-derivative hedge instruments, such as changes in the fair value of the hedged item produced by the hedged risk are recognised with a charge or credit to the same caption of the consolidated income statement.

2. Cash flow hedges: The Group recognises the portion of the gain or loss on the measurement at fair value of a hedging instrument that is determined to be an effective hedge under "Hedging reserve", in the case of cash flow hedges and "Translation differences", in the case of net investment hedges. The portion of the hedge deemed ineffective, as well as the specific component of the gain or loss or cash flows related to the hedging instrument, excluding the assessment of hedge effectiveness, are recognised in the consolidated income statement. The gain or loss accumulated in these captions is transferred to the consolidated income statement caption affected by the hedged item as it affects the consolidated income statement. If a hedge of a future transaction results in a non-financial asset or liability, this balance is taken into account when determining the initial value of the asset or liability generating the hedging transaction. If a hedge of future transactions results in a financial asset or a liability, this balance is maintained in "Hedging reserve" until the hedged risk in the future transaction has an impact on the consolidated income statement.

3. Fair value hedges and net investment in foreign operations: The Group recognises the portion of the gain or loss on the measurement at fair value of a hedging instrument that is determined to be an effective hedge under "Hedging reserve", in the case of cash flow hedges, and "Translation differences", in the case of net investment hedges. The portion of the hedge deemed ineffective, as well as the specific component of the gain or loss or cash flows related to the hedging instrument, excluding the assessment of hedge effectiveness, are recognised under "Financial Income" and "Financial Cost" in the consolidated income statement.

Discontinuation of hedge accounting

The Group prospectively discontinues the fair value hedge accounting in the cases in which the hedging instrument matures, is sold, let go of or exercised, the goal of the risk management has changes, there is no financial relation between the hedge element and the hedged item, the credit risk effect dominates value changes, the hedge instrument matures or is liquidated or the underlying hedge ceases to exist.

When hedge accounting is discontinued, the cumulative amount at that date recognised under "Adjustments for changes in value" and "Translation differences" in cash flow hedges and net investment hedges abroad, respectively, is retained under said headings until the hedged transaction occurs, at which time the gain or loss on the transaction will be adjusted. If a hedged transaction is no longer expected to occur, the gain or loss recognised under the aforementioned headings is transferred to the consolidated income statement.

Fair value of derivative financial instruments

The fair value of the various derivative financial instruments is calculated using the following procedures.

- The fair value of derivatives listed on an organised market is their market price at the year-end.
- To measure derivatives not traded on an organised market, the Group uses assumptions based on year-end market conditions. Specifically;
 - the fair value of interest rate swaps is calculated as the value adjusted to the market interest rates for the rate spread in the swap agreement;
 - the measurement of this item in futures contracts is calculated by discounting future cash flows determined using the future exchange rates in place at the year-end;

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- finally, the fair value of the acquisition contracts for non-financial items to which IFRS 9 is applicable are calculated based on the best estimate of the future price curves for those nonfinancial items existing at the date the consolidated financial statements are closed, using the prices established in future markets to the extent possible.

j) Distributions to shareholders

Dividends are recognised as a reduction in equity at the time of their approval.

k) Inventories

Group inventories consist of LPG held in tanks and are measured at the lower of the weighted average acquisition cost or the sale price.

When the cost of inventories exceeds net realisable value, materials are written down to net realisable value.

l) Cash and cash equivalents

Cash and cash equivalents include cash in hand and at banks. Also included under this heading are other short-term highly liquid investments provided they are easily convertible into certain amounts of cash and that are subject to an insignificant risk of changes in value. For this purpose, investments with maturities of less than three months from the acquisition date are included.

For the purposes of the consolidated statement of cash flows, bank overdrafts that are callable in the short term and are part of the Group's treasury management are included as cash and cash equivalents. Bank overdrafts are presented in the consolidated statement of financial position under other financial liabilities.

m) Deferred income

Capital grants

Government grants include any non-repayable subsidy granted by the government whose purpose is to finance capital assets, plant and equipment. These are recognised when there is a reasonable assurance of compliance with the conditions associated with their concessions and the collection of them. All capital grants are taken to other operating income in the consolidated income statement as the subsidised items are depreciated.

Connection and extension charges

Amounts paid by customers on account of connection rights for the installations needed to facilitate new supplies or extend existing ones are recorded under non-current and current. Contract liabilities on the consolidated balance sheet, and recognised as income over the useful life of the extended installations they finance or, if appropriate, when the assets are sold or restated due to impairment losses.

n) Employee benefits

Defined contribution plans

The Group recognises the contributions payable to a defined contribution plan in exchange for a service when an employee has rendered service to the Company. The amount of the contributions accrued is recognised as an employee benefits expense.

Short and Long-term employee benefits

Short-term employee benefits are different from termination benefits that are expected to be settled in full before 12 months after the end of the reporting period in which the employees render the related services.

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Long-term employee benefits are different from termination benefits that are expected to be settled in full after 12 months after the end of the reporting period in which the employees render the related services.

The Group recognises the expected cost of profit-sharing and bonus plans when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

Redundancy indemnities

Pursuant to current employment law, in certain circumstances the Group is liable to pay redundancy indemnities to employees whose services are discontinued.

o) Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amounts recognised in the consolidated statement of financial position as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account all risks and uncertainties surrounding the amount to be recognised as a provision and, where the time value of money is material, the financial effect of discounting provided that the expenditure to be made each period can be reliably estimated. The discount rate is determined before taxes, considering money temporary value, as well as the specific risks that have not been considered in the future flows related to the provision at each closing date.

Single obligations are valued by the individual outcome that is most probable.

The financial effect of provisions is recognised as a finance expense in the Consolidated income statement.

The tax effect and gains on the expected disposal of assets are not taken into account in measuring a provision.

If it is not probable that an outflow of resources will be required to settle an obligation, the provision is reversed. The reversal is made against the income statement items in which the corresponding expense was recorded and the excess, if any, is recognised under other income.

Contingent liabilities are possible obligations arising from past events and whose existence will be confirmed only upon the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognised but only disclosed in the notes to the consolidated financial statements.

p) Recognition of revenue

Revenue from the sale of goods and the rendering of services is recognised at the fair value of the consideration received or receivable.

The Group assesses whether a transaction is comprised of different components, in order to apply the appropriate income recognition criteria to each one.

Revenue from sales

The new regulatory framework for the gas sector in Spain entered into force in February 2002 and governs the settlement procedures for the redistribution between the sector companies of revenues from tolls, charges and tariffs, net of payments for specific purposes, so that each company receives the revenues allocated for its regulated activities.

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Royal Decree-Law 8/2014 approving urgent measures for growth, competitiveness and efficiency, enacted by means of Law 18/2014, establishes the principle of economic and financial sustainability of the gas system. Hence, any measure that could lead to an increase in costs or a reduction in income must incorporate an equivalent reduction of other cost items or an equivalent increase in income to ensure the system is balanced. It also limits annual gaps between the system's income and costs in that these cannot exceed 10% of the final revenues for the year and the amount of the annual gaps and annual amounts recognised pending settlement cannot exceed 15% of this amount.

Revenues received as remuneration for distribution activity each year are set ex ante. The published ministerial orders (with remuneration to 2019) and CNMC resolutions (with remuneration as from 2020) establish the remuneration for the coming year based on business forecasts for the following year. As a result, the remuneration amount is subject to change for up to two years, until the definitive data on demand and new customers are available for the year under analysis.

The Resolution of 23 May 2024 by the Spanish National Markets and Competition Commission, which establishes remuneration for 2025 for companies undertaking regulated liquefied natural gas plant, transport and natural gas distribution activities, reviews the following items:

- Final gaps in remuneration for the 2022 and 2023 gas years.
- Provisional gaps in remuneration for the 2024 gas year.
- Initial remuneration for the 2025 gas year, which runs from 1 October 2024 to 30 September 2025.

The Group estimates these settlements accrued at 31 December 2024 and pending settlement by the Spanish National Markets and Competition Commission (CNMC). The final settlement for 2024 had not been published at the date these annual accounts were authorised for issue (as per the gas year criteria previously described). However, it is not expected to differ significantly from the estimates, including the deficit estimate.

Services rendered

Revenue from inspection services rendered and rental of gas meters and others are recognised when the service is rendered.

The Group regularly checks if any service contract is onerous and makes provision where appropriate.

The recognition of revenue from ordinary activities outside the scope of IFRS 15 *Revenue from contracts with customers* relating to lease contracts and derivative hedging instruments is accounted for in accordance with applicable accounting standards.

Interest and dividends

Interest is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of a financial instrument to the net carrying amount of that financial instrument based on the contractual terms of the instrument and not considering future credit losses.

Income from dividends on investments in equity instruments is recognised in profit or loss when the Group's right to receive payment is established.

q) Income tax

The income tax expense or benefit for the year comprises current tax and deferred tax.

Current tax is the amount of income tax payable or recoverable in respect of the consolidated taxable income or consolidated tax loss for the year. Current tax assets or liabilities are measured at the amount expected to be paid to or

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recovered from the tax authorities, using the tax rates and tax laws that have been enacted or are about to be enacted at the reporting date.

Deferred tax liabilities are income tax amounts payable in future periods in respect of taxable temporary differences, whereas deferred tax assets are income tax amounts recoverable in future periods in respect of deductible temporary differences, the carryforward of unused tax losses, and the carryforward of unused tax credits. Temporary differences are defined as differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity, or from a business combination.

The Group recognises tax allowances for investments according to the criteria for measuring and recording deferred and current tax assets, unless in the form of a grant. If deductions are in the form of a grant, they are recognised and stated in accordance with the corresponding accounting policy. For these purposes, the Group considers as grants those deductions that are applicable regardless of whether tax is payable and have substantive operating terms in addition to the making or holding of the investment.

It is considered probable that the Group will generate sufficient taxable profit to recover deferred tax assets when there are sufficient taxable temporary differences relating to the same tax authority and the same taxable entity, which are expected to reverse in the same tax period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from a deductible temporary difference can be carried back or forward.

In order to determine future taxable profit, the Group takes into account tax planning opportunities, provided it intends or is likely to adopt them.

Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the years when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or are about to be enacted. The tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities.

The Group reviews the carrying amount of deferred tax assets at the reporting date and reduces this amount to the extent that it is not probable that sufficient taxable profit will be available against which to recover them.

Deferred tax assets that do not meet the aforementioned conditions are not recognised in the consolidated balance sheet. At year end, the Group reassesses whether the conditions for recognising previously unrecognised deferred tax assets have been met.

Offsetting and classification

The Group only offsets current tax assets and liabilities if it has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Tax consolidation

At 31 December 2024, the Parent company, Nortegas Energía Distribución, S.A.U., its sole shareholder, Nortegas Energía Grupo, S.L.U., and the following companies are taxed under the special consolidated tax regime, in adherence with regional corporate income tax regulation 11/2013 of 5 December, whereby the parent company of the tax group is Nortegas Energía Distribución, S.A.U.:

- NED España Distribución Gas, S.A.U. (subsidiary)
- NED Suministro GLP, S.A.U. (subsidiary)
- Nortegas Green Energy Solutions, S.L.U.
- Norbiogas Renovables, S.L.U.
- Bionorte Renovables, S.L.U.
- Nortiben Green Energy IV, S.L.U.

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- Nortiben Green Energy V, S.L.U.
- Nortiben Green Energy VI, S.L.U.
- Nortiben Green Energy VII, S.L.U.
- Nortiben Green Energy VIII, S.L.U.
- Nortiben Green Energy IX, S.L.U.
- Nortiben Green Energy X, S.L.U.
- Nortiben Green Energy XI, S.L.U.
- Nortiben Green Energy XII, S.L.U.
- Nortiben Green Energy XIII, S.L.U.
- Nortiben Green Energy XIV, S.L.U.
- Nortiben Green Energy XV, S.L.U.
- Norbiogas Biometano I, S.L.U.
- Norbiogas Biometano II, S.L.U.
- Norbiogas Biometano III, S.L.U.
- Norbiogas Biometano IV, S.L.U.
- Norbiogas Biometano V, S.L.U.
- Norbiogas Biometano VI, S.L.U.
- Norbiogas Biometano VII, S.L.U.

In the year ended 31 December 2023, the Parent company, Nortegas Energía Distribución, S.A.U., its sole shareholder, Nortegas Energía Grupo, S.L.U., NED Suministro GLP, S.A.U. (subsidiary), and NED España Distribución Gas, S.A.U. (subsidiary), Nortegas Green Energy Solutions, S.L.U., Norbiogas Renovables, S.L.U. (formerly Berriztagas Bizkaia, S.L.U.), Bionorte Renovables, S.L.U., Nortiben Green Energy IV, S.L.U., Nortiben Green Energy V, S.L.U., Nortiben Green Energy VI, S.L.U., Nortiben Green Energy VII, S.L.U., Nortiben Green Energy VIII, S.L.U., Norbiogas Biometano I, S.L.U., Norbiogas Biometano II, S.L.U. and Norbiogas Biometano III, S.L.U. paid tax under the special consolidated tax regime set out in regional corporate income tax regulation 11/2013 of 5 December, whereby the parent of the tax group was Nortegas Energía Distribución, S.A.U.

In addition to the factors to be considered for individual taxation, set out previously, the following factors are taken into account when determining the accrued income tax expense for the companies in the consolidated tax group:

- Temporary and permanent differences arising from the elimination of profits and losses on transactions between Group companies, derived from the process of determining consolidated taxable income.
- Deductions and credits corresponding to each company in the consolidated tax group. For these purposes, deductions and credits are allocated to the company that carried out the activity or obtained the profit necessary to obtain the right to the deduction or tax credit.
- Temporary differences arising from the elimination of profits and losses on transactions between tax group companies are allocated to the company which recognised the profit/loss and are valued using the tax rate of that company.

A reciprocal credit and debit arises between the companies that contribute tax losses to the tax group and the rest of the companies that offset those losses. Where a tax loss cannot be offset by the other companies in the tax group, these tax credits for loss carryforwards are recognised as deferred tax assets using the applicable recognition criteria, considering the tax group as a taxable entity.

r) Classification of assets and liabilities between current and non-current

The Group presents the consolidated statement of financial position classifying assets and liabilities between current and non-current. For these purposes, current assets or liabilities are those that meet the following criteria:

- Assets are classified as current when they are expected to be realised or there is an intention to sell or consume them during the normal operating cycle of the Group, they are kept mainly for negotiation purposes, they are expected to be carried out within a period of twelve months after the closing date or it is cash or cash equivalents, except in those cases where they cannot be exchanged or used to settle a liability, at least within twelve months after the reporting date.

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- Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the Group, they are kept mainly for trading, they have to be settled within a period of twelve months from the reporting date or the Group does not have the unconditional right to defer the settlement of the liabilities during the twelve months following the reporting date.
- Financial liabilities are classified as current when they must be settled within twelve months after the reporting date, even if the original term is for a period of more than twelve months and there is a refinancing or restructuring agreement for long-term payments that has concluded after the reporting date and before the consolidated financial statements are authorised for issue.

s) Environmental issues

Property, plant and equipment acquired by the Group for long-term use to minimise the environmental impact of its activity and protect and improve the environment, including the reduction and elimination of future pollution from the Group's activities, are recognised as assets applying the measurement, presentation and disclosure criteria described in Note 3. E.

The outcome of the Group's activity on the environment is not significant. Expenses derived from environmental activities are recognised as other operating expenses in the period in which they are incurred.

t) Transactions between Group companies

Transactions between Group companies, except those related to business combinations and mergers mentioned in the previous sections, are recognised at the fair value of the consideration given or received. The difference between this value and the amount agreed is recognised in line with the underlying economic substance of the transaction.

4. Financial information by segments

The Group is outside the scope of IFRS 8: Operating Segments.

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5. Property, plant and equipment

The composition and movements in property, plant and equipment during the years ended 31 December 2024 and 2023 are as follows:

31.12.2024	Land	Buildings	Technical installations and machinery	Other installations, equipment and furniture	Under construction and advances	Other property, plant and equipment	Total
Cost on 31 December 2023	1,354	5,582	1,848,062	72,841	8,155	3,528	1,939,522
Additions	1,786	-	118	1,192	20,738	600	24,434
Disposals	-	(78)	(185)	(4,949)	(95)	-	(5,307)
Transfers	-	-	17,072	344	(17,752)	179	(157)
Cost on 31 December 2024	3,140	5,504	1,865,067	69,428	11,046	4,307	1,958,492
Accumulated depreciation on 31 December 2023	-	(3,547)	(983,160)	(60,263)	-	(2,272)	(1,049,242)
Depreciation	-	(115)	(53,660)	(2,535)	-	(631)	(56,941)
Disposals	-	48	179	4,947	-	-	5,174
Transfers	-	-	157	-	-	-	157
Accumulated depreciation on 31 December 2024	-	(3,614)	(1,036,484)	(57,851)	-	(2,903)	(1,100,852)
Carrying amount on 31 December 2024	3,140	1,890	828,583	11,577	11,046	1,404	857,640
31.12.2023	Land	Buildings	Technical installations and machinery	Other installations, equipment and furniture	Under construction and advances	Other property, plant and equipment	Total
Cost on 31 December 2022	898	5,582	1,826,946	75,107	9,655	2,233	1,920,421
Additions	310	-	184	1,312	20,248	1,295	23,349
Disposals	-	-	(74)	(4,161)	(13)	-	(4,248)
Transfers	146	-	21,006	583	(21,735)	-	-
Cost on 31 December 2023	1,354	5,582	1,848,062	72,841	8,155	3,528	1,939,522
Accumulated depreciation on 31 December 2022	-	(3,412)	(929,958)	(61,786)	-	(1,735)	(996,891)
Depreciation	-	(135)	(53,271)	(2,634)	-	(537)	(56,577)
Disposals	-	-	69	4,157	-	-	4,226
Accumulated depreciation on 31 December 2023	-	(3,547)	(983,160)	(60,263)	-	(2,272)	(1,049,242)

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Carrying amount on 31 December 2023	1,354	2,035	864,902	12,578	8,155	1,256	890,280
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The additions recognised in 2024 under the heading Under construction and advances for Euros 20,738 thousand (2023: Euros 20,248 thousand), relate mainly to additions for investments in the proprietary network, network extensions in the Basque Country, Asturias and Cantabria and the development of networks in new municipalities.

Insurance

The Group has taken out an insurance policy to cover the risk of damage to its property, plant and equipment. The insured asset value of networks and pipelines, industrial installations, office buildings and electronic equipment amounts to Euros 2,181,330 thousand (Euros 2,181,330 thousand in 2023). In addition, there is automatic insurance coverage for damages of Euros 436,266 thousand (Euros 436,266 thousand in 2023).

Fully depreciated assets

The cost of fully depreciated property, plant and equipment still in use on 31 December 2024 and 2023 is as follows:

	31.12.2024	31.12.2023
Buildings	1,823	1,816
Technical installations and machinery	168,422	163,812
Other installations, equipment and furniture	39,348	38,635
Other property, plant and equipment	1,440	1,383
	211,033	205,646

Property, plant and equipment pledged as collateral

On 31 December 2024 and 2023, the Group has not pledged any fixed assets to secure bank loans.

Commitments

Investment commitments on 31 December 2024 and 2023 are not significant.

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6. Intangible assets

Details of intangible assets and movement during the year ended 31 December 2024 are as follows:

31.12.2024	Fixed asset develop ment	Patents, licences, trademar ks and similar	Goodwill	Computer software	Other	Total
Cost on 31 December 2023	2,331	1,531,498	47,528	23,162	16	1,604,535
Additions	850	-	-	1,281	485	2,616
Business combination	-	-	48	-	-	48
Disposals	-	-	-	(677)	-	(677)
Cost on 31 December 2024	3,181	1,531,498	47,576	23,766	501	1,606,522
Accumulated amortisation on 31 December 2023	-	(165,539)	-	(19,939)	-	(185,478)
Amortisation	(261)	(25,798)	-	(1,597)	-	(27,656)
Disposals	-	-	-	677	-	677
Accumulated amortisation on 31 December 2024	(261)	(191,337)	-	(20,859)	-	(212,457)
Carrying amount on 31 December 2024	2,920	1,340,161	47,576	2,907	501	1,394,065
31.12.2023	Fixed asset develop ment	Patents, licences, trademar ks and similar	Goodwill	Computer software	Other	Total
Cost on 31 December 2022	1,670	1,531,498	47,528	22,271	-	1,602,967
Additions	661	-	-	1,003	16	1,680
Disposals	-	-	-	(112)	-	(112)
Cost on 31 December 2023	2,331	1,531,498	47,528	23,162	16	1,604,535
Accumulated amortisation on 31 December 2022	-	(139,740)	-	(18,042)	-	(157,782)
Amortisation	-	(25,799)	-	(2,009)	-	(27,808)
Disposals	-	-	-	112	-	112
Accumulated amortisation on 31 December 2023	-	(165,539)	-	(19,939)	-	(185,478)
Carrying amount on 31 December 2023	2,331	1,365,959	47,528	3,223	16	1,419,057

On 31 December 2024 and 2023 the Group has no commitments to acquire intangible assets.

Goodwill

Goodwill, which amounts to Euros 48 million (Euros 48 million in 2023), mainly comprises future profits on the Group's activities, which do not meet the conditions established to be recognised as a separate asset.

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The allocation of goodwill on 31 December 2024 and 2023 by Cash-Generating Unit (CGU) is as follows:

CGU	31/12/2024	31/12/2023
Gas Natural Distribution in Basque Country	15,302	15,302
Gas Natural Distribution in Asturias and Cantabria	30,052	30,052
LPG Distribution and supply	556	556
Boiler transformations and maintenance	1,618	1,618
Promotion and operation of biomethane production plants	48	-
Total Goodwill	47,576	47,528

Fully amortised assets

The cost of fully amortised intangible assets in use on 31 December 2024 and 2023 is as follows:

	31/12/2024	31/12/2023
Computer software	16,952	16,380
Total	16,952	16,380

Impairment

The Group has carried out an impairment test using the following main assumptions:

- Regulated remuneration: the approved remuneration has been used for the years in which it is available, and for subsequent years the best information available at the date of authorisation of these consolidated financial statements and the mechanisms for updating said remuneration have been applied in a manner consistent with the estimated costs of the cash generating unit.
- Investment: investment plans have been considered that are consistent with the expected growth in customers and demand in the cash generating unit.
- Operation and maintenance costs: the best available estimate of changes in these costs based on historical Group information.
- Projections at 14 years with a growth rate from year 14 of 0.5%. As in previous years, the projection period for future cash flows has been 14 years. This term is consistent with the Business Plan prepared by the Group and is reasonable given the regulated nature of their activities, which includes broad regulatory periods. The Group believes that their projections are reliable, and past experience validates their ability to predict cash flows in periods similar to those considered. Additionally, the nature of the long-term investments made by the Group and the residual life of its tangible assets makes the projection of cash flows over a period of only 5 years – as recommended by IAS 36 – inappropriate.
- Discount rate before taxes of between 6,05% and 7,74% (between 5.88% and 7.53% in 2023). The discount rate applied to calculate the current values of free cash flows has been determined according to the weighted average cost of capital (WACC). WACC is a type of discount based on the required rates of return of each component of the capital invested (equity and financial debt) and is calculated by weighting the required returns of these components in proportion to the weight of each of these sources of financing in an expected capital structure. In this regard, the following has been taken into account in this calculation:

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Notes to the consolidated financial statements for the year ended 31 December 2024
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- Cost of capital or own resources (K_e):
 - Risk-free rate (R_f): calculated based on the profitability of the Spanish State Bond.
 - Market risk premium ($R_m - R_f$): this has been defined according to the analysis carried out based on empirical studies in long series that analyse the difference between the average historical profitability of the stock exchange and long-term state debt.
 - Unlevered beta coefficient represents the risk differential of each business with respect to the average market risk (R_m), referenced using certain listed companies with businesses comparable to the business under analysis.
- Cost of debt (K_d): we understand that the cost of the debt must reflect the cost at which a company could be financed.
- Nominal tax rate applicable in each jurisdiction

The recoverable amount calculated in the aforementioned impairment test is a value higher than the carrying amount of the cash generating unit, so no impairment losses have been recognised for intangible assets or property, plant and equipment in the year ended 31 December 2024 (not impairment losses recognised at December 31, 2023).

Sensitivity analysis

The Group systematically carried out sensitivity analyses on the results of the impairment tests undertaken using changes in the following assumptions in each cash-generating unit:

- A 0.5% increase in the discount rate
- A 0.5% reduction in growth of connection points
- A 0.5% slowdown in the growth of demand per connection point
- A 5% reduction in LPG consumption per connection point.
- A growth rate in perpetuity of 0%.

In these sensitivity analyses carried out for each individually considered assumption, no impairment has been detected at all.

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7. Investments in Equity-Accounted Associates

Below is the information regarding investments in equity-accounted associates on 31 December 2024 and 2023:

Name	Registered office	Activity	Auditor	Group company	% of ownership	Amount of investment	
						2024	2023
Tolosa Gasa, S.A.	Tolosa (Gipuzkoa)	Natural gas distribution	Ernst & Young, S.L.	Nortegas Energía Distribución, S.A.U.	40.00	72	260
Inkolan, A.I.E.	Bilbao (Vizcaya)	Compilation and management of all information relating to the networks installed by each partner in the Basque Country (CAV).	Moore Stephens AMS, S.L.	Nortegas Energía Distribución, S.A.U.	14.29	69	69
Biolvegas, S.L.	Olvega (Soria)	Biogas production through waste valuation	Ernst & Young, S.L.	Nortegas Green Energy Solutions, S.L.U.	20.00	410	410
Norbiogas La Conchita, S.L.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	Norbiogas Renovables, S.L.U.	50.00	150	-
Fundación Energy Intelligence Fundazioa	Bilbao (Vizcaya)	Development of an industrial technological ecosystem around the decarbonized economy	-	Nortegas Energía Grupo, S.L.U.	16.67	15	-
						716	739

Details of investments in the equity of Group companies and associates in 2024 and 2023 and movement are as follows:

Company	Balance at 31 December 2023	New additions	Share in profit	Dividends received	Changes in equity	Balance at 31 December 2024
Inkolan, A.I.E.	423	-	36	-	-	459
Tolosa Gasa, S.A.	481	-	88	(82)	(188)	299
Biolvegas, S.L.	410	-	-	-	-	410
Norbiogas La Conchita, S.L.	-	151	(6)	-	-	145
Fundación Energy Intelligence Fundazioa	-	15	-	-	-	15
	1,314	166	118	(82)	(188)	1,328

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Notes to the consolidated financial statements for the year ended 31 December 2024
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Company	Balance at 31 December 2022	New additions	Share in profit	Dividends received	Balance at 31 December 2023
Inkolan, A.I.E.	374	-	49	-	423
Tolosa Gasa, S.A.	492	-	81	(92)	481
Biolvegass, S.L.	410	-	-	-	410
	1,276	-	130	(92)	1,314

The Reserves heading on the consolidated balance sheet includes €574 thousand at 31 December 2024 (€536 thousand at 31 December 2023) relating to reserves from equity-accounted associates.

Associates have not incurred contingent liabilities.

8. Right-of-use assets

The Group has leased, mainly, the offices in which it carries out its activity.

The movement during the year 2024 in the right-of-use asset arising from contracts in which the Group acts as a lessee was the following:

Thousands of Euros	Balance on 31.12.2023	Additions	Remeasurement /modification of lease liability	Disposals	Balance on 31.12.2024
Cost:					
Land	227	3	7	-	237
Buildings	2,148	-	23	(115)	2,056
Fleets	1,339	-	89	-	1,428
Other rights-of-use	1,621	-	60	(14)	1,667
Total cost	5,335	3	179	(129)	5,388
Accumulated depreciation					
Land	(126)	(32)	-	-	(158)
Buildings	(847)	(422)	-	32	(1,237)
Fleets	(922)	(195)	-	-	(1,117)
Other rights-of-use	(491)	(149)	-	11	(629)
Total accumulated depreciation	(2,386)	(798)	-	43	(3,141)
Total net cost	2,949	(795)	179	(86)	2,247

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Notes to the consolidated financial statements for the year ended 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

The movement during the year 2023 in the right-of-use asset arising from contracts in which the Group acts as a lessee was the following:

Thousands of Euros	Balance on 31.12.2022	Additions	Remeasurement /modification of lease liability	Disposals	Balance on 31.12.2023
Cost:					
Land	199	21	7	-	227
Buildings	2,009	116	23	-	2,148
Fleets	1,132	125	106	(24)	1,339
Other rights-of-use	1,530	-	98	(7)	1,621
Total cost	4,870	262	234	(31)	5,335
Accumulated depreciation					-
Land	(99)	(27)	-	-	(126)
Buildings	(480)	(367)	-	-	(847)
Fleets	(764)	(182)	-	24	(922)
Other rights-of-use	(357)	(141)	-	7	(491)
Total accumulated depreciation	(1,700)	(717)	-	31	(2,386)
Total net cost	3,170	(455)	234	-	2,949

9. Financial assets by category

Classification of financial assets by category

The classification of financial assets by category and class on 31 December 2024 and 2023 is as follows:

	Non-current	Current
	At amortised cost or cost	
	Carrying amount	
31.12.2024		
Fixed Rate (Loans to unrelated parties)	10,208	1,629
Fixed Rate (Loans to related parties)	-	173
Security and other deposits	832	19
Trade and other receivables	-	28,146
Cash and cash equivalents	-	113,614
Total financial assets	11,040	143,581

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Notes to the consolidated financial statements for the year ended 31 December 2024
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	Non-current	Current
	At amortised cost or cost	
	Carrying amount	
31.12.2023		
Fixed Rate (Loans to unrelated parties)	4,532	831
Fixed Rate (Loans to related parties)	-	163
Security and other deposits	563	14
Trade and other receivables	-	32,740
Cash and cash equivalents	-	70,564
Total financial assets	5,095	104,312

The book values of trade credits and debits are assumed to approximate their fair value.

10. Current and non-current financial assets

Details of current and non-current financial assets on 31 December 2024 and 2023 are as follows:

	2024		2023	
	Non-current	Current	Non-current	Current
Fixed Rate (Loans to unrelated parties)	10,208	1,629	4,532	831
Fixed Rate (Loans to related parties)	-	173	-	163
Security deposits paid	337	19	67	14
Deposits given	495	-	496	-
Total	11,040	1,821	5,095	1,008

Loans to unrelated parties include both long-term and short-term receivables from customers related to the boiler room transformation activities. These contracts typically have an average duration of 10 years, and market interest rates are applied to the outstanding amounts.

The fair values of loans and other receivables do not differ significantly from their carrying amounts.

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11. Income tax

The Group entities are taxable according to their applicable tax regulations. During the year ended 31 December 2024, the Company, Nature Holding I and Nature Holding II are subject to the Luxembourg statutory income tax rate of 24.94% (2023: 24.94%) while the entities located in Spain are subject, mainly, to Biscay income tax rate of 24% (2023: 24%).

The Group's tax reconciliation using the Luxembourg tax rate of 24.94% (2023: 24.94%) is as follows:

	2024	2023
Consolidated profit/(loss) before income tax	(25,061)	(7,235)
Luxembourg tax at 24.94%	6,250	1,804
Effect of changes in tax rates	(2,284)	(2,118)
Non-taxable income (exempt dividend)	-	(76)
Non-deductible expense	(24)	(2,692)
Future deductible expense	(2,300)	1,870
Adjustments from previous years	(112)	186
Other	943	29
Income tax expense	2,473	(997)

	2024	2023
Current tax		
Current period	(2,460)	(3,334)
Prior period adjustments	-	(91)
Total current tax expense	(2,460)	(3,425)

Deferred tax		
Source and reversal of temporary differences		
Property, plant and equipment	4,663	2,130
Deferred income	282	301
Provisions	1,005	-
Other	(1,254)	(541)
Activation of tax credits	17	8
Deductions	220	530
Total deferred tax benefit	4,933	2,428
Income tax benefit (expense), net	2,473	(997)

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Notes to the consolidated financial statements for the year ended 31 December 2024
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The movement in current income tax liabilities is as follows:

	2024	2023
Current tax	2,460	3,334
Payments on account made during the year	(1,364)	(1,177)
Other	(1,666)	-
Net current income tax (asset)/liabilities	(570)	2,157

Detail of deferred tax assets and liabilities by types of assets and liabilities are as follows:

	2024	2023
<i>Deferred tax assets:</i>		
Provisions	1,005	-
Deductions	750	530
Activation of tax credits	25	8
Other	(1,755)	(499)
	25	39
<i>Deferred tax liabilities:</i>		
Property, plant and equipment and intangible assets	228,200	232,863
Deferred income	4,713	4,996
	232,913	237,859
Net deferred tax liabilities	232,888	237,820

Details of the variation in deferred taxes by type of assets or liabilities that have been recognised against (expense)/income for deferred income tax are as follows:

	2024	2023
<i>Deferred tax assets:</i>		
Provisions	1,005	-
Tax credits	17	8
Deductions	220	530
Other	(1,256)	(541)
<i>Deferred tax liabilities:</i>		
Property, plant and equipment	4,663	2,130
Deferred income	283	301
Total	4,932	2,428

The Spanish Group companies have all years open to inspection that are applicable to each individual company in accordance with current local legislation.

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Article 36 of the Provincial Corporation Tax Regulation states that the income obtained from the transfer of property, plant and equipment cannot be included in the tax base, provided that the proceeds from such transfers are reinvested in certain items of property, plant and equipment, intangible assets or investment property within the period from one year prior to and three years after the date of delivery of the transferred item.

In years prior to 2019, the Company obtained profits eligible for the reinvestment relief incentive. The information requirements of the abovementioned standard are set out in the notes to the annual accounts for the years in which the investments were made.

12. Trade and other receivables

Details of trade and other receivables are as follows:

	2024	2023
Trade receivables	15,862	16,924
Impairment	(618)	(726)
Trade receivables, net	15,244	16,198
Other receivables	12,570	16,222
Other third parties:		
Personnel	332	320
Total	28,146	32,740

Other receivables position includes EUR 5,772 thousand for gas sector inter-company settlement receivables, reflecting the estimate on 31 December 2024 which, based on authorised costs for the distribution activity, are allocated to the Group in the corresponding settlement period to adjust the settlements to the remuneration calculated by the Ministry, pursuant to applicable gas sector legislation (2023: EUR 10,940 thousand).

The carrying amount of trade and other receivables approximates their fair value.

Trade receivables mainly includes the balances outstanding with natural gas suppliers for tolls charged and invoicing of liquefied gas to end customers.

The Group has estimated its settlement at 31 December 2024 for the 2024 and 2023 gas years based on a comparison between the sales made in each year, less other related costs, and the Company's accrued authorised costs at 31 December 2024, calculated based on the distribution of total authorised fixed remuneration for 2024, distributed proportionally

13. Other current assets

Details of other current assets are as follows:

	2024	2023
Prepayments	951	1,138
VAT receivable	536	86
Others	1,142	1,291
Total	2,629	2,515

The carrying amount of current assets approximates their fair value.

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14. Cash and cash equivalents

Details of cash and cash equivalents are as follows:

	2024	2023
Cash on hand	4	4
Cash in banks	113,610	70,560
Total	113,614	70,564

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Notes to the consolidated financial statements for the year ended 31 December 2024
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15. Equity

Share capital and other reserves

As on 31 December 2024, the share capital of the Company is set EUR thousand 648 (2023: EUR thousand 648) divided into 648,004 shares (2023: 648,004 shares) with nominal value of EUR 1.00 (2023: EUR 1.00).

The movement in other reserves during 2024 were as follows:

- Repayments amounting to EUR thousand 7,355 (2023: nil)
- The reduction of other reserves as a result of the revaluation of the derivative financial instruments amounting to EUR thousand 1,419 (2023: EUR thousand 4,922)
- Capital contribution without issue of shares amounting to EUR thousand 10,000 was made through capitalisation of SH loans (2023: EUR thousand 10,000)

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16. Financial liabilities by category

Classification of financial liabilities by category

Below are their fair value and amortised cost carrying amount of the Group's financial liabilities as on 31 December 2024:

31/12/2024	Non-current		Current		Grand total
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying Amount
Financial liabilities from bond issue	1,187,125	1,078,239	8,005	8,005	1,195,130
Payables to shareholders (shareholder loans)	718,793	619,436	39,031	39,031	757,824
Debts with credit institutions (Note 19)	133,878	133,878	334	334	134,212
Trade and other payables	-	-	17,169	17,169	17,169
Derivative financial instruments	864	864	-	-	864
Guarantees and security deposits received	550	550	-	-	550
Lease liability	1,740	1,740	762	762	2,502
Other financial liabilities	1,423	1,423	-	-	1,423
	2,044,373	1,836,130	65,301	65,301	2,109,674

31/12/2023	Non-current		Current		Grand total
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying Amount
Financial liabilities from bond issue	1,186,344	1,031,778	7,958	7,958	1,194,302
Payables to shareholders (shareholder loans)	722,759	713,493	34,728	34,728	757,487
Debts with credit institutions (Note 19)	133,255	133,255	291	291	133,546
Trade and other payables	-	-	15,210	15,210	15,210
Guarantees and security deposits received	-	-	-	-	-
Lease liability	2,317	2,317	803	803	3,120
Other financial liabilities	1,121	1,121	580	580	1,701
	2,045,796	1,881,964	59,570	59,570	2,105,366

The carrying amount of current liabilities approximates their fair value.

Total interest expense incurred on financial liabilities at amortised cost during the year ended 31 December 2024 amounted to EUR thousand 68,411 (2023: EUR thousand 68,723) (see Note 30).

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17. Financial liabilities from bond issue

Nortegas Bond Issue

On 13 September 2017, Nortegas Energía Distribución, S.A.U. obtained a credit rating of BBB- from the international credit rating agency Standard & Poors (S&P), which corresponds to an investment grade for both the company and for the Euro Medium Term Note Programme (EMTN).

On 28 November 2024, the rating agency S&P issued a new credit report on Nortegas Energía Distribución, S.A.U. as issuer of the bond programme, maintaining the investment grade rating of BBB- with a stable outlook. A bbb- rating has also been issued for the group to which it belongs (the parent of which is Nature Investments, S.a.r.l.) and for Nortegas Energía Distribución, S.A.U. and subsidiaries.

On 28 September 2017, the Group carried out two bond issues within the framework of the Euro Medium Term Note Programme (EMTN) and these also obtained the S&P rating of BBB-. The first was an issue of €550 million, maturing on 28 September 2022. The issue price was 100% and the annual interest rate was 0.918% payable annually on 28 September. The second was a bond issue for €750 million. Maturity was 28 September 2027. The issue price was 100% and the annual interest rate was 2.065% payable annually on 28 September.

On 15 July 2020, the Group made a bond repurchase offer relating to its second issue for a maximum amount of €175 million. This offer expired on 23 July with demand exceeding the amount offered. On 27 July 2020 the effective repurchase of €175 million took place.

On 13 January 2021, the Group made a bond repurchase offer relating to its first issue of 28 September 2017, maturing on 28 September 2022. This offer expired on 27 January and a total of €407,438 thousand was bought back.

On 7 July 2022, the Group made an early repayment of €142,562 thousand on the bonds relating to the first issue on 28 September 2017, maturing on 28 September 2022.

On 21 January 2021, the Group issued bonds within the framework of the Euro Medium Term Note Programme (EMTN) and these obtained the S&P rating of BBB-. This issue amounts to €550 million, matures on 22 January 2031 and has an annual interest rate of 0.905%.

At 31 December 2024, there is accrued interest payable of €7,828 thousand (€7,782 thousand in 2023) and it is classified in the consolidated balance sheet caption Current liabilities from the issue of bonds and other marketable securities.

Nature Holding II Issue Secured Notes

On 23 May 2019, Nature Holding II issued, through private placement, senior secured notes for EUR 65,000 thousand. The notes bear 3.01% annual interest and will mature after 7 years. Total interest expense incurred during the period amounted to Euros 2,081 thousand (2023: Euros 2,071 thousand).

The above events are summarised as follows:

Date	Event	Nominal amount	Maturity
28/09/2017	Issue of NED bonds I	550,000	28/09/2022
28/09/2017	Issue of NED bonds II	750,000	28/09/2027
15/07/2020	Repurchase of bonds	(175,000)	
13/01/2021	Repurchase of bonds	(407,438)	
21/01/2021	Issue of NED bonds	550,000	22/01/2031
07/07/2022	Early redemption	(142,562)	
23/05/2019	Issue of NH II notes	65,000	23/05/2026
Total		1,190,000	

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On 31 December 2024 and 2023, the liabilities from bonds and notes issue are comprised of:

	2024	2023
Bonds and notes outstanding, nominal	1,190,000	1,190,000
Unamortized issue costs	(2,875)	(3,656)
Net carrying amount	1,187,125	1,186,344
Liabilities from the issue of bonds and other marketable securities	8,005	7,958
Total	1,195,130	1,194,302

18. Payable to shareholders

	Non-current	Current	2024	2023
Shareholder loans				
- Principal	718,793	-	718,793	722,759
- Interest	-	39,031	39,031	34,728
Total	718,793	39,031	757,824	757,487

Nature	Maturity	Interest Rate	Balance as of 31/12/2023	Capitalised amount	Increase debt	Balance as of 31/12/2024	2024 Interest expenses	2024 Accrued interests
Shareholder Loan 2	20/02/2031	5.65%	498,513	(7,490)	4,157	495,180	28,235	26,893
Shareholder Loan 3	20/02/2031	5.65%	47,569	(730)	397	47,236	2,693	2,565
Shareholder Loan 4	20/02/2031	5.65%	119,442	(1,780)	996	118,658	6,766	6,444
Shareholder Loan 5	20/02/2031	5.65%	5,167	-	44	5,211	297	283
Shareholder Loan 6	20/02/2031	5.65%	42,839	-	362	43,201	2,461	2,341
Shareholder Loan 7	20/02/2031	5.65%	9,229	-	78	9,307	530	505
Total			722,759	(10,000)	6,034	718,793	40,982	39,031

On January 22, 2021, Nortegas Energia Distribucion SLU initiated the issuance of a bond with a maturity period of 10 years. In accordance with the Shareholder Loan Agreement, this issuance triggers an automatic extension of the shareholder loans to coincide with the maturity date plus 30 days of any senior debt or capital markets instruments.

During the year 2024, shareholder loans amounting to EUR 10,000,000 were capitalised and have been considered as additional capital.

19. Bank borrowings

On 23 May 2019, Nature Holding II entered into a term facility agreement for a total facility amount of EUR thousand 185,000. The facility matured on 29 May 2024. On 30 July 2020, Nature Holding II partially repaid EUR thousand 50,000 on the term facility.

On 16 June 2022, Nature Holding II repaid the existing EUR thousand 135,000 facility and entered into a new term facility agreement for a total facility amount of EUR thousand 135,000. The facility will mature on 16 June 2028 and bears a variable interest rate based on positive EURIBOR plus 2.00%-2.50% margin.

Nature Holding II incurred certain loan issue costs which are amortized over the period the facility. At facility repayment date the unamortized portion of loan issue costs was expensed out and the outstanding accrued interest was repaid. Nature Holding II incurred certain loan issue costs for the refinancing operation which are amortized over the period the facility. As on 31 December 2024, the unamortized portion of loan issue costs amounts to EUR thousand 1,087 (2023: EUR thousand 1,839) which is shown net of the principal amount of the facility.

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Total interest expense incurred during the year amounted to EUR thousand 6,874 (2023: EUR thousand 6,816).

In order to secure the facility, Nature Holding I issued a pledge over its shares in Nature Holding II and Nature Holding II entered into an account pledge agreement in favour of Wilmington Trust (London) Limited as security agent on 23 May 2019. The pledge agreement still applies to the refinanced facility.

Derivative transactions

As supplementary to the term facility agreement, the Company entered into interest rate swap, whereby it hedged the floating interest rate exposure in respect of interest payments on 100% of the total commitments under the facility.

The Group does apply cash flow hedge accounting henceforth the fair value of the derivative financial instrument is recorded in other comprehensive income. The cap premium paid was expensed outright in the consolidated income statement.

20. Trade and other payables

Details of trade and other payables, mainly payables to unrelated parties, are as follows:

	2024	2023
Creditors	3,084	3,629
Suppliers of fixed assets	3,701	2,988
Other suppliers	8,054	6,159
Personnel	2,325	2,434
Other payables	5	-
Total	17,169	15,210

The fair values of trade and other receivables do not differ significantly from their carrying amounts.

The Group has agreements with banks to finance its suppliers. Participation in the agreement is at the discretion of the suppliers. Invoices sent to the Group by suppliers that participate in the financing agreement shall be paid early by the bank. If suppliers choose to receive early payment, they pay the bank a fee, which the Group does not take part in. The bank will pay invoices if the goods have been received or supplied and the Group has approved the invoice. Payments to suppliers before the invoice due date are processed by the bank and, in all cases, the Group settles the original invoice by paying the supplier, in accordance with the invoice's original due date. Payment terms for suppliers have not been negotiated in line with the agreement, and therefore they do not differ from the terms negotiated for other suppliers. The Group does not provide any guarantee to the bank.

All payables subject to the financing agreement with suppliers are included under Trade and other payables on the accompanying consolidated balance sheet.

	2024	2023
Payables that are part of a financing agreement with suppliers	5,169	4,155
Of which payment has been received by the supplier	787	696

21. Financial risk management

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Financial risk factors

The Group's activity consists of gas distribution in Spain, thus it is not subject to currency risk, country risk, exchange rate insurance. Furthermore, the Group does not have any financial derivatives of any kind. The Group has not carried out transactions with end customers, only with gas suppliers and other agents in the gas system.

The Group's activities are exposed to various financial risks: credit risk, liquidity risk and cash flow interest rate risk. The Group's global risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Group's profits.

Adaptation of the systems to the Group's risk profile is managed individually by specifically analysing each of the risks and their conditioning factors and taking into consideration their nature, origin, possibility and probability of occurrence and the significance of their impact. Management measures (hedges, mitigation, opportunity, etc.) that are viable for each risk are also considered.

Controls are based on the approval of management policies and include mechanisms to set and control operational limits, as well as authorisation and supervision processes, together with operational procedures.

a) Interest risk

As the Group does not have a considerable amount of remunerated assets, income and cash flows from operating activities are not significantly affected by fluctuations in market interest rates.

Interest rate risk arises from non-current borrowings. Fixed interest loans expose the Group to fair value interest rate risks.

b) Credit risk

The Group is not exposed to significant credit risk due to the regulated nature of its main activities.

The tables below show the ageing analysis of receivables as on 31 December 2024 and 2023:

31 December 2024	Less than 3 months	More than 3 months and less than 6 months	Between 6 months and less than 1 year	More than 1 year	Total
Trade and other receivables	28,121	9	3	13	28,146
Other current financial assets	1,802	-	19	-	1,821
Cash and cash equivalents	113,614	-	-	-	113,614
Total assets	143,537	9	22	13	143,581

31 December 2023	Less than 3 months	More than 3 months and less than 6 months	Between 6 months and less than 1 year	More than 1 year	Total
Trade and other receivables	32,740	-	-	-	32,740
Other current financial assets	994	-	14	-	1,008
Cash and cash equivalents	70,564	-	-	-	70,564
Total assets	104,298	-	14	-	104,312

c) Liquidity risk

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On 31 December 2024, the Group presents a working capital of EUR thousand 78,019 (2023: EUR 48,702 thousand). The Group has a sufficient annual cash generation to meet its needs.

The liquidity policy adopted ensures that payment obligations are met through the arrangement of sufficient credit facilities.

The table below provides a maturity of the Group's non-derivative third-party financial liabilities as at 31 December 2024. The amounts disclosed in the table are the contracted undiscounted cash flows.

31 December 2024	Less than 1 year	Between 1 to 5 years	Over 5 years	Total
Debt with credit institutions (interest on bank loan)	334	133,878	-	134,212
Trade and other payables	16,802	367	-	17,169
Bonds and notes issued:	8,005	638,696	548,429	1,195,130
Principal	-	638,696	548,429	1,187,125
Interest	8,005	-	-	8,005
Payable to shareholders	39,031	-	718,793	757,824
Other financial liabilities	-	1,973	-	1,973
Lease liabilities	762	1,740	-	2,502
Other liabilities	3,626	-	-	3,626
Total liabilities	68,560	776,654	1,267,222	2,112,436

31 December 2023	Less than 1 year	Between 1 to 5 years	Over 5 years	Total
Debt with credit institutions	291	-	133,255	133,546
Trade and other payables	15,210	-	-	15,210
Bonds and notes issued:	7,958	638,159	548,185	1,194,303
Principal	-	638,159	548,185	1,186,344
Interest	7,958	-	-	7,958
Payable to shareholders	34,728	-	722,759	757,487
Other financial liabilities	580	-	-	580
Lease liabilities	803	2,317	-	3,120
Other liabilities	3,395	1,121	-	4,516
Total liabilities	62,965	641,597	1,404,199	2,108,762

d) Capital risk management

The Group's objectives in capital management are to safeguard the ability to continue as a going concern, so that it can continue to perform its core activities of natural gas distribution as a regulated company, maintaining a solvent, reasonable and optimal capital structure, reducing the cost of capital and also ensuring the sustainability of its activities in the long term, all this providing returns to shareholders and benefiting the remaining interest groups with which the Group interacts.

In order to maintain and adjust the capital structure, the Group can adjust the amount of dividends payable to shareholders, it can return capital, issue shares or can sell assets to reduce indebtedness.

The Group controls the capital structure mainly through the Net Financial Debt / Recurring EBITDA ratio. Given that it is one of the fundamental variables to ensure the credit quality granted by S&P with the rating of BBB – (Note 17). Recurring

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Recurring EBITDA is determined as operating income plus depreciation and amortisation for the year excluding non-recurring costs. The Net Financial Debt is determined by the sum of the financial debts less cash and cash equivalents.

The Net Financial Debt / Recurring EBITDA ratio as on 31 December 2024 was determined as follows:

	31/12/2024	31/12/2023
Financial liabilities on bonds issue	1,195,130	1,194,302
Leases (current and non-current)	2,502	3,120
Other financial liabilities (current and non-current)	1,973	1,412
Debts with credit institutions (note 19)	134,212	133,546
Derivative financial instruments	864	-
Total financial indebtedness	1,334,681	1,332,080
Less: Cash and cash equivalents	(113,614)	(70,564)
Net Financial Debt	1,221,067	1,261,816
Recurring EBITDA (*) (excluding non-recurring costs)	139,986	145,351
Net Financial Debt/Recurring EBITDA Ratio	8.72	8.68

(*) Recurring EBITDA = Operating profit before amortization and depreciation excluding non-recurring costs (Note 29. Other expenses)

The 2024 accompanying Consolidated Statement of comprehensive income includes non-recurring costs amounting to €14,468 thousand coming from restructuring personnel expenses by €6,173 thousand, termination contract expenses by €7,700 thousand (note 29) and others by Euros 0,595 thousand.

22. Provisions for risks and expenses

Details of provisions are as follows:

	Non-current			Current		
Details	Provision for termination benefits	Other provisions with personnel	Other provisions	Provision for termination benefits	Other provisions with personnel	Total
Balance on 31 December 2022	-	211	3,297	-	-	3,508
Reclassifications	-	1,021	-	-	-	1,021
Charges	-	475	1,207	-	-	1,682
Reversals	-	(211)	(1,455)	-	-	(1,666)
Use	-	(258)	(65)	-	-	(323)
Balance on 31 December 2023	-	1,238	2,984	-	-	4,222
Charges	100	1,939	1,554	4,087	-	7,680
Reversals	-	(181)	-	-	-	(181)
Transfers	-	(1,995)	-	-	1,995	-
Balance on 31 December 2024	100	1,001	4,538	4,087	1,995	11,721

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Commitments

The total amount of guarantees presented to third parties (councils and other public entities) on 31 December 2024 amounts to €6,149 thousand (€5,495 thousand in 2023), whilst guarantees received from suppliers amount to €1,197 thousand (€1,704 thousand in 2023).

23. Environmental information

The very nature of the Group's activity, the distribution of natural gas as a substitute for oil and coal derivatives, which are more polluting due to the effects of combustion, helps to improve the environment and provides greater thermal efficiency that promotes energy efficiency and therefore savings.

Natural gas helps improve the environment, as it reduces the emission of greenhouse gases (90% methane) by generating less CO₂ during combustion. Natural gas is one of the least polluting fossil fuels, as it contains practically no sulphur.

Nortegas has become an organisation made up of people with a strong commitment to energy transition and social impact, with operational excellence and efficiency at the very heart of the business.

Our performance has been assessed externally by ESG analysts such as GRESB, who have once again awarded Nortegas 95 points out of 100, demonstrating the progress we have made in our ESG targets.

Throughout 2024, work has continued on the environmental monitoring of gas distribution works, including issues such as waste management, the impact on soil, watercourses and protected areas. No notable incidents have been identified.

In order to have a more complete and ambitious risk map than that required by the law on environmental liability, Nortegas began doing environmental risk analyses at its LNG and LPG plants that are vulnerable to environmental risks. In 2024, the environmental risk analysis planned for 2023 was carried out at the Ramales de la Victoria and Ampuero LPG plants. No financial guarantees have arisen as a result of this analysis.

Once again, the scope 1, 2 and 3 carbon footprint for 2023 has been calculated, successfully obtaining ISO 14064:2019 on the greenhouse gas effect in February 2024, which has once again meant that the company has registered its footprint with the Spanish office for climate change.

By calculating our footprint, we can monitor emissions and set reduction targets. To this end, by increasing the frequency of network monitoring to detect emissions leaks, Nortegas has reduced its direct greenhouse gas emissions by around 2% compared to 2023, and by around 47% compared to average emissions between 2018 and 2020 (meeting the sustainable financing objectives).

Another key milestone in 2024 has been the first successful integrated audit of the quality, environment and occupational health and safety management systems, which has led to the ISO 45001:2015 certificate being renewed. We have also had the first review audit of the quality and environmental standards UNE-EN-ISO 9001:2015 and UNE-EN-ISO14001:2015, respectively.

The Group received no environmental grants or income from activities related to the environment in the year ended 31 December 2024.

As a result of the aforementioned actions undertaken by the Group, the directors consider that any contingencies that could arise from environmental issues, which are very unlikely, are sufficiently covered by their civil liability insurance policies.

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Notes to the consolidated financial statements for the year ended 31 December 2024
(Amounts expressed in EUR thousand, unless otherwise stated)

24. Deferred income

The movements of deferred income during the years 2024 and 2023 are as follows:

	2024	2023
Beginning balance	18,813	16,134
Additions	4,176	3,213
Amounts transferred to the consolidated income statement	(654)	(528)
Other movements	(803)	(6)
Ending balance	21,532	18,813
Deferred income includes:		
Connection and extension rights	20,154	17,596
Capital grants	1,378	1,217

25. Other current liabilities

Details of other current liabilities are as follows:

	2024	2023
Public prices, rates and municipalities	2,308	2,032
Employee withholding tax	708	684
Social security	386	396
VAT payable	74	271
Special hydrocarbon tax payable to tax authorities	18	12
Other liabilities	132	-
Total	3,626	3,395

Public charges, taxes and councils includes the amount relating to charges for subsoil use, which has not been included under the scope of IFRS 16 due to its consideration as a variable cost.

26. Revenue

Details of revenues by category of activity are as follows:

	2024	2023
Revenue from regulated propane gas activities	24,816	25,152
Revenue from regulated natural gas activities	145,512	150,483
Other regulated revenue	22,578	22,654
Other unregulated revenue	15,142	9,773
Total	208,048	208,062

Regulated activity revenue mainly relates to the amount accrued for regulated remuneration to gas distributors and to the sale of propane gas.

Other regulated revenue mainly includes income from periodic inspections and meter rentals.

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27. Supplies

Details of procurements, raw materials and other supplies used are as follows:

	2024	2023
Merchandise used		
Purchases	17,142	18,173
Change in inventories	579	758
	17,721	18,931
Raw materials and other supplies used		
Subcontracted work	11,261	8,181
Other	460	381
	11,721	8,562
Total	29,442	27,493

Subcontracted work on 31 December 2024 and 2023 relates mainly to the periodic inspections outsourced to third parties.

28. Personnel expenses

Details of employee benefits expense are as follows:

	2024	2023
Wages and salaries	19,426	18,691
Other social charges and taxes	4,852	4,672
Allocation to/ (reversal of) personnel provisions (Note 22)	5,946	110
Termination benefits	1,986	-
Contributions to other long-term benefits	794	769
Other employee welfare expenses	-	154
Total	33,004	24,396

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29. Other expenses

Details of other expenses are as follows:

	2024	2023
Independent professional services	3,572	5,626
Repairs and maintenance	3,036	2,937
Taxes	3,033	1,611
Insurance premiums	766	882
Utilities	252	323
Other services	7,720	7,638
Other expenses	10,701	2,335
Fees	204	165
Total	29,284	21,517

Other expenses in 2024 include termination contract expenses by euros 7,700 thousand.

30. Finance expense

Details of finance expense are as follows:

	2024	2023
Interest on shareholder loans	40,982	41,483
Interest on bonds issued	19,797	19,648
Interest on amounts owed to credit institutions	7,367	7,171
Other financial charges	265	421
Total	68,411	68,723

31. Reconciliation of liabilities from financing activities

Movement in liabilities classified as financing activities in the consolidated statement of cash flows, excluded from the equity headings, for the years ended 31 December 2024 and 2023, is as follows:

	Financial liabilities from bond issue (non current)	Payable to shareholders	Contract liabilities and capital grants	Bank borrowings	Total
31/12/2022	1,185,383	732,759	16,134	132,246	2,066,522
Issue	-	-	3,214	-	3,214
Settlements	-	(10,000)	-	-	(10,000)
Others	961	-	(535)	1,009	1,435
31/12/2023	1,186,344	722,759	18,813	133,255	2,061,171
Issue	-	6,034	4,176	-	10,210
Settlements	-	(10,000)	-	-	(10,000)
Others	781	-	(1,457)	623	(53)
31/12/2024	1,187,125	718,793	21,532	133,878	2,061,328

During the year ended 31 December 2024, payable to shareholders amounting to EUR thousand 10,000 (see note 18) had been settled by converting to share capital and other reserves.

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(Amounts expressed in EUR thousand, unless otherwise stated)

32. Related parties

The Group's ultimate controlling parent is IIF Int'l Holding L.P. which holds 74.90% equity interest in the Group.

Details of account balances with related parties by category are as follows:

	2024	2023
Assets		
Equity-accounted investees	1,182	1,314
Other receivables from associates	57	32
Loans to associates	173	163
Total	1,412	1,509
Liabilities		
Shareholder loans:		
Principal	718,793	722,759
Accrued interest and other payables	39,031	34,728
Total	757,824	757,487

The following are income and expense items with related parties:

	2024	2023
Income		
Other services rendered to associates	467	339
Finance Income with associates	11	3
Share of profit in associates	118	130
Total	596	472
Expense		
Interest on shareholder loans	40,982	41,483
Total	40,982	41,483

Management at the level of the Company

The Company's board of managers is composed of 6 independent board members as well as 3 board members delegated by the shareholders of the companies. During the year, the Company paid total directors fee of EUR thousand 447 (2023: EUR thousand 461).

The Company did not grant any emolument, loans or advances to members of its management during the year ended.

Transactions other than ordinary business or under terms differing from market conditions carried out by the directors of the Company

During the year, the managers of the Company and directors of Nortegas, including Directors at Nature Investments, have not carried out any transactions other than ordinary business or applying terms that differ from market conditions with the Company or with other companies in the Group.

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Notes to the consolidated financial statements for the year ended 31 December 2024
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Conflicts of interest concerning the directors

The directors of the Company and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act, other than Mr Mark Willian Mathieson, who is a member of the Board of Directors of Cadent Gas, Ltd, UK.

33. Employee information

The average headcount by category of the Group employees and directors (excluding independent board members) for the year ended is as follows:

Headcount (number of personnel)	2024	2023
Directors	24	28
Managers	70	62
Other	154	159
Total	248	249

The distribution by gender of Group personnel and the members of the board of directors as of 31 December 2024 (at the year end) is as follows:

Headcount (number of personnel)	2024		2023	
	Female	Male	Female	Male
Directors	7	15	8	20
Managers	35	38	32	32
Other	56	92	59	102
Total	98	145	99	154

34. Audit fees

EY Luxembourg, *Société coopérative* in Luxembourg is the auditor of the Company, while EY Auditores, S.L. in Spain is the auditor of various Spanish subsidiaries of the Group. The fees charged by the auditors of the Group's annual accounts for the year ended 31 December 2024 and 2023 are as follows:

	2024	2023
Audit services	202	242

In the year ended 31 December 2024, other companies affiliated with EY International invoiced the Group for other professional services fees amounting to EUR thousand 0 (2023: 42)

35. Events after the reporting period

No noteworthy significant events have occurred after the 31 December 2024 reporting period that could impact the accompanying consolidated financial statements and have not been disclosed in the notes thereto.

YEAR ENDED 31 DECEMBER 2024

AUTHORISATION FOR ISSUE THE CONSOLIDATED FINANCIAL STATEMENTS

MANAGERS	DATE	SIGNATURE
Adolfo Pardo de Santayana		
John Lynch		
Mark William Mathieson		
Robert Jan Schol		
Arnold Louis Spruit		
Michael Marcel Vareika		
Sneha Sinha		
Jaime García-Legaz		
Monique Bachner		