Audit Report on Financial Statements
issued by an Independent Auditor

NORTEGAS ENERGÍA GRUPO, S.L.U.
Financial Statements and Management Report
for the year ended
December 31, 2024

Building a better
working world

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AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

To the sole shareholder of NORTEGAS ENERGÍA GRUPO, S.L.U.:

Report on the financial statements

Opinion

We have audited the financial statements of NORTEGAS ENERGÍA GRUPO, S.L.U. (the Company), which comprise the balance sheet as at December 31, 2024, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in Group companies and associates

Description	The Company has registered as of December 31, 2024, under the heading "Non-current investments in group companies and associates", interests in group companies and associates amounting to 913,010 thousand euros. The Company's Management evaluates, at least at the end of each financial year, the existence of indications of impairment and makes the necessary valuation corrections whenever there is objective evidence that the book value of an investment will not be recoverable, being the amount of the valuation adjustment the difference between its book value and the recoverable amount. The determination of the recoverable amount requires making complex estimates, which entails the application of judgments in establishing the assumptions considered by the Company's Management in relation to said estimates. We have considered this area as a key audit matter in our audit due to the significance of the amounts involved and the complexity inherent in the estimation process in determining the recoverable amount of the aforementioned investments. The information regarding the valuation standards applied and the main assumptions considered in determining the value impairment of investments in group companies and associates is included in Note 4.b.iii and Note 7 of the attached notes to the financial statements.
Our response	In relation to this area, our audit procedures have included, among others, the following: ▶ Understanding of the process established by the Company's Management to identify signs of impairment and determine the recoverable amount of investments in group companies and associates, and evaluation of the design and implementation of the relevant controls established in the aforementioned process. ▶ Evaluation of the analysis of the value impairment indicators of the investments in group companies and associates carried out by the Company's Management. ▶ Review of the model used by the Company's Management to determine the recoverable amount, in collaboration with our valuation specialists, covering, in particular, the mathematical coherence of the model, and the reasonableness of the projected cash flows and discount and long-term growth rates. In carrying out our review we have held interviews with those responsible for developing the model and used recognized external sources and other available information to compare the data used, such as the budget for 2025 and the income projections for the following years approved by the Company's directors. ▶ Review of the sensitivity analysis carried out by the Company's Management regarding the estimates made in determining the recoverable amount due to changes in the relevant assumptions considered. ▶ Review of the disclosures included in the notes to the financial statements in accordance with the applicable regulatory framework for financial information.

Other information: management report

Other information refers exclusively to the 2024 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the management report is to assess and report on the consistency of the management report with the financial statements based on the knowledge of the entity obtained during the audit, and to assess and report on whether the content and presentation of the management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described in the above paragraph, the information contained in the management report is consistent with that provided in the 2024 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain 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 financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the director's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee of the Company 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.

We also provide the audit committee of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.

(Signed on the original in Spanish)

April 1, 2025

Nortegas Energía Grupo, S.L.U. (Sociedad Unipersonal)

(Annual accounts and directors’ report for the year ended 31 December 2024)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Balance sheet
at 31 December 2024 and 2023

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Assets	*Note*	*31.12.2024*	*31.12.2023*
Intangible assets		1,315	892
Development		1,034	847
Computer software		281	45
Property, plant and equipment		353	502
Technical installations, machinery, equipment, furniture and other PPE		353	486
Under construction and advances		-	16
Non-current investments in Group companies and associates		914,114	944,278
Equity instruments	7	913,010	943,808
Non-current loans to companies		1,104	470
Non-current financial investments		49	55
Other financial assets		49	55
Deferred tax assets	14	27,299	25,454
Total non-current assets		943,130	971,181
Trade and other receivables	8	666	3,827
Other receivables		494	3,659
Personnel		170	168
Public entities, other		2	-
Current investments in Group companies and associates	16	11,546	5,716
Loans to companies		11,546	5,716
Prepayments for current assets		597	772
Cash and cash equivalents	9	5	5
Cash		5	5
Total current assets		12,814	10,320
Total assets		955,944	981,501

The accompanying notes form an integral part of the annual accounts for 2024.

NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Balance sheet
at 31 December 2024 and 2023

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Equity and Liabilities	*Note*	*31.12.2024*	*31.12.2023*
Capital and reserves	10	473,344	468,305
Share capital		3,540	3,540
Authorised capital		3,540	3,540
Reserves		126,319	120,314
Legal and statutory reserves		708	708
Other reserves		125,611	119,606
Other shareholder contributions		349,221	338,446
Profit/(loss) for the period		(5,736)	6,005
Grants, donations and bequests received		209	102
Total equity		473,553	468,407
Non-current provisions	11	799	811
Personnel provisions		799	811
Non-current debt with Group companies and associates	12	461,637	490,340
Deferred tax liabilities	14	66	32
Total non-current liabilities		462,502	491,183
Current provisions	11	2,485	-
Current debt		56	53
Other financial liabilities		56	53
Current debt with Group companies and associates	12	13,711	16,506
Trade and other payables	12	3,637	5,352
Other payables		1,772	3,346
Payables on fixed assets		176	60
Personnel (salaries payable)		1,411	1,341
Public entities, other	14	278	605
Total current liabilities		19,889	21,911
Total equity and liabilities		955,944	981,501

The accompanying notes form an integral part of the annual accounts for 2024.

NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Income statement
for the years ended
31 December 2024 and 2023

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Note	31.12.2024	31.12.2023
Revenue	18	40,142	49,626
Revenue from services rendered to Group companies and associates		15,306	21,501
Finance income from investments in equity instruments of Group companies and associates		24,473	27,982
Finance income from marketable securities and other financial instruments of Group companies and associates		363	143
Self-constructed assets		107	343
Other operating income		35	1,450
Non-trading and other operating income		-	1,450
Capital grants released to income during the year		35	-
Personnel expense		(12,141)	(12,400)
Salaries and wages		(8,043)	(9,790)
Employee benefits expense	18	(1,625)	(2,541)
Provisions	11	(2,473)	(69)
Other operating expenses		(15,692)	(10,525)
External services		(7,436)	(10,474)
Taxes		(4)	(4)
Other operating expenses	18	(8,252)	(47)
Amortisation/depreciation		(226)	(135)
Non-financial capital grants and other		16	-
Impairment and gains/(losses) on disposal of fixed assets		(16)	-
Gains/(losses) on disposal and other		(16)	-
Profit/(loss) from operating activities		12,225	28,359
Finance income		282	3
Group companies and associates		1	1
Other		281	2
Finance cost		(27,866)	(29,475)
Debt with Group companies and associates	16	(27,387)	(29,013)
Other		(479)	(462)
Financial result		(27,584)	(29,472)
Profit/(loss) before tax		(15,359)	(1,113)
Income tax	14	9,623	7,118
Profit/(loss) for the period		(5,736)	6,005

The accompanying notes form an integral part of the annual accounts for 2024.

NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Statement of changes in equity
for the years ended
31 December 2024 and 2023

A) Statement of recognised income and expense
for the years ended
31 December 2024 and 2023

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Note	31.12.2024	31.12.2023
Profit/(loss) for the year		(5,736)	6,005
Income and expense recognised directly in equity			
Grants, donations and bequests		157	66
Tax effect		(38)	(16)
Total income and expense recognised directly in equity		119	50
Amounts transferred to the income statement			
Grants, donations and bequests		(16)	-
Tax effect		4	-
Total income and expense recognised directly in equity		(12)	-
Total recognised income and expense		(5,629)	6,055

The accompanying notes form an integral part of the annual accounts for 2024.

NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Statement of changes in equity
for the years ended
31 December 2024 and 2023

B) Statement of total changes in equity
for the years ended
31 December 2024 and 2023

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Authorised capital	Reserves	Profit/(loss) for the period	Other shareholder contributions	Grants, donations and bequests	Total
Balance at 31 December 2022	3,540	99,463	20,850	346,282	52	470,187
Recognised income and expense	-	-	6,005	-	50	6,055
Other transactions with shareholders						
Reclassifications	-	1	-	(1)	-	-
Dividends	-	-	-	(7,835)	-	(7,835)
Distribution of profit/(loss)	-	20,850	(20,850)	-	-	-
Balance at 31 December 2023	3,540	120,314	6,005	338,446	102	468,407
Recognised income and expense	-	-	(5,736)	-	107	(5,629)
Other transactions with shareholders						
Shareholder contributions	-	-	-	19,110	-	19,110
Dividends	-	-	-	(8,335)	-	(8,335)
Distribution of profit/(loss)	-	6,005	(6,005)	-	-	-
Balance at 31 December 2024	3,540	126,319	(5,736)	349,221	209	473,553

The accompanying notes form an integral part of the annual accounts for 2024.

NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Statement of cash flows for the years ended 31 December 2024 and 2023

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Note	31.12.2024	31.12.2023
Cash flows from/(used in) operating activities			
Profit/(loss) for the period before tax		(15,359)	(1,113)
Adjustments for		30,283	28,226
Amortisation/depreciation		226	135
Change in provisions		2,473	(1,381)
Grants recognised in the income statement		(16)	-
Gains/(losses) on disposals of fixed assets		16	-
Finance income		(282)	(3)
Finance cost		27,866	29,475
Changes in operating assets and liabilities		1,240	(809)
Trade and other receivables		3,118	(472)
Other current assets		70	(115)
Trade and other payables		(1,887)	(222)
Other non-current assets and liabilities		(61)	-
Other cash flows from/(used in) operating activities		(21,505)	(25,605)
Interest paid		(28,602)	(29,775)
Interest received		4	3
Income tax received/(paid)		7,093	4,425
Other amounts received/(paid)		-	(258)
Cash flows from/(used in) operating activities		(5,341)	699
Cash flows from/(used in) investing activities			
Payments for investments		(20,809)	(22,097)
Group companies and associates	7	(15,015)	(21,202)
Intangible assets		(397)	(415)
Property, plant and equipment		(2)	(10)
Other financial assets		(5,395)	(470)
Proceeds from sale of investments		45,818	41,230
Group companies and associates	7	45,812	37,518
Other financial assets		6	3,712
Cash flows from/(used in) investing activities		25,009	19,133
Cash flows from/(used in) financing activities			
Proceeds from and payments for equity instruments		19,267	66
Grants, donations and bequests received		157	66
Shareholder contributions	10	19,110	-
Proceeds from and payments for financial liability instruments		(30,600)	(12,063)
Redemption and repayment of			
Debt with Group companies and associates		(30,600)	(12,063)
Dividends and interest on other equity instruments paid		(8,335)	(7,835)
Distribution of share premium and dividends	10	(8,335)	(7,835)
Cash flows from/(used in) financing activities		(19,668)	(19,832)
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at start of period		5	5
Cash and cash equivalents at period end		5	5

The accompanying notes form an integral part of the annual accounts for 2024.

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(1) Nature, activities of the company, regulatory framework and composition of the Group

Nortegas Energía Grupo, S.L.U. (formerly Naturned Gas, S.L.U.) (hereinafter the Company) was incorporated with limited liability on 31 March 2017 under the name Naturned Gas, S.L.U. In 2018, the company changed its corporate name to Nortegas Energía Grupo, S.L.U.

According to article 2 of the Company's articles of association, its statutory activity is:

a) To promote, improve and manage initiatives and activities in the energy sector, to carry out consultancy work to improve performance and profitability and to finance and guarantee such initiatives and activities.

b) To hold, administer, acquire and dispose of shares in other companies that undertake activities (regulated or not) in the energy sector and to create and wind up such companies.

c) To take part in groupings, consortia and associations that complement the company's corporate purpose.

d) To purchase, sell and exchange energy and to supply energy and carry out other additional or complementary activities.

e) To provide services and grant loans to its subsidiaries.

If, in order to engage in its statutory activity, the Company were required to provide prior authorisations or to meet any requirements, legal, technical or economic/financial conditions or special training requirements, the Company would do so before carrying out its activity.

The activities comprised in the statutory activity can be carried out by the Company in part or in full, either directly or indirectly, in any of the forms allowed by Law and applicable industry regulations and, specifically, through the holding of interests, by any means, in enterprises, economic interest groupings or companies, created or to be created, that are linked, directly or indirectly, to the statutory activity or to any other similar or connected activity via the incorporation of new companies, the subscription or assumption of shares or stakes in already incorporated companies, mergers, groupings, joint ventures and the signing of any agreements, or via any other similar means.

Since it was incorporated, the company's registered office is located in Bilbao with the current address at Plaza Euskadi número 5, Planta 23 in Spain.

The Company holds investments in subsidiaries. Consequently, in accordance with prevailing legislation, the Company is the parent of a group of companies.

Furthermore, the Company belongs to the Nature Investments, S.a.r.l. Group. The group's parent company is Nature Investments, S.A.R.I. with registered address at 15, Boulevard F.W. Raiffeisen, L-2411 in Luxembourg. The latter company draws up the consolidated financial statements, the Spanish translation of which will be filed at the Vizcaya Companies Registry and, therefore, based on the dispensation set forth in prevailing legislation, the directors of the Company have not prepared the consolidated annual accounts of Nortegas Energía Grupo, S.L.U. and subsidiaries for the year ended 31 December 2024.

(Continues)

(2) Basis of presentation

(a) True and fair view

The accompanying annual accounts for the year ended 31 December 2024 have been prepared on the basis of the accounting records of Nortegas Energía Grupo, S.L.U. They have been prepared in accordance with prevailing legislation and the Spanish General Chart of Accounts to give a true and fair view of the equity and financial position at 31 December 2024 and the results of operations, changes in equity, and cash flows for the year then ended.

The Company's directors consider that the annual accounts for the year ended 31 December 2024, authorised for issue on 27 March 2025, will be approved with no changes by the sole shareholder.

(b) Comparative information

In accordance with commercial legislation, the balance sheet, income statement, statement of recognised income and expense, statement of changes in equity and the statement of cash flows for 2024 are presented with comparative figures for the 2023. The notes also include quantitative information regarding the prior year, unless an accounting standard stipulates specifically that it is not necessary.

(c) Functional and presentation currency

The figures disclosed in the annual accounts are expressed in thousands of euros, the Company's functional and presentation currency, rounded off to the nearest thousand, unless otherwise stated.

d) Critical issues regarding the valuation and estimation of relevant uncertainties and judgements used when applying accounting principles

Relevant accounting estimates and judgements and other estimates and assumptions have to be made when applying the Company's accounting principles to prepare the annual accounts.

(i) Impairment of equity instruments

At least at year end, the necessary value adjustments should be carried out provided there is objective evidence that the carrying amount of an investment will not be recoverable.

To calculate the recoverable amount, the directors of the Company take into consideration the investee's equity, corrected for any net unrealised gains existing at the measurement date, which correspond to identifiable elements on the balance sheet of the investee, or they estimate expected future cash flows to be generated by the investee, both on its ordinary activities or upon its disposal or derecognition and they use an appropriate discount rate to calculate the present value of such cash flows. The future cash flows depend on the budgets upon which they are based being met, while the discount rates depend on the interest rate and the associated risk premium.

(Continues)

(ii) Deferred tax assets

Deferred tax assets are recognised for all available deductible temporary differences, tax loss carryforwards and deductions when it is probable that sufficient future taxable profit will be obtained by the Company against which these assets can be utilised.

In order to determine the amount of the deferred tax assets to be recognised, the directors estimate the amounts and dates on which future taxable profits will be obtained and the reversal period of taxable temporary differences.

The directors of the Company consider that doubts do not exist regarding the capacity of the Company or the tax group to which it belongs to generate sufficient future taxable profits to enable the capitalised deferred tax asset to be applied.

Although these estimates are based on the best information available on the items analysed when these annual accounts are prepared, it is possible that future events may require the Company to increase or reduce these figures in subsequent periods, recognising the effects of any such changes prospectively in future periods.

(e) Other matters

At 31 December 2024, the Company has negative working capital of €7,075 thousand (€11,591 thousand at 31 December 2023). However, the Company's directors consider that this working capital will be covered by the generation of funds from its activity or by its investees. On 28 January 2021, the Nortegas Group refinanced the €100 million credit facility it had with Nortegas Energía Distribución, S.A.U., increasing it to €120 million and transferring it to Nortegas Energía Grupo, S.L.U. with maturity in January 2027. At 31 December 2024, this credit facility is available in full.

(3) Distribution of profit/(loss)

The proposed application of the Company's loss for the year ended 31 December 2024 to be submitted to the sole shareholder for approval is as follows:

	Euros
Basis of allocation	
Losses at 31 December 2024	(5,735,982.24)
Application	
Prior years' losses	(5,735,982.24)
	(5,735,982.24)

The proposed distribution of the Company's profit for the year ended 31 December 2023 submitted to the sole shareholder for approval was as follows:

	Euros
Basis of allocation	
Profit at 31 December 2023	6,004,697.56
Distribution	
Voluntary reserves	6,004,697.56
	6,004,697.56

(4) Significant accounting policies

(a) Leases

The Company has the right to use certain assets under lease contracts.

Lease contracts in which the significant risks and rewards inherent to ownership of the asset are substantially transferred to the Company are classified as finance leases, and are otherwise recorded as operating leases. The Company has no finance leases at 31 December 2024 or 2023.

Lease payments under operating leases, net of incentives received, are recognised as an expense on a straight-line basis over the lease term.

The Company recognises initial direct costs of operating leases as an expense when incurred.

(b) Financial instruments

i. Classification and measurement of financial assets and liabilities

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

Financial assets and liabilities owned by the Company are classified using the following categories:

a. Financial assets at cost

This includes investments in the equity of controlled companies (Group companies), companies jointly controlled by means of statutory agreements or by contract held with one or more associates (jointly-controlled entities) or companies in which a significant influence is exercised (associates) and investments in equity instruments whose fair value cannot be reliably determined.

They are initially measured at fair value, which, unless there is evidence to the contrary, is the cost of the transaction, equivalent to the fair value of the consideration received. Initial measurement includes any pre-emptive and similar rights acquired. Subsequent to initial recognition, these financial assets are stated at cost less, where appropriate, accumulated value adjustments for impairment.

In non-monetary contributions to a Group company in which the purpose is a business, the investment is measured at the carrying value of the equity items given in the consolidated annual accounts as at the date of the transaction. The consolidated annual accounts of the group or larger subgroup into which the equity elements are included, the parent company of which is Spanish, are used. If these accounts are not drawn up under any exemption provided for in the consolidation standards, the values existing before the transaction in the individual annual accounts of the contributing company shall be used.

When these assets need to be measured for the purposes of derecognition or otherwise, the average weighted price method is applied to similar groups, understood to have the same rights. In the event of sale of pre-emptive and similar rights or their segregation in order to exercise the rights, the carrying value of the respective assets is deducted by the cost of the rights.

b. Financial 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 income statement applying the effective interest method. However, financial assets maturing in less than a year that do not specify a contractual rate of interest are valued both initially and subsequently at the nominal value if the result of not discounting the cash flows is insignificant.

c. Financial liabilities

The Company classifies all financial liabilities at amortised cost using the effective interest rate method, except derivative financial instruments which are accounted for at fair value.

Financial liabilities at amortised cost are initially measured at fair value, which, unless there is evidence to the contrary, is the cost of the transaction, equivalent to the fair value of the consideration received. The directly attributable transaction costs are included in the initial measurement. Subsequent to initial recognition, these financial liabilities are measured at amortised cost. The interest accrued is taken to the income statement applying the effective interest method.

However, trade payables maturing in less than a year that do not specify a contractual rate of interest are measured at the nominal value if the result of not discounting the cash flows is insignificant.

ii. Interest and dividends from financial assets

Dividends are recognised as income in the income statement when the investee or any Group company in which it has an interest has generated profits in excess of the equity to be distributed.

Furthermore, when the distributed dividends unequivocally originate from profits generated before the acquisition date, they are not recognised as revenue but will reduce the carrying amount of the investment.

The judgement as to whether profits have been generated by the investee shall be made solely on the basis of the profits recognised in the individual income statement since the date of acquisition, unless it is clear that the distribution out of those profits is to be regarded as a recovery of the investment from the perspective of the entity receiving the dividend.

Interest is recognised using the effective interest rate method and dividends are recognised when the right to receive the dividend is reported.

iii. Impairment of financial assets

The Company regularly reviews whether the financial assets or a group of financial assets are impaired.

a. Financial assets at amortised cost

The required valuation adjustments are made provided there is objective evidence that the value of a financial asset or a group of financial assets, accounted for at amortised cost, has been impaired as a result of one or more events that have taken place after initial recognition and which cause a reduction or delay in estimated future cash flows.

The impairment loss of these financial assets is the difference between their carrying amount and the current value of the future cash flows expected to be generated, discounted at the effective interest rate used for initial recognition. For variable income financial assets, the effective interest rate corresponding to the annual accounts reporting date is used, in accordance with the contractual terms Models based on formulas or statistical methods are used to calculate impairment losses for a group of financial assets.

Impairment losses, as well as their reversal when the amount of the impairment loss decreases due to a subsequent event, are recognised as an expense or income, respectively, in the income statement. A reversal of impairment is limited to the carrying amount of the credit that would have been recognised on the reversal date had no impairment been recognised.

b. Investments in the equity of group companies and associates

When there is objective evidence that the carrying amount of an investment will not be recoverable, the necessary valuation adjustments are made.

The impairment loss is the difference between the carrying amount and the recoverable amount, the latter of which is understood to be the higher of the fair value less costs to sell and the present value of estimated future cash flows from the investment. Unless better evidence is available of the recoverable amount of the investments, when estimating impairment in this type of asset, the investee's equity (if appropriate, consolidated equity) is taken into consideration, corrected for any net unrealised gains existing at the measurement date.

Impairment losses and, where applicable, their reversal, are recognised as an expense or income, respectively, in the income statement. A reversal of impairment is limited to the carrying amount of the investment that would have been recognised on the reversal date had no impairment been recognised.

iv. Derecognition of financial assets

Financial assets, or a part of them, are disposed of when the contractual rights to the cash flows from the financial asset have expired or are transferred, provided that substantially all risks and benefits inherent to ownership have been transferred, in circumstances that are assessed by comparing the Company's exposure, before and after the transfer, to changes in the amounts and timing of the net cash flows of the transferred asset.

If the Company has neither transferred nor retained substantially all the risks and rewards, the financial asset is derecognised when control of the asset is no longer retained, which is determined by the transferee's ability to transfer the asset. If the Company has retained control, it continues to recognise the financial asset at the amount of its exposure to changes in the value of the transferred asset; that is, to the extent of its continuing involvement in the financial asset ,and an associated liability is recognised.

When the financial asset is derecognised, the difference between the consideration received net of attributable transaction costs, including any new asset obtained less any liability assumed, and the carrying amount of the financial asset, plus any accumulated amount recognised directly in equity, determines the gain or loss arising on the derecognition of said asset and forms part of the profit or loss for the reporting period in which it arises.

The Company does not derecognise financial assets, and recognises a financial liability for the amount of the consideration received, in transfers whereby it retains substantially all the risks and rewards of ownership.

v. Derecognition of financial liabilities

The Company derecognises a financial liability when the obligation is extinguished.

When there is an exchange of debt instruments between the Company and the counterparty, provided that they have substantially different conditions, the original financial liability is eliminated, and the new 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 income statement in the year in which this occurs.

The Company 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% 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 have substantially different conditions, the original financial liability is not derecognised from the balance sheet, recognising the amount of the commissions paid as an adjustment to its carrying value. The amortised cost of the financial liability is determined by applying the effective interest rate, which matches the carrying value of the financial liability at the modification date with the cash flows payable according to the new terms.

(c) Intangible assets

Intangible assets are measured at cost of acquisition. Intangible assets are carried at cost, less any accumulated amortisation and impairment.

(i) Development

This heading includes the direct costs incurred in developments specifically individualised by projects.

Expenses related to research, development and innovation (R&D&I) projects are recognised directly in the income statement for the relevant period, except in the case of costs incurred in development projects that are capitalised under Development when the following conditions are met:

- It is technically possible to complete production of the intangible asset so that it can be used or sold.
- The intangible asset in question is intended to be completed for use or sale.
- There is the capacity to use or sell the intangible asset.
- The intangible asset will likely generate future economic benefits.
- Appropriate technical and financial resources are available to complete development and use or sell the intangible asset.
- Expenditure attributable to the intangible asset during development can be reliably measured.

The cost of completed development projects is taken to income on a straight-line basis through amortisation over the asset's useful life of between three and seven years, depending on the project in question.

(ii) Computer software

Software acquired by the Company is stated at the cost incurred. Computer software maintenance costs are charged as expenses when incurred.

(iii) Subsequent costs

Subsequent costs incurred on intangible assets are recognised in the income statement, unless they increase the expected future economic benefits attributable to the intangible asset.

(iv) Useful life and amortisation rates

Intangible assets are amortised by allocating the amortisable amount of an asset on a systematic basis over its useful life, by applying the following criteria:

	Amortisation method	Estimated years of useful life
Development	Straight-line	5
Computer software	Straight-line	4

The amortisable amount of intangible assets is measured as the cost of the asset, less any residual value.

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

(v) Impairment

The Company measures and determines impairment to be recognised or reversed based on the criteria in section (d) Impairment of non-financial assets subject to amortisation or depreciation.

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

The Company 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 recoverable amount is the higher of the fair value less costs to sell and the value in use.

Impairment losses are recognised in the income statement.

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.

At the end of each reporting period the Company assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. Impairment losses on goodwill are not reversible. 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.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

The Company recognises payments and collections for financial assets and liabilities with a high turnover in the statement of cash flows at their net amount. Turnover is considered to be quick when the period between the date of acquisition and maturity does not exceed six months.

In the cash flow statement, bank overdrafts which are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents. Bank overdrafts are recognised in the balance sheet as financial liabilities arising from bank borrowings.

(f) Income tax

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

Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

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.

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

- Nortegas Energía Distribución, S.A.U.
- NED España Distribución Gas, S.A.U.
- NED Suministro GLP, S.A.U.
- Nortegas Green Energy Solutions, S.L.U.
- Norbiogas Renovables, 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.
- 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.

At 31 December 2023, the Company and the following companies are taxed under the special consolidated tax regime, in adherence of regional corporate tax regulation 11/2013 of 5 December, whereby the parent company of the tax group is Nortegas Energía Distribución, S.A.U.:

- Nortegas Energía Distribución, S.A.U.
- NED España Distribución Gas, S.A.U.
- NED Suministro GLP, S.A.U.
- 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.
- Nortiben Green Energy V, S.L.
- Nortiben Green Energy VI, S.L.
- Nortiben Green Energy VII, S.L.
- Nortiben Green Energy VIII, S.L.
- Norbiogas Biometano I, S.L.
- Norbiogas Biometano II, S.L.
- Norbiogas Biometano III, S.L.

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 forming 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 or loss and are valued using the tax rate of that company.

A reciprocal credit and debit arises between the Group companies that contribute tax losses to the tax group and the rest of the consolidated Group companies that offset those losses. Where a tax loss cannot be offset by the other consolidated Group companies, 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.

The Parent of the Group records the total consolidated income tax payable (recoverable) with a debit (credit) to receivables (payables) from/to Group companies and associates.

The amount of the debt (credit) relating to the subsidiaries is recognised with a credit (debit) to payables (receivables) to/from Group companies and associates.

Deferred taxes are recognised in respect of temporary differences between the tax base of an asset or liability at the balance sheet date and its carrying amount. The tax base of an asset or a liability is the amount attributed to that asset or liability for tax purposes.

The tax effect of temporary differences is reflected in the balance sheet under Deferred tax assets or Deferred tax liabilities.

The Company recognises deferred tax liabilities in all cases except where they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

The Company recognises deferred tax assets provided that it is probable that sufficient taxable income will be available against which they can be utilised or when tax legislation envisages the possibility of converting deferred tax assets into a receivable from public entities in the future.

At each reporting date, the Company assesses recognised and previously unrecognised deferred tax assets. Based on this assessment, the Company then derecognises previously recorded deferred tax assets when recovery is no longer probable, or recognises a previously unrecorded deferred tax asset if it is probable that future taxable profit will enable its application.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when they are reversed, based on tax laws that have been 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.

Deferred tax assets and liabilities are not discounted and are classified as non-current irrespective of the reversal date.

(g) Classification of assets and liabilities as current and non-current

Assets and liabilities are classified as current and non-current in the balance sheet. For these purposes, items are classified as current when their maturity, disposal or realisation is expected to take place within the maximum period of one year, and as non-current when this period is over one year.

(h) Income and expense

Income and expenses are recognised on an accrual basis, irrespective of the payment or collection date.

Revenue deriving from services rendered should be taken into account when the results of the transaction may be reliably estimated, taking into consideration the degree to which the service has been completed at the year-end. When the result of a transaction involving the rendering of services may not be reliably estimated, revenues are recognised, but only to the extent that recognised expenses are considered to be recoverable.

As a holding entity, the Company includes the dividends received from subsidiaries under the Revenues caption in the income statement.

(i) Environmental issues

Costs relating to decontamination and the restoration of contaminated areas, waste disposal and other expenses resulting from compliance with environmental legislation are recognised as expenses for the period in which they are incurred, unless they relate to the cost of purchasing items included in the Company's assets that will be used long term, in which case they are recognised in property, plant and equipment and depreciated in accordance with the same criteria.

(j) 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.

(k) Provisions

(i) General criteria

Provisions are recognised when the Company has a present obligation (legal, contractual, constructive or tacit) 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 amount recognised 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 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.

(l) Termination benefits

Pursuant to current employment law, in certain circumstances the Company is liable to pay termination benefits to employees whose services are discontinued. Termination benefits that can be reasonably quantified are recorded as an expense in the year in which there is a valid expectation, created by the Company, vis a vis the affected third parties.

(m) 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.

Long-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.

The Company 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.

(5) Operating leases - Lessee

Future minimum payments under non-cancellable operating leases are as follows:

	Thousands of euros	
	31.12.2024	31.12.2023
Less than one year	377	413
One to six years	532	990
	909	1,403

On 23 September 2020, the Company signed a lease agreement with third parties, which entered into force on 1 July 2021, mainly for the offices where it carries out its business activities. In 2023, an office in Santander and several vehicles were added.

(6) Risk management policy

(a) Financial risk factors

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

Adaptation of the systems to the Company's risk profile is managed individually by specifically analysing each risk and the related factors, taking into consideration its nature, source, possibility and probability of occurrence and the significance of the associated 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.

(i) Credit risk

The Nortegas Group is exposed to credit risk deriving from the potential breach of contractual obligations by its counterparties (customers, financial institutions, etc.).

The risk is adequately managed and contained based on the type of transaction and the counterparty's credit rating.

At 31 December 2024 and 2023, the main balances pending collection are linked to Group companies.

(ii) Liquidity risk

Exposure to adverse situations in debt or capital markets or the Nortegas Group's own financial situation could restrict or hinder procurement of the financing required by the Company to conduct its business activities.

The Nortegas Group's liquidity policy, with a global focus, is aimed at ensuring compliance with payment commitments without having to rely on obtaining funds in onerous conditions. Various management measures are therefore used, such as maintaining committed credit facilities with sufficient amounts, terms and flexibility, diversifying financing through access to different markets and geographical areas and diversifying the maturities of the debt issued.

(iii) Exchange rate risk

As the Company's presentation currency is the euro, fluctuations in the debt instrument currencies and the currencies in which transactions are carried out against the euro may have an impact on the finance cost, the profit/(loss) for the year and on equity.

The Company mitigates this risk by undertaking all cash flows in euro whenever it is possible and economically feasible and efficient to do so, or by using financial derivatives when this is not possible.

(7) Investments in equity instruments of Group companies and associates

Details of investments in equity instruments of Group companies and associates are as follows:

	Thousands of euros	
	Non-current	
	31.12.2024	31.12.2023
Group companies		
Equity investments	912,995	943,808
Associates		
Equity investments	15	-
Total	913,010	943,808

Appendix I contains the details of direct and indirect investments in Group companies and associates.

Main transactions in 2024

On 19 January 2024 and 25 November 2024, Nortegas Energía Distribución, S.A.U. made share premium distributions €61 million and €4.285 million, respectively. As mentioned in Note 4, as it does not originate entirely from profits generated after the entry of these companies into the Group, from these distributions, €40,812 thousand were recognised by reducing the carrying amount of the investment under Non-current investments in Group companies and associates - Equity instruments, and €24,473 thousand were recognised as revenue under Revenue in the income statement, respectively.

On 9 January 2024, Nortegas Green Energy Solutions, S.L.U. distributed share premium totalling €5 million. As mentioned in Note 4, as it does not originate entirely from profits generated after the entry of these companies into the Group, the entire distribution is recognised by reducing the carrying amount of the investment recorded under the Non-current investments in group companies and associates - Equity instruments heading.

On 25 January 2024, 13 May 2024 and 17 September 2024, the Company made contributions of €2 million, €3 million and €10 million, respectively, to Norbiogas Renovables, S.L.U.

Main transactions in 2023

On 13 January 2023, 25 May 2023 and 28 November 2023, Nortegas Energía Distribución, S.A.U. made share premium distributions €41.5 million, €22.5 million and €1.5 million, respectively. As mentioned in Note 4, as this amount does not originate entirely from profits generated after the entry of these companies into the Group, from these distributions, €37.5 million were recognised by reducing the carrying amount of the investment under Non-current investments in Group companies and associates - Equity instruments, and €27,982 thousand were recognised as income under Revenue in the income statement.

On 25 May 2023, the Company made a contribution of €18.4 million to Nortegas Green Energy Solutions, S.L.U.

On 28 September 2023, Nortegas Green Energy Solutions, S.L.U. sold its shares in Norbiogas Renovables, S.L.U. to the Company for €0.99 million. On 12 December 2023, the Company made a shareholder contribution of €1.8 million to Norbiogas Renovables, S.L.U.

7.1 Impairment analysis

The Company evaluates whether there are indications of possible impairment losses on its investments in Group companies. At 31 December 2024, the Company has updated the impairment test on its investment in Nortegas Energía Distribución, S.A.U.

The main assumptions are:

Regulated gas distribution business:

Projections at 14 years with a market growth rate of 0.5% from year 14. As in previous years, the future cash flow projection period is 14 years. This term is consistent with the Group’s business plan and it is reasonable in relation to the regulated nature of the Group's business, which includes extended regulatory periods. The Group believes that its projections are reliable and that past experience demonstrates its capacity to predict cash flows in periods such as these.

- 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 annual accounts 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 Company information.

- After-tax discount rate of 5.23%% (5.09% 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:

    - Cost of capital or own resources (Ke):

        - Risk-free rate (Rf): calculated based on the profitability of the Spanish Government Bond.

        - Market risk premium (Rm-Rf): 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 (Rm), referenced using certain listed companies with businesses comparable to the business under analysis.

    - Cost of debt (Kd): we understand that the cost of the debt must reflect the cost at which a company could be financed.

    - Current nominal tax rate applicable.

LPG supply business:

- 14-Year projections with a growth rate from year 14 of 0.50%. As in previous years, the future cash flow projection period is 14 years. This term is consistent with the Group’s business plan and it is reasonable in relation to the regulated nature of the Group's business, which includes extended regulatory periods. The Group believes that its projections are reliable and that past experience demonstrates its capacity to predict cash flows in periods such as these.

- 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 Company information.

- After-tax discount rate of 6.59%% (6.57% 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:

    - Cost of capital or own resources (Ke):

        - Risk-free rate (Rf): calculated based on the profitability of the Spanish Government Bond.

        - Market risk premium (Rm-Rf): 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 (Rm), referenced using certain listed companies with businesses comparable to the business under analysis.

    - Cost of debt (Kd): we understand that the cost of debt must reflect the cost at which a company could be financed.

    - Current nominal tax rate applicable to the subsidiary.

The recoverable amount calculated in the aforementioned impairment test is higher than the carrying amount of the investment, so no impairment losses have been recognised in the year ended 31 December 2024.

The Company has also performed several sensitivity analyses on the results of the impairment test, using reasonable changes in the following basic assumptions:

- A 0.5% increase in the discount rate
- A 0.5% reduction in growth of supply points
- A 0.5% slowdown in the growth of demand per supply point
- Growth rate of 0% from year 14.
- A 5% reduction in LPG consumption per supply point.

The sensitivity analyses have not detected any impairment.

(8) Investments and trade receivables

(a) Trade and other receivables

Details of trade and other receivables are as follows:

	Thousands of euros	
	Current	
	31.12.2024	31.12.2023
Group (Note 16)		
Other receivables from Group companies and associates	471	3,657
Unrelated parties		
Receivables	23	2
Personnel	170	168
Public entities, other (Note 14)	2	-
Total	666	3,827

(9) Cash and cash equivalents

Cash and cash equivalents mainly relates to the balances held in current accounts at financial entities, which are freely available.

(10) Capital and reserves

Details of equity and movement during the year are shown in the statement of changes in equity.

(a) Share capital

At 31 December 2024 and 2023, the Company's share capital is represented by 3,540,100 registered shares of €1 par value each, fully subscribed and paid up, which confer equal rights to the holders.

At 31 December 2024 and 2023, the sole shareholder is Nature Investments Holding II, S.à.r.l. and the sole shareholder of this company is Nature Investments Holding I, S.à.r.l. (a company owned in full by Nature Investments S.à.r.l.). Due to the foregoing, the Company is solely owned and is thus entered in the Companies Register (see Note 1).

(b) Share premium

The revised Spanish Companies Act expressly allows for the use of the share premium balance for capital increases and does not establish any specific restrictions regarding the availability thereof. The share premium resulted from the capital increase carried out by Nature Gasned XXI S.L.U. on 25 July 2017.

(c) Other shareholder contributions

On 4 May 2024 and 25 November 2024, extraordinary dividend distributions were approved to Nature Investment Holding II, S.A.R.L. for €4,050 thousand and €4,285 thousand, respectively, charged to Other shareholder contributions. Furthermore, on 9 April 2024 its sole shareholder, Nature Investment Holding II, S.A.R.L., approved a shareholder contribution of €19,110 thousand.

On 25 May 2023, 14 June 2023, 27 November 2023 and 14 December 2023, extraordinary dividend distributions were made to Nature Investment Holding II, S.A.R.L. for €1,000 thousand, €3,100 thousand, €645 thousand and €3,090 thousand, respectively, charged to Other shareholder contributions.

(11) Non-current and current provisions

Movement in other provisions in 2024 is as follows:

	Thousands of euros				
	Balance at 31.12.2023	Charges	Reversals	Transfers	Balance at 31.12.2024
Non-current					
Provisions for termination benefits	-	100	-	-	100
Other personnel provisions	811	1,598	-	(1,710)	699
Total non-current provisions	811	1,698	-	(1,710)	799
Current					
Provisions for termination benefits	-	775	-	-	775
Other personnel provisions	-	-	-	1,710	1,710
Total current provisions	-	775	-	1,710	2,485
Total	811	2,473	-	-	3,284

Movement in other provisions in 2023 is as follows:

	Thousands of euros					
	Balance at 31.12.2022	Charges	Reversals	Use	Transfers	Balance at 31.12.2023
Non-current						
Other personnel provisions	-	319	(249)	(258)	999	811
Other provisions	1,450	-	(1,450)	-	-	-
Total non-current provisions	1,450	319	(1,699)	(258)	999	811
Total	1,450	319	(1,699)	(258)	-	811

(12) Debt and trade payables

(a) Debt with Group companies and associates

Details of debt with Group companies and associates are as follows:

	Thousands of euros			
	31.12.2024		31.12.2023	
	Non-current	Current	Non-current	Current
Group				
Non-current debt with Group companies and associates	461,637	13,711	490,340	16,506
Total	461,637	13,711	490,340	16,506

Below are details of the loans in this category:

On 27 July 2017, the Company signed a subordinated loan agreement with its sole shareholder, Nature Investments, S.a.r.l,. for €469 million maturing on 31 December 2025 or one month after the maturity of the Senior debt issued by the subsidiary, Nortegas Energía Distribución, S.A.U.

In 2024, the Company has repaid €28,703 thousand (€12,063 thousand in 2023) on the loan. At 31 December 2024, the outstanding debt amounts to €334.3 million (€363 million at 31 December 2023).

This loan accrues fixed interest at an annual rate of 6.12% and accrued interest payable at 31 December 2024 of €10,458 thousand (€11,356 thousand at 31 December 2023).

On 20 December 2018, the Company assumed the debtor position that Nature Investments, S.a.r.l. held over Nortegas Energía Distribución, S.A.U. in relation to the subordinated shareholder loan granted by the former to the latter, for €127,303 thousand. This shareholder loan matures on 31 December 2025 or one month after the maturity of the Senior debt issued by the subsidiary, Nortegas Energía Distribución, S.A.U., which is currently 2031. This loan accrues interest at a fixed yearly rate of 5%. Accrued interest payable at 31 December 2024 totals €3,253 thousand (€3,253 thousand at 31 December 2023).

At 31 December 2024, the fair value of non-current debt with Group companies and associates totals €429,793 thousand (€428,460 thousand at 31 December 2023).

(b) Trade and other payables

Details of trade and other payables are as follows:

	Thousands of euros	
	Current	
	31.12.2024	31.12.2023
Related parties (Note 16)		
Payables	606	1,505
Unrelated parties		
Creditors	1,166	1,841
Payables on fixed assets	176	60
Personnel	1,411	1,341
Public entities, other (Note 14)	278	605
Total	3,637	5,352

(13) Average supplier payment period

Details of the average supplier payment period are as follows:

	Days	
	31.12.2024	31.12.2023
Average supplier payment period	40.69	37.17
Transactions paid ratio	41.66	37.44
Transactions payable ratio	27.92	33.73
	Euros	
Total payments made	9,906,794	12,285,259
Total payments outstanding	753,407	964,681

The total monetary amount and the number of invoices paid within the maximum period set out in the late payment regulations in 2024 is €9,200 thousand and 1,508 invoices (€10,235 thousand and 1,232 invoices in 2023). These amounts represent 92.86% and 86.47% of total monetary payments to suppliers and total number of invoices at 31 December 2024, respectively (83.3% and 68.2% in 2023, respectively).

The payment of certain invoices outside the maximum period stipulated in the late payment legislation in 2024 and 2022 is due to commercial disputes or incidents in the administration process.

(14) Taxation

Details of balances with public entities are as follows:

	Thousands of euros			
	31.12.2024		31.12.2023	
	Non-current	Current	Non-current	Current
Assets				
Deferred tax assets	27,299	-	25,454	-
VAT receivable	-	2	-	-
	27,299	2	25,454	-
Liabilities				
Deferred tax liabilities	66	-	32	-
Vat payable to tax authorities	-	-	-	169
Other debt with public entities	-	278	-	436
	66	278	32	605

(a) Income tax

On 22 December 2017, the Company's directors decided, with effect from 1 January 2018, to file consolidated corporate income tax returns under the consolidated tax regime provided for in Provincial Regulation 11/2013 of 5 December on corporate income tax, with Nortegas Energía Distribución, S.A.U. as the representative.

Due to the treatment permitted by fiscal legislation of certain transactions, additional tax liabilities could arise in the event of inspection. In any case, the Company's directors do not consider that any such liabilities that could arise would have a significant effect on the annual accounts.

A reconciliation of net income and expense for the period with taxable income is provided in Appendix II.

Permanent differences in 2024 and 2023 relate mainly to the dividends received.

Temporary differences in 2024 and 2023 arose from the restriction on the deductibility of finance costs, on the one hand, and the difference between the accounting and tax criteria for recognising certain charges to other provisions, on the other.

The relationship between the income tax expense and profit for the period is as follows:

	31.12.2024	
	Thousands of euros	
	Losses and gains	Total
Income and expense for the period before tax	(15,359)	(15,359)
Tax at 24%	3,686	3,686
Uncalculated income	5,874	5,874
Deductions	106	106
Non-deductible expenses	(15)	(15)
Prior years' adjustments and other	(28)	(28)
Income tax income/(expense)	9,623	9,623

	31.12.2023	
	Thousands of euros	
	Losses and gains	Total
Income and expense for the period before tax	(1,113)	(1,113)
Tax at 24%	267	267
Uncalculated income	6,716	6,716
Deductions	142	142
Non-deductible expenses	(26)	(26)
Prior years' adjustments and other	19	19
Income tax income/(expense)	7,118	7,118

Details of unused tax loss carryforwards at 31 December 2024 and 2023 are as follows:

	Thousands of euros	
Year of origin	2024	2023
2017	12,763	12,763
	12,763	12,763

2017 tax loss carryforwards have not been used since the necessary conditions were not met.

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected and agreed by the taxation authorities or before the inspection period of four years has elapsed.

The Company has the following main applicable taxes open to inspection by the Spanish tax authorities:

Tax	Open tax periods
Corporate income tax	2020 - 2023
Value added tax	2021 - 2024
Personal income tax	2021 - 2024

Details of deferred tax assets and liabilities by type of asset and liability are as follows:

	Thousands of euros	
	31.12.2024	
	Assets	Liabilities
Finance cost	26,508	-
Provisions	788	-
Deductions	2	-
Grants	-	66
Total assets/liabilities	27,299	66

	Thousands of euros	
	31.12.2023	
	Assets	Liabilities
Finance cost	25,216	-
Provisions	195	-
Deductions	43	-
Grants	-	32
Total assets/liabilities	25,454	32

Deferred tax assets have been recognised in the balance sheet because the directors consider that the Company or the tax group to which it belongs, based on the best estimate of the future results of both, is reasonably assured that these assets will be recovered over a period of not more than twenty years.

(15) Environmental information

In the year ended 31 December 2024, the Company has not incurred significant environmental expenses. It was not considered necessary to record any provision for environmental risks and expenses, nor are there any contingencies for environmental protection and improvement purposes.

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

(16) Related party balances and transactions

(a) Related party balances

Details of balances by category are as follows:

	Thousands of euros		
31.12.2024	Associates	Group companies	Total
Non-current investments in Group companies and associates (Note 7)			
Equity instruments	15	912,995	913,010
Non-current loans to companies	-	1,104	1,104
Total non-current assets	15	914,099	914,114
Current investments in Group companies and associates			
Loans to companies	-	11,546	11,546
Other receivables	-	471	471
Total current assets	-	12,017	12,017
Total assets	15	926,116	926,131
Non-current debt with Group companies and associates (Note 12)	-	461,637	461,637
Total non-current liabilities	-	461,637	461,637
Payables	-	606	606
Current debt with Group companies and associates (Note 12)	-	13,711	13,711
Total current liabilities	-	14,317	14,317
Total liabilities	-	475,954	475,954

31.12.2023	Thousands of euros	
	Group companies	Total
Non-current investments in Group companies and associates (Note 7)	943,808	943,808
Equity instruments	470	470
Total non-current assets	944,278	944,278
Current investments in Group companies and associates		
Loans to companies	5,716	5,716
Other receivables	3,659	3,659
Total current assets	9,375	9,375
Total assets	953,653	953,653
Non-current debt with Group companies and associates (Note 12)	490,340	490,340
Total non-current liabilities	490,340	490,340
Payables	1,505	1,505
Current debt with Group companies and associates (Note 12)	16,506	16,506
Total current liabilities	18,011	18,011
Total liabilities	508,351	508,351

At 31 December 2024, Non-current investments in Group companies and associates - Loans to companies includes €1,104 thousand (€407 thousand in 2023). This amount represents the drawn down balance at this date on the credit facilities granted to the Group company Nortiben Green Energy I, S.L.U. in 2023, maturing on 9 May 2029, and in 2024 to the Group company Nortiben Green Energy II, S.L.U., maturing on 30 November 2029. Both loans accrue interest at annual market rates.

At 31 December 2024, Current investments in Group companies and associates - Loans to companies includes €8,067 thousand (€5,707 thousand at 31 December 2023). This amount reflects the receivable from the subsidiary Nortegas Energía Distribución, S.A.U. for current tax under the consolidated tax regime (Note 4f).

(b) Related party transactions

The Company's transactions with related parties are as follows:

	Thousands of euros	
31.12.2024	Group companies	Total
Income		
Revenue from services rendered to Group companies and associates	15,306	15,306
Finance income from investments in equity instruments of Group companies and associates	24,473	24,473
Finance income from marketable securities and other instruments of Group companies and associates	363	363
Total income	40,142	40,142
Expenses		
Services received	(100)	(100)
Financial instruments		
Finance cost	(27,387)	(27,387)
Total expenses	(27,487)	(27,487)

	Thousands of euros	
31.12.2023	Group companies	Total
Income		
Revenue from services rendered to Group companies and associates	21,501	21,501
Finance income from investments in equity instruments of Group companies and associates	27,982	27,982
Finance income from marketable securities and other instruments of Group companies and associates	143	143
Financial instruments of Group companies	1	1
Total income	49,627	49,627
Expenses		
Financial instruments		
Finance cost	(29,013)	(29,013)
Total expenses	(29,013)	(29,013)

(c) Information on the Company's directors and senior management personnel

In the year ended 31 December 2024, the Company’s directors and members of senior management have accrued salaries, wages, bonuses, long-term incentives and, where applicable, termination benefits, of €1,338.09 thousand and €2,436.26 thousand (€1,038.23 thousand and €1,599.94 thousand in 2023), respectively.

Members of senior management have an outstanding capital amount repayable on loans of €0 thousand (€0 thousand in 2023).

Contributions to pension plans and life insurance for directors and members of senior management in 2024 amount to €17.02 thousand and €49.88 thousand (€25,19 thousand and €49.37 thousand in 2023), respectively.

The civil liability insurance premium for the year for the position of director amounted to €27 thousand in 2024 (€26 thousand in 2023).

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

In the years ended 31 December 2024 and 2023, the directors of the Company have not carried out any transactions other than ordinary business or applying terms that differ from market conditions with the Company of any other Group company.

(e) 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.

(17) Commitments acquired

The Company acts as guarantor of the obligations under the financing granted to its sole shareholder, Nature Investments Holding II, S.à.r.l, in the amount of €65 million and €135 million on 23 May 2019 and 10 June 2022, respectively. The Company also grants its creditors pledges on the right to receivables associated with its bank accounts.

(18) Income and expense

(a) Revenue

Details of revenue by category of activity are as follows:

	Thousands of euros	
	Domestic	
	31.12.2024	31.12.2023
Revenue from services rendered to Group companies and associates	15,306	21,501
Finance income from investments in equity instruments of Group companies and associates	24,473	27,982
Finance income from marketable securities and other financial instruments of Group companies and associates	363	143
	40,142	49,626

(b) Employee benefits expense

Details of the employee benefits expense are as follows:

	Thousands of euros	
	31.12.2024	31.12.2023
Employee benefits expense		
Social Security payable by the Company	1,261	2,001
Contributions to pension plans	261	409
Other employee benefits expense	103	131
	1,625	2,541

The Company has a defined contribution pension plan.

(c) Other operating expenses

In 2024, this heading mainly includes the amount paid to cancel a contract with one of the Company's suppliers early.

(19) Employee information

The average number of Company employees, broken down by category, for the years ended 31 December 2024 and 2023 is as follows:

	Average number of employees	
	31.12.2024	31.12.2023
Directors	13	19
Heads and managers	27	35
Other	29	65
	69	119

Employees have been transferred to Nortegas Energía Distribución, S.A.U. during 2023 and 2024, in accordance with the legal requirements for the separation of activities.

At 2024 and 2023 year end, the distribution by gender of Company personnel and directors is as follows:

	Number	
	31.12.2024	
	Female	Male
Board members	3	4
Directors	4	7
Heads and managers	16	8
Other	20	4
	43	23

	Number	
	31.12.2023	
	Female	Male
Board members	2	5
Directors	6	10
Heads and managers	19	14
Other	32	17
	59	46

At 31 December 2024, the Company has one employee with a disability rating of 33% or higher (or equivalent local rating) (one employee at 31 December 2023).

Royal Legislative Decree 1/2013 of 29 November, which approves the revised General Act on the rights of persons with disabilities and their social inclusion, requires that public and private companies employing 50 or more staff must reserve at least 2% of their jobs for persons with disabilities.

Since the Company has not met this condition, it has applied a series of alternative measures established by Royal Decree 364/2005 of 8 April, which governs such exceptions. The alternative measures available to companies failing to reserve the required 2% of its posts for persons with disabilities largely consist of maintaining service contracts with at least two suppliers that are certified as “special centres”.

At 31 December 2024, the board of directors has three female members and four male members (two women and five men at 31 December 2023).

(20) Audit fees

The auditor of the Company's annual accounts has accrued net fees of €16 thousand for auditing services during the year ended 31 December 2024 (€13 thousand in 2023). The amount includes the total fees for services rendered in the year ended 31 December 2024, irrespective of the date of invoice.

(21) Events after the reporting period

No other significant events of note, in addition to the foregoing, that could have an effect on the accompanying annual accounts and which is not disclosed herein has taken place after the 31 December 2024 reporting date.

NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Details of Group companies and associates
for the year ended
31 December 2024

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Registered office	Activity	Direct	Indirect	Share capital	Reserves	Other equity items	Profit/(loss)	Total equity	Carrying amount of the investment
Nortegas Energía Distribución, S.A.U.	Bilbao (Vizcaya)	Natural gas distribution	100%		100,000	123,244	566,340	21,762	811,346	878,790
NED España Distribución Gas, S.A.U.	Bilbao (Vizcaya)	Natural gas distribution		100%	150,182	14,287	798,134	2,156	964,759	-
NED Suministro GLP, S.A.U.	Bilbao (Vizcaya)	Distribution and sale of liquefied petroleum gas		100%	2,000	8,411	89,582	(673)	99,320	-
Tolosa Gasa, S.A.	Tolosa (Gipuzkoa)	Natural gas distribution		40%	321	206	26	217	770	-
Inkolan, A.I.E.	Bilbao (Vizcaya)	Information management of shareholder networks in the Basque Country		14.29%	84	2,749	84	446	3,363	-
Nortegas Green Energy Solutions, S.L.U.	Bilbao (Vizcaya)	Technical engineering services and other activities	100%		4	(956)	16,474	347	15,869	16,413
NGES Instalaciones y Energía, S.L.U.	Llanera (Asturias)	Development, construction and maintenance of energy facilities		100%	4	422	1,158	146	1,730	-
Norbiogas Renovables, S.L.U.	Bilbao (Vizcaya)	Execution and development of waste management projects and others	100%		4	(1,576)	18,025	(2,929)	13,524	17,792
Biolvegas, S.L.	Ólvega (Soria)	Execution and development of waste management projects and others		20%	550 (*)	(10) (*)	2149 (*)	74 (*)	2,763 (*)	-
Valorizaciones Medioambientales de Bunyol, S.L.	Buñol (Valencia)	Development, management and operation of biogas, biomethane and other production plants		90%	n/a	n/a	n/a	n/a	n/a	-
Bionorte Renovables, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	3	-	455	(1)	457	-
Norbiogas La Conchita, S.L.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		50%	20	(2)	280	(8)	290	-
Nortiben Green Energy I, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		55%	7	(28)	41	(26)	(6)	-
Nortiben Green Energy II, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		55%	19	(7)	-	(24)	(12)	-
Nortiben Green Energy IV, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	11	(1)	-	(55)	(45)	-
Nortiben Green Energy V, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	11	(1)	-	(49)	(39)	-

(*) Information at 31.12.2023
This appendix forms an integral part of Note 7 to the annual accounts together with which it should be read.

NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Details of Group companies and associates
for the year ended
31 December 2024

(Expressed in thousands of euros)

Nortiben Green Energy VI, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	11	(1)	-	(39)	(29)	-
Nortiben Green Energy VII, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	11	(1)	-	(23)	(13)	-
Nortiben Green Energy VIII, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	11	(1)	-	(39)	(29)	-
Nortiben Green Energy IX, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	11	-	-	(28)	(17)	-
Nortiben Green Energy X, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	11	-	-	(2)	9	-
Nortiben Green Energy XI, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	11	-	-	(23)	(12)	-
Nortiben Green Energy XII, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	11	-	-	(2)	9	-
Nortiben Green Energy XIII, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	11	-	-	(9)	2	-
Nortiben Green Energy XIV, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	11	-	-	(1)	10	-
Nortiben Green Energy XV, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	11	-	-	(1)	10	-
Norbiogas Biometano I, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	3	(1)	-	(9)	(7)	-
Norbiogas Biometano II, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	3	-	-	(11)	(8)	-
Norbiogas Biometano III, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	3	-	-	(5)	(2)	-
Norbiogas Biometano IV, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	3	-	-	(6)	(3)	-
Norbiogas Biometano V, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	3	-	-	(7)	(4)	-
Norbiogas Biometano VI, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	3	-	-	(4)	(1)	-
Norbiogas Biometano VII, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of		100%	3	-	-	(4)	(1)	-

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NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Details of Group companies and associates
for the year ended
31 December 2024

(Expressed in thousands of euros)

		biogas, biomethane and other production plants								
Norbiogas Biometano VIII, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants		100%	3	-	305	(2)	306	-
Energy Intelligence Foundation	Bilbao (Vizcaya)	Development of an industrial, technological ecosystem around a decarbonised economy	16.67%		n/a	n/a	n/a	n/a	n/a	15
										913,010

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NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Details of Group companies and associates
for the year ended
31 December 2023

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Registered office	Activity	Direct	Indirect	Share capital	Reserves	Other equity items	Profit/(loss)	Total equity	Carrying amount of the investment
Nortegas Energía Distribución, S.A.U.	Bilbao (Vizcaya)	Natural gas distribution	100%	-	100,000	92,373	631,670	30,871	854,914	919,602
NED España distribución Gas, S.A.U.	Bilbao (Vizcaya)	Natural gas distribution	-	100%	150,182	10,912	838,952	3,847	1,003,893	-
NED Suministro GLP, S.A.U.	Bilbao (Vizcaya)	Distribution and sale of liquefied petroleum gas	-	100%	2,000	10,646	100,509	(857)	112,298	-
Tolosa Gasa, S.A.	Tolosa (Gipuzkoa)	Natural gas distribution	-	40%	651	346	26	204	1,228	-
Inkolan, A.I.E.	Bilbao (Vizcaya)	Information management of shareholder networks in the Basque Country	-	14.29%	84	2,150	84	300	2,618	-
Nortegas Green Energy Solutions, S.L.U.	Bilbao (Vizcaya)	Technical engineering services and other activities	100%	-	4	-	20,421	102	20,527	21,414
NGES Instalaciones y Energía, S.L.U.	Llanera (Asturias)	Development, construction and maintenance of energy facilities	-	100%	4	57	1,600	364	2,025	-
Norbiogas Renovables, S.L.U.	Bilbao (Vizcaya)	Execution and development of waste management projects and others	100%	-	4	-	3,025	(1,576)	1,453	2,792
Biolvegas, S.L.	Ólvega (Soria)	Execution and development of waste management projects and others	-	20%	550(**)	439 (**)	62(**)	1(**)	1,052 (**)	-
Bionorte Renovables, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	100%	3	-	455	-	458	-
Norbiogas La Conchita, S.L.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	50%	20	-	280	(2)	298	-
Nortiben Green Energy I, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	55%	7	-	41	(30)	18	-

(*) Information at 31.12.2022
This appendix forms an integral part of Note 7 to the annual accounts together with which it should be read.

NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Details of Group companies and associates
for the year ended
31 December 2023

(Expressed in thousands of euros)

Nortiben Green Energy II, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	55%	19	-	-	(7)	12	-
Nortiben Green Energy IV, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	100%	11	-	-	(1)	10	-
Nortiben Green Energy V, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	100%	11	-	-	(1)	10	-
Nortiben Green Energy VI, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	100%	11	-	-	(1)	10	-
Nortiben Green Energy VII, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	100%	11	-	-	(1)	10	-
Nortiben Green Energy VIII, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	100%	11	-	-	(1)	10	-
Norbiogas Biometano I, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	100%	3	-	-	-	3	-
Norbiogas Biometano II, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	100%	3	-	-	-	3	-
Norbiogas Biometano III, S.L.U.	Bilbao (Vizcaya)	Development, management and operation of biogas, biomethane and other production plants	-	100%	3	-	-	-	3	-
										943,808

This appendix forms an integral part of Note 7 to the annual accounts together with which it should be read.

NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Reconciliation of net income and expenses with taxable income
for the year ended
31 December 2024

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Income statement			Recognised income and expense			
31.12.2024	Increases	Decreases	Net	Increases	Decreases	Net	Total
Income and expenses for the period			(5,736)			107	(5,629)
Income tax			9,623			(34)	9,589
Profit before tax			(15,359)			141	(15,218)
Permanent differences							
Individual company	75	(24,473)	(24,398)	-	-	-	(24,398)
Temporary differences:							
Individual company							
originating in current year	7,856	-	7,856	-	(141)	(141)	7,715
originating in prior periods	-	-	-	-	-	-	-
Taxable income			(31,901)				(31,901)

This appendix forms an integral part of Note 14 to the annual accounts for 2024.

NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Reconciliation of net income and expenses with taxable income
for the year ended
31 December 2023

(Expressed in thousands of euros)

31.12.2023	Income statement			Recognised income and expense			
	Increases	Decreases	Net	Increases	Decreases	Net	Total
Income and expenses for the period			6,005			50	6,055
Income tax			7,118			(16)	7,102
Profit before tax			(1,113)			66	(1,047)
Permanent differences							
Individual company	108	(27,982)	(27,874)	-	-	-	(27,874)
Temporary differences:							
Individual company							
originating in current year	3,009	(1,957)	1,052	-	(66)	(66)	986
originating in prior periods	999	-	999	-	-	-	999
Taxable income			(26,935)				(26,935)

This appendix forms an integral part of Note 14 to the annual accounts for 2024.

NORTEGAS ENERGÍA GRUPO, S.L.U.
(Sociedad Unipersonal)

Directors' report

2024

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

1. Most significant milestones 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, transmission 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 Energia.

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.

Within the green hydrogen development strategy, Nortegas 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, Nortegas is also committed to developing biomethane to decarbonise our customers' consumption using current infrastructures. Nortegas actively works with developers in our areas of influence to enable biomethane injection points into current natural gas networks.

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 communities in which it operates, Nortegas' 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 Nortegas 95 points out of 100, demonstrating the progress we have made in our ESG targets.

In terms of legislation, the challenge facing Nortegas 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 at Nortegas has continued to reinforce a culture of personal data protection and privacy, once the Nortegas Group Data Protection Policy had been approved, and it has supported the other business and corporate departments with this year's key transactions.

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 Energía Group employs 60 professionals at 31 December 2024 and its corporate headquarters is in Bilbao.

Operating profit/(loss) in 2024 is €12.2 million. Financial and other results, together with corporate income tax, gave rise to a net result of €-5.7 million.

The payment policy for Group suppliers establishes a payment period that falls within the limits established by law.

2. Treasury shares

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

3. Financial instruments

At 31 December 2024, the Group does not have any financial instruments.

4. Risks

The Company has analysed the risks and uncertainties to which its business is subject (Note 6), and the board of directors understands that internal procedures sufficiently cover the risks identified.

5. 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:

- 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 psyhcosocial 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.

6. Outlook

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

- ✓ Continue giving corporate support to building new natural gas distribution networks and in the saturation of current networks, while at the same time making progress to adapt the company's infrastructures for use with renewable gases, essentially biomethane and hydrogen.

- ✓ Continue giving corporate support to LPG activities throughout the entire network, maximising asset value and customer relationships.

- ✓ 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.

- ✓ Anticipate risks and efficiently manage regulatory requirements, which are essential given the nature of the business.

- ✓ Continue giving corporate support to the different business areas to develop and meet sustainability objectives, generating a positive social and environmental impact in the communities the Company operates in.

7. Events after the reporting period

Since 31 December 2024, no additional significant events have taken place other than those disclosed in Note 21.

AUTHORISATION FOR ISSUE OF THE ANNUAL ACCOUNTS

2024

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Signed on original in Spanish

Mr Jon Iñaki Alzaga Echeita
Chair

Signed on original in Spanish

Ms Sneha Sinha
Board member

Signed on original in Spanish

Mr Mark William Mathieson
Board member

Signed on original in Spanish

Ms Susan Helen Cooklin
Board member

Signed on original in Spanish

Mr Adolfo Pardo de Santayana Montes
Board member

Signed on original in Spanish

Mr Juan Ignacio Villar Marcelino
Board member

Signed on original in Spanish

Ms Gloria Hernández García
Board member