

Audit Report on Financial Statements

issued by an Independent Auditor

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2025

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of NORTEGAS ENERGÍA GROUP, S.A.U. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2025 the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2025 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

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 consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Description As explained in Notes 7 and 8 to the accompanying consolidated financial statements, the net book value of the headings “Intangible assets”, “Goodwill” and “Property, plant and equipment” as of December 31, 2025 amounts to 824,371; 48,566 and 1,322,999 thousand euros, respectively.

The Group's Management evaluates goodwill to impairment tests annually and when circumstances indicate that their book value may be affected and, for the rest of the intangible assets and property, plant and equipment, it assesses, at least closing of each financial year, the existence of evidence that they could be impaired. If there are indicators, it estimates their recoverable amounts based on the present value of the future cash flows generated by the cash-generating units to which said assets are assigned.

The determination of the recoverable amount requires making complex estimates, which entails the application of judgments in establishing the assumptions considered by the Group's Management in relation to said estimates.

We have considered this area as a key audit matter in our audit due to the relevance of the amounts involved and the complexity inherent in the estimation process in determining the recoverable amount of the aforementioned assets.

The information regarding the valuation standards applied and the main assumptions considered in determining the impairment of intangible assets and property, plant and equipment is included in Notes 3.h and 8 of the attached notes to the consolidated 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 Group's Management to identify signs of impairment and determine the recoverable amount of intangible assets and property, plant and equipment, and evaluation of the design and implementation of the relevant controls established in the aforementioned process.
- ▶ Review of the model used by Group 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 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 2026 and the income projections for the following years approved by the Company's directors.
- ▶ Review of the sensitivity analyzes carried out by the Group's Management with respect to the estimates made in determining the recoverable amount due to changes in the relevant assumptions considered.
- ▶ Reviewing the disclosures made in the notes to the consolidated financial statements, assessing whether they are in conformity with the applicable financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2025 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the consolidated management report is to assess and report on the consistency of the management report with the consolidated financial statements based on the knowledge of the Group obtained during the audit, and to assess and report on whether the content and presentation of the consolidated 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 consolidated management report is consistent with that provided in the 2025 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company's directors and the audit committee for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 consolidated financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the parent 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 parent 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, we determine those matters that were of most significance in the audit of the consolidated 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.

(Original signed in Spanish)

1 April 2026

Nortegas Energía Grupo, S.A.U. and Subsidiaries

Consolidated Annual Accounts
31 December 2025

Consolidated Directors' Report
2025

(With Auditor's Report thereon)

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

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Consolidated balance sheet
at 31 December 2025 and 2024

(Expressed in thousands of euros)

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

<u>Assets</u>	Note	31.12.2025	31.12. 2024 (unaudited)	01.01.2024 (unaudited)
Property, plant and equipment	7	824,371	857,642	890,281
Goodwill	8	48,566	47,576	47,528
Other intangible assets	8	1,322,999	1,346,487	1,371,529
Right-of-use assets	10	3,583	2,247	2,949
Equity-accounted investees	9	1,392	1,328	1,314
Derivative financial instruments	11 & 12	963	-	-
Other financial assets	11 & 12	14,182	11,041	5,094
Deferred tax assets	13	167	25	39
Total non-current assets		2,216,223	2,266,346	2,318,734
Inventories	3 (k)	7,337	6,248	6,871
Trade and other receivables	11, 12 & 14	30,958	28,131	32,743
Derivative financial instruments	11 & 12	275	-	-
Other financial assets	11 & 12	2,006	1,821	1,008
Current income tax assets		60	635	3
Other current assets	15	2,001	2,571	2,508
Cash and cash equivalents	16	103,738	113,213	69,298
Total current assets		146,375	152,619	112,431
Total assets		2,362,598	2,418,965	2,431,165
<u>Equity and Liabilities</u>	Note	31.12.2025	31.12. 2024 (unaudited)	01.01.2024 (unaudited)
Share capital	17	3,540	3,540	3,540
Valuation adjustments	17	941	-	-
Reserves	17	169,471	168,652	168,652
Other shareholder contributions	17	211,721	349,221	338,446
Profit/(loss) for the period	17	10,660	819	-
Parent company's equity		396,333	522,232	510,638
Non-controlling interests' equity		1,046	142	14
Total equity		397,379	522,374	510,652
Capital grants	27	2,007	1,378	1,217
Contract liabilities	28	19,304	20,154	17,596
Provisions for liabilities and charges	25	8,783	5,639	4,222
Financial liabilities from the issue of bonds and other marketable securities	18, 19 & 21	1,119,831	1,122,296	1,121,637
Bank borrowings	18, 19 & 21	118,009	-	-
Leases	18, 19 & 20	2,944	1,740	2,317
Other financial liabilities	18, 19 & 20	420,947	463,470	491,322
Deferred tax liabilities	13	229,699	232,913	237,859
Total non-current liabilities		1,921,524	1,847,590	1,876,170
Provisions for liabilities and charges	25	467	6,082	-
Financial liabilities from the issue of bonds and other marketable securities	18, 19 & 21	7,782	7,828	7,782
Bank borrowings	18, 19 & 21	441	74	56
Leases	18, 19 & 20	927	762	803
Other financial liabilities	18, 19 & 20	13,199	13,903	15,248
Trade and other payables	18, 19 & 22	16,801	16,824	14,912
Current income tax liabilities	13	462	55	2,147
Other current liabilities	29	3,616	3,473	3,395
Total current liabilities		43,695	49,001	44,343
Total equity and liabilities		2,362,598	2,418,965	2,431,165

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

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Consolidated income statement
for the years ended 31 December 2025 and 2024

(Expressed in thousands of euros)

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

	Note	31.12.2025	31.12.2024 (unaudited)
Revenue	30	200,915	208,048
Other operating income		1,238	957
Work carried out for the Group's own assets		7,755	8,135
Supplies	30	(27,795)	(29,442)
Personnel expenses	32	(24,524)	(33,004)
Change in trade receivables and contract assets		(75)	108
Other expenses	31	(18,725)	(28,308)
Operating profit before depreciation/amortisation		138,789	126,494
Amortisation and depreciation	7, 8 & 10	(85,290)	(85,395)
Operating profit		53,499	41,099
Finance income	33	2,275	3,017
Finance cost	18 & 33	(46,089)	(45,921)
Share in profit from investments accounted for using the equity method	9	152	118
Profit/ (loss) before tax from continuing operations		9,837	(1,687)
Income tax (expense)/income	13	819	2,482
Profit/ (loss) for the period from continuing operations		10,656	795
Profit/(loss) for the period		10,656	795
Non-controlling interests' net profit/(loss)		(4)	(24)
Net profit/(loss) attributable to the Parent		10,660	819

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

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES
Consolidated statement of comprehensive income for the years ended 31 December 2025 and 2024

(Expressed in thousands of euros)

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

	31.12.2025	31.12. 2024 (unaudited)
Net profit/(loss) for the year	10,656	795
Other comprehensive income to be taken to the consolidated income statement in the coming years		
Valuation adjustments	941	-
Change in measurement of cash flow hedging derivatives	1,238	-
Tax effect	(297)	-
Total	941	-
Other comprehensive income not to be taken to the consolidated income statement in the coming years	-	-
Other comprehensive income from equity-accounted companies (net of tax)	-	-
Total net income taken directly to equity	941	-
Total comprehensive income for the period	11,597	795
Attributable to the parent company	11,601	819
Non-controlling interests	(4)	(24)

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

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

**Statement of changes in equity
for the years ended
31 December 2025 and 2024**

(Expressed in thousands of euros)

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

	Share capital	Valuation adjustments	Legal reserve	Other reserves	Other shareholder contributions	Profit/(loss) for the period	Non-controlling interests	Total equity
Balance at 31 December 2023 (unaudited)	3,540	-	708	153,346	338,446	14,598	14	510,652
Comprehensive income for the period	-	-	-	-	-	819	(24)	795
Distribution of profit/(loss)	-	-	-	14,598	-	(14,598)	-	-
Shareholder contributions	-	-	-	-	19,110	-	-	19,110
Distribution of dividends	-	-	-	-	(8,335)	-	-	(8,335)
Non-controlling interests	-	-	-	-	-	-	152	152
Balance at 31 December 2024 (unaudited)	3,540	-	708	167,944	349,221	819	142	522,374
Comprehensive income for the period	-	941	-	-	-	10,660	(4)	11,597
Distribution of profit/(loss)	-	-	-	819	-	(819)	-	-
Shareholder contributions (Note 17)	-	-	-	-	69,000	-	-	69,000
Distribution of dividends (Note 17)	-	-	-	-	(206,500)	-	-	(206,500)
Non-controlling interests	-	-	-	-	-	-	908	908
Balance at 31 December 2025	3,540	941	708	168,763	211,721	10,660	1,046	397,379

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

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Consolidated statement of cash flows
for the years ended
31 December 2025 and 2024

(Expressed in thousands of euros)

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

	Note	31.12.2025	31.12.2024 (unaudited)
Cash flows from operating activities			
Profit/(loss) for the period before tax		9,837	(1,687)
Adjustments for		131,703	134,918
Amortisation/depreciation	7, 8 & 10	85,290	85,395
Impairment adjustments	14	75	(108)
Change in provisions	25	3,318	7,499
Grants recognised in the income statement and other	27 & 28	(751)	(654)
Gains/(losses) on disposals of fixed assets		109	-
Finance income	33	(2,275)	(3,017)
Finance cost	33	46,089	45,921
Share in profit of equity-accounted investees	9	(152)	(118)
Changes in operating assets and liabilities		(4,085)	4,734
Inventories		(444)	623
Trade and other receivables		(3,065)	4,360
Other current assets		1,151	(223)
Other current liabilities		143	(422)
Trade and other payables		(1,870)	396
Other cash flows from/(used in) operating activities		(49,003)	(46,329)
Interest paid	21	(45,643)	(43,156)
Dividends received	9	88	82
Interest received		2,296	-
Other amounts received/(paid)		(5,789)	-
Income tax paid		45	(3,255)
Cash flows from operating activities		88,452	91,636
Cash flows from/(used in) investing activities			
Payments for investments		(32,662)	(34,500)
Business combinations	4	(500)	(51)
Intangible assets	8	(4,042)	(2,616)
Property, plant and equipment		(22,434)	(23,721)
Other financial assets		(5,686)	(8,112)
Proceeds from sale of investments		55	292
Group companies and associates		-	188
Property, plant and equipment		55	104
Cash flows from/(used in) investing activities		(32,607)	(34,208)
Cash flows from/(used in) financing activities			
Proceeds from and payments for equity instruments		69,908	19,262
Other shareholder contributions	17	69,000	19,110
Contributions from non-controlling shareholders		908	152
Proceeds from and payments for financial liability instruments		71,272	(24,440)
Issue		117,611	5,218
Issue of and proceeds from debt	21	113,525	1,042
Capital grants and other	27 & 28	4,086	4,176
Redemption and repayment of		(46,339)	(29,658)
Repayment of debt	21	(362)	(149)
Current debt with Group companies and associates		(45,018)	(28,703)
Leases	21	(959)	(806)
Dividends and interest on other equity instruments paid		(206,500)	(8,335)
Distribution of dividends	17	(206,500)	(8,335)
Cash flows from/(used in) financing activities		(65,320)	(13,513)
Net increase/decrease in cash and cash equivalents		(9,475)	43,915
Cash and cash equivalents at start of period		113,213	69,298
Cash and cash equivalents at period end		103,738	113,213

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

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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

1. Nature, activities and composition of the Group

Nortegas Energía Grupo, S.A.U. (formerly Naturned Gas, S.L.U.) (hereinafter the Company) was incorporated with limited liability (*sociedad limitada* in Spanish) 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.

On 27 June 2025, the Company's sole shareholder agreed to transform the company into a corporation (*sociedad anónima* in Spanish).

Nortegas Energía Grupo, S.A.U. is the parent of a group of companies whose main activities are as follows:

- a) The distribution of natural gas, including the construction, operation and maintenance of distribution facilities used to transport natural gas from the transmission networks to consumption points.
- b) The construction, maintenance and operation of secondary transmission network facilities for natural gas, in order to facilitate the transmission of natural gas to distribution networks or to end consumers, where appropriate;
- c) The provision of services linked to or which are considered to be ancillary to the gas distribution business, to natural gas suppliers and end users.
- d) The acquisition, import, storage, bottling, all manner of industrial handling, transport, distribution and supply of liquefied petroleum gas, and the acquisition, manufacture, distribution and supply of all machinery and equipment required to perform this activity, and the provision of technical assistance.
- e) The production, acquisition, intra-EU exchange, import and export of liquefied petroleum gas and light hydrocarbons obtained from oil, natural gas and the storage, mixing, bottling and transportation of liquefied petroleum gas and light hydrocarbons obtained from oil, natural gas or biogas.
- f) The wholesale and retail sale of liquefied petroleum gas, natural gas and biogas, and the supply thereof, bottled or in bulk, including via tanker and the promotion, installation, maintenance and review of facilities required to conduct the above activities, including the construction, modification, operation and closure of LPG bulk storage and distribution facilities, and the pipelines required to supply end consumers from the aforementioned storage facilities.
- g) The management and monitoring of: (i) The production and sale of biogas and biomethane outside of the Gas System chiefly for domestic, commercial and industrial use by injecting said elements into gas pipelines and distributing them via the natural gas networks, (ii) production and sale of solid/liquid digestate for use as a biofertilizer and nutrient in soils used in agriculture, horticulture and landscaping (parks and gardens).

The Group conducts its statutory activity under the terms and within the scope provided for in the Hydrocarbon Industry Law and related implementing legislation and pursuant to the legislation issued by the autonomous regional governments, in accordance with their powers. If, in order to engage in its 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.

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The activities included 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 has been 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. Details of the composition of the Group are provided in Appendix I.

Furthermore, the Company belongs to the Nature Investments, S.à r.l. Group. This group's parent company is Nature Investments, S.à r.l. with registered address at 15, Boulevard F.W. Raiffesisen, L-2411 in Luxembourg. This company prepared the consolidated financial statements for the year ended 31 December 2024, the Spanish translation of which was filed at the Vizcaya Companies Registry and, therefore, based on the dispensation set forth in prevailing legislation, the directors of the Company did not prepare consolidated annual accounts for Nortegas Energía Grupo, S.L.U. and subsidiaries for the year ended 31 December 2024.

The Company's sole shareholder is Nature Investments Holding II S.à r.l. The Company is thus registered in the companies register as a single shareholder company.

1.1 First-time adoption of International Financial Reporting Standards (IFRS)

These consolidated annual accounts are the first accounts to be prepared by the Group under IFRS. In previous years, as mentioned above, the Group was subject to the large Group exemption, as its financial statements were included in the Nature Investments, S.à r.l. Group (hereinafter, the Nature Group) with head offices in Luxembourg.

The Group has, therefore, prepared these consolidated annual accounts in accordance with IFRS for the year ended 31 December 2025 and previous years, maintaining the same criteria used to report on the Nature Group since 2017. 1 January 2024 has been used as the first-time adoption date for the financial statements in accordance with IFRS.

Regulatory framework

Details of the basic regulatory framework for the industry applicable to the Group at 31 December 2025 are as follows:

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

1. Natural gas

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

- a) Gradual deregulation of the natural gas system:

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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

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

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

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

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

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

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

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

Another development introduced through the circular is the change in remuneration period from the calendar year to the gas year, which runs from 1 October one year to 30 September the following year. In this respect and as explained below, in 2025 the CNMC published the resolution of 27 May 2025 recognising remuneration for the 2024 to 2026 gas years.

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

The CNMC Resolution of 27 May 2025, which establishes access tolls to transmission networks, local networks and regasification for the 2026 gas year, was approved in 2025. In 2024, the Resolution of 23 May 2024 of the National Commission for Markets and Competition was approved, establishing the access tariffs for transmission networks, local networks, and regasification for the 2025 gas year.

b) Settlements of regulated activities - gas sector:

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

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

c) Financing of the sector deficit:

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

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

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

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The new settlement system is divided into different activities and distribution is included in the local network system. In terms of the local network system, the final settlement for the 2024 gas year, approved in 2025, shows a deficit of €152.4 million. Of this amount, €9.3 million correspond to Nortegas Energía Distribución, S.A.U. and €6.6 million to NED España Distribución, S.A.U. The provisional settlement for the 2025 gas year shows a deficit of €50.6 million. Of this amount, €3.1 million correspond to Nortegas Energía Distribución, S.A.U. and €2.2 million to NED España Distribución, S.A.U.

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

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

- e) Unbundling of activities:

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

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

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

2. LPG - Liquefied petroleum gas

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

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

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

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a) Definition of the LPG supply sector

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

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

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

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

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

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

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

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

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

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

c) Economic regime

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

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

- Order of 16 July 1998, updating the selling costs of the system for the automatic establishment of maximum pre-tax sales prices of liquefied petroleum gases, and liberalising certain supplies.

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- Order ITC/3292/2008 of 14 November 2008, amending the system for the automatic determination of pre-tax sales tariffs of piped liquefied petroleum gases.
- Order IET/389/2015 of 5 March 2015, updating the system for the automatic determination of maximum pre-tax sales prices of bottled liquefied petroleum gases and amending the system for the automatic determination of pre-tax sales tariffs for piped liquefied petroleum gases.

The maximum price of piped liquefied petroleum gas (LPG) is established in the Resolution issued by the Directorate-General for Energy Policy and Mining, in accordance with the aforementioned regulations. Among these resolutions, which may be monthly, the July review each year is particularly important as it determines the sales margin of the activity. The 8 July 2025 Resolution of the Directorate-General for Energy Policy and Mining is notable in 2025, because it establishes the new pre-tax sales tariffs for piped liquefied petroleum gases.

2. **Basis of presentation**

The consolidated annual accounts have been prepared on the basis of the accounting records of Nortegas Energía Grupo, S.A.U. and subsidiaries. The consolidated annual accounts for the year ended 31 December 2025 are prepared in accordance with International Financial Reporting Standards (hereinafter, IFRS), as adopted by the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council.

The directors of the Parent expect that these consolidated annual accounts will be approved by the sole shareholder with no changes.

(a) **Basis of presentation of the consolidated annual accounts**

These consolidated annual accounts have been prepared on an historical cost basis.

(b) **Comparative information**

In accordance with IAS 1, for comparison purposes the information contained in these notes to the consolidated annual accounts for 2025 is presented alongside similar information for 2024, which does not constitute the Group's 2024 consolidated annual accounts.

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

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

- *Impairment of non-current assets (see Note 8)*

As described in Notes 3.h and 8, in accordance with applicable accounting regulations, the Group tests its cash-generating units annually for impairment. It carries out specific tests if it detects any indication of impairment. These impairment tests require an estimation of the future evolution of the businesses and of the most appropriate discount rates used in each case. The Group believes that its estimates in this regard are adequate and consistent with the current economic situation and that they reflect its investment plans and the best available estimate of its future income and expenses, and considers that its discount rates adequately reflect the risks corresponding to each cash-generating unit.

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- Useful life of property, plant and equipment and intangible assets (see Notes 7 and 8)

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

- Income tax (see Note 13)

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

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

- Provisions for liabilities and expenses (see Note 25)

Despite the fact that these estimates have been made based on the best information available at the close of the year ended 31 December 2025, it is possible that events may take place in the future which will require them to be changed (upwards or downwards) in future years, which would be done on a prospective basis.

- Settlement of regulated activities (see Note 1.1b)

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

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

(d) First-time adoption of accounting standards

In 2025, the following mandatory standards and interpretations already adopted by the European Union came into force. Where applicable, they have been used by the Group when preparing these consolidated financial statements.

Standard, interpretation or amendment	Date of adoption	Impact
Effect of changes in exchange rates due to lack of exchangeability (Amendments to IAS 21)	01/01/ 2025	This amendment is not expected to have a significant impact on the Group's annual consolidated financial statements in the future

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Standards, amendments and interpretations to existing standards that cannot be adopted early or have not been adopted by the European Union

The Group intends to adopt the standards, interpretations and amendments to standards issued by the IASB that are mandatory in the European Union when they enter into force, where applicable. The Group is currently studying the impact thereof.

Standard, interpretation or amendment	Date of adoption	Impact
Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)	01/01/2026	This amendment is not expected to have a significant impact on the Group's annual consolidated financial statements in the future
Nature-dependent electricity contracts (Amendments to IFRS 9 and IFRS 7)	01/01/2026	This amendment is not expected to have a significant impact on the Group's annual consolidated financial statements in the future
IFRS 18 Presentation and disclosure in financial statements (Amendments to IAS 21)	01/01/2027	With the entry into force of IFRS 18, the Group will adapt the structure of the consolidated income statement to the disclosure and subtotal categories set out in the new standards. It will also include a specific note in the annual accounts to include the reporting requirements relating to Alternative Performance Measures (APMs).
IFRS 19 - Subsidiaries without public accountability: Disclosures		This amendment is not expected to have a significant impact on the Group's annual consolidated financial statements in the future
Annual improvements to IFRS	01/01/2026	These amendments are not expected to have a significant impact on the Group's annual consolidated financial statements in the future

3. Accounting principles

(a) Subsidiaries

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

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

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

The annual accounts of the subsidiaries used in the consolidation process have been prepared as of the same date and for the same period as those of the Parent.

Appendix I contains information about the subsidiaries included in the Group's scope of consolidation.

(b) Business combinations

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

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

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

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

(c) Associates

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

Investments in associates are recorded using the equity accounting method from the date significant influence is exercised until the date on which the Company can no longer prove this influence exists. However, if at the date of acquisition, all or part of the investment meets the conditions for classification as non-current assets or disposable groups of elements classified as held for sale, these are recorded at their fair value, less costs of retirement or disposal.

Investments in associated entities are initially recorded at cost of acquisition, including any cost directly attributable to the acquisition and any contingent asset or liability consideration that depends on future events or fulfilment of certain conditions.

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

Details of equity-accounted investees are included in Appendix I.

Impairment

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

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

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

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

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(d) Functional and presentation currency

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

(e) Property, plant and equipment

Initial recognition

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

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

Subsequent costs

Subsequent to initial recognition of the asset, only the costs incurred which increase capacity or productivity or which lengthen the useful life of the asset are capitalised. Costs of day-to-day servicing are recognised in profit or loss as incurred.

Depreciation

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

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

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

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

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

Impairment

The Group measures and determines impairment to be recognised or reversed based on the criteria in section (h).

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(f) Intangible assets

Goodwill

Goodwill is the excess between the consideration paid, plus the value given to non-controlling interests, plus the fair value of the previous interest in the acquired business and the net value of assets acquired and liabilities assumed.

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

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

Goodwill is not amortised but is tested for impairment annually or more frequently where events or circumstances indicate that an asset may be impaired. Goodwill arisen in business combinations is allocated to each cash-generating unit (CGU) or groups of CGUs that the Group expects to benefit from the synergies of the combination, applying the criteria mentioned. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill generated internally is not recognised as an asset.

Patents, licences, trademarks and similar rights

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

Separable and identifiable intangible assets correspond to the value assigned to clients / connection points by an independent expert in the process of identifying and allocating the acquisition cost of subsidiaries. As a result of this, these items were recognised separately to goodwill.

Computer software

The licenses for computer software acquired from third parties are capitalised at cost of acquisition plus the costs incurred to prepare and use the specific programme.

Maintenance costs on computer software are recorded as an expense in the year in which they are incurred. Costs directly related to the production of unique and identifiable software controlled by the Group and which are likely to generate financial benefits above costs for more than one year are recognised as intangible assets. The direct costs include the costs of the personnel developing the software and an adequate percentage of overheads.

Useful life and amortisation rates

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

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

Intangible assets with finite useful lives are amortised on a straight-line basis by allocating the amortisable amount of an asset on a systematic basis over the following estimated years:

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	<u>Amortisation method</u>	<u>Estimated years of useful life</u>
Development	Straight-line	5
Computer software	Straight-line	4
Patents, licences, trademarks and similar	Straight-line	40-60

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

The Group 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.

Impairment

The Group measures and determines impairment to be recognised or reversed based on the criteria in section (h).

(g) Lease contracts

The Group classifies the right-of-use asset and the lease liability under the headings Right-of-use assets, Non-current financial liabilities - Leases, and Current financial liabilities - Leases in the consolidated balance sheet, respectively.

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

The right-of-use asset is initially recorded at cost, which includes the initial measurement of the lease liability; any lease payment made on or prior to the commencement of the lease, less any incentives received; initial direct costs incurred on the lease; and an estimate of the costs to be incurred by the lessee in dismantling and restoring the asset.

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

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

Lease payments include fixed or substantially fixed payments; the variable payments subject to an index or rate; the amounts expected to be paid by the lessee under residual value guarantees; the price of exercising a purchase option if the lessee is reasonably likely to exercise this option; the amounts payable during optional renewal periods, provided that the extension of a lease is considered to be reasonably certain; payments for terminating the lease early if it is considered reasonably likely that the lease will be terminated.

Subsequently, lease liabilities are measured at amortised cost using the effective interest rate and they are remeasured when there is a change in the index or rate, in the amounts expected to be paid under residual value guarantees or when there are changes that affect the estimated price of exercising purchase options, or extending or terminating the lease. The financial restatement is recorded under Finance cost in the consolidated income statement (Note 33).

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

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

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

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

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

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

The 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 (CGU) to which the asset belongs.

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

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

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

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

(i) Financial instruments

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

1. Assets at amortised cost:

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

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

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

2. Financial assets at fair value through profit or loss

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

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

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

Impairment of financial assets at amortised cost

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

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

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

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

Derecognition of financial assets

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

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

At 2024 year-end, the Group performed transactions that led to the derecognition of €22.7 million relating to assets recorded under Trade and other receivables, as the terms detailed above have been met. The Group has not derecognised financial assets at 31 December 2025.

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Classification and measurement of financial liabilities

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

Derecognition of financial liabilities

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

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

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

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

Interest and dividends

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

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

Derivative financial instruments

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(j) Distributions to shareholders

Dividends, whether in cash or in kind, are recognised as a reduction in equity when approved by the sole shareholder.

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(k) Inventories

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

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

(l) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks. 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.

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

(m) Capital grants

This heading includes any non-repayable subsidies granted by the government whose purpose is to finance capital assets, plant and equipment. All capital grants are taken to the heading Other operating income in the consolidated income statement as the subsidised items are depreciated.

(n) Connection and extension rights

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

(o) Employee benefits

Defined contribution plans

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

Short and long-term employee benefits

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

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

Termination benefits

Pursuant to current employment law, in certain circumstances the Group is liable to pay termination benefits to employees whose services are discontinued. Termination benefits that can be reasonably quantified are

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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.

(p) Provisions

General criteria

Provisions are recognised when the Group has a present obligation (legal, or implicit) 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 discount rate is determined before taxes, taking into consideration the time value of money, as well as the specific risks that have not been included in the future cash flows relating to the provision at each closing date.

Single obligations are measured using the individual most likely outcome.

The financial effect of provisions is recognised as a finance cost in profit or loss.

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

If it is not probable that an outflow of resources will be required to settle an obligation, the provision is reversed. The provision is reversed against the income statement caption in which the related expense was recognised, and any surplus is accounted for in other income.

In turn, contingent liabilities are considered as those potential obligations arising from past events that are conditional upon one or more future events that are beyond the control of the Group. These contingent liabilities are not subject to accounting record but are disclosed in the relevant notes.

q) Revenue recognition

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

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

Revenue from sales

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

The Group estimates these settlements accrued at 31 December 2025 and pending settlement by the Spanish National Markets and Competition Commission (CNMC). The final settlement for 2025 had not been published at the date these annual accounts were authorised for issue (as per the gas year criteria previously described). However, it is not expected to differ significantly from the estimates, including the deficit estimate.

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

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exceed 10 percent of the final revenues for the year and the amount of the annual gaps and annual amounts recognised pending settlement cannot exceed 15 percent of this amount.

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

The Resolution of 27 May 2025, published by the Spanish National Markets and Competition Commission in 2025, establishes remuneration for the 2026 gas year for companies undertaking regulated liquefied natural gas plant, transport and natural gas distribution activities and updates the following items:

- Final gaps in remuneration for the 2024 gas year.
- Provisional gaps in remuneration for the 2025 gas year.
- The initial remuneration for the 2026 gas year, which runs from 1 October 2025 to 30 September 2026.

Services rendered

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

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

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

Interest and dividends

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

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

r) Income tax

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

Current tax is the amount of income tax payable or recoverable in respect of the consolidated taxable income or consolidated tax loss for the year. Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or are about to be enacted at the reporting date.

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

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

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

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

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

Measurement of deferred tax assets and liabilities

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

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

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

Offsetting and classification

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

Tax consolidation

At 31 December 2025, the Parent company, Nortegas Energía Grupo, S.A.U. 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 X, S.L.U.
- Nortiben Green Energy XII, 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.

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- 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.
- Norbiogas Biometano IX, S.L.U.
- Norbiogas Biometano X, S.L.U.
- Norbiogas Biometano XI, S.L.U.
- Norbiogas Biometano XII, S.L.U.
- Valorizaciones Medioambientales Bunyol, S.L.

At 31 December 2024, the Parent company, Nortegas Energía Grupo, S.L.U. and the following companies were 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.

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

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

(s) Segment reporting

A business segment is a component of the Group that undertakes business activities that can generate revenue and incur expenses, the operating results of which are reviewed regularly by the Group's senior operational decision-making authority, to decide on resources to be allocated to the segment, assess its performance and in relation to which separate financial information is available.

The Group has two operating segments, as described below. These segments are the strategic business units.

The Group comprises the following operating segments:

- Natural gas
- LPG - Liquefied petroleum gas

The method of obtaining this financial information by segment is based on assigning each of the companies within the scope of consolidation to an activity, since each company/segment relates to a different activity.

The results of associates are included in the segment of activity they carry out, i.e. distribution of natural gas.

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

The Group classifies assets and liabilities in the consolidated balance sheet as current and non-current. Current assets and liabilities are determined as follows:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are expected to be realised within twelve months after the reporting date or are cash or a cash equivalent, unless the assets may not be exchanged or used to settle a liability for at least twelve months after the reporting date.
- Liabilities are classified as current when they are expected to be settled in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within 12 months after the reporting date or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
- Financial liabilities are classified as current when they are due to be settled within 12 months after the reporting date, even if the original term was for a period longer than 12 months, and an agreement to refinance or to reschedule payments on a long-term basis is completed after the reporting date and before the consolidated annual accounts are authorised for issue.

(u) Environmental issues

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

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

(v) Transactions between Group companies excluded from the consolidated group

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Transactions between Group companies excluded from the consolidated group, except those related to mergers, spin-offs and non-monetary contributions, are recognised at the fair value of the consideration paid or received. The difference between this value and the amount agreed is recognised in line with the underlying economic substance of the transaction.

4. Business combinations

In June 2025, the subsidiary Norbiogas Renovables, S.L.U. acquired a 60% stake in Desarrollos Bioenergéticos de Andalucía Los Cerros, S.L., a company engaged in developing and operating biomethane facilities. The estimated cost of the business combination is €1,000 thousand. Of this amount, €500 thousand were paid in June 2025 and the remaining €500 thousand relate to an advance paid in 2024. The purchase price's provisional allocation resulted in goodwill of €1,005 thousand being recognised, pending the final calculation to be made within the measurement period set out in IFRS 3. Transaction costs were not significant.

Desarrollos Bioenergéticos de Andalucía Los Cerros, S.L. did not generate income in 2025 and its net profit/(loss) is not significant.

In November 2024, the subsidiary Norbiogas Renovables, S.L.U. acquired a 90% stake in Valorizaciones Medioambientales de Bunyol, S.L. for €51 thousand.

5. Segment information

The table below contains segment information at 31 December 2025 and 2024 for each of the Group's businesses, obtained by applying the criteria described in Note 3(s).

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31.12.25	Thousands of euros			Total
	Natural gas	Segments LPG	Other	
External revenue	165,311	28,257	7,347	200,915
Work carried out for the Group's own assets	5,290	428	2,037	7,755
Supplies	(4,441)	(18,318)	(5,036)	(27,795)
Personnel expenses	(12,069)	-	(12,455)	(24,524)
Depreciation/amortisation	(76,517)	(7,393)	(1,380)	(85,290)
Change in trade receivables and contract assets	(24)	(76)	25	(75)
Other expenses	(19,112)	(3,131)	3,518	(18,725)
Other income	1,128	67	43	1,238
Results from operating activities	59,566	(166)	(5,901)	53,499
Finance income (unallocated)	-	-	-	2,275
Finance cost (unallocated)	-	-	-	(46,089)
Income tax (unallocated)	-	-	-	819
Share in profit from investments accounted for using the equity method (unallocated)	-	-	-	152
Profit/(loss) for the year				10,656
Non-controlling interests' net profit/(loss) (unallocated)	-	-	-	(4)
Parent company's net profit/(loss) (unallocated)	-	-	-	10,660
Segment assets	2,178,840	106,234	77,524	2,362,598
Segment liabilities	649,446	8,284	1,307,489	1,965,219

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31.12.24	Thousands of euros			Total
	Natural gas	Segments LPG	Other	
External revenue	169,270	28,680	10,098	208,048
Work carried out for the Group's own assets	6,189	558	1,388	8,135
Supplies	(4,166)	(18,241)	(7,035)	(29,442)
Personnel expenses	(17,103)	-	(15,901)	(33,004)
Depreciation/amortisation	(76,881)	(7,370)	(1,144)	(85,395)
Change in trade receivables and contract assets	(12)	130	(10)	108
Other expenses	(20,169)	(3,800)	(4,339)	(28,308)
Other income	845	52	60	957
Results from operating activities	57,973	9	(16,883)	41,099
Finance income (unallocated)	-	-	-	3,017
Finance cost (unallocated)	-	-	-	(45,921)
Income tax (unallocated)	-	-	-	2,482
Share in profit from investments accounted for using the equity method (unallocated)	-	-	-	118
Profit/(loss) for the year				795
Non-controlling interests' net profit/(loss) (unallocated)	-	-	-	(24)
Parent company's net profit/(loss) (unallocated)	-	-	-	819
Segment assets at 31.12.2024	2,265,085	116,055	37,825	2,418,965
Segment liabilities at 31.12.2024	1,438,624	9,121	448,846	1,896,591

6. Subsidiaries

Appendix I contains information about the subsidiaries included in the Group's scope of consolidation at 31 December 2025 and 2024.

In June 2025, the subsidiary Norbiogas Renovables, S.L.U. acquired a 60% stake in Desarrollos Bioenergéticos de Andalucía Los Cerros, S.L., a company engaged in developing and operating biomethane facilities (Note 4).

In February 2025, Norbiogas Biometano IX, S.L.U., Norbiogas Biometano X, S.L.U., Norbiogas Biometano XI, S.L.U. and Norbiogas Biometano XII, S.L.U. were incorporated. All of these companies are engaged in developing and operating biomethane facilities.

In April 2025, the subsidiary Norbiogas Renovables, S.L.U. formalised the sale to Grupo Ibenergi, S.L.U. of shares representing 45% of the share capital of 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 XI, S.L.U. and Nortiben Green Energy XIII, S.L.U., for a total €4.8 thousand, which has been paid in full.

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7. Property, plant and equipment

Details of property, plant and equipment and movement in 2025 and 2024 are as follows:

	Thousands of euros						Total
	Land	Buildings	Technical installations and machinery	Other installations, equipment and furniture	Under construction and advances	Other property, plant and equipment	
31.12.2025							
Cost at 31 December 2024	3,140	5,504	1,865,067	69,428	11,046	4,307	1,958,492
Additions	2,366	-	395	1,209	18,376	560	22,906
Business combinations	-	-	-	-	737	-	737
Disposals	-	-	(43)	(4,027)	(12)	-	(4,082)
Transfers	92	-	16,681	253	(17,026)	-	-
Cost at 31 December 2025	5,598	5,504	1,882,100	66,863	13,121	4,867	1,978,053
Accumulated depreciation at 31 December 2024	-	(3,614)	(1,036,484)	(57,849)	-	(2,903)	(1,100,850)
Depreciation	-	(114)	(53,843)	(2,197)	-	(705)	(56,859)
Disposals	-	-	2	4,025	-	-	4,027
Transfers	-	-	-	-	-	-	-
Accumulated depreciation at 31 December 2025	-	(3,728)	(1,090,325)	(56,021)	-	(3,608)	(1,153,682)
Carrying amount at 31 December 2025	5,598	1,776	791,775	10,842	13,121	1,259	824,371

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		Thousands of euros						
		Land	Buildings	Technical installations and machinery	Other installations, equipment and furniture	Under construction and advances	Other property, plant and equipment	Total
31.12.2024								
Cost at 31 December 2023		1,354	5,582	1,848,062	72,841	8,155	3,528	1,939,522
Additions		1,786	-	118	1,192	20,738	600	24,434
Disposals		-	(78)	(185)	(4,949)	(95)	-	(5,307)
Transfers		-	-	17,072	344	(17,752)	179	(157)
Cost at 31 December 2024		3,140	5,504	1,865,067	69,428	11,046	4,307	1,958,492
Accumulated depreciation at 31 December 2023		-	(3,547)	(983,160)	(60,262)	-	(2,272)	(1,049,241)
Depreciation		-	(115)	(53,660)	(2,535)	-	(631)	(56,941)
Disposals		-	48	179	4,948	-	-	5,175
Transfers		-	-	157	-	-	-	157
Accumulated depreciation at 31 December 2024		-	(3,614)	(1,036,484)	(57,849)	-	(2,903)	(1,100,850)
Carrying amount at 31 December 2024		3,140	1,890	828,583	11,579	11,046	1,404	857,642

Additions of €19,021 thousand recognised in 2025 under the heading Under construction and advances (€20,738 thousand in 2024), relate mainly to additions for investments in the proprietary network, network extensions in the Basque Country, Asturias and Cantabria and the development of networks in new municipal areas.

Insurance

The Group has taken out an insurance policy to cover the risk of damage to its property, plant and equipment. The value of networks and pipelines, industrial installations, office buildings and electronic equipment insured totals €2,083,356 thousand (€2,181,330 thousand in 2024). In addition, there is automatic insurance coverage for damages of €416,671 thousand (€436,266 thousand in 2024).

Property, plant and equipment pledged as collateral

At 31 December 2025 and 2024, the Group has not pledged any items of property, plant and equipment to secure bank loans.

Commitments

Investment commitments at 31 December 2025 are not significant.

8. Intangible assets

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Details of intangible assets and movement during the years ended 31 December 2025 and 2024 are as follows:

31.12.2025	Thousands of euros					Total
	Development	Patents, licences, trademarks and similar rights	Goodwill	Computer software	Other assets	
Cost at 31 December 2024	3,181	1,531,498	47,576	23,766	501	1,606,522
Additions	2,100	-	-	1,737	205	4,042
Business combinations	-	-	990	-	-	990
Disposals	-	-	-	-	-	-
Cost at 31 December 2025	5,281	1,531,498	48,566	25,503	706	1,611,554
Accumulated amortisation at 31 December 2024	(261)	(191,337)	-	(20,861)	-	(212,459)
Amortisation	(451)	(25,798)	-	(1,281)	-	(27,530)
Disposals	-	-	-	-	-	-
Accumulated amortisation at 31 December 2025	(712)	(217,135)	-	(22,142)	-	(239,989)
Carrying amount at 31 December 2025	4,569	1,314,363	48,566	3,361	706	1,371,565

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31.12.2024	Thousands of euros					
	Development	Patents, licences, trademarks and similar rights	Goodwill	Computer software	Other assets	Total
Cost at 31 December 2023	2,331	1,531,498	47,528	23,162	16	1,604,535
Additions	850	-	-	1,281	485	2,616
Business combinations	-	-	48	-	-	48
Disposals	-	-	-	(677)	-	(677)
Cost at 31 December 2024	3,181	1,531,498	47,576	23,766	501	1,606,522
Accumulated amortisation at 31 December 2023	-	(165,539)	-	(19,939)	-	(185,478)
Amortisation	(261)	(25,798)	-	(1,597)	-	(27,656)
Disposals	-	-	-	675	-	675
Accumulated amortisation at 31 December 2024	(261)	(191,337)	-	(20,861)	-	(212,459)
Carrying amount at 31 December 2024	2,920	1,340,161	47,576	2,905	501	1,394,063

At 31 December 2025 and 2024, the Group has no significant commitments to acquire intangible assets.

Goodwill

Goodwill totals €49 million (€48 million in 2024) and essentially includes future profit from the Group's business that does not meet the established terms for recognition as a separate asset.

The allocation of goodwill at 31 December 2025 and 2024 by CGU is as follows:

CGU	Thousands of euros	
	31/12/2025	31/12/2024
Natural gas distribution in the Basque Country	15,302	15,302
Natural gas distribution in Asturias and Cantabria	30,052	30,052
Distribution and supply of LPG	556	556
Transformation and maintenance of boilers	1,618	1,618
Development and operation of biomethane plants	1,038	48
Total goodwill	48,566	47,576

Impairment

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

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- o Regulated remuneration: the approved remuneration has been used for the years in which it is available, and for subsequent years the best information available at the date of authorisation of these consolidated 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.
- o Investment: investment plans have been considered that are consistent with the expected growth in customers and demand in the cash-generating unit.
- o Operation and maintenance costs: the best available estimate of changes in these costs based on historical Group information.

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. Furthermore, 5-year cash flow projections, as recommended in IAS 36, would be inappropriate due to the Group's long-term investments and the residual life of its property, plant and equipment.

- o Discount rate before tax of between 6.13% and 7.50% (between 6.05% and 7.74% in 2024). 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):
 - o Risk-free rate (Rf): calculated based on the profitability of the Spanish Government Bond.
 - o 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.
 - o 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.
- Nominal tax rate applicable in each jurisdiction.

The recoverable amount calculated in the aforementioned impairment test is a value higher than the carrying amount of the cash-generating unit, so no impairment losses have been recognised for intangible assets or property, plant and equipment in the year ended 31 December 2025.

Sensitivity analysis

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

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

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- A growth rate in perpetuity of 0%.

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

9. Investments in equity-accounted associates

Below is the information regarding investments in equity-accounted associates at 31 December 2025 and 2024:

31.12.2025	Registered office	Activity	Auditor	Group company	% of investment	Amount of investment
Tolosa Gasa, S.A.	Tolosa (Spain)	Natural gas distribution	Ernst & Young, S.L.	Nortegas Energía Distribución, S.A.U.	40.00	72
Inkolan, A.I.E.	Bilbao (Spain)	Compilation and management of all information relating to the networks installed by each partner in the Basque Country (CAV).	Moore Stephens AMS, S.L.	Nortegas Energía Distribución, S.A.U.	14.29	69
Norbiogas La Conchita, S.L.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	50.00	150
Biolvegass, S.L.	Ólvega (Spain)	Execution and development of waste management projects and others	Ernst & Young, S.L.	Norbiogas Renovables, S.L.U.	20.00	410
Energy Intelligence Foundation	Abanto-Zierbena (Spain)	Development of an industrial, technological ecosystem around a decarbonised economy	-	Nortegas Energía Grupo, S.A.U.	16.67	15
						716

31.12.2024	Registered office	Activity	Auditor	Group company	% of investment	Amount of investment
Tolosa Gasa, S.A.	Tolosa (Spain)	Natural gas distribution	Ernst & Young, S.L.	Nortegas Energía Distribución, S.A.U.	40.00	72
Inkolan, A.I.E.	Bilbao (Spain)	Compilation and management of all information relating to the networks installed by each partner in the Basque Country (CAV).	Moore Stephens AMS, S.L.	Nortegas Energía Distribución, S.A.U.	14.29	69
Norbiogas La Conchita, S.L.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	50.00	150
Biolvegass, S.L.	Ólvega (Spain)	Execution and development of waste management projects and others	Ernst & Young, S.L.	Norbiogas Renovables, S.L.U.	20.00	410
Energy Intelligence Foundation	Abanto-Zierbena (Spain)	Development of an industrial, technological ecosystem around a decarbonised economy	-	Nortegas Energía Grupo, S.L.U.	16.67	15
						716

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Details of investments in the equity of Group companies and associates in 2025 and 2024 and movement are as follows:

Company	Thousands of euros			
	Balance at 31 December 2024	Share in profit	Dividends received	Balance at 31 December 2025
Inkolan, A.I.E.	459	87	-	546
Tolosa Gasa, S.A.	298	65	(88)	275
Biolvegasa, S.L.	410	-	-	410
Norbiogasa La Conchita, S.L.	146	-	-	146
Energy Intelligence Foundation Inkolan, A.I.E.	15	-	-	15
	1,328	152	(88)	1,392

Company	Thousands of euros					Balance at 31.12.24
	Balance at 31 December 2023	Share in profit	Dividends received	Changes in equity	Additions	
Inkolan, A.I.E.	423	36	-	-	-	459
Tolosa Gasa, S.A.	481	87	(82)	(188)	-	298
Biolvegasa, S.L.	410	-	-	-	-	410
Norbiogasa La Conchita, S.L.	-	(5)	-	-	151	146
Energy Intelligence Foundation Inkolan, A.I.E.	-	-	-	-	15	15
	1,314	118	(82)	(188)	166	1,328

The Reserves heading on the consolidated balance sheet includes €611 thousand at 31 December 2025 (€574 thousand at 31 December 2024) relating to reserves from equity-accounted associates. Associates have not incurred any contingent liabilities.

10. Right-of-use assets

	Thousands of euros				
	Balance at 31.12.2024	Additions	Remeasur ement /modification of lease liability	Disposals	Balance at 31.12.2025
Cost:					
Land	237	1,468	101	-	1,806
Buildings	2,056	320	80	-	2,456
Fleets	1,428	196	65	(127)	1,562
Other right-of-use assets	1,667	7	-	-	1,674
Total cost	5,388	1,991	246	(127)	7,498

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Accumulated amortisation/depreciation					
Land	(158)	(83)	–	–	(241)
Buildings	(1,237)	(405)	–	–	(1,642)
Fleets	(1,117)	(196)	–	127	(1,186)
Other right-of-use assets	(629)	(217)	–	-	(846)
Total accumulated amortisation/depreciation	(3,141)	(901)	–	127	(3,915)
Total net cost	2,247	1,090	246	-	3,583

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

11. Financial assets by category

Classification of financial assets by category

The classification of financial assets by category and class at 31 December 2025 and 2024 is as follows:

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	Thousands of euros	
	Non-current	Current
	At amortised cost or cost Carrying amount	
31.12.2025		
<i>Loans and receivables</i>		
Loans to unrelated parties		
Fixed rate	13,607	1,730
Loans to related parties (Note 34)		
Fixed rate	-	186
Security and other deposits	575	13
Derivative financial instruments	963	275
Other financial assets	-	77
Trade receivables from sales and services rendered	-	15,361
Trade receivables	-	15,301
Other receivables	-	296
Total	15,145	33,239
Total financial assets	15,145	33,239

	Thousands of euros	
	Non-current	Current
	At amortised cost or cost Carrying amount	
31.12.2024		
<i>Loans and receivables</i>		
Loans to unrelated parties		
Fixed rate	10,209	1,519
Loans to related parties (Note 34)		
Fixed rate	-	173
Security and other deposits	832	19
Other financial assets	-	110
Trade receivables from sales and services rendered	-	15,244
Trade receivables	-	12,555
Other receivables	-	332
Total	11,041	29,952
Total financial assets	11,041	29,952

The carrying amounts of trade receivables and payables are estimated to be close to their fair value.

Net gains/(losses) by financial asset category at 31 December 2025 total €2,275 thousand in accrued interest income (€3,017 thousand of finance income in 2024) (see Note 33).

12. Current and non-current financial assets

Details of current and non-current financial assets at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	2025	2024

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	Non-current	Current	Non-current	Current
Security deposits paid	80	13	337	19
Loans to related parties (Note 11)	-	186	-	173
Loans to unrelated parties	13,607	1,730	10,209	1,519
Derivative financial instruments	963	275	-	-
Deposits given	495	-	495	-
Other financial assets	-	77	-	110
Trade and other receivables (Note 14)	-	30,958	-	28,131
Total	15,145	33,239	11,041	29,952

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

13. Income tax

Details of deferred income tax assets and liabilities by type of asset and liability at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	31.12.2025	
	Assets	Liabilities
Property, plant and equipment and intangible assets	-	224,566
Deferred income	-	4,436
Provisions for termination benefits	116	-
Deductions	1,206	-
Tax credits	105	-
Derivative financial instruments	-	297
Other	(1,260)	400
Total assets/liabilities	167	229,699

	Thousands of euros	
	31.12.2024	
	Assets	Liabilities
Property, plant and equipment and intangible assets	-	228,109
Deferred income	-	4,714
Provisions for termination benefits	1,005	-
Deductions	750	-
Tax credits	25	-
Other	(1,755)	90
Total assets/liabilities	25	232,913

Details of changes in deferred taxes by type of asset and liability, recognised in deferred income tax (expense)/income at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	31.12.2025	
	Losses and gains	Other comprehensive income

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	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment and intangible assets	-	(3,543)	-	-
Deferred income	-	(278)	-	-
Provisions for termination benefits	(889)	-	-	-
Deductions	456	-	-	-
Tax credits	80	-	-	-
Derivative financial instruments	-	-	-	297
Other	495	310	-	-
Total assets/liabilities	142	(3,511)	-	297

	Thousands of euros	
	31.12.2024	
	Losses and gains	
	Assets	Liabilities
Property, plant and equipment and intangible assets	-	(4,663)
Deferred income	-	(282)
Provisions for termination benefits	1,005	-
Deductions	220	-
Tax credits	17	-
Other	(1,256)	-
Total assets/liabilities	(14)	(4,945)

Details of the income tax expense in the accompanying consolidated income statement for the years ended 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	31.12.2025	31.12.2024
Current tax		
For the period	(2,830)	(2,449)
Prior years' adjustments	(4)	-
	(2,834)	(2,449)
Deferred taxes		
Origin and reversal of temporary differences		
Property, plant and equipment and intangible assets	3,543	4,663
Deferred income	278	282
Provisions for termination benefits	(889)	1,005
Deductions	456	220
Tax credits	80	17
Other	185	(1,256)
Total deferred tax	3,653	4,931
	819	2,482

A reconciliation of current tax with current income tax liabilities for the years ended 31 December 2025 and 2024 is as follows:

	Thousands of euros	
	31.12.2025	31.12.2024

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Current tax	2,830	2,449
Withholdings and interim payments made during the period	(785)	(1,353)
Other	(1,583)	(1,676)
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Current income tax (assets)/liabilities	462	(580)

The relationship between income tax expense and profit from continuing operations for the years ended 31 December 2025 and 2024 is as follows:

	Thousands of euros		
	Losses and gains	Other comprehensive income	Total
31.12.2025			
Income and expense for the period before tax	9,837	1,238	11,075
Tax (24%)	(2,361)	(297)	(2,658)
Non-deductible expenses	(26)	-	(26)
Deductions	2,269	-	2,269
Prior years' adjustments	13	-	13
Other	924	-	924
	<hr/>	<hr/>	<hr/>
Income tax (expense)/income	819	(297)	522

	Thousands of euros	
	Losses and gains	Total
31.12.2024		
Income and expense for the period before tax	(1,687)	(1,687)
Tax (24%)	405	405
Non-deductible expenses	(25)	(25)
Deductions	2,300	2,300
Prior years' adjustments	(112)	(112)
Other	(86)	(86)
	<hr/>	<hr/>
Income tax (expense)/income	2,482	2,482

The Parent has the following main applicable taxes open to inspection for the years that are not statute barred by the Spanish tax authorities:

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

Article 36 of the provincial corporate tax regulation states that the income obtained from the transfer of property, plant and equipment cannot be included in the tax base, provided that the proceeds from such transfers are reinvested in certain items of property, plant and equipment, intangible assets or investment

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property within the period from one year prior to and three years after the date of delivery of the transferred item.

In 2024, the Group obtained profits eligible for the reinvestment relief incentive. The disclosure requirements of the aforementioned standard are set out in the notes to the annual accounts for the years in which the investments were made.

14. Trade and other receivables

Details of trade and other receivables at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	31.12.2025	31.12.2024
Associates (note 34)		
Other receivables	34	57
Unrelated parties		
Trade receivables	16,054	15,862
Other receivables	15,267	12,498
Personnel	296	332
Impairment adjustments	(693)	(618)
Total	30,958	28,131

Trade receivables - unrelated parties mainly includes the balances receivable from natural gas suppliers for tolls charged and invoicing of liquefied gas to end customers.

The Group has estimated its settlement at 31 December 2025 for the 2026 and 2025 gas years based on a comparison between the sales made in each year, less other related costs, and the Company's accrued authorised costs at 31 December 2025, calculated based on the distribution of total authorised fixed remuneration for 2025, distributed proportionally.

Other receivables - unrelated parties, includes €14,366 thousand for gas sector inter-company settlement receivables, reflecting the estimate at 31 December 2025 which, based on authorised costs for the distribution activity, are allocated to the Group in the corresponding settlement period to adjust the settlements to the remuneration calculated by the Ministry, pursuant to applicable gas sector legislation. (€5,772 thousand in 2024). The amount recorded in this heading is net of debt (Note 3.i).

(a) Valuation adjustments

Movement in valuation adjustments due to the uncollectibility of trade and other receivables in the years ended 31 December 2025 and 2024 is as follows:

	Thousands of euros	
	31.12.2025	31.12.2024
Balance at 1 January	(618)	(726)
Charges	(122)	(22)
Reversals	47	130

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Balance at 31 December	(693)	(618)
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15. Other current assets

Details of other current assets are as follows:

	Thousands of euros	
	31.12.2025	31.12.2024
Receivables from public entities		
VAT receivable from tax authorities	688	484
Withholdings receivable from tax authorities	-	1
Adjustments for prepayments	1,313	2,086
Total	2,001	2,571

16. Cash and cash equivalents

Details of cash and cash equivalents are as follows:

	Thousands of euros	
	31.12.2025	31.12.2024
Cash	4	4
Banks	103,734	113,209
	103,738	113,213

At 31 December 2025, the Group has unused granted loans and credit for an approximate amount of €260 million (Note 21).

17. Equity

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

Share capital

At 31 December 2025 and 2024, 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 2025 and 2024, 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).

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Transactions with the sole shareholder are detailed in Note 34 to these consolidated annual accounts.

Financial management

The Group's objectives in managing capital are to safeguard its ability to operate as a going concern so that it can continue to perform its core natural gas distribution activities, keeping a solvent, reasonable and optimum capital structure, reducing the cost of capital and also ensuring the sustainability of its activities in the long term. At the same time generating profits for shareholders and benefiting the rest of the stakeholders with whom the Group interacts.

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

The main mechanism used by the Group to control and ensure long-term financial solvency is the attainment and maintenance of a minimum investment grade rating of BBB- (in the case of S&P) (Note 21).

The net financial debt/recurring EBITDA ratio is one of the metrics that the Group monitors to assess its capital structure. Recurring EBITDA is calculated as operating profit/(loss) plus depreciation/amortisation and impairment for the period, excluding non-recurring expenses. Net financial debt is calculated as the sum total of financial debt less cash and cash equivalents.

The net financial debt/recurring EBITDA ratio at 31 December 2025 and 2024 is calculated as follows:

	Thousands of euros	
	2025	2024
Liabilities from the issue of bonds and other marketable securities (current and non-current) (Note 18)	1,127,613	1,130,124
Security deposits (current and non-current) (Note 18)	564	550
Other financial liabilities (current and non-current) (Note 18)	4,660	1,475
Bank borrowings (current and non-current)	118,450	74
Leases (current and non-current) (Note 18)	3,871	2,502
Total financial debt	1,255,158	1,134,725
Less: Cash and cash equivalents	(103,738)	(113,213)
Net financial debt	<u>1,151,420</u>	<u>1,021,512</u>
Recurring EBITDA	<u>139,483</u>	<u>140,862</u>
Net financial debt/recurring EBITDA ratio	<u>8.25</u>	<u>7.25</u>

Recurring EBITDA for the year ended 31 December 2025 relates to operating profit before depreciation/amortisation, excluding non-recurring expenses for termination benefits and provisions for termination benefits amounting to €604 thousand (Note 32) and €89 thousand (Note 25), respectively.

Recurring EBITDA for the year ended 31 December 2024 relates to operating profit before depreciation/amortisation, excluding non-recurring expenses for termination benefits of €1,986 thousand (Note 32), provisions for termination benefits amounting to €4,187 thousand (Note 25), contract termination expenses of €7,600 thousand and other expenses of €595 thousand.

Other shareholder contributions

On 30 April 2025 and 23 May 2025, extraordinary dividend distributions were approved to Nature Investment Holding II, S.à r.l. for €66,500 thousand and €140,000 thousand, respectively, charged to Other shareholder

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contributions. Furthermore, on 11 April 2025 its sole shareholder, Nature Investment Holding II, S.à r.l., approved a shareholder contribution of €69,000 thousand.

On 4 May 2024 and 25 November 2024, extraordinary dividends were distributed to Nature Investment Holding II, S.à 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.à r.l., approved a shareholder contribution of €19,110 thousand.

Other reserves

At 31 December 2025, the subsidiary Nortegas Energía Distribución, S.A.U. includes a non-distributable amount of €12,639 thousand in its reserves (€14,188 thousand at 31 December 2024), attributable to the legal revaluations of Group assets.

This balance shall remain non-distributable until it has been inspected and approved by the tax authorities. That verification must take place within three years following the date on which the return reporting the restatement is filed. For these purposes, the balance of the share premium account will be understood not to have been used in the following cases:

- a) When the partner or shareholder exercises their right to leave the company.
- b) When the balance of the account is used, in full or in part, as a result of transactions eligible for the special regime for mergers, divisions, transfers of assets, exchanges of shares and change of registered address of a European company or European cooperative company from one EU member state to another, pursuant to chapter X, title VIII of provincial corporate tax regulation 3/1996 of 26 June.
- c) When the company needs to apply the balance of the account due to a legal obligation.

Once the revaluation has been agreed with the tax authorities or after the inspection period has expired, the balance of the reserve may be applied to offset prior years' losses, to increase share capital or to increase distributable reserves after ten years have elapsed from the closing date of the balance sheet in which the revaluations were recorded. However, this balance may only be directly or indirectly distributed when the restated assets have been fully depreciated, sold or written-off from the balance sheet.

Distribution of the Parent Company's profit/(loss)

The proposed distribution of the Parent company's profit for the years ended 31 December 2025 and 2024 to be submitted to the sole shareholder for approval is as follows:

	<u>Euros</u>
	<u>2025</u>
Basis of allocation	
Profit for the period	<u>24,472,792.81</u>
Distribution	
Offsetting of prior years' losses	5,735,982.24
Voluntary reserves	<u>18,736,810.57</u>
	<u>24,472,792.81</u>

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	<u>Euros</u>
	<u>2024</u>
Basis of allocation	
Losses for the period	<u>(5,735,982.24)</u>
Distribution	
Prior years' losses	<u>(5,735,982.24)</u>
	<u>(5,735,982.24)</u>

18. Financial liabilities by category

Classification of financial liabilities by category

The classification of financial liabilities by category and class at 31 December 2025 and 2024 is as follows:

	<u>Thousands of euros</u>			
	<u>Non-current</u>		<u>Current</u>	
	<u>At amortised cost or cost</u>	<u>At amortised cost or cost</u>	<u>At amortised cost or cost</u>	<u>At amortised cost or cost</u>
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
31.12.2025				
<i>Debt and payables</i>				
Bonds and other marketable securities (Note 21)				
Fixed rate	1,119,831	1,042,100	7,782	7,782
Bank borrowings	118,009	118,009	441	441
Debt with Group companies (Note 13 & 34)	416,619	400,874	12,303	12,303
Security deposits	564	564	-	-
Leases	2,944	2,944	927	927
Other financial liabilities	3,764	3,764	896	896
Trade and other payables				
Suppliers	-	-	2,838	2,838
Payables	-	-	7,959	7,959
Payables on fixed assets	-	-	4,173	4,173
Other payables	-	-	1,831	1,831
Total financial liabilities	1,661,731	1,568,255	39,150	39,150

	<u>Thousands of euros</u>			
	<u>Non-current</u>		<u>Current</u>	
	<u>At amortised cost or cost</u>	<u>At amortised cost or cost</u>	<u>At amortised cost or cost</u>	<u>At amortised cost or cost</u>
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
31.12.2024				

Debt and payables

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Bonds and other marketable securities (Note 21)				
Fixed rate	1,122,296	1,013,411	7,828	7,828
Bank borrowings	-	-	74	74
Debt with Group companies (Note 34)	461,637	429,793	13,711	13,711
Security deposits	550	550	-	-
Leases	1,740	1,740	762	762
Other financial liabilities	1,283	1,283	192	192
Trade and other payables				
Suppliers	-	-	2,821	2,821
Payables	-	-	7,977	7,977
Payables on fixed assets	-	-	3,701	3,701
Other payables	-	-	2,325	2,325
Total financial liabilities	1,587,506	1,446,777	39,391	39,391

Net losses and gains by financial liability category

Net losses and gains by financial liability category for the years ended 31 December 2025 and 2024 are as follows:

	Thousands of euros			
	2025		2024	
	Debt and payables	Total	Debt and payables	Total
Finance cost measured at amortised cost (Note 33)	44,364	44,364	44,760	44,760
Other (Note 33)	1,725	1,725	1,161	1,161
Net gains/(losses) in profit or loss	46,089	46,089	45,921	45,921
Total	46,089	46,089	45,921	45,921

19. Current and non-current financial liabilities

Details of current and non-current financial liabilities at 31 December 2025 and 2024 are as follows:

	Thousands of euros			
	2025		2024	
	Non-current	Current	Non-current	Current
Bonds and other marketable securities (Note 21)	1,119,831	7,782	1,122,296	7,828

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Bank borrowings	118,009	441	-	74
Debt with Group companies and associates (Note 34)	416,619	12,303	461,637	13,711
Security deposits received (Note 20)	564	-	550	-
Other financial liabilities (Note 20)	3,764	896	1,283	192
Leases (Note 21.2)	2,944	927	1,740	762
Trade and other payables (Note 22)	-	16,801	-	16,824
Total	1,661,731	39,150	1,587,506	39,391

20. Financial liabilities by debt

Details of financial liabilities by debt are as follows:

	Thousands of euros			
	2025		2024	
	Non-current	Current	Non-current	Current
Related parties				
Debt	416,619	12,303	461,637	13,711
Unrelated parties				
Bonds and other marketable securities	1,119,831	7,782	1,122,296	7,828
Bank borrowings	118,009	441	-	74
Other debt	3,764	896	1,283	192
Leases	2,944	927	1,740	762
Security and other deposits received	564	-	550	-
Total	1,661,731	22,349	1,587,506	22,567

21. Financial liabilities by category

21.1 Issue of bonds and other marketable securities

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

On 28 November 2024, the rating agency S&P issued a new credit report on Nortegas Energía Distribución, S.A.U. as issuer of the bond programme, maintaining the investment grade rating of BBB- with a stable outlook. A bbb- rating was also issued for the group to which it belongs (the parent of which is Nature Investments, S.à r.l.) and for Nortegas Energía Distribución, S.A.U. and subsidiaries. In March 2025, S&P published a new industry report adjusting the outlook from stable to negative for all gas distribution operators in Spain.

On 28 September 2017, the Group carried out a bond issue of €750 million within the framework of the Euro Medium Term Note Programme (EMTN) and it also obtained the S&P rating of BBB-. This issue matures on 28 September 2027. The issue price was 100% and the annual interest rate is 2.065% payable annually on 28 September.

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

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

At 31 December 2025, there is accrued interest payable of €7,782 thousand (€7,828 thousand in 2024) and it is classified in the consolidated balance sheet caption Current liabilities from the issue of bonds and other marketable securities.

On 16 July 2025, approval was given to replace Nortegas Energía Distribución, S.A.U. with Nortegas Energía Grupo, S.A.U. as bond issuer. The cost of changing issuer is €3.5 million and is recorded under the non-current consolidated balance sheet heading, Financial liabilities from the issue of bonds and other marketable securities.

Bank borrowings

In May 2025, the Company signed a new financing agreement with several banks for a total €200 million, maturing in May 2030. At 31 December 2025, €120 million are drawn down.

On 9 December 2025, the Company assumed the debtor position of its Parent company in the financing agreement held with the European Investment Bank. This agreement totals €80 million and no drawdowns have been made.

The Group also has a credit facility of up to €100 million. At 31 December 2025, this amount is available in full.

At 31 December 2025, the Group therefore has unused granted loans and credit facilities for an approximate amount of €260 million. Below is a breakdown by maturity of the liquidity position at 31 December 2025, taking into account the balance under the Cash and cash equivalents consolidated balance sheet heading.

Millions of euros	Available
Available maturity	
2028	100
2030	80
From 2031 onwards	80
Total	260
Cash and cash equivalents (Note 16)	104
Liquidity position	364

21.2 Leases

The Group enters into lease agreements in which it acts as lessee mainly in relation to the offices from where it operates, land, vehicles and LPG facilities. Movement in lease liabilities in 2025 and 2024 is as follows:

Thousands of euros	2025	2024
Opening balance	2,502	3,120
New lease contracts	1,991	3
Disposals of lease contracts	-	(86)
Interest expense	91	92
Principal paid	(959)	(806)

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Remeasurement /modification of lease liability (Note 10)	246	179
Closing balance	3,871	2,502

Details of lease liabilities by maturity at 31 December 2025 are as follows:

Thousands of euros	31.12.2025
2026	944
2027	603
2028	401
2029	322
2030	255
From 2031 onwards	3,096
Total	5,621
Finance cost	1,750
Present value of payments	3,871
Total	5,621

Details of lease liabilities by maturity at 31 December 2024 are as follows:

Thousands of euros	31.12.2024
2025	775
2026	589
2027	371
2028	167
2029	158
From 2030 onwards	697
Total	2,757
Finance cost	255
Present value of payments	2,502
Total	2,757

21.3 Statement of cash flows

Movement in liabilities classified as financing activities in the statement of cash flows, excluded from the equity headings, for the years ended 31 December 2025 and 2024, is as follows:

Thousands of euros	Cash flows						Balance at 31.12.2025
	Balance at 31.12.2024	Issue	Reimbursements	Interest paid	Accrued interest	Non-redeemable expenses and other	

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Bonds	1,122,296	(3,546)	-	-	1,081	-	1,119,831
Bank borrowings	-	117,071	-	-	242	696	118,009
Debt with Group companies and associates	461,637	-	(45,018)	-	-	-	416,619
Other financing operations	2,025	-	(362)	-	119	3,442	5,224
Leases (Note 21.2)	2,502	-	(959)	-	91	2,237	3,871
Accrued interest, debt with Group companies and associates	13,711	-	-	(25,982)	24,574	-	12,303
Accrued interest payable	7,902	-	-	(19,661)	19,982	-	8,223
Total financial debt-loans and other	1,610,073	113,525	(46,339)	(45,643)	46,089	6,375	1,684,080

Thousands of euros	Balance at 31.12.2023	Issue	Reimbursements	Interest paid	Accrued interest	Non- redeemable expenses and other	Balance at 31.12.2024
Bonds	1,121,637	-	-	-	659	-	1,122,296
Bank borrowings	-	-	-	-	-	-	-
Debt with Group companies and associates	490,340	-	(28,703)	-	-	-	461,637
Other financing operations	1,621	1,042	(149)	-	-	(489)	2,025
Leases (Note 21.2)	3,120	-	(806)	-	92	96	2,502
Accrued interest, debt with Group companies and associates	14,609	-	-	(28,284)	27,386	-	13,711
Accrued interest payable	7,838	-	-	(14,872)	17,784	(2,848)	7,902
Total financial debt-loans and other	1,639,165	1,042	(29,658)	(43,156)	45,921	(3,241)	1,610,073

22. Trade and other payables

Details of trade and other payables at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	Current	
	31.12.2025	31.12.2024
Unrelated parties		
Suppliers	2,838	2,821
Payables	7,959	7,977
Suppliers of fixed assets	4,173	3,701
Personnel	1,831	2,325
Total	16,801	16,824

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

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

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All payables subject to the financing agreement with suppliers are included under Trade and other payables on the accompanying consolidated balance sheet and its payment terms, as a general rule, are identical to those of the other trade creditors (Note 23).

	Thousands of euros	
	31.12.2025	31.12.2024
Payables that are part of a financing agreement with suppliers	5,354	5,169
Of which payment has been received by the supplier	833	787

23. Late payments to suppliers. "Reporting requirement", third additional provision of Law 15/2010 of 5 July 2010

Information on late payments to suppliers during the years ended 31 December 2025 and 2024 is as follows:

	Days	
	31.12.2025	31.12.2024
Average supplier payment period	40.17	38.85
Transactions paid ratio	41.05	39.61
Transactions payable ratio	25.55	27.96

	Amount in euros	
	31.12.2025	31.12.2024
Total payments made	49,929,215	54,003,819
Total payments outstanding	3,024,880	3,769,051

The total monetary amount and the number of invoices paid within the maximum period set out in the late payment regulations in 2025 is €47,597 thousand and 12,097 invoices, respectively (€52,165 thousand and 13,979 invoices in 2024, respectively). These amounts represent 95.3% and 96.8% of total monetary payments to suppliers and total number of invoices at 31 December 2025, respectively (96.6% and 94.1% at 31 December 2024, respectively).

24. Risk management policy

Financial risk factors

The Group's main business activity is gas distribution in Spain and so it is not exposed to currency or country risk, etc. The Group does not perform significant transactions with end customers, rather with other gas companies and other agents in the gas system.

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

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Adaptation of the systems to the Group'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) Interest rate risk

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

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

(ii) Credit risk

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

The accompanying table shows an age analysis of financial assets at 31 December 2025 and 2024:

	31.12.2025				
	Thousands of euros				
	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	More than 1 year	Total
Trade and other receivables at fixed rate	30,892	14	47	5	30,958
Other financial assets	1,807	-	13	186	2,006
Total assets	32,699	14	60	191	32,964

	31.12.2024				
	Thousands of euros				
	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	More than 1 year	Total
Trade and other receivables at fixed rate	28,077	35	6	13	28,131

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Other financial assets	1,802	-	19	-	1,821
Total assets	29,879	35	25	13	29,952

(iii) Liquidity risk

At 31 December 2025, the Group has positive working capital of €102,680 thousand (€103,618 thousand in 2024). The Group generates sufficient cash on an annual basis to meet its requirements.

The liquidity policy adopted ensures that payment obligations are met through the arrangement of sufficient credit facilities (note 21).

The table below shows the Group's exposure to liquidity risk at 31 December 2025 and 2024. The tables below reflect the analysis of financial liabilities by contracted maturity.

	31.12.2025				Total
	Thousands of euros				
	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	More than 1 year	
Trade and other payables	13,866	2,935	-	-	16,801
Bank borrowings					
Principal	-	-	-	118,009	118,009
Interest	47	394	-	-	441
Financial liabilities from the issue of bonds and other marketable securities					
Principal	-	-	-	1,119,831	1,119,831
Interest	4,691	-	3,091	-	7,782
Total liabilities	18,604	3,329	3,091	1,237,840	1,262,864

	31.12.2024				Total
	Thousands of euros				
	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	More than 1 year	
Trade and other payables	13,626	3,198	-	-	16,824

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Bank borrowings					
Principal	-	-	-	-	-
Interest	60	14	-	-	74
Financial liabilities from the issue of bonds and other marketable securities					
Principal	-	-	-	1,122,296	1,122,296
Interest	4,705	-	3,123	-	7,828
Total liabilities	18,391	3,212	3,123	1,122,296	1,147,022

25. Provisions

The classification of current and non-current provisions is as follows:

	Thousands of euros			
	31.12.2025		31.12.2024	
	Non-current	Current	Non-current	Current
Provisions for termination benefits	15	467	100	4,087
Other personnel provisions	2,262	-	1,001	1,995
Other liabilities	6,506	-	4,538	-
Total	8,783	467	5,639	6,082

Movement in provisions for the years ended 31 December 2025 and 2024 is as follows:

	Thousands of euros			
	Non-current			
	Provision for termination benefits (Note 3 (o) and 32)	Other personnel provisions (Note 32)	Other liabilities	Total
At 31 December 2024	100	1,001	4,538	5,639
Charges	85	1,261	1,969	3,315
Reversals	-	-	(1)	(1)
Transfers	(170)	-	-	(170)
At 31 December 2025	15	2,262	6,506	8,783

	Thousands of euros		
	Current		
	Provision for termination benefits (Note 3 (o) and 32)	Other personnel provisions (Note 32)	Total
At 31 December 2024	4,087	1,995	6,082

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Charges	154	-	154
Reversals	(150)	-	(150)
Transfers	170	-	170
Use	(3,794)	(1,995)	(5,789)
At 31 December 2025	467	-	467

Thousands of euros				
Non-current				
	Provision for termination benefits (Note 3 (o) and 32)	Other personnel provisions (Note 32)	Other liabilities	Total
At 31 December 2023	-	1,238	2,984	4,222
Charges	100	1,939	1,554	3,593
Reversals	-	(181)	-	(181)
Transfers	-	(1,995)	-	(1,995)
At 31 December 2024	100	1,001	4,538	5,639

Thousands of euros			
Current			
	Provision for termination benefits (Note 3 (o) and 32)	Other personnel provisions (Note 32)	Total
At 31 December 2023	-	-	-
Charges	4,087	-	4,087
Transfers	-	1,995	1,995
At 31 December 2024	4,087	1,995	6,082

Other liabilities

The provision covers the potential outcomes of litigious processes relating to the Group. According to the directors, following the relevant legal advice given, the outcome of such processes is not expected to differ significantly from provisions made at 31 December 2025.

Guarantees

The total amount of guarantees presented to third parties (councils and other public entities) at 31 December 2025 is €6,464 thousand (€6,149 thousand in 2024), whilst guarantees received from suppliers amount to €2,687 thousand (€1,197 thousand in 2024).

The guarantees paid to city councils and other public entities are for occupying and guaranteeing to replace public assets affected by the construction of pipelines and supply networks. No losses are expected in relation to these guarantees.

26. Environment

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

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

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

Every year, the Group provides an ESG report to its shareholders, including quantitative and qualitative information on environmental performance and health and safety. This information is audited by an external party.

The Group's performance is assessed annually by external parties, such as GRESB. Once again, Nortegas has been given the highest score (5/5), surpassing its 2023 score (data entered in 2024) on 3 points, resulting in a score of 98 out of 100 (above its 2020 score of 82 points, which was the first year it took part). This shows improved quality, precision and transparency in the information reported, much of which is publicly available. This puts the Group among the top gas distributors.

Throughout 2025, work has continued on the environmental monitoring of gas distribution works, including issues such as waste management, the impact on soil, watercourses and protected areas. No notable incidents have been identified.

Once again, the scope 1, 2 and 3 carbon footprint for 2024 has been calculated, successfully obtaining ISO 14064:2019 on greenhouse gases in February 2025, which has once again meant that the Group has registered its footprint with the Spanish office for climate change. The Group has also obtained the "Calculo y Reduzco" certification, which is issued by the Spanish Ministry for Ecological Transition and Demographic Challenge, ratifying a reduction in the intensity of its scope 1+2 emissions of 6.58%.

By calculating our footprint, we can monitor emissions and set reduction targets. To this end, by increasing the frequency of network monitoring to detect emissions leaks, reductions of around 49% compared to average emissions between 2018 and 2020 have been achieved (meeting the sustainable financing objectives).

In 2025, internal and external audits that are integrated in the management systems continued to be performed successfully, which has led to the ISO 45001:2015 certificate being renewed. A first review audit of the quality and environmental standards UNE-EN-ISO 9001:2015 and UNE-EN-ISO14001:2015, respectively, was also performed.

The Group received no environmental grants or income from activities related to the environment in the year ended 31 December 2025.

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

27. Capital grants

Movement in deferred income is as follows:

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

	Thousands of euros	
	31.12.2025	31.12.2024
Opening balance	1,378	1,217
Additions	765	253
Amounts transferred to the income statement	(136)	(92)
Closing balance	2,007	1,378

28. Contract liabilities

Movement in contract liabilities is as follows:

	Thousands of euros	
	31.12.2025	31.12.2024
Opening balance	20,154	17,596
Additions	3,321	3,923
Other movement	(3,556)	(803)
Amounts transferred to the income statement	(615)	(562)
Closing balance	19,304	20,154

Contract liabilities include connection and extension activities.

29. Other current liabilities

Details of other current liabilities are as follows:

	Thousands of euros	
	31.12.2025	31.12.2024
Public entities, other		
VAT payable to tax authorities	61	73
Withholdings payable to tax authorities	944	688
Special hydrocarbon tax payable to tax authorities	25	18
Social Security contributions	362	386
Public charges, taxes and councils	2,224	2,308
Total	3,616	3,473

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

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

30. Revenue and supplies

Details of revenue by category are as follows:

	Thousands of euros	
	Domestic	
	2025	2024
Revenue from regulated propane gas activities	23,815	24,816
Revenue from regulated natural gas activities	141,747	145,512
Other regulated revenue	23,434	22,578
Other unregulated revenue	11,919	15,142
	200,915	208,048

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

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

Details of supplies are as follows:

	Thousands of euros	
	2025	2024
Merchandise and raw materials used		
Purchases	21,450	22,144
Change in inventories	59	625
	21,509	22,769
Other purchases and external expenses		
Subcontracted work	5,822	6,213
Other	464	460
	6,286	6,673
	27,795	29,442

Subcontracted work at 31 December 2025 and 2024 relates mainly to the periodic inspections outsourced to third parties.

31. Other expenses

Details of other expenses are as follows:

	Thousands of euros	
	2025	2024
Fees	334	204
Repairs and maintenance	2,735	3,036
Independent professional services	2,264	3,885
Insurance premiums	672	767
Utilities	237	252
Other services	6,825	6,999
Taxes	3,093	3,012

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Other expenses	2,565	10,153
	18,725	28,308

32. Personnel expenses

Details of personnel expenses are as follows:

	Thousands of euros	
	2025	2024
Salaries and wages	17,094	19,426
Other employee benefits expenses and taxes	4,785	4,853
Termination benefits	604	1,986
Allocation to/(reversal of) personnel provisions (Note 25)	1,350	5,945
Contributions to other long-term benefits	691	794
	24,524	33,004

33. Finance income and cost

Details of finance income and cost are as follows:

	Thousands of euros	
	2025	2024
Finance income on loans to Group companies and associates (Notes 11 & 34)	11	12
Finance income (Note 11)	2,264	3,005
Interest expense on debt with group companies (Notes 18 & 34)	(24,574)	(27,386)
Interest expense on bank borrowings (Note 18)	(2,985)	(476)
Interest expense on bond issuance debt (Note 18)	(16,805)	(16,898)
Other finance costs (Note 18)	(1,725)	(1,161)
	(43,814)	(42,904)
Net financial result		

34. Related party balances and transactions

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Details of balances receivable from and payable to related parties by category and the main characteristics thereof are chiefly disclosed in Notes 9, 11, 14, 20 and 22.

Details of balances by category at 31 December 2025 and 2024 are as follows:

	Thousands of euros		
	Group companies	Associates	Total
31.12.2025			
Non-current investments in Group companies and associates			
Equity-accounted investees (Note 9)	-	1,392	1,392
Total non-current assets	-	1,392	1,392
Current investments in Group companies and associates			
Loans to companies (Note 11)	-	186	186
Trade and other receivables			
Other receivables (Note 14)	-	34	34
Total current assets	-	220	220
Total assets	-	1,612	1,612
Non-current debt			
Other financial liabilities (Note 20)	416,619	-	416,619
Total non-current liabilities	416,619	-	416,619
Current debt			
Other financial liabilities (Note 20)	12,303	-	12,303
Total current liabilities	12,303	-	12,303
Total liabilities	428,922	-	428,922

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

31.12.2024	Thousands of euros		
	Group companies	Associates	Total
Non-current investments in Group companies and associates			
Equity-accounted investees (Note 9)	-	1,328	1,328
Total non-current assets	-	1,328	1,328
Current investments in Group companies and associates			
Loans to companies (Note 11)	-	173	173
Trade and other receivables			
Other receivables (Note 14)	-	57	57
Total current assets	-	230	230
Total assets	-	1,558	1,558
Non-current debt			
Other financial liabilities (Note 20)	461,637	-	461,637
Total non-current liabilities	461,637	-	461,637
Current debt			
Other financial liabilities (Note 20)	13,711	-	13,711
Total current liabilities	13,711	-	13,711
Total liabilities	475,348	-	475,348

Group transactions with related parties

Group transactions with related parties at 31 December 2025 and 2024 are as follows:

31.12.2025	Thousands of euros			
	Sole shareholder	Group companies	Associates	Total
Income				
Other services rendered	-	-	366	366
Financial instruments				
Finance income (Note 33)	-	-	11	11
Share in the profit of investments accounted for using the equity method (Note 9)	-	-	152	152
Total income	-	-	529	529
Financial instruments				
Finance costs (Note 33)	-	24,574	-	24,574
Total expenses	-	24,574	-	24,574

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31.12.2024	Thousands of euros			
	Sole shareholder	Group companies	Associates	Total
Income				
Other services rendered	-	-	467	467
Financial instruments				
Finance income (Note 33)	1	-	11	12
Share in the profit of investments accounted for using the equity method (Note 9)	-	-	118	118
Total income	1	-	596	597
Financial instruments				
Finance costs (Note 33)	-	27,386	-	27,386
Total expenses	-	27,386	-	27,386

Information on the Parent's directors and the Company's senior management personnel

In the year ended 31 December 2025, the Company's directors and members of senior management have accrued salaries, wages, bonuses, long-term incentives and, where applicable, termination benefits, of €1,156 thousand and €1,681 thousand (€1,338 thousand and €2,436 thousand in 2024, respectively).

Furthermore, on 31 December 2025, members of senior management have no outstanding capital loan payments (€0 thousand at 31 December 2024).

Contributions to pension plans and life insurance for directors and members of senior management in 2025 amount to €21 thousand and €42 thousand, respectively (€17 thousand and €50 thousand in 2024, respectively).

The Parent company has no pension or life insurance obligations with the Company's former or current directors in 2025 or 2024.

The civil liability insurance premium for the year for the position of director amounted to €26 thousand in 2025 (€27 thousand in 2024).

Transactions other than ordinary business or under terms differing from market conditions carried out by the Directors and members of the Supervisory Board of the Parent company

In the years ended 31 December 2025 and 2024, 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.

Conflicts of interest concerning the directors of the Parent company

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 William Mathieson, who is a member of the board of directors of Cadent Gas Ltd, UK.

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Notes to the Consolidated Annual Accounts

35. Employee information

The average number of Group employees in the years ended 31 December 2025 and 2024 is as follows:

	<u>Average number of employees</u>	
	<u>31.12.2025</u>	<u>31.12.2024</u>
Directors	24	24
Heads and managers	70	70
Other	135	154
	<u>229</u>	<u>248</u>

At 31 December 2025, the Group has one employee with a disability rating of 33% or higher (or equivalent local rating) (2 at 31 December 2024).

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 2025 and 2024, the distribution by gender of Group personnel and directors is as follows:

	<u>Number</u>			
	<u>2025</u>		<u>2024</u>	
	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>
Board members	3	4	3	4
Directors	8	11	7	15
Heads and managers	32	35	35	38
Other	50	80	56	92
	<u>93</u>	<u>130</u>	<u>101</u>	<u>149</u>

36. Audit fees

The auditor, Ernst & Young, S.L., has invoiced the following amounts during the years ended 31 December 2025 and 2024 for auditing the annual accounts of the Group and its subsidiaries:

	<u>Thousands of euros</u>	
	<u>31.12.2025</u>	<u>31.12.2024</u>
Audit services, consolidated annual accounts of the Company	54	-
Audit services, consolidated annual accounts of subsidiaries	-	51
Audit services, individual annual accounts of the Company	18	16
Audit services, individual annual accounts of the subsidiaries	94	83
Other audit services	170	-
	<u>336</u>	<u>150</u>

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

37. Events after the reporting period

With effect from 1 January 2026, the Board of Directors of Nortegas Energía Grupo, S.A.U. has been converted into a joint management structure consisting of two joint directors.

On 8 January 2026, S&P formally assigned a BBB– credit rating to the Group whose parent company is Nortegas Energía Grupo, S.A.U.

On 12 January 2026, the Group made a bond repurchase offer relating to its issue of 28 September 2017, maturing on 28 September 2027. This offer expired on 19 January and a total of €340,014 thousand was bought back.

On 21 January 2026, the Group issued bonds of €400 million, maturing on 21 January 2033 and with annual interest of 4.125% within the framework of the Euro Medium Term Note Programme (EMTN), which obtained the S&P rating of BBB-.

No other significant event of note that could have an effect on the accompanying consolidated annual accounts and which is not disclosed herein has taken place after the year ended 31 December 2025.

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Details of subsidiaries and associates

31 December 2025

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

Corporate name	Registered address	Activity	Auditor	Company holding investment	% of share	% of Company's effective share	Consolidation base
Nortegas Green Energy Solutions, S.L.U.	Bilbao (Spain)	Technical engineering services and other activities	Ernst & Young, S.L.	Nortegas Energía Grupo, S.A.U.	100%	100%	Full consolidation
NGES Instalaciones y Energía, S.L.U.	Asturias (Spain)	Transformation and maintenance of boilers	-	Nortegas Green Energy Solutions, S.L.U.	100%	100%	Full consolidation
Nortegas Energía Distribución, S.A.U.	Bilbao (Spain)	Natural gas distribution	Ernst & Young, S.L.	Nortegas Energía Grupo, S.A.U.	100%	100%	Full consolidation
NED España Distribución Gas, S.A.U.	Bilbao (Spain)	Natural gas distribution	Ernst & Young, S.L.	Nortegas Energía Distribución, S.A.U.	100%	100%	Full consolidation
NED Suministro GLP, S.A.U.	Bilbao (Spain)	Distribution and sale of liquefied petroleum gas	Ernst & Young, S.L.	Nortegas Energía Distribución, S.A.U.	100%	100%	Full consolidation
Norbiogas Renovables, S.L.U. (previously Berriztagas Bizkaia, S.L.U.)	Bilbao (Spain)	Services and project management relating to organic waste, biogas and biomethane	-	Nortegas Energía Grupo, S.A.U.	100%	100%	Full consolidation
Bionorte Renovables, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy I, S.L.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	55%	55%	Full consolidation
Nortiben Green Energy II, S.L.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	55%	55%	Full consolidation
Nortiben Green Energy IV, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	55%	55%	Full consolidation
Nortiben Green Energy V, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	55%	55%	Full consolidation
Nortiben Green Energy VI, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	55%	55%	Full consolidation
Nortiben Green Energy VII, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	55%	55%	Full consolidation
Nortiben Green Energy VIII, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	55%	55%	Full consolidation
Nortiben Green Energy IX, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	55%	55%	Full consolidation
Nortiben Green Energy X, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy XI, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	55%	55%	Full consolidation
Nortiben Green Energy XII, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation

This appendix forms an integral part of Note 6 to the consolidated annual accounts.

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Details of subsidiaries and associates

31 December 2025

Corporate name	Registered address	Activity	Auditor	Company holding investment	Ownership share	% of Company's effective share	Consolidation base
Nortiben Green Energy XIII, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	55%	55%	Full consolidation
Nortiben Green Energy XIV, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy XV, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano I, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano II, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano III, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano IV, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano V, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano VI, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano VII, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano VIII, S.L.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	51%	51%	Full consolidation
Norbiogas Biometano IX, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano X, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano XI, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano XII, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Desarrollos Bioenergéticos de Andalucía Los Cerros, S.L.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	60%	60%	Full consolidation
Valorizaciones Medioambientales de Bunyol, S.L.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	90%	90%	Full consolidation
Tolosa Gasa, S.A.	Tolosa (Spain)	Natural gas distribution	Ernst & Young, S.L.	Nortegas Energía Distribución, S.A.U.	40.00%	40.00%	Equity method
Inkolan, A.I.E.	Bilbao (Spain)	Compilation and management of all information relating to the networks installed by each partner in the Basque Country (CAV).	Moore Stephens AMS, S.L.	Nortegas Energía Distribución, S.A.U.	14.29%	14.29%	Equity method

This appendix forms an integral part of Note 6 to the consolidated annual accounts.

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Details of subsidiaries and associates

31 December 2025

Corporate name	Registered address	Activity	Auditor	Company holding investment	Ownership share	% of Company's effective share	Consolidation base
Norbiogas La Conchita, S.L.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	50.00%	50.00%	Equity method
Biolvegas, S.L.	Ólvega (Spain)	Execution and development of waste management projects and others	-	Norbiogas Renovables, S.L.U.	20.00%	20.00%	Equity method
Energy Intelligence Foundation	Abanto-Zierbena (Spain)	Development of an industrial, technological ecosystem around a decarbonised economy	-	Nortegas Energía Grupo, S.A.U.	16.67%	16.67%	Equity method

This appendix forms an integral part of Note 6 to the consolidated annual accounts.

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Details of subsidiaries and associates

31 December 2024

Corporate name	Registered address	Activity	Auditor	Company holding investment	Ownership share	% of Company's effective share	Consolidation base
Nortegas Green Energy Solutions, S.L.U.	Bilbao (Spain)	Technical engineering services and other activities	Oscar Zorelle Fernández	Nortegas Energía Grupo, S.L.U.	100%	100%	Full consolidation
NGES Instalaciones y Energía, S.L.U.	Asturias (Spain)	Transformation and maintenance of boilers	-	Nortegas Green Energy Solutions, S.L.U.	100%	100%	Full consolidation
Nortegas Energía Distribución, S.A.U.	Bilbao (Spain)	Natural gas distribution	Ernst & Young, S.L.	Nortegas Energía Grupo, S.L.U.	100%	100%	Full consolidation
NED España Distribución Gas, S.A.U.	Bilbao (Spain)	Natural gas distribution	Ernst & Young, S.L.	Nortegas Energía Distribución, S.A.U.	100%	100%	Full consolidation
NED Suministro GLP, S.A.U.	Bilbao (Spain)	Distribution and sale of liquefied petroleum gas	Ernst & Young, S.L.	Nortegas Energía Distribución, S.A.U.	100%	100%	Full consolidation
Norbiogas Renovables, S.L.U. (previously Berriztagas Bizkaia, S.L.U.)	Bilbao (Spain)	Services and project management relating to organic waste, biogas and biomethane	-	Nortegas Energía Grupo, S.L.U.	100%	100%	Full consolidation
Bionorte Renovables, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy I, S.L.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	55%	55%	Full consolidation
Nortiben Green Energy II, S.L.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	55%	55%	Full consolidation
Nortiben Green Energy IV, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy V, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy VI, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy VII, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy VIII, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy IX, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy X, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano I, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano II, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation

This appendix forms an integral part of Note 6 to the consolidated annual accounts.

NORTEGAS ENERGÍA GRUPO, S.A.U. AND SUBSIDIARIES

Details of subsidiaries and associates

31 December 2024

Corporate name	Registered address	Activity	Auditor	Company holding investment	Ownership share	% of Company's effective share	Consolidation base
Norbiogas Biometano III, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy XI, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy XII, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy XIII, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy XIV, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Nortiben Green Energy XV, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano IV, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano V, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano VI, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano VII, S.L.U.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	100%	100%	Full consolidation
Norbiogas Biometano VIII, S.L.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	51%	51%	Full consolidation
Valorizaciones Medioambientales de Bunyol, S.L.	Buñol (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	90%	90%	Full consolidation
Tolosa Gasa, S.A.	Tolosa (Spain)	Natural gas distribution	Ernst & Young, S.L.	Nortegas Energía Distribución, S.A.U.	40.00%	40.00%	Equity method
Inkolán, A.I.E.	Bilbao (Spain)	Compilation and management of all information relating to the networks installed by each partner in the Basque Country (CAV).	Moore Stephens AMS, S.L.	Nortegas Energía Distribución, S.A.U.	14.29%	14.29%	Equity method
Norbiogas La Conchita, S.L.	Bilbao (Spain)	Development and operation of biomethane plants	-	Norbiogas Renovables, S.L.U.	50.00%	50.00%	Equity method
Biolvegás, S.L.	Ólvega (Spain)	Execution and development of waste management projects and others	Ernst & Young, S.L.	Norbiogas Renovables, S.L.U.	20.00%	20.00%	Equity method
Energy Intelligence Foundation	Abanto-Zierbena (Spain)	Development of an industrial, technological ecosystem around a decarbonised economy	-	Nortegas Energía Grupo, S.L.U.	16.67%	16.67%	Equity method

This appendix forms an integral part of Note 6 to the consolidated annual accounts.

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

1. Most significant milestones in 2025

2025 has seen a modest recovery in demand, with natural gas volumes exceeding those of the last few years. Demand for natural gas in 2025 is up 7% on last year.

Nortegas' capacity to achieve significant business and investment growth is noteworthy. The Group has acquired 11,619 new supply points to transport a total of 24 TWh via its networks and has reached gross investment levels of €28 million in 2025.

Of note is the transformation of the Aboño thermal generation plant, which was previously coal-based, and is currently natural gas-based and has estimated demand of 4.4 Twh a year.

From a financial point of view, this context has resulted in a 0.98% (€1.4 million) drop in recurring EBITDA during the year ended 31 December 2025, compared with recurring EBITDA in the same period of 2024. Part of this drop is the result of an adjustment to regulated income of €4.7 million caused by the regulatory changes announced in Circular 4/2020, which is partly offset by the aforementioned recovery in demand and ongoing improvements to efficiency measures and processes across the organisation.

Work has continued on the company's Strategic Plan to position our infrastructures at the service of the energy transition as a way for our customers to achieve decarbonisation through the use of renewable gases, such as green hydrogen and biomethane. Nortegas works actively with developers to provide biomethane injection points into the current natural gas network.

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 98 points out of 100, demonstrating the progress we have made in our ESG targets obtaining the highest five-star rating.

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

From a digital transformation point of view, projects to transform infrastructures and digitise processes have taken place. The renewal of data communications architecture and the roll-out of applications to digitise processes are noteworthy.

In 2025, the HR department has continued its commitment to talent management and to adding value to the Company. Furthermore, with a view to tackling new strategic and business continuity challenges, we are committed to building foundations that facilitate technical and professional training, succession planning and people management.

From a risk perspective, during the period covered by this report six-monthly reviews of the group's risk matrix have been performed, analysing specific business risks within different areas and also the risk level across the entire organisation. The results are presented to the Audit Committee and the Board of Directors.

In addition, the Risk Management System Handbook has been completed, including the methodology for analysing and assessing risks.

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2. Operational data and milestones

Nortegas is the second largest gas distributor in Spain in terms of connection points and the primary distributor in the north of the country. It has over one million supply points and a network measuring 8,570 km distributed throughout the Basque Country, Asturias and Cantabria.

It employs 216 professionals at 31 December 2025 and its corporate headquarters is in Bilbao.

Most of the activities carried out by Nortegas are regulated and at the December 2025 reporting date, it has more than 1 million natural gas and LPG supply points, is present in 398 municipal areas, of which 228 are supplied with natural gas and the rest with LPG.

	2025	2024	2023	CAGR (2023-2025) ⁽¹⁾
Connection points	1,079,453	1,074,589	1,069,494	0.5%
Natural gas	990,145	985,510	980,181	0.5%
Natural gas (NG)<4 bar	989,481	984,836	979,503	
Natural gas (NG)>4 bar	664	674	678	
LPG	89,308	89,079	89,313	
Energy distributed NG+LPG (GWh)	24,402	23,038	23,275	2.4%
Energy distributed (NG) (GWh)	24,055	22,692	22,926	
Energy distributed (LPG) (GWh)	347	346	349	
Network length (NG+LPG) (Km)	8,570	8,551	8,509	0.4%
Km NG	8,057	8,042	8,013	
Km LPG	513	509	496	

Note 1: Accumulated compound annual growth rate from December 2023 to December 2025.

Investments have been made to extend the natural gas distribution network to a total of 8,057 km at 31 December 2025.

Investments in new natural gas networks and the increased saturation of supply points in existing natural gas networks enabled an increase in the number of supply points to 990,145 (with an accumulated compound growth rate from 2023 of 0.5%) and 8,057 km of NG network.

The LPG business at 31 December 2025 comprised 89,308 supply points and 513 km of LPG networks.

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3. Analysis of 2025 results

The Group's consolidated recurring EBITDA in 2025 is €139.5 million compared to €140.9 million in the year ended 31 December 2024, down 1%.

Recurring EBITDA in 2025 (€139,483 thousand) relates to operating profit before depreciation/amortisation for said period (€138,789 thousand), excluding non-recurring expenses for termination benefits and provisions for termination benefits totalling €694 thousand. Similarly, recurring EBITDA for the period ended 31 December 2024 (€140,862 thousand) relates to operating profit before depreciation/amortisation for said period (€126,494 thousand), excluding non-recurring expenses for termination benefits, provisions for termination benefits and contract termination and other expenses totalling €14,368 thousand.

Nortegas' consolidated revenues for the period ended 31 December 2025 total €201 million compared to €208 million in the period ended 31 December 2024.

Operating profit in the period ended 30 December 2025 totals €53.5 million, after amortisation and depreciation totalling €85.3 million. The financial and other results, together with corporate income tax, gave rise to a net profit of €10.7 million.

Details of the investments made by Nortegas by business are broken down below:

Gross investments (millions of euros)	2025	2024	2023
Natural gas	18.2	19.6	20.6
LPG	1.6	2.0	2.0
Other	7.1	5.4	2.4
TOTAL	26.9	27.0	25.0

4. Most significant events in 2025

In 2025, the Group has continued with its standard business as a regulated natural gas and LPG sector enterprise. This activity consists of the management of the regulated distribution assets, including promoting, developing and building new infrastructure, as well as network operation, maintenance and optimisation services.

In order to decarbonise our customers' consumption, the Group is also committed to developing renewable gases (hydrogen and biomethane) using current infrastructures. Nortegas works actively with developers to facilitate biomethane injection points in the current natural gas networks. The Group is also involved in an ambitious plan to build and operate biomethane production plants. The plan is currently advanced in terms of business development and administrative procedures. The gas that is produced can be injected into the distribution network, helping with decarbonisation.

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

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

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

- ✓ The 2025 inspection campaign has been completed, fulfilling the regulatory requirement to visit 100% of facilities before 31 December.
- ✓ The 2025 annual preventive maintenance plan has been executed in full.
- ✓ 2025 gasification agreement signed with the Principality of Asturias, which has led to the execution of a gasification project at an industrial park in Llanes, with an investment of €270,000 and a grant of €150,000.
- ✓ Ministerial Order UIT/1475/2024, published on 17 December, amending Order ICT/155/2020, which regulates state meteorological control of measurement tools. The new MO stipulates a 13-year period to 2033 to replace domestic meters at the end of their useful life.
- ✓ Progress throughout 2025 to digitise customer relations:
 - The launch of a new WhatsApp customer service channel in January 2025. The first phase focuses on reading customer contributions. The second phase will manage Nortegas customers' main issues of interest.
 - A change in the LPG contracting and change of account holder process, enabling customers to sign contracts electronically as of January 2025.
 - The new Nortegas customer service switchboard began operating in 2025, including smart service lines (IVR to identify suppliers, input reading, etc.).
 - The launch of the 2025 meter verification campaign, which was managed for the first time using digital communications.
- ✓ Huge efforts in collaboration with other distribution companies, and under the coordination of Sedigas, to respond to new regulatory proposals, including:
 - A response to the public consultation prior to the ministerial order on the smart meter project.
 - Statements against the ministerial order project to roll-out smart meters.
 - A response to the public consultation relating to the Royal Decree revising technical safety standards for gas infrastructures and facilities.
- ✓ Nortegas' participation in working groups for:
 - The implementation of new standards relating to the renewable gas connection procedure recently approved by CNMC Circular 2/2025 (biomethane and hydrogen injection points).
 - The implementation of new standards in the event of emergency restrictions on usage within the Spanish gas system.

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- ✓ In the field of introducing biomethane to the gas system:
 - In June 2025, a new connection agreement was signed to feed a biomethane plant into the Nortegas network in Gipuzkoa (Zubieta), which is expected to be operational in the first quarter of 2026.
 - In 2025, Nortegas has managed the injection of 33.8 GWh of biomethane into the municipal networks in Navia, Nortegas' first operational injection point.
 - In December 2025, an agreement was signed to connect a new biomethane injection point in Nortegas networks in Tineo, Asturias.
- ✓ Adoption of regulatory change to the natural gas tariff structure as of 1 October.

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

Sales development and infrastructures:

- ✓ Transformation of the Aboño thermal generation plant, which was previously coal-based and is currently natural gas-based. Estimated annual demand is 4.4 Twh and in 2025 it was 2.6 Twh from 19 June onwards, which is when it was connected.
- ✓ The rolling out of a new IT tool for management projects to enable natural gas installations to be ordered.
- ✓ The presentation of the 2026 Sales Policy to installers, highlighting the role of renewable gases in decarbonisation.
- ✓ Campaign carried out within the market where network expansion is complete, where there is an existing connection or a nearby network.
- ✓ The promotion of hybrid systems in new-builds, focussing on developers exclusively interested in aérothermal systems.
- ✓ The first registrations in Navaridas (Álava), thanks to intense sales efforts.
- ✓ Nortegas took part in CIACC 2025 (International congress on climate action), which was held in Santander, thus strengthening its commitment to sustainability and the energy transition.
- ✓ The signing of an agreement with a developer to build 86 homes with individual bioboilers.
- ✓ The presentation of Nortegas' "Gas Verde Si" platform in Bilbao, alongside other distribution companies, highlighting the key role of biomethane in Spain's energy future. We informed all of Nortegas' associates and collaborators about the creation of the "Sí de Gas Verde" platform and invited them to join.

Hydrogen solutions:

- ✓ Meetings are being held in relation to the first hydrogen valley in Asturias project to move the sales process forward. This project is recognised as an Important Project of Common European Interest (IPCEI) and has received funding from MITECO (Spanish Ministry for Ecological Transition and Demographic Challenge).

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- ✓ Within the framework of the BH2C Phase I project (left bank of the River Nervión), opportunities for shared construction work along the left-bank are being explored, as by coordinating the building of hydrogen distribution and reused water infrastructures, costs could be reduced significantly. Initial meetings have also been held with the Bizkaia regional council to explore possible routes for hydrogen distribution infrastructures with specific proposals being made for certain industrial clients.
- ✓ Alongside others, Nortegas has also helped develop the 2030 Basque Country Renewable Fuels Technology Roadmap for the regional Basque Country government.

The regulatory scenario in the last 12 months to 31 December 2025 has been impacted by the following published regulatory texts:

- ✓ Communication from the European Commission dated 29 January: EU competitiveness compass.
- ✓ Order TED/181/2025 of 13 February, approving the technical standards for managing the gas system under ministerial jurisdiction.
- ✓ Circular 2/2025 of 9 April, by the Spanish National Markets and Competition Commission, setting out the methodology and terms for accessing and allocating capacity in the natural gas system.
- ✓ The Resolution of the Spanish National Markets and Competition Commission of 27 May 2025, which establishes access tolls to transmission networks, local networks and regasification for the 2026 gas year.
- ✓ Resolution of 27 May 2025 by the Spanish National Markets and Competition Commission, which establishes remuneration for 2026 for companies undertaking regulated liquefied natural gas plant, transport and natural gas distribution activities.
- ✓ Circular 5/2025 of 18 June by the National Markets and Competition Commission providing regulatory information on the cost of natural gas distribution activities.
- ✓ CNMC Resolution of 13 June 2025 establishing the procedure for managing requests and contracts for connections between plants producing other gases and the natural gas distribution or transmission network.
- ✓ Communication by the European Commission dated 30 June, providing guidance on fossil fuel boilers (Article 13, Appendix II) of (EU) directive 2024/1275 on the energy performance of buildings.
- ✓ Monthly resolutions to update piped LPG prices and quarterly resolutions updating the TUR (last resort tariff).
- ✓ Resolution of 26 September 2025 by the Spanish National Markets and Competition Commission on the addendum for calculating, monitoring and measuring shrinkage in the gas system for the 2023 gas year and its impact on the remuneration of facility owners.
- ✓ Resolution of 26 September 2025 by the Spanish National Markets and Competition Commission on calculating, monitoring and measuring shrinkage in the gas system for the 2024 gas year and its impact on the remuneration of facility owners.
- ✓ CNMC report of 31 October 2025 containing the Financial Analysis of Gas Distribution Companies - Preliminary analysis of 2023-2024 information (*Análisis Económico Financiero de las Empresas de Distribución del Sector Gasista* in Spanish)

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- ✓ Order TED/1318/2025 of 19 November, which establishes energy policy guidance for the Spanish National Markets and Competition Commission in relation to regulatory circulars, the processing of which is expected to begin in 2025.
- ✓ The Spanish National Markets and Competition Commission's Resolution of 02 December 2025, establishing the value of the 2026 global ratio index and the financial prudence penalty for companies carrying out electricity transmission and distribution activities, and natural gas transmission, regasification, underground storage and distribution activities.
- ✓ Act 9/2025 of 3 December on sustainable mobility.
- ✓ Resolution of 1 December 2025 approving new formats for the information exchange files used by distributors and natural gas companies. Other formats are also reviewed.
- ✓ CNMC Circular 9/2025 of 22 December, amending Circular 2/2019 of 12 November, setting out the methodology for calculating financial compensation for electricity distribution and transmission activities and natural gas regasification, distribution and transmission activities, and setting out financial compensation applicable to electricity distribution, system operation and transmission activities in the 2026-2031 regulatory period.
- ✓ Royal Decree-Law 16/2025 of 23 December, extending certain measures to address situations of social vulnerability. Urgent tax and Social Security measures are also adopted.
- ✓ Act 10/2025 of 26 December, regulating customer service.
- ✓ Monthly resolutions to update piped LPG prices and quarterly resolutions updating the TUR (last resort tariff).

Public consultations:

- ✓ Specific public consultation on reviewing the natural gas distribution compensation methodology for the 2027-2032 regulatory period.
- ✓ Specific consultation on reviewing natural gas regasification, local networks and distribution toll calculation methodologies in circular 6/2020 for the 2027-2032 regulatory period.
- ✓ Public consultation on the circular amending circular 2/2019 of 12 November setting out the methodology for calculating financial compensation for electricity distribution and transmission activities and natural gas regasification, distribution and transmission activities, and setting out financial compensation applicable to electricity distribution, system operation and transmission activities in the 2026-2031 regulatory period.
- ✓ Public consultation on the Ministerial Order project approving the plans and procedure for rolling out natural gas smart meters.
- ✓ Public consultation on the royal decree project to transpose the renewable energy directive.
- ✓ Public consultation on the proposed assessment report on the remuneration model for natural gas distribution set out in Circular 4/2020.

5. Treasury shares

At 31 December 2025, there are no treasury shares and none have been acquired during the year.

6. Derivative financial instruments

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

7. Risks

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

Note 24 of the notes to the accompanying consolidated annual accounts describes these policies and risk management measures.

8. Research and development activities

During the year, Nortegas has continued to work on projects included in its Strategic Innovation Plan, including the following key milestones:

- ✓ An agreement with H2SITE to keep the H2SAREA facilities operational in the first three months of 2025 in order to test the palladium demixing module.
- ✓ The article "Integrative assessment of hydrogen-natural gas mixtures in energy grids: An overview of the H2SAREA project experience" was published in the International Journal of Hydrogen Energy.
- ✓ The H2Sarea project was a finalist at the Mobile World Capital AWARDS - "Technologies for a sustainable future".
- ✓ The H2Bidea project was presented to the Abanto town council in order to request the business permit. A project extension was obtained via SPRI to deal with this new requirement.
- ✓ The H2EAT project ("Towards the manufacture of NET 0 aluminium car components using H2 in the foundry industry") has been presented to SPRI for the 2025 call for grants for competitive projects.
- ✓ A new competitive research and development project has been presented to the Hazitek 2025 programme to analyse Co2 distribution in partnership with a major industrial company.
- ✓ An agreement has been signed to connect a biomethane plant in Tineo with the Nortegas distribution network, located 7 km from the network. The project will use polyamide for the first time in Spain.
- ✓ A proposal has been presented to a biomethane plant developer to connect a plant 18 km from the network in Bizkaia.

9. Environment, social and governance

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

The role of the Company's sustainability team is to ensure that all departments are aligned with the objective of generating long-term positive impact, integrating the expectations of all our stakeholders and seeking opportunities in the decision-making process.

Nortegas' strategic pillars reinforce the importance of sustainability as a key part of its business model, which is fully integrated into all of the company's processes.

Due to this approach to corporate culture, Nortegas has become an organisation 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 fourth year running, our carbon footprint has been successfully verified and registered at Spain's office for climate change.
- ✓ 13% decrease in direct greenhouse gas emissions (Scopes 1+2) compared to 2023 and a decrease of around 55.9% compared to average emissions between 2018 and 2020, due to leakage control. This has led to us achieving the "Calculo y Reduzco" certification issued by Spain's Climate Change Office.
- ✓ The second 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.
- ✓ Nortegas has obtained 5 stars and 98 points in the GRESB standard, which measures ESG performance (Environment, Social, Governance) using quantitative and qualitative data.

Nortegas ensures safe processes and operations alongside the needs of our stakeholders. We focus on incident prevention, but have the necessary capacity to respond effectively if required.

Key aspects of health and safety management in 2025 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 psycho-social risk assessment.
- ✓ We work with law enforcement (the fire service) to share know-how on gas facilities. This applies to new recruits and also to veteran teams. We have also carried out a simulation, working with fire services in the region.

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 2025 objectives review are as follows:

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Target	KPI	2025 result
Safety of our stakeholders	Frequency and severity rates (in-house employees)	FR (million hours worked) = 5.88 FR (100,000 hours worked) = 0.59 SR: 0.43
Information security	Cybersecurity breaches	0
Emissions control and reduction	Reduction of scope 1+2 emissions	55.9% (*)

(*) Average emissions from 2018 to 2020 are used as the baseline.

10. Outlook

The Company's future development is based on the following pillars:

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

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11. Events after the reporting date

Since 31 December 2025, no additional significant events have taken place other than those disclosed in Note 37.

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

**AUTHORISATION FOR ISSUE OF THE ANNUAL ACCOUNTS
2025**

On March 26, 2026

*Signed on original
in Spanish*

*Signed on original
in Spanish*

Mr Juan Ignacio Villar Marcelino

Mr Mark William Mathieson