

Naturgy Finance Iberia, S.A.

Auditor's report
Annual accounts as at 31 December 2025
Management report



This version of our report is a free translation of the original, which is prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report on the annual accounts

To the sole shareholder of Naturgy Finance Iberia, S.A. (Unipersonal Company)

Report on the annual accounts

Opinion

We have audited the annual accounts of Naturgy Finance Iberia, S.A. (the Company), which comprise the balance sheet as at 31 December 2025, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2025, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

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 annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of the accounting treatment of bond and securities transactions carried out during the fiscal year 2025

As detailed in note 1 of the accompanying notes to the annual accounts, the Company is one of the debt issuing vehicles of the Naturgy Group to which it belongs.

As part of this activity, in 2025, the Company has carried out several significant transactions with bonds and securities (note 8):

- In May 2025, the Company issued and completed a partial tender redemption offer for perpetual subordinated bonds and EMTN bonds for an aggregate nominal amount of €1,000 million, which resulted in an income of 11,182 thousand euros being recorded in the income statement.
- In May 2025, the Company issued two bonds of €500 million each, one maturing in 2031 and the other in 2035, under the EMTN programme.

As indicated in note 3.1, bonds and securities are initially recognised at fair value net of transaction costs incurred and subsequently at amortised cost, using the effective interest method. In the case of the settlement of financial liabilities, the difference between the carrying amount and the consideration paid for their cancellation is recognised in the income statement for the year.

Given the relevance of these transactions in the annual accounts as a whole, we have considered the evaluation of the accounting record of them as a key audit matter.

Our audit procedures in connection with these transactions included, among others, the following:

First, we obtained an understanding of the process implemented by the Company for recording transactions in the capital markets and verified the operational effectiveness of the associated controls.

In connection with the redemption transactions of undated subordinated securities and bonds under the EMTN program, we have:

- Analysed the contractual terms of the redeemed securities and bonds and the redemption offer.
- Obtained the bank documentation supporting the payments made for the redemption of the bonds and securities.
- Checked the calculations made by the Company to determine the amortised cost of the bonds and securities at the date of redemption.
- Compared the consideration paid with the carrying amount of the bonds and securities as of the redemption date to assess the impact on the income statement.

In relation to the issuance of bonds, we have:

- Examined the contractual terms of the issuances in order to analyse their conditions and their accounting record at fair value net of the transaction costs incurred at the time of issuance.
- Obtained the bank documentation accrediting the collections received for the issuance of bonds.
- Examined the calculations made by the Company to determine the amortised cost of the bonds and their presentation in the balance sheet at year-end.

Finally, we have assessed the adequacy of the information disclosed in the annual accounts with respect to the transactions with bonds and securities carried out during the year.

Based on the procedures performed, we have not identified any relevant aspect to highlight regarding the accounting treatment of transactions with bonds and securities carried out during the 2025 financial year.

Assessment of the recoverability of the loans granted to Naturgy Energy Group, S.A.

As indicated in note 4 of the annual accounts, as of December 31, 2025, the Company has several loans granted to Naturgy Energy Group, S.A. (parent company of the Naturgy Group, of which the Company is a member) that are presented under the headings "Long-term investments in group companies and associates" and "Short-term investments in group companies and associates" of the accompanying balance sheet for an amount of 4,515,401 thousand euros and 647,453 thousand euros, respectively.

At the time of recognition, the Company measures these investments at fair value and, subsequently, at amortised cost using the effective interest method as described in note 3.1 of the accompanying annual accounts.

Furthermore, at each financial year-end, the Company analyses the existence of signs of impairment in the loans granted to group companies. In this assessment, the Company considers, among others, the financial position, results and working capital (current assets less current liabilities) of the borrower, as well as its credit rating (note 3.7.c) of the annual accounts).

In the event that management identifies objective evidence that an impairment loss has occurred, the necessary valuation corrections are made.

The Company's management has not recorded any impairment corrections on these investments as of December 31, 2025.

This matter is key due to the significance of the assets recognised and the fact that it involves the application of significant estimates to assess their recoverability.

Our audit procedures have included, among others, the following:

- Obtaining and understanding of the contracts relating to the loans granted to Naturgy Energy Group, S.A.
- Evaluation of the financial information of Naturgy Energy Group, S.A. (stand-alone and consolidated) as of December 31, 2025 and evaluation of its equity and liquidity position as of that date.
- Obtaining and evaluating the credit ratings of Naturgy Energy Group, S.A. issued by rating agencies of recognised prestige, which indicate that the entity has an investment grade rating.
- Assessment of the adequacy of the information disclosed in the annual accounts in relation to the recoverability of these loans.

Based on the procedures carried out, we have not identified any relevant aspect to highlight regarding the valuation of these investments.

Other information: Management report

Other information comprises only the management report for the 2025 financial year, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility regarding the management report, in accordance with legislation governing the audit practice, is to evaluate and report on the consistency between the management report and the annual accounts as a result of our knowledge of the entity obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of the management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described in the previous paragraph, the information contained in the management report is consistent with that contained in the annual accounts for the 2025 financial year, and its content and presentation are in accordance with the applicable regulations.

Responsibility of the directors and the audit and control committee of the sole shareholder, Naturgy Energy Group, S.A., for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Company, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit and control committee of the sole shareholder, Naturgy Energy Group, S.A., is responsible for overseeing the process of preparation and presentation of the annual accounts.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 legislation governing the audit practice 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 annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 entity'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit and control committee of the sole shareholder, Naturgy Energy Group, S.A., 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 and control committee of the sole shareholder, Naturgy Energy Group, S.A., with a statement that we have complied with ethical requirements relating to independence and we communicate with the aforementioned those matters that may reasonably be considered to threaten our independence and, where applicable, the safeguards adopted to eliminate or reduce such threat.

From the matters communicated with the audit and control committee of the sole shareholder, Naturgy Energy Group, S.A., we determine those matters that were of most significance in the audit of the annual accounts 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.

PricewaterhouseCoopers Auditores, S.L. (S0242)

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Jordi Toscas Vigara (23239)

19 February 2026

Naturgy Finance Iberia, S.A.U.
2025 Report

ANNUAL ACCOUNTS

Balance sheet
Income statement
Statement of recognised revenues and expenses
Statement of changes in equity
Cash flow statement
Notes to the annual accounts

BALANCE SHEET OF NATURGY FINANCE IBERIA, S.A.U.

(€ '000)

	31 December	
	2025	2024
NON-CURRENT ASSETS	4.515.401	5.094.323
Long-term investments in Group companies and associates (Note 4)	4.515.401	5.094.323
Loans to undertakings	4.515.401	5.094.323
CURRENT ASSETS	652.680	1.278.803
Trade and other receivables (Note 5)	95	2.881
Current tax assets (Note 12)	95	822
Other amounts receivable from public authorities	-	2.059
Current investments in Group companies and associates (Note 4)	647.453	1.268.430
Loans to undertakings	647.453	1.268.430
Short-term accruals	2	5
Cash and cash equivalents (Note 6)	5.130	7.487
Cash at banks and in hand	-	4.461
Other cash equivalents	5.130	3.026
TOTAL ASSETS	5.168.081	6.373.126
EQUITY (Note 7)	5.731	10.482
Shareholders' equity	5.731	10.482
Capital	91	91
Share capital	91	91
Share premium	165	165
Reserves	5.178	5.160
Legal and bylaw reserves	18	-
Voluntary reserves	5.160	5.160
Income for the year	297	5.066
NON-CURRENT LIABILITIES	4.515.433	5.094.020
Long-term borrowings (Note 8)	4.515.433	5.094.020
Bonds and other negotiable securities	4.515.433	5.094.020
CURRENT LIABILITIES	646.917	1.268.624
Short-term borrowings (Note 8)	646.768	1.261.190
Bonds and other negotiable securities	646.768	1.261.190
Current accounts payable - Group companies and associates (Note 9)	-	5.453
Trade and other payables (Note 11)	149	1.981
Trade payables	139	1.359
Trade payables - Group companies and associates	-	5
Other amounts payable to public authorities	10	617
TOTAL EQUITY AND LIABILITIES	5.168.081	6.373.126

Notes 1 to 19 form an integral part of these annual accounts



INCOME STATEMENT OF NATURGY FINANCE IBERIA, S.A.U.

(€ '000)

	2025	2024
Revenues	146.847	150.836
Financial revenues on loans to group companies and associates	135.665	131.749
Other sundry financial revenues	11.182	19.087
Operating expenses	(145.681)	(148.818)
Financial expenses on debts to third parties	(131.319)	(117.607)
Financial expenses on debt to group companies and associates	(3.173)	(12.124)
Other financial expenses	(11.189)	(19.087)
Staff expenses	-	(44)
Wages, salaries and similar	-	(44)
Other operating expenses	(723)	(1.345)
External services	(723)	(1.345)
OPERATING PROFIT/ (LOSS)(Note 13)	443	629
INCOME BEFORE TAXES	443	629
Corporate income tax(Note 12)	(146)	4.437
Profit for the year	297	5.066

Notes 1 to 19 form an integral part of these annual accounts

STATEMENT OF CHANGES IN EQUITY OF NATURGY FINANCE IBERIA, S.A.U.

A) STATEMENT OF RECOGNISED REVENUES AND EXPENSES (€ '000)

	2025	2024
Income for the year	297	5.066
Revenues and expenses recognised directly in equity	-	-
Transfers to profit or loss	-	-
TOTAL REVENUE AND EXPENSE RECOGNISED IN THE YEAR	297	5.066

B) TOTAL STATEMENT OF CHANGES IN EQUITY (€ '000)

	Share capital	Share premium	Reserves	Income for the year	Total
BALANCE at 31.12.2023	91	165	5.121	3.039	8.416
Total recognised revenues and expenses	-	-	-	5.066	5.066
Transactions with shareholders or owners					
- Distribution of dividends	-	-	(3.000)	-	(3.000)
Other variations in equity	-	-	3.039	(3.039)	-
Balance at 31.12.2024	91	165	5.160	5.066	10.482
Total recognised revenues and expenses	-	-	-	297	297
Transactions with shareholders or owners					
- Distribution of dividends	-	-	(5.048)	-	(5.048)
Other variations in equity	-	-	5.066	(5.066)	-
BALANCE at 31.12.2025	91	165	5.178	297	5.731

Notes 1 to 19 form an integral part of these annual accounts

CASH FLOW STATEMENT OF NATURGY FINANCE IBERIA, S.A.

(€ '000)

	2025	2024
Income before taxes	443	629
Adjustments to income	(1.166)	(1.928)
Financial revenues	(146.847)	(150.836)
Financial expenses	145.681	148.818
Other revenues and expenses	-	90
Changes in working capital	(1.829)	1.820
Debtors and other receivables	-	166
Other current assets	3	15
Creditors and other payables	(1.832)	1.639
Other operating cash flow	4.513	4.802
Interest paid	(122.555)	(142.287)
Interest received	124.428	145.329
Income tax receipts/ (payments)	2.640	1.760
Cash flows from operating activities	1.961	5.323
Amounts paid on investments	(1.898.694)	(989.370)
Group companies and associates	(1.898.694)	(989.370)
Amounts received from divestments	3.109.830	1.911.806
Group companies and associates	3.109.830	1.911.801
Other financial assets	-	5
Cash flows from investing activities	1.211.136	922.436
Receipts and payments in connection with instruments representing financial liabilities	(1.210.406)	(922.080)
Issuance:	1.898.694	989.370
Bonds and other negotiable securities	1.898.694	989.370
Repayment/ redemption of:	(3.109.100)	(1.911.450)
Bonds and other negotiable securities	(3.109.100)	(1.911.450)
Payment of dividends and remuneration on other equity instruments	(5.048)	(3.000)
Dividends	(5.048)	(3.000)
Cash flow from financing activities	(1.215.454)	(925.080)
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS	(2.357)	2.679
Beginning cash and cash equivalents	7.487	4.808
Ending cash and cash equivalents	5.130	7.487

Notes 1 to 19 form an integral part of these annual accounts



NOTES TO THE ANNUAL ACCOUNTS OF NATURGY FINANCE IBERIA, S.A.U. FOR THE YEAR ENDED 31 DECEMBER 2025

Note 1. General information

Naturgy Finance Iberia, S.A.U. (hereinafter, the Company and formerly called Naturgy Finance, B.V.) has its registered office at Avenida América, 38 in Madrid (until 28 May 2024, it was domiciled at Barbara Strozilaan, 101 in Amsterdam) and it was incorporated in the Netherlands in 1993.

On 20 November 2023, the sole shareholder resolved to allow the Board of Directors to initiate a legal cross-border conversion in accordance with Directive (EU) 2019/2121 and the relevant implementing legislation in the Netherlands and Spain, under which the Company, without dissolving, winding up or going into liquidation, would transfer its registered office from the Netherlands to Spain and convert its legal form from a Dutch limited liability company (B.V.) to a Spanish corporation (S.A.). The process was registered at the Madrid Mercantile Registry on 28 May 2024 and, consequently, the Company changed its corporate name from Naturgy Finance B.V. to Naturgy Finance Iberia, S.A.U.

The Company's main object is the issuance of debt financial instruments, including ordinary or subordinated debt, in accordance with the First Additional Provision of Law 10/2014, of 26 June, on the organization, supervision and solvency of credit institutions, and with the Capital Companies Law or such legislation as replaces or complements them at any time.

In pursuit of its object, the Company is authorised to raise funds, including the issuance of subordinated securities, negotiable bonds and commercial paper in the capital and money markets. In connection with these issues, the Company signed a Guarantee Agreement with its sole shareholder that establishes Naturgy Energy Group S.A. as the unconditional and irrevocable guarantor of the issues made by the Company.

The Company has not had employees since 1 April 2024 and is managed on an operating level by Naturgy Energy Group, S.A.

The sole shareholder of the Company is Naturgy Energy Group, S.A., a company incorporated in Spain; consequently, pursuant to Law 2/1995 of 23 March, it is a single-shareholder company.

The Company is part of the Naturgy Group (hereinafter "Naturgy"), whose parent company is Naturgy Energy Group, S.A., with registered offices at Avenida de América 38, Madrid.

The consolidated annual accounts of Naturgy for 2024 were approved at the general shareholders' meeting held on 25 March 2025 and filed at the Madrid Mercantile Registry. Those for 2025 were authorised by the Board of Directors of Naturgy on 17 February 2026 and, at the date of authorisation of these annual accounts, they are pending approval by the General Meeting.

Pursuant to its object, the Company is one of the Naturgy Group's vehicles for issuing debt under the following programmes:



Euro Commercial Paper (ECP) Programme

In March 2010, the Company entered a Euro Commercial Paper (ECP) Programme as issuer, guaranteed by Naturgy Energy Group, S.A., under which the Company can issue notes provided that the amount outstanding at any given time does not exceed EUR 1,000 million. The Company signed a revolving cash advance facility agreement with Naturgy Energy Group, S.A. to on-lend the proceeds raised under the ECP programme. During 2025, the Company issued and redeemed ECP notes in the amount of €909 million (none in 2024). As of 31 December 2025 and 2024, the Company did not have any ECP notes outstanding.

Euro Medium Term Note (EMTN) Programme

From November 2010 to December 2024, the Company participated, together with its sister company, Naturgy Capital Markets S.A., in a Euro Medium-Term Notes (EMTN) programme, guaranteed by the Naturgy Group S.A. The programme allows notes to be issued, offered, sold, listed on the Official List of the Luxemburg Stock Exchange, and traded on the Luxembourg Stock Exchange's regulated market. The notes may be admitted to listing, trading, and/or quotation by any other listing authority, stock exchange and /or quotation system as may be agreed with the Issuer and the Guarantor.

The Company may also issue unlisted notes, also guaranteed by Naturgy Energy Group, S.A.

The EMTN programme is updated annually in December; since December 2020, the limit remains at €12,000 million.

Undated subordinated securities

The Company has been issuing undated subordinated securities since 2014.

The Company entered into Guarantee Agreements in connection with the ECPs, the EMTN programme and the undated subordinated securities under which Naturgy Energy Group S.A. is established as the unconditional and irrevocable guarantor of the payment, by the Company (as issuer) to any holder of the securities issued, of any amount outstanding at the date and time specified for such payment. As a result, the Company paid to Naturgy Energy Group, S.A. an annual guaranteed fee of 0.25% of the principal amounts of the issues.

During 2025, as annual coupons were paid on the various bonds issued, the guarantee was cancelled for each issue.

Note 2. Basis of presentation, comparability and accounting policies

The Company's annual accounts for 2024 were approved by the sole shareholder on 5 May 2025. These annual accounts for 2025, which were authorised by the Company's jointly and severally liable administrators on 17 February 2026, will be submitted to the Sole Shareholder for approval and are expected go be approved without any changes.

The accompanying annual accounts are presented in accordance with current mercantile legislation and with the rules laid down in the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November, as amended by Royal Decree 1159/2010 of 17 September, Royal Decree 602/2016 of 2 December, and Royal Decree 1/2021 of 12 January, as well as by the adoption of the Resolution of 10 February 2021 of the Spanish Institute of Accounting and Auditing which establishes rules for recognition, measurement and the preparation of the annual accounts for the recognition of revenue from sales of goods and services.

These annual accounts have been prepared based on the Company's accounting records in order to present a true and fair view of its equity and financial position as of 31 December 2025, as well as the Company's results and changes in its equity and cash flows for the year then ended.

Unless otherwise stated, the figures set out in these annual accounts are expressed in thousands of euro, this being the Company's functional and presentation currency.

The annual accounts present, for comparison purposes, for each item in the balance sheet, income statement, statement of changes in equity, cash-flow statement and notes to the accounts, the figures corresponding to the previous year as well as the figures for 2025.

The main accounting policies and valuation standards applied by the Company to prepare these annual accounts are the same as for the Company's annual accounts for the previous year, ended 31 December 2024.

Note 3. Accounting policies

The main accounting principles applied by the Company to prepare these annual accounts are described below:

3.1 Financial assets and liabilities

Financial assets

The Company classifies its financial assets based on their valuation category, which is determined on the basis of the business model and the characteristics of the contractual cash flows, and it reclassifies financial assets if and only if it changes its business model for managing those assets.

Purchases and sales of investments are recognised on the trade date, which is the date on which the Company undertakes to purchase or sell the asset, classifying the acquisition under the following categories:

a) Financial assets at cost

This category includes equity investments in Group companies and associates, as well as investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument or cannot be reliably estimated.

They are carried at the lower of acquisition cost, which is equivalent to the fair value of the consideration provided plus directly-attributable transaction costs, or fair value, in the case of investments acquired through business combinations, and recoverable value. The recoverable value is determined as the higher of fair value minus selling costs and the present value of the cash flows generated by the investment. If there is no better evidence of recoverable value, it is taken to be the equity of the investee company adjusted by any unrealised capital gains subsisting at the valuation date. Value adjustments, and any reversals, are recognised in the income statement in the year in which they take place.

b) Financial assets at amortised cost

These are non-derivative financial instruments which are held to collect contractual cash flows when those cash flows consist only of principal and interest payments. They are classified as current assets, except for those maturing after twelve months as from the balance sheet date, which are classified as non-current assets.

They are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method. Interest revenues on these financial assets are recognised as financial revenues, any gain or loss arising on their derecognition is recognised directly in profit or loss, and impairment losses are presented as a separate item in the income statement.

c) Financial assets at fair value through profit or loss

These are assets acquired for short-term sale. Derivatives form part of this category unless they are designated as hedges. These financial assets are stated at fair value, both initially and in subsequent remeasurements, and changes in their value are recognised in profit or loss.

Equity instruments in this category are recognised at fair value, and fair value changes or the proceeds from their sale are recognised in profit or loss.

The fair values of listed investments are based on their listed prices (Level 1). In the case of shareholdings in unlisted companies, fair value is determined using valuation techniques that include the use of recent transactions between willing knowledgeable parties, references to substantially similar instruments, and the analysis of discounted future cash flows (Levels 2 and 3). If recent available information is insufficient to determine fair value, or if there are a range of possible fair value measurements and the cost value is the best estimate within that range, the investments are recorded at their acquisition cost less any impairment losses.

d) Equity instruments at fair value through equity

These are equity instruments for which the company has made an irrevocable choice at the time of initial recognition to account for them in this category. They are recognised at fair value, and fair value changes are recognised in equity. However, impairment adjustments and dividends from such investments are recognised in profit or loss. At the time of sale, gains or losses are reclassified to profit or loss.

Fair value measurements are classified using a fair value hierarchy that reflects the relevance of the variables employed to perform the measurement. This ranking has three levels:

- Level 1: Valuations based on the listed price of identical instruments in an active market. Fair value is based on listed market prices at the balance sheet date.

- Level 2: Valuations based on variables that are observable for the asset or liability. The fair value of financial assets in this category is determined using measurement techniques. The measurement techniques maximise the use of available observable market data and place as little reliance as possible on specific estimates made by the company. If all significant inputs required to calculate the fair value are observable, the instrument is classified as Level 2. If one or more of the significant inputs are not based on observable market data, the instrument is classified as Level 3.
- Level 3: Measurements based on variables that are not based on observable market information.

Financial assets are derecognised when the contractual rights to the asset's cash flows have expired or have been transferred; in the latter case, the risks and rewards of ownership must have been substantially transferred. In asset assignments where the risks and rewards of ownership are retained, the financial assets are not derecognised and a liability is recognised in the same amount as the consideration received.

Receivables assignment agreements are treated as factoring without recourse provided that the risks and rewards inherent in ownership of the assigned financial assets are transferred.

Impairment of financial assets is based on their recoverable value. The Company recognises impairment of financial assets at each reporting date.

Impairment of financial assets at amortised cost

Impairment losses on financial assets at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. For financial assets at variable interest rates, the effective interest rate corresponding to the measurement date according to the contractual conditions is used. The impairment loss, and its reversal when the loss decreases due to a subsequent event, is recognised in profit or loss. The reversal of the loss is capped at the amortised cost that the assets would have had if the impairment loss had not been recognised.

Financial liabilities

a) Financial liabilities at amortised cost

Borrowings are initially recognised at fair value, net of any transaction costs incurred. Any difference between the amount received and the repayment value is recognised in profit or loss during the period of repayment using the effective interest rate method.

In the event of contractual modifications to a liability at amortised cost that do not result in derecognition, any transaction costs or fees incurred are adjusted in the carrying amount of the financial liability. Thereafter, the amortised cost of the financial liability is determined by applying the effective interest rate that matches the carrying amount of the financial liability with the cash flows payable under the new terms.

In a contractual modification of a liability, the terms are considered to be materially different if the present value of the discounted cash flows under the new terms, including any fees paid net of any fees received from the lender, and using the original effective interest rate as the discount rate, differs by at least 10% from the discounted present value of the cash flows remaining on the original financial liability. In this case, the original financial liability is derecognised and the new financial liability is recognised.

The difference between the carrying amount of a derecognised financial liability and the consideration paid is recognised in profit or loss.

Borrowings are classified as current liabilities unless they mature in more than twelve months as from the balance sheet date or include clauses providing for tacit renewal at the Company's option.

In addition, trade and other current payables are financial liabilities that fall due in less than twelve months; they are initially recognised at fair value, do not accrue explicit interest, and are carried at their nominal value. Those maturing in more than 12 months are classified as non-current.

b) Financial liabilities at fair value through profit or loss

These are liabilities acquired for short-term sale. Derivatives form part of this category unless they are designated as hedges. These financial liabilities are stated at fair value both initially and in subsequent remeasurements, and fair value changes are recognised in profit or loss.

3.2 Share capital and reserves

Share capital is represented by ordinary shares.

Issuance costs of new shares or options, net of taxes, are deducted from equity as a reduction in reserves or from the share premium account in the case of issuances with a share premium.

Dividends on ordinary shares are recognised as a deduction from equity in the year they are declared.

3.3 Income tax

Corporate income tax expense includes the deferred tax expense and the current tax expense, which is the amount payable (or refundable) in connection with taxable income for the year.

Deferred taxes are recorded by applying, to temporary differences that arise between the taxable income on assets and liabilities and their respective accounting figures in the annual accounts, the tax rates that are expected to be in force when the assets and liabilities are realised.

Deferred taxes arising from direct charges or credits to equity accounts are also charged or credited to equity.

Deferred tax assets and tax credits are recognised only to the extent that it is probable that future taxable income will be available against which to offset the temporary differences and apply the tax credits.

If tax rates change, deferred tax assets and liabilities are remeasured. These amounts are charged or credited to profit or loss, or to reserves, depending on the account to which the original amount was charged or credited.

3.4 Recognition of revenues and expenses

Interest revenues and expenses are recognised using the effective interest method.

The effective interest rate is the discount rate that matches the carrying amount of a financial instrument with the estimated cash flows over the expected life of the instrument, based on its contractual terms and conditions and for financial assets without considering future credit losses, except for those acquired or originated with incurred losses, for which the effective interest rate adjusted for credit risk, i.e. considering the credit losses incurred at the time of acquisition or origination, is used.

Expenses are measured at fair value and recognised as a function of the actual flow of related goods or services, regardless of when the monetary or financial flow arises.

The Company recognises revenues when they can be reliably measured, i.e. when it is probable that the future economic benefits will flow to the Company.

3.5 Transactions between related parties

In general, transactions between related parties are recognised initially at fair value. If the agreed price differs from fair value, the difference is recognised taking into account the economic reality of the transaction. Subsequent remeasurements conform to the relevant accounting standards.

3.6 Cash flow statement

The cash flow statement was prepared using the indirect method and contains expressions with the following meanings:

- a) Operating activities: Activities that give rise to the Company's ordinary revenues, as well as other activities that cannot be classified as investing or financing.
- b) Investing activities: Acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents.
- c) Financing activities: Activities that generate changes in the size and composition of equity and liabilities and do not form part of operating activities.

3.7 Significant accounting estimates, judgements, etc.

The preparation of annual accounts requires estimates and judgments to be made. Below are the measurement policies that require the greatest use of estimates:

- a) Income tax (Note 3.3)

Calculation of the income tax expense requires interpretation of tax legislation in the jurisdictions in which the Company operates. The decision as to whether the tax authority will accept a given uncertain tax treatment and the expected outcome of outstanding litigation requires material estimates and judgements to be made. The Company evaluates the recoverability of deferred tax assets based on estimates of future taxable income and the capacity of the Company to generate sufficient profits during the periods in which these deferred taxes are deductible. Deferred tax liabilities are recognised based on estimates of the net assets that will not be tax deductible in the future.

b) Fair value of financial assets and liabilities

Fair value is defined as the price that would be received on selling an asset or that would be paid to transfer or settle a liability in an orderly transaction between market participants at the measurement date.

The fair value of long-term loans to group companies is estimated using discounted cash flows over the remaining term of the loans. The discount rates were determined based on the cost of borrowings in euros of Naturgy Energy Group, S.A., adjusted by the additional spread stipulated in the contracts. The fair value of bonds issued at a fixed interest rate is determined using the quoted market price available at year-end.

c) Recoverable value of loans to Group companies

At each accounting close, the Company analyses whether there are signs of impairment in loans granted to group companies. Financial assets at amortised cost are considered to have suffered impairment when there is objective evidence that the Company will not be able to recover the entire loan amounts under the original terms of the loans.

In assessing indications of impairment, the Company considers, among other things, the financial position, results and working capital (current assets less current liabilities) of the borrower, as well as the borrower's credit rating.

Additionally, all loans are made within the Naturgy Group, which is exposed to the risk of climate change and the geopolitical environment; see sections d) and e) below.

d) Climate change and energy transition

Naturgy aims to remain a key player in the energy transition towards a circular economy model and progressive decarbonisation, by reducing its carbon footprint and negative environmental impacts and integrating biodiversity into its business strategy. To this end, it takes account of technological progress and international frameworks and agreements, as well as their implementation in energy policies and applicable environmental regulations in each of the geographical areas where it operates.

In line with this objective, Naturgy has a Climate Transition Plan (CTP) detailing the paths for reducing greenhouse gas (GHG) emissions and the intermediate targets required under applicable regulations, which provide an understanding of the mitigation efforts undertaken by the company.

Naturgy's GHG emission reduction targets for 2030 are as follows:

- Reduction of Scope 1 and 2 emissions by 36% with respect to 2022, in line with the 1.5°C global warming reduction pathway.
- Reduction of Scope 3 emissions in Spain by 22% with respect to 2022. This target is aligned with the "Well Below 2 Degrees" (WB2D) reduction pathway. If emissions from the other countries are considered, the Scope 3 reduction is expected to be 8%, also with respect to 2022.

All these targets include 100% of emissions and all greenhouse gases (GHG).

In 2025, the reduction with respect to 2022 was 12% for Scope 1 and 2 emissions and 15% for total Scope 3 emissions. Compared to 2024, the pace of the decrease was influenced by the increase in production from combined cycle gas plants as required to guarantee security of supply, especially in Spain as generation was stepped up as a result of the country-wide blackout on 28 April.

To achieve the objectives set out in the CTP, Naturgy will continue to promote and lead a business model and investment plan fully aligned with the energy trilemma: security of supply, accessibility and affordability of energy, and mitigation of environmental impact.

Naturgy's Strategic Plan 2025-2027 envisages continuing to invest in the energy transition, principally in to renewable generation, electricity grids and renewable gases. It also plans to continue developing energy solutions that promote efficiency at a competitive cost for customers.

The CTP's main lines of action, as set out in the Strategic Plan 2025-2027, are based on an integrated electricity and gas business model that promotes the decarbonisation of energy through technological neutrality and at the lowest possible cost for consumers, specifically:

- Promoting renewable electricity generation using solar and wind together with the necessary growth of electricity grids and back-up capacity using natural gas combined cycle plants.
- Developing renewable gases as a lever for the decarbonisation of natural gas through biomethane produced from organic waste and, in the medium/long term, green hydrogen generated from surplus renewable electricity. This promotes decarbonisation at the lowest possible cost to the consumer and drives the circular economy through the use of waste or surpluses.
- Offering eco-efficient, carbon-neutral products and services at competitive prices to our customers.
- Increasing electrification of final demand in applications where it is most efficient.

Naturgy's CTP will contribute to the future objective of transforming the energy mix contemplated in the National Energy and Climate Plan (NECP) 2023-2030, approved by the Spanish Cabinet on 24 September 2024, which is also aligned with the objective of climate neutrality in the EU by 2050. For the other countries where Naturgy operates, the published national plans and the GHG reduction pathways set out by the International Energy Agency in the "Net Zero Roadmap" scenario are taken into account.

e) Geopolitical risks and uncertainties

During 2025, the geopolitical environment continued to be a significant source of uncertainty, with potential impacts on global energy markets and the Group's activity. In particular, the following aspects stand out:

The armed conflict between Ukraine and Russia, which began in February 2022, continues with no clear signs of resolution in the short term, maintaining tension in international energy markets and volatility in commodity prices. However, gas prices have remained relatively stable in recent months, aided by high storage levels, diversification of supply sources and moderate demand.

On 23 October 2025, the Council of the European Union adopted the 19th package of sanctions against Russia, which includes a ban, effective from 1 January 2027, on the purchase, import or transfer, directly or indirectly, of LNG originating in or exported from Russia under contracts with a duration of more than one year signed before 17 June 2025 (short-term contracts are prohibited from April 2026); its validity was extended on 22 December until 31 July 2026.

At the same time, in December 2025, the Council of the European Union and the Parliament reached an agreement to approve a Regulation banning imports of Russian natural gas, both by pipeline and in the form of liquefied natural gas (LNG). This regulation provides for the prohibition on imports into the European Union to come into force from 1 January 2027 for long-term LNG contracts entered into before 17 June 2025 and not subsequently amended, and from 30 September 2027 for gas pipeline contracts, with a transitional regime for existing contracts and prior authorisation requirements to ensure compliance.

The European Commission has stated that this ban constitutes a case of force majeure for the companies that are party to such long-term contracts, meaning that breach of the commitment to take the gas will not generate liability for the buyer.

As part of its procurement portfolio, Naturgy has a long-term contract to procure LNG of Russian origin that was concluded in 2013 with Yamal LNG and includes take-or-pay clauses for 38 TWh per year through 2041. Since the beginning of the conflict, Naturgy has received the volumes strictly established in the contract. In 2025, this contract accounted for 16% of Naturgy's overall procurements (16% in 2024).

Except as noted above, Naturgy does not have any other long-term contracts susceptible to being affected by the sanctions that have been approved, nor does it hold any interest in companies operating in Russia or Belarus or have investments in these countries, nor does it have cash balances or equivalent liquid assets that are restricted as a result of those measures and sanctions.

In addition, the global geopolitical context has been affected by growing trade tensions, which have led to persistent volatility in energy and commodity prices, as well as disruptions in supply chains and changes in international trade patterns. These factors may generate additional risks in terms of operating costs, the availability of equipment and materials, and project completion times. To mitigate these effects, the Group maintains diversified contracts with multiple suppliers and geographical areas, performs strategic inventory management and flexible project planning, uses contracts with contingency clauses, continuously assesses logistical risks, and works with operators to secure alternative routes, as well as having contingency plans to ensure business continuity.

Throughout 2025, tensions in the Middle East remained high as a result of the terrorist attack in October 2023 and the subsequent military escalation. In June 2025, the parties announced a ceasefire that allowed for the release of hostages and prisoners, as well as the partial opening of humanitarian corridors. However, as at 31 December 2025, the situation remains unstable: although the ceasefire agreement remains in force, isolated incidents of violence persist, as does a climate of tension that keeps the geopolitical risk premium high. Although current estimates indicate that this conflict will not have a significant impact on global energy supplies, the Group continues to monitor the situation closely.

On 31 August 2025, the contract for operation and maintenance services at the Ramat Gavriel and Alan Tavor combined cycle gas plants in Israel, which Naturgy had been providing since 2019 through its subsidiary Spanish Israeli Operation and Maintenance Company Ltd., was terminated. As in 2024, this company reported a gross operating profit of less than €1 million in 2025.

During the early days of January 2026, the United States launched a military intervention in Venezuela, which included bombing in the north of the country and the capture of the country's President. Although these events caused political turmoil and protests in the region, a preliminary analysis has not identified any significant risks or effects on Naturgy's activities, given that the Group does not operate any infrastructure or have any exposure in that country.

As this situation is constantly evolving and it is difficult to predict the extent or duration of the conflict, Naturgy constantly monitors the relevant macroeconomic and business variables in order to obtain the best estimate of potential impacts in real time, also taking into account recommendations by national and international supervisory bodies on the matter.

Note 4. Investments in Group companies and associates

Investments in group companies and associates are classified into categories as follows as of 31 December 2025 and 2024:

31 December 2025	Financial assets at amortised cost
Loans to group companies	4.515.401
Non-current	4.515.401
Loans to group companies	647.453
Current	647.453
Total	5.162.854

As of 31 December 2024	Financial assets at amortised cost
Loans to group companies	5.094.323
Non-current	5.094.323
Loans to group companies	1.268.430
Current	1.268.430
Total	6.362.753

Loans to group companies

The Company is one of the Naturgy Group's vehicles for the debt programs described in Note 8.

Movements during the years 2025 and 2024 in non-current and current loans to group companies and associates are as follows:

	Loans to group companies
Balance at 01/01/2024	7.298.764
Increase	1.009.217
Reduction	(1.911.800)
Net change in accrued interest	(33.428)
Balance as of 31.12.2024	6.362.753
Increase	1.917.660
Reduction	(3.109.830)
Net change in accrued interest	(7.729)
Balance at 31.12.2025	5.162.854

The main loans to group companies and associates are as follows:

	2025	2024
Loans under the EMTN programme	4.825.825	5.851.807
Loans associated with the undated subordinated securities	337.029	510.216
Other loans	-	730
Total	5.162.854	6.362.753

Loans under the EMTN programme

This heading includes loans granted to Naturgy Energy Group, S.A. for the same amount and maturity as the securities issued by the Company (nominal amounts of €4,819 million as of 31 December 2025 and €5,851 million as of 31 December 2024) under the Euro Medium-Term Note (EMTN) programme, which mature between 2026 and 2035 in accordance with the amortisation schedule of the bonds issued by the Company (Note 9). The interest rate is based on the interest rate of the securities issued under the Euro Medium-Term Note programme, plus a spread.

The Company incurred certain expenses to arrange those issues, which are presented as a reduction in the principal for the purposes of determining the amortised cost of the bonds (and that of the associated loans granted to Naturgy Energy Group, S.A.).

2025:

Loans granted to Naturgy Energy Group, S.A. for €401 million and €800 million and their related bonds matured on 21 January 2025 and 15 May 2025, respectively, and were collected and paid on those dates.

On 12 May 2025, a partial tender offer was launched for perpetual subordinated bonds and EMTN bonds totalling €1 billion in aggregate nominal amount, listed on the Luxembourg Stock Exchange with various maturities and annual interest rates. As a result of the offer, on 20 May 2025, EMTNs amounting to €53 million at 1.250% maturing in 2026, €78 million at 1.250% maturing in 2026 and €700 million at 1.375% maturing in 2027 were repurchased. Also, the loans to Naturgy Energy Group, S.A. related to these bonds were repaid in identical amounts.

This transaction had a negative impact on the Company's income statement in the amount of €8,642 thousand, recognised under "Other financial expenses", for loans related to Naturgy Energy Group, S.A. in the amount of the difference between the loan's carrying amount and the amount collected upon redemption.

On 21 May 2025, the Company issued on the Luxembourg stock exchange a 6-year €500 million note with an annual coupon of 3.375% and a 10-year €500 million note with an annual coupon of 3.875%, the proceeds of which were used to make two new loans to Naturgy Energy Group, S.A. for identical amounts.

2024:

On 23 September 2024, the company issued a tender offer to redeem a nominal amount of €1,000 million of bonds listed on the Luxembourg stock exchange at different maturities and with different annual coupons; the final outcome as of 1 October was the redemption of €708 million at 1.250% maturing in 2026, €175 million at 1.250% maturing in 2026 and €117 million at 1.375% maturing in 2027. Also, the loans to Naturgy Energy Group, S.A. related to these bonds were repaid in identical amounts.

This transaction had a negative impact on the Company's income statement in the amount of €19,087 thousand, recognised under "Other financial expenses", for loans related to Naturgy Energy Group, S.A. in the amount of the difference between the loan's carrying amount and the amount collected upon redemption.

On 2 October 2024, the Company issued on the Luxembourg stock exchange a 6-year €500 million note with an annual coupon of 3.250% and a 10-year €500 million note with an annual coupon of 3.625%, the proceeds of which were used to make two new loans to Naturgy Energy Group, S.A. for identical amounts.

On 11 March 2024, the €412 million loan granted to Naturgy Energy Group, S.A. (and the associated bond issue) matured and was collected (repaid) on that date.

Loans associated with the undated subordinated securities

This heading includes loans granted to Naturgy Energy Group, S.A. for the same amount and maturity as the undated subordinated securities issued by the Company (nominal amounts of €331 million as of 31 December 2025 and €500 million as of 31 December 2024), which mature in 2027 in accordance with the amortisation schedule of the bonds issued by the Company (Note 8); the loans may be extended by one year. The interest rate is based on the interest rate of the securities issued, under the Euro Medium-Term Note programme, plus a spread; if the debt is redeemed, the amount must be repaid immediately.

2025:

On 12 May 2025, a partial tender offer was launched for perpetual subordinated bonds and EMTN totalling €1 billion in aggregate nominal amount, listed on the Luxembourg Stock Exchange with various maturities and annual coupons. As a result, on 20 May 2025, €169 million of perpetual subordinated bonds with a 2.374% coupon, maturing in 2027 according to the call schedule, were repurchased. Also, the loans to Naturgy Energy Group, S.A. related to these bonds were repaid in identical amounts.

This transaction had a negative impact on the Company's income statement in the amount of €2,540 thousand, recognised under "Other financial expenses", for loans related to Naturgy Energy Group, S.A. in the amount of the difference between the loan's carrying amount and the amount collected upon redemption.

2024:

In April 2024, the Company redeemed €500 million of undated subordinated securities and cancelled the related intercompany loan.

Loans under the ECP programme

During 2025, the Company granted/collected loans linked to the ECP programme in an aggregate amount of €909 million (none in 2024). As at 31 December 2025 and 2024, the balance for these loans was zero.

Other loans

Additionally, as at 31 December 2024, this item included a credit facility of up to €10 million granted by Naturgy Energy Group, S.A., of which €730 thousand had been drawn down, accruing interest at a nominal rate of 3-month Euribor plus a spread. On 24 March 2025, this credit facility was cancelled.

The nominal amounts and fair values of the non-current and current financial investments in 2025 and 2024, excluding outstanding interest, is as follows (million euro):

	As of 31.12.2025			As of 31.12.2024		
	Nominal value	Discount	Fair value	Nominal value	Discount	Fair value
Under 1 year	587.200	264	586.936	1.200.600	734	1.199.866
1 to 5 years	3.562.800	85.236	3.477.564	4.650.000	148.878	4.501.122
More than 5 years	1.000.000	7.102	992.898	500.000	(345)	500.345
Total	5.150.000	92.602	5.057.398	6.350.600	149.267	6.201.333

The average interest accrued on current and non-current investments in Group companies and associates in 2022 in connection with these loans is 2% (2024: 1.78%).

As of 31 December 2025, accrued outstanding interest amounted to €60,356 thousand (2024: €68,085 thousand), presented under "Investments in group companies and associates" in current assets.

Note 5. Trade and other receivables

The components of the "Trade and other receivables" account as of 31 December 2025 and 2024 are classified entirely under financial assets at amortised cost and are of the same type.

The breakdown of this item is as follows:

	2025	2024
Current tax assets (Note 12)	95	822
Other receivables from public authorities	-	2.059
Total	95	2.881

As of 31 December 2024 the "Other receivables from public authorities" account included balances receivable from the Dutch tax authorities relating to non-final settlements of corporate taxes for prior years and the outstanding balance for 2019 arising from the Mutual Agreement Procedure agreed between the Dutch and Spanish tax authorities to avoid double taxation (Note 12). As at 31 December 2025, these loans had been collected.



Note 6. Cash and cash equivalents

On 17 June 2024, the Company entered into a cash pooling agreement with its shareholder Naturgy Energy Group, S.A., bearing interest at 3-month EURIBOR.

As at 31 December 2025, this item included the cash pooling balance that the company held with Naturgy Energy Group, S.A. for €5,125 thousand (2024: €3,022 thousand). In 2024, this caption also included the balance in demand deposit accounts in the amount of €4,461 thousand.

As of 31 December 2025, accrued outstanding interest amounted to €5 thousand (2024: €4 thousand).

Note 7. Equity

The main equity items are as follows:

Share capital and share premium

The variations in 2025 and 2024 in the number of shares and in the share capital and share premium accounts are as follows:

	Number of shares	Share capital	Share premium account	Total
At 1 January 2024	200	91	165	256
Variation	-	-	-	-
At 31 December 2024	200	91	165	256
Variation	-	-	-	-
31 December 2025	200	91	165	256

The subscribed share capital is represented by 200 equal, cumulative and indivisible shares of €453.78 par value each.

All issued shares are fully paid up and carry equal voting and dividend rights.

No transactions involving own shares were carried out in 2025 and 2024.

Holdings in the Company's share capital as of 31 December 2025 and 2024 are as follows:

	Stake (%)	
	2025	2024
Naturgy Energy Group, S.A.	100%	100%

In accordance with the Capital Companies Law, the Company is registered at the Mercantile Registry as a Single-Shareholder Company.

The Spanish Capital Companies Law specifically allows the use of the "Share premium" balance to increase capital and imposes no specific restrictions on its use.

The contracts signed with the Sole Shareholder are detailed in Notes 4 and 6.

Reserves

“Reserves” includes the following reserves:

	2025	2024
Statutory reserve	18	-
Voluntary reserve	5.160	5.160
Total	5.178	5.160

Legal reserve

Appropriations to the legal reserve are made in compliance with the Spanish Capital Companies Law, which stipulates that 10% of the profits must be transferred to this reserve until it represents at least 20% of share capital. The legal reserve can be used to increase capital in the part that exceeds 10% of the capital increased.

Except for the use mentioned above, and as long as it does not exceed 20% of share capital, the legal reserve can only be used to offset losses in the event of no other reserves being available.

On 5 May 2025, the Sole Shareholder approved the proposed distribution of profit for 2024, allocating an amount of €18 thousand to voluntary reserves.

As of 31 December 2025, this reserve was fully funded as required by law.

Voluntary reserve

As of 31 December 2025 and 2024, the Company has voluntary reserves in the amount of €5,160 thousand. These reserves are unrestricted.

Proposed distribution of income

The proposed distribution of 2025 income that the jointly and severally liable administrators will submit to the Sole Shareholder for approval is as follows:

Available for distribution	297
Profit and loss	297
Distribution	297
To dividend	297

Note 8. Financial liabilities

Set out below is a breakdown of financial liabilities, excluding “Trade and other payables” (Note 11) and “Current accounts payable - Group companies and associates” (Note 9), at 31 December 2025 and 2024, by nature and category:

31 December 2025	Financial liabilities at amortised cost
Bonds and other negotiable securities	4.515.433
Non-current financial liabilities	4.515.433
Bonds and other negotiable securities	646.768
Current financial liabilities	646.768
Total	5.162.201

As of 31 December 2024	Financial liabilities at amortised cost
Bonds and other negotiable securities	5.094.020
Non-current financial liabilities	5.094.020
Bonds and other negotiable securities	1.261.190
Current financial liabilities	1.261.190
Total	6.355.210

Interest-bearing debt

The changes arising during the year in items making up non-current and current borrowings are as follows:

	Bonds and other negotiable securities
Balance at 01/01/2024	7.282.143
Increase	1.008.715
Reduction	(1.911.450)
Net change in accrued interest	(24.198)
Balance as of 31.12.2024	6.355.210
Increase	1.917.263
Reduction	(3.109.100)
Net change in accrued interest	(1.172)
Balance at 31.12.2025	5.162.201

Bonds and other negotiable securities

The Company is one of the vehicles for issuing under Naturgy's Euro Medium-Term Notes programme and enjoys an irrevocable guarantee from its parent company. That programme was established in 1999 and allowed the issuance of up to €2,000 million in total principal. After a number of expansions, as of 31 December 2025, the Programme's limit is €12,000 million. As at 31 December 2025, a total principal amount of €4,819 million (€5,851 million as at 31 December 2024) had been drawn down, with a drawable amount remaining of €7,181 million (2024: €6,149 million).



As is habitual in the Euromarket, the outstanding bonds, in the amount of €4,819 million (€5,851 million as at 31 December 2024), might have to be repaid early if such a change in control triggered a downgrade of more than two full notches in at least two of the Company's three ratings, or if all the ratings fell below investment grade, provided that the rating agency stated that the rating downgrade was a result of the change in control.

Naturgy Energy Group, S.A. acts as guarantor of these bond issues in the amount of €4,819 million (€5,851 million at 31 December 2024) (Note 4).

2025:

Two bonds, in the amounts of €401 million and €800 million, respectively, matured on 21 January 2025 and 15 May 2025.

On 12 May 2025, a partial tender offer was launched for perpetual subordinated bonds and EMTN bonds totalling €1 billion in aggregate nominal amount, listed on the Luxembourg Stock Exchange with various maturities and annual interest rates. As a result of the offer, on 20 May 2025, EMTNs amounting to €53 million at 1.250% maturing in 2026, €78 million at 1.250% maturing in 2026 and €700 million at 1.375% maturing in 2027 were repurchased.

This transaction had a positive impact on the Company's income statement in the amount of €8,642 million, recognised under "Other sundry financial revenues" for the difference between the loan's carrying amount and the redemption price.

On 21 May 2025, the Company issued on the Luxembourg stock exchange a 6-year €500 million note with an annual coupon of 3.375% and a 10-year €500 million note with an annual coupon of 3.875%.

The total nominal amount outstanding as of 31 December 2025 is as follows:

Naturgy Finance Iberia, S.A.U.

Issuer	Market where listed	Nominal (million euro)	Issue	Maturity	Coupon
Naturgy Finance, S.A.U.	Luxembourg	240	2020	2026	1,250%
Naturgy Finance, S.A.U.	Luxembourg	348	2016	2026	1,250%
Naturgy Finance, S.A.U.	Luxembourg	182	2017	2027	1,375%
Naturgy Finance, S.A.U.	Luxembourg	850	2018	2028	1,500%
Naturgy Finance, S.A.U.	Luxembourg	300	2017	2029	1,875%
Naturgy Finance, S.A.U.	Luxembourg	900	2019	2029	0,750%
Naturgy Finance, S.A.U.	Luxembourg	500	2024	2030	3,250%
Naturgy Finance, S.A.U.	Luxembourg	500	2025	2031	3,375%
Naturgy Finance, S.A.U.	Luxembourg	500	2024	2034	3,625%
Naturgy Finance, S.A.U.	Luxembourg	500	2025	2035	3,875%
Total		4.819			

Those bonds are listed on the Luxembourg Stock Exchange.



2024:

A bond amounting to €412 million matured on 11 March 2024.

On 23 September 2024, the company issued a tender offer to redeem a nominal amount of €1,000 million of bonds listed on the Luxembourg stock exchange at different maturities and with different annual coupons; the final outcome as of 1 October was the redemption of €708 million at 1.250% maturing in 2026, €175 million at 1.250% maturing in 2026 and €117 million at 1.375% maturing in 2027.

This transaction had a positive impact on the Company's income statement in the amount of €19,087 thousand, recognised under "Other sundry financial revenues" for the difference between the loan's carrying amount and the redemption price.

On 2 October 2024, the Company issued on the Luxembourg stock exchange a 6-year €500 million note with an annual coupon of 3.250% and a 10-year €500 million note with an annual coupon of 3.625%.

The total nominal amount outstanding as of 31 December 2024 was as follows:

Naturgy Finance Iberia, S.A.U.

Issuer	Market where listed	Nominal (million euro)	Issue	Call option	Interest rate
Naturgy Finance, S.A.U.	Luxemburgo	401	2015	2025	1,375%
Naturgy Finance, S.A.U.	Luxemburgo	800	2017	2025	0,875%
Naturgy Finance, S.A.U.	Luxemburgo	292	2020	2026	1,250%
Naturgy Finance, S.A.U.	Luxemburgo	425	2016	2026	1,250%
Naturgy Finance, S.A.U.	Luxemburgo	883	2017	2027	1,375%
Naturgy Finance, S.A.U.	Luxemburgo	850	2018	2028	1,500%
Naturgy Finance, S.A.U.	Luxemburgo	300	2017	2029	1,875%
Naturgy Finance, S.A.U.	Luxemburgo	900	2019	2029	0,750%
Naturgy Finance, S.A.U.	Luxemburgo	500	2024	2030	3,250%
Naturgy Finance, S.A.U.	Luxemburgo	500	2024	2034	3,625%
Total		5.851			

Those bonds were listed on the Luxembourg Stock Exchange.

Undated subordinated securities

2025:

In November 2021, the Company had issued €500 million of undated subordinated debentures that were callable from February 2027, at an issue price of 99.600%; they bear interest at a fixed rate, calculated as a reference interest rate plus a spread. The reference interest rate is the 5.25-year swap rate (equivalent at the issue date to -0.062%) and may be reviewed every 5 years. The initial coupon was set at 2.374%. The spread is 2.437% in the first 10 years, 2.687% between 2032 and 2037, and 3.437% thereafter.



On 12 May 2025, a partial tender offer was launched for perpetual subordinated bonds and EMTN totalling €1 billion in aggregate nominal amount, listed on the Luxembourg Stock Exchange with various maturities and annual coupons. As a result, on 20 May 2025, €169 million of perpetual subordinated bonds with a 2.374% coupon, maturing in 2027 according to the call schedule, were repurchased. Also, the loan to Naturgy Energy Group, S.A. related to this bond was repaid in identical amount.

This transaction had a positive impact on the Company's income statement in the amount of €2,540 thousand, recognised under "Other sundry financial revenues" for the difference between the loan's carrying amount and the redemption price.

The breakdown as of 31 December 2025 of the balance of hybrid bonds issued by the Company is as follows:

Naturgy Finance Iberia, S.A.U.

Issuer	Market where listed	Nominal (million euro)	Issue	Call option	Interest rate
Naturgy Finance, S.A.U.	Luxembourg	331	2021	2027	2,374%

Although these undated subordinated debentures do not have a contractual maturity date, the Company is entitled to call them on 23 February 2027 and on the coupon payment date in any subsequent year.

Although these bonds have no maturity date and the Company could defer coupon payments, they are presented as liabilities because the accrued and unpaid interest would fall due if Naturgy Energy Group, S.A. decided to distribute a dividend: this is beyond the Company's control.

2024:

On 24 April 2015, the Company had issued undated 9-year subordinated guaranteed fixed-rate securities callable in 2024 for an amount of €500 million, with an issue price of 99.049%; the securities bear interest at a fixed rate, calculated as a reference rate plus a spread; the reference rate was the 9-year swap rate (equivalent to 0.421% at the issue date) and may be reviewed every 9 years. The initial coupon was set at 3.375%. The applicable spread is 3.079% in the first 9 years, 3.329% between 2025 and 2044, and 4.079% thereafter.

In April 2024, the Company exercised the call option and redeemed these undated subordinated securities at their principal amount plus accrued outstanding interest at the call date. Likewise, the Company collected the intercompany loan related to this bond (Note 4).

The breakdown as of 31 December 2024 of the balance of hybrid bonds issued by the Company was as follows:

Naturgy Finance Iberia, S.A.U.

Emisor	Mercado de Cotización	Nominal (MM de euros)	Emisión	Opción de vencimiento o anticipado	Tipo de Interés
Naturgy Finance, S.A.U.	Luxemburgo	500	2021	2027	2,374%



As of 31 December 2025, accrued outstanding interest amounted to €59,670 thousand (2024: €60,842 thousand), classified as current borrowings.

The nominal and fair values of non-current and current borrowings in 2025 and 2024 in connection with the EMTN programme and perpetual subordinated bonds, excluding outstanding interest, is as follows (thousand euro):

	As of 31.12.2025			As of 31.12.2024		
	Nominal value	Discount	Fair value	Nominal value	Discount	Fair value
Under 1 year	587.200	364	586.836	1.200.600	5.356	1.195.244
1 to 5 years	3.562.800	89.439	3.473.361	4.650.000	165.863	4.484.137
Mas de 5 años	1.000.000	6.105	993.895	500.000	1.350	498.650
Total	5.150.000	95.908	5.054.092	6.350.600	172.569	6.178.031

The fair value of bonds is determined on the basis of their closing price at the end of the financial year (Level 1).

Note 9. Payables to Group companies and associates

The 2024 breakdown of debts to Group companies and associates is as follows:

As of 31 December 2024	Financial liabilities at amortised cost
Payables to Group companies	-
Non-current payables to group companies	-
Payables to Group companies	5.453
Current payables to group companies	5.453
Total	5.453

Current and non-current payables to group companies and associates:

As of 31 December 2024, this caption included the debts to Naturgy Energy Group, S.A. amounting to €5,453 thousand arising from the unconditional and irrevocable guarantee contract relating to the bonds issued by the Company; an annual guaranteed fee of 0.25% is paid on the principal amounts of the issues.

In the course of 2025 the debt was paid off.

During 2025, as annual coupons were paid on the various bonds issued, the guarantee was cancelled for each issue.

The net changes during the year in items making up current debt to Group companies are as follows:

	Payables to Group companies
Balance at 01/01/2024	13.156
Reduction	(7.703)
Balance as of 31.12.2024	5.453
Reduction	(5.453)
Balance at 31.12.2025	-

Note 10. Risk management and derivative financial instruments

Risk management

Naturgy's Risk Control and Management Model determines the risk assessment methodologies and models, controls, manages and establishes the Group's risk reporting, ensuring that a risk profile and target risk limits are maintained to guarantee that the level of exposure in the course of its activities is consistent with its annual and strategic objectives.

The model is implemented on the basis of the principles of integration, segregation, homogeneity, coherence and transparency in corporate governance, and is structured in four pillars:

- Risk governance
Defines governance for each type of risk, establishing the necessary regulations and assigning responsibilities.
- Risk assessment
Establishes the risk assessment methodologies, harmonising common procedures for the identification, assessment and treatment of the information associated with each risk, to ensure uniformity and coherence both when quantifying them individually and when subsequently aggregating them, with the aim of achieving a homogeneous, integrated vision of them.
- Risk appetite
Establishes the risk tolerance by setting limits for the main risk categories, as a function of the Group's targets.
- Risk reporting
Establishes regular, systematic risk reporting at different management levels, expressed in the Corporate Risk Map, recurring risk reports and/or ad hoc reports.

The Corporate Risk Map identifies and quantifies the risks that might affect Naturgy's performance, providing a comprehensive, consistent and integrated overview of these risks.

Interest rate risk

Fluctuations in interest rates modify the fair value of assets and liabilities that accrue a fixed interest rate and the cash flows from assets and liabilities pegged to a floating interest rate and, accordingly, they affect equity and profit, respectively.

The purpose of interest rate risk management is to balance floating- and fixed-rate borrowings in order to reduce borrowing costs within the established risk parameters.



All of the interest-bearing debt and the loans granted to the Sole Shareholder as of 31 December 2025 and 2024 are at fixed interest rates in line with the cost of the bonds that were issued; consequently, the Company is not exposed to material interest rate risk.

Credit risk

Credit risk is defined as uncertainty associated with the deterioration of credit quality or default on the part of customers and/or commercial and financial counterparties.

The Company has provided loans to its Sole Shareholder, so that the fair value of those loans is closely linked to the credit rating of Naturgy Energy Group, S.A., which is investment grade, as shown below:

	2025	2024
Standard & Poor's	BBB (*)	BBB (*)
Fitch	BBB (*)	BBB (*)

(*) S&P: Stable outlook, Fitch: Stable outlook.

With respect to exposures to counterparties in transactions involving financial derivatives and the investment of cash surpluses, credit risk is mitigated by carrying out such operations with reputable financial institutions in line with internal criteria. No significant defaults or losses arose in 2025 or 2024.

Liquidity risk

The Company has liquidity policies that ensure compliance with its payment commitments, diversifying the coverage of financing needs and debt maturities. Prudent management of liquidity risk includes maintaining sufficient cash and realisable assets and having sufficient funds available to cover credit obligations.

As of 31 December 2025, the Company's working capital was positive in the amount of €5,763 thousand (€10,179 thousand in 2024).

The balance of cash and cash equivalents as described in Note 6 amounted to €5,130 thousand as of 31 December 2025 (€7,487 thousand in 2024).

In addition, unused capacity to issue debt in the capital markets (subject to market conditions at the time of issue) is available in the amount of €7,181 million (€6,149 million as at 31 December 2024) (Note 8). Naturgy has analysed the potential impact of recent events, including the conflict in Ukraine, tensions in the Middle East and volatility in energy and financial markets, on its ability to meet short-term obligations and maintain liquidity in its various businesses. This analysis did not identify any significant impacts or additional risks. Naturgy maintains a robust liquidity position, backed by available credit lines and appropriate diversification of funding sources, with no restrictions on meeting financial commitments.

The ratings of the Company's bond issues in 2025 and 2024 are as follows:

	2025	2024
Standard & Poor's	BBB (*)	BBB (*)
Fitch	BBB+ (*)	BBB+ (*)

(*) S&P: Stable outlook, Fitch: Stable outlook.

Note 11. Trade and other payables

As of 31 December 2025 and 2024, the balance of the "Trade and other payables" account is classified entirely in the category of financial liabilities at amortised cost.

The breakdown of this item is as follows:

	2025	2024
Trade payables	139	1.359
Trade payables - Group companies and associates	-	5
Other amounts payable to public authorities	10	617
Total	149	1.981

Information on average supplier payment period.

The average payment period is calculated in accordance with Law 15/2010 on measures to combat late payment in business transactions, and the changes introduced by Law 18/2022 of 28 September on the formation and growth of companies.

The disclosures in the notes to the annual accounts about the average trade supplier payment period that are required under that legislation are as follows:

	2025	2024
Total payments	4.211	3.414
Total payments outstanding	10	1.201
Average supplier payment period (days) (1)	47	54
Transactions paid ratio (days) (2)	47	56
Transactions pending payment ratio (days) (3)	21	45
Total payments made within the period established by the prompt payment regulations	4.023	2.412
% of amount paid within the period established by the prompt payment regulations with respect to total amount paid	95,53%	70,64%
Number of invoices paid within the period established by the prompt payment regulator	74	68
% of invoices paid within the period established by the prompt payment regulations with respect to total invoices paid	81,00%	35,00%

(1) Calculated on the basis of amounts paid and pending payment.

(2) Average payment period in transactions paid during the year.

(3) Average age of outstanding balances to suppliers.

Note 12. Tax situation

Since 28 May 2024, the Company reports taxes as part of Tax Group no. 59/93, whose parent company is Naturgy Energy Group, S.A. and which encompasses all the companies resident in Spain that are directly



or indirectly owned at least 75% by the parent company and meet certain requirements; this arrangement entails joint determination of group taxable income and of tax credits and rebates.

According to the communiqué filed with the Spanish tax authorities, the following companies were members of Naturgy tax group in 2025:

Naturgy Energy Group, SA.	Naturgy Ciclos Combinados, S.L.U.
Bio Carmona, S.L.U.	Naturgy Clientes, S.A.U.
Bio Caspe, S.L.U.	Naturgy Comercializadora Empresas, S.A.U.
Bio Corral de Almaguer, S.L.U.	Naturgy Commodities Trading, SA.
Bio Criptana, S.L.U.	Naturgy Distribución Latinoamérica, SA.
Bio Loja, S.L.U.	Naturgy Electricidad Colombia, S.L.
Bio Madrideojos, S.L.U.	Naturgy Engineering, S.L.
Bio Membrilla, S.L.U.	Naturgy Finance Iberia, S.A.U.
Bio Tarancón, S.L.U.	Naturgy Generación Térmica, S.L.U.
Bio Tobarra, S.L.U.	Naturgy Generación, S.L.U.
Bio Vilches, S.L.U.	Naturgy Iberia, SA.
Biobarrax Albacete, S.L.U.	Naturgy Infraestructuras EMEA, S.L.
Biogas Lucainena, S.L.U.	Naturgy Ingeniería Nuclear, S.L.
Biogás Mediana, S.L.U.	Naturgy Innovahub, S.L.
Biometano Segrià, S.L.	Naturgy Inversiones Internacionales, SA.
Boreas Eólica 2, SA.	Naturgy Nuevas Energías, S.L.U.
Comercializadora Regulada, Gas & Power, SA.	Naturgy Participaciones, S.A.U.
Encarnaciones Energy, S.L.	Naturgy Renovables Canarias, S.L.U.
Energías Ambientales de Somozas, SA.	Naturgy Renovables Ruralia, S.L.
Energías Renovables Agüimes, S.L.U.	Naturgy Renovables, S.L.U.
Europe Maghreb Pipeline, S.L.	Naturgy Vent o, SA.
Gas Natural Comercializadora, SA.	Nedgia Andalucía, SA.
Gas Natural Redes GLP, SA.	Nedgia Aragón, SA.
Gas Natural Transporte SDG, S.L.	Nedgia Castilla La Mancha, SA.
General de Edificios y Solares, S.L.	Nedgia Catalunya, SA.
Global Power Generation, SA.	Nedgia Cegas, SA.
GNR Andalucía, S.L.U.	Nedgia Madrid, SA.
GPG México Wind, S.L.U.	Nedgia, SA.
GPG México, S.L.U.	Operación y Mantenimiento Energy, SA.
H2Meirama, S.L.	Parque Eólico Nerea, S.L.
Holding de Negocios de Gas, SA.	Parque Eólico Peñaroldana, S.L.
Holding Negocios Electricidad, SA.	Petroleum, Oil & Gas España, SA.
JGC Cogeneración Daimiel, S.L.	Romera Eco Power Solar Energy, S.L.
La Propagadora del Gas, SA.	Sagane, SA.
Lignitos de Meirama, SA.	Societat Eòlica de L'Enderrocada, SA.
Mangos Energy, S.L.	Sol Morón Energy, S.L.
Naturgy Acciones, S.L.U.	Tratamiento Cinca Medio, S.L.
Naturgy Alfa Investments, S.A.U.	UFD Distribución Electricidad, SA.
Naturgy Aprovisionamientos, SA.	Unión Fenosa Preferentes, S.A.U.
Naturgy Capital Markets, SA.	

Corporate income tax is calculated on the basis of economic or accounting profit obtained by application of generally accepted accounting principles, which does not necessarily coincide with taxable profit, understood as taxable income for corporate income tax purposes.

The accounting profit before taxes coincides with the corporate income tax base.

The income tax expense/(revenue) is as follows:

	2025	2024
Current tax	111	(228)
Foreign tax	(325)	(4.209)
Adj. to previous year's income tax expense	360	-
Total	146	(4.437)

Current corporate income tax is the result of applying a 25% tax rate to taxable income. As at 31 December 2025, no deductions had been applied to the tax liability (€385 thousand as at 31 December 2024) for international double taxation corresponding to the accrued expense for corporate income tax in the Netherlands (foreign tax), prior to cross-border conversion in May 2024 (Note 1).

Corporate income tax in the amount of €206 thousand was paid in 2025 (€594 thousand in 2024).

In addition, in 2024 and prior to the change of its registered office from the Netherlands to Spain, the Company had made payments on account to the Dutch tax authorities in the amount of €1,316 thousand relating to the 2024 corporate income tax settlement. The estimated outstanding balance was shown under "Trade and other receivables - Other receivables from public authorities" in the balance sheet (Note 5). During 2025, the Company received payments from the Dutch tax authorities amounting to €2,384 thousand, thereby settling the balance in full.

Foreign tax income in 2025 mainly reflected the difference between the estimated amount outstanding for 2024 corporate income tax and the final settlement collected in 2025.

The foreign tax paid in 2024 related mainly to the total estimated amount of €4,428 thousand based on the Mutual Agreement Procedure between the Dutch and Spanish tax authorities for the years 2011 to 2019, of which €3,623 thousand were collected in 2024. Also included was a positive adjustment of prior year's balances in the amount of €166 thousand.

There were no unused tax losses or tax credits as of 31 December 2025 and 2024.

There were no deferred tax assets or liabilities as of 31 December 2025 and 2024.

The main regulatory issues impacting the Company's tax position in 2025 and 2024 are as follows:

OECD Pillar 2:

The objective of introducing the top-up tax is to guarantee a minimum overall tax rate of 15% for large multinational groups. Law 7/2024, which transposed this requirement into Spanish law, is in force for annual periods beginning on or after 31 December 2023; accordingly, it was fully applicable to Naturgy in 2024.

Naturgy carried out a detailed analysis of the impact of this regulation by jurisdiction, considering the possible application of the safe harbour regimes provided for in the transitional regulation. As a result of this analysis, it concluded that, in general, the jurisdictions in which the group operates are covered by safe harbours or by the simplified ETR (Effective Tax Rate) calculation. The situation remains unchanged as at 31 December 2025.

Management continues to assess the future impact of this regulation and is adapting its systems and processes to ensure proper compliance.

Corporate income tax and other taxes:

Law 38/2022 limited the offsetting of tax losses for companies belonging to groups taxed under the consolidation regime to 50% in 2023, which resulted in a €28 million increase in the corporate income tax liability of the Naturgy tax group, and Law 7/2024 extended this limitation to 2024 and 2025, resulting in increases in tax liability of €74 million and €37 million, respectively.

Law 7/2024 reintroduced restrictions on offsetting tax losses and credits, with no impact on the 2025 income statement.

During 2025, no new tax regulations were published that have had a significant impact on the Company.

Tax audits and disputes:

In July 2025, notice was received of the initiation of general tax audits in respect of eight companies in Group 59/93 for corporate income tax (tax consolidation regime) covering the years 2020 to 2023 and the same companies in Group 273/08 for VAT (group of entities regime) and personal income tax withholdings from employees and self-employed workers covering the period from June 2021 to December 2024. The Company is not included in any of those. Notice was also received of the initiation of an audit of non-resident income tax withholdings and capital gains tax withholdings for the period between June 2021 and December 2024. In January 2026, the audit was extended to two additional undertakings for the same years and taxes as in July 2025, except for income tax withholdings, which are confined to the period from October 2021 to December 2024.

The outcome of these audits is not expected to have an impact on the Company's income statement.

In accordance with Dutch tax law, at the date of authorisation of these annual accounts, the Company's returns for the last four years are open to inspection for the principal taxes to which it is subject. In accordance with Spanish tax legislation, at the date of authorisation of these annual accounts, the Company's returns for the last two years for the principal taxes to which it is subject and which are not involved in the above-mentioned tax inspection are open to inspection.

As a result, among other things, of the different interpretations to which current tax law lends itself, additional liabilities could arise as a result of an inspection. The Company considers, however, that any liabilities that might arise would not materially affect these annual accounts.

Naturgy assesses uncertain tax treatments and reflects the effect of uncertainty on taxable income, tax bases, and unused tax losses or tax credits. Naturgy has adequate coverage for possible obligations deriving from a number of tax claims. There are no lawsuits or uncertain tax treatments which are individually significant.

Note 13. Operating profit/(loss)

Revenues

Net revenue arises mainly from interest on loans granted to Naturgy Energy Group, S.A. (Note 4) in the amount of €135,665 thousand (2024: €131,749 thousand).

The "Other sundry financial revenues" item includes financial revenue in the amount of €11,182 thousand on the issuance and redemption in May 2025 (Note 8) (2024: €19,087 thousand).

Operating expenses

Financial expenses on borrowings relate mainly to the expenses borne on the bonds issued under the Euro Medium-Term Notes programme and the undated subordinated debentures (Note 8) amounting to €131,319 thousand (2024: €117,607 thousand).

The "Financial expenses on debts to group and associated companies" caption includes the guarantee fee arising from the unconditional, irrevocable guarantee contract with Naturgy Energy Group, S.A. in connection with the bonds issued by the Company (Note 9), amounting to €3,173 thousand (€12,124 thousand in 2024).

The "Other financial expenses" caption includes the financial expenses arising from the loans related to the issue and redemption transaction carried out in May 2025, in the amount of €11,182 thousand euros (Note 4) (2024: €19,087 thousand), as well as interests from cash pooling balances with Naturgy Energy Group, S.A. amounting to €7 thousand (2024: €0).

Staff expenses

The Company has not had employees since 1 April 2024 and is managed on an operating level by Naturgy Energy Group, S.A.

Other operating expenses

A breakdown of this heading in the income statement for 2025 and 2024 is as follows:

	2025	2024
Rent and fees	-	31
Professional services and insurance	723	1.310
Utilities	-	1
Other services	-	3
Total	723	1.345

Note 14. Information on transactions with related parties

For the purposes of this section, related parties are as follows:

- Significant shareholders of Naturgy Finance Iberia, S.A.U., i.e. shareholders that directly or indirectly hold an interest equal to or greater than 5%, as well as the shareholders who, without being significant, have exercised the power to appoint a member of the governing body.

Under this definition, the company's significant shareholder is Naturgy Energy Group, S.A., the parent company of the Naturgy Group.

The following are significant shareholders through the interest held by Naturgy Energy Group, S.A. and the Naturgy Group:

- Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa", through Criteria Caixa S.A.U. (Criteria)
 - BlackRock Inc., mainly through GIP III Canary 1, S.à.r.l. (BlackRock)
 - CVC Capital Partners PLC, through Rioja Acquisition, S.à.r.l. (CVC)
 - IFM Global Infrastructure Fund, through Global InfraCo O (2), S.à.r.l. (IFM)
- Directors and executives of the Company and their close relatives. The term "administrator" means the Company's jointly and severally liable administrators and the term "senior management" means the Executive Chairman of Naturgy Energy Group, S.A., in connection with his executive functions and the persons with senior management functions who report directly to the Board of Directors and its committees, or the Executive Chairman of Naturgy Energy Group, S.A. Transactions with directors and members of senior management are disclosed in Note 15.
- Group companies or entities. The transactions between group companies formed part of the ordinary course of business and were performed on an arm's-length basis.

There were no significant transactions with shareholders of Naturgy or with executives or directors in 2025 and 2024.

The aggregated amounts of transactions with group companies and associates are as follows:

Expenses, revenues and other transactions	2025		2024	
	Controlling company	Group companies	Controlling company	Group companies
Operating expenses	(11.189)	-	(19.087)	-
Financial expenses	(3.173)	-	(12.124)	-
Other operating expenses	(1)	-	(5)	-
Total expenses	(14.363)	-	(31.216)	-
Revenues	135.665	-	131.749	-
Total revenues	135.665	-	131.749	-

Balances with Group companies and associates are disclosed in notes 4, 6, 9, 11 and 13.

Note 15. Information about Administrators

Remuneration of Administrators

Until 8 March 2024, the Company was governed by a Board of Directors; since that date, it has been governed by a Sole Administrator.

On 19 February 2025, the Company's governing body was changed, replacing the Sole Administrator with jointly and severally liable administrators.

The Company's jointly and severally liable administrators has not received any amounts under the headings of salary, per diems or other remuneration.

The Company has not acquired any obligations to its jointly and severally liable administrators in connection with pensions or life insurance, and no other benefits or payments in kind accrued in 2025 and 2024.

Transactions with Administrators

Directors have the obligation to avoid conflicts of interest as established by the Company's Board of Directors Regulations and Articles 228 and 229 of the Spanish Capital Companies Law. Additionally, those articles require that conflicts of interest incurred by the directors be disclosed in the annual accounts.

The Company's jointly and severally liable administrators have not reported any conflicts of interest requiring disclosure.

In 2025 and 2024, the jointly and severally liable administrators did not carry out transactions with the Company or Group companies outside the ordinary course of business or other than on an arm's-length basis.

The jointly and severally liable administrators are covered by the same civil liability policy that insures all directors and executives of Naturgy. The Company paid €7 thousand under this heading as of 31 December 2025 (€24 thousand in 2024).

Note 16. Environment

Naturgy is aware of its activities' environmental impacts and, consequently, the Group pays particular attention to the protection of the environment and the efficient use of natural resources to meet energy demand.

Given the Company's activities, it has no environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results. For this reason, no specific environmental disclosures are provided in these notes to the annual accounts.

Note 17. Applicability of international accounting standards

Article 537 of the Capital Companies Law establishes that companies that issue securities that are listed on a regulated market in any Member State of the European Union and that, in accordance with the regulations in force, publish only separate annual accounts are obliged to disclose, in the notes to annual accounts, the main changes that would arise in equity and in the income statement if the international financial reporting standards approved by the European Commission Regulations (EU-IFRS) had been applied.

The impact of the adoption of IFRS on the balance sheet and income statement as of 31 December 2025 and 2024 for the purposes of Naturgy group disclosures was as follows:

	(€ '000)	
	2025	2024
Financial revenues	(1.231)	1.215
Financial expenses	8.727	16.532
OPERATING PROFIT/ (LOSS)	7.496	17.747
INCOME BEFORE TAXES	7.496	17.747
Corporate income tax	(682)	(55)
Profit for the year	8.178	17.802

	(€ '000)	
	31 December	
	2025	2024
Non-current financial assets	(2.819)	(4.127)
Deferred tax assets	1.107	799
NON-CURRENT ASSETS	(1.712)	(3.328)
Current financial assets	7.047	10.463
CURRENT ASSETS	7.047	10.463
TOTAL ASSETS	5.335	7.135
Non-current financial liabilities	(333.583)	(503.568)
Deferred tax liabilities	555	930
NON-CURRENT LIABILITIES	(333.028)	(502.638)
TOTAL LIABILITIES	(333.028)	(502.638)
Reserves	(30.000)	(31.531)
Prior year's income	358.141	340.339
Interim dividend	(333.733)	(324.321)
Equity due to issuance of financial instruments	335.777	507.484
Income for the year	8.178	17.802
EQUITY	338.363	509.773

These figures are presented using the same approach as for incorporating the Company's financial information into the consolidated annual accounts of Naturgy Energy Group, S.A. prepared in accordance with IFRS-EU, the main difference being the accounting treatment of perpetual subordinated bonds.

Note 18. Audit fees

The fees accrued in 2025 and 2024 were as follows:

	2025			2024		
	PwC España, S.A.	PwC Holland, N.V.	Total	PwC España, S.A.	PwC Holland, N.V.	Total
Audit services	39	-	39	37	-	37
Assurance and audit-related services	72	16	88	70	15	85
Total fees	111	16	127	107	15	122

Fees for "Verification and audit-related services" relate to reports for the issuance of bonds and other marketable securities (comfort letters).

No tax services or other non-audit services were received.



Note 19. Events after the reporting date

The €240 million bond (and the loan granted to Naturgy Energy Group, S.A.) matured on 15 January 2026 and was paid (collected) on that date.

Apart from that, there have been no other material events after the reporting date.



NATURGY FINANCE IBERIA, S.A.U.

CERTIFICATE: At a meeting on 17 February 2026, the jointly and severally liable administrators authorised the 2025 Annual Accounts, comprising the balance sheet, income statement, statement of recognised revenues and expenses, total statement of changes in equity, cash flow statement and notes to the annual accounts, set out on 36 sheets of paper, numbered 1 to 36, both inclusive, bearing the Company stamp and their signature for identification purposes on all pages.

The jointly and severally liable administrators then signed those documents by signing this page number 37, which is incorporated as an annex to the Company's 2025 Directors' Report.

Mr. Steven Douglas Fernández Fernández
Jointly and severally liable administrator

Mr. Enrique Berenguer Marsal
Jointly and severally liable administrator



DIRECTORS' REPORT

Naturgy Finance Iberia, S.A.U.

Directors' report as of 31 December 2025

Naturgy Finance Iberia, S.A.U. (hereinafter, the Company and formerly called Naturgy Finance, B.V.) has its registered office at Avenida América, 38 in Madrid (until 28 May 2024, it was domiciled at Barbara Strozziilaan, 101 in Amsterdam) and it was incorporated in the Netherlands in 1993.

On 20 November 2023, the sole shareholder resolved to allow the Board of Directors of the Company to initiate a legal cross-border conversion in accordance with Directive (EU) 2019/2121 and the relevant implementing legislation in the Netherlands and Spain; under this process, the Company, without dissolving, winding up or going into liquidation, transferred its registered office from the Netherlands to Spain and converted its legal form from a Dutch limited liability company (B.V.) to a Spanish corporation (S.A.). The process was registered at the Madrid Mercantile Registry on 28 May 2024 and, consequently, the Company changed its corporate name from Naturgy Finance B.V. to Naturgy Finance Iberia, S.A.U.

The Company's main object is the issuance of debt financial instruments, including ordinary or subordinated debt, in accordance with the First Additional Provision of Law 10/2014, of 26 June, on the organization, supervision and solvency of credit institutions, and with the Capital Companies Law or such legislation as replaces or complements them at any time.

The sole shareholder of the Company is Naturgy Energy Group, S.A., a company incorporated in Spain; consequently, pursuant to Law 2/1995 of 23 March, it is a single-shareholder company.

1. Highlights of the period

The €401 million bond (and the loan granted to Naturgy Energy Group, S.A.) matured on 21 January 2025 and was paid (collected) on that date.

The €800 million bond (and the loan granted to Naturgy Energy Group, S.A.) matured on 15 May 2025 and was paid (collected) on that date.

On 12 May 2025, a partial tender offer was launched for perpetual subordinated bonds and EMTN totalling €1 billion in aggregate nominal amount, listed on the Luxembourg Stock Exchange with various maturities and annual coupons. As a result, on 20 May 2025, EMTNs amounting to €53 million at 1.250% maturing in 2026, €78 million at 1.250% maturing in 2026, and €700 million at 1.375% maturing in 2027 were repurchased; additionally, €169 million of perpetual subordinated bonds with a 2.374% coupon, maturing in 2027 according to the call schedule, were repurchased. Also, the loans to Naturgy Energy Group, S.A. related to these bonds were repaid in identical amounts.

On 21 May 2025, the Company issued on the Luxembourg stock exchange a 6-year €500 million note with an annual coupon of 3.375% and a 10-year €500 million note with an annual coupon of 3.875%, the proceeds of which were used to make two new loans to Naturgy Energy Group, S.A. for identical amounts.



Consequently, the total aggregate nominal value of the outstanding issues as of 31 December 2025 was €4,819 million, with the following maturities:

Naturgy Finance Iberia, S.A.U.

Issuer	Market where listed	Nominal (million euro)	Issue	Maturity	Coupon
Naturgy Finance, S.A.U.	Luxembourg	240	2020	2026	1,250%
Naturgy Finance, S.A.U.	Luxembourg	348	2016	2026	1,250%
Naturgy Finance, S.A.U.	Luxembourg	182	2017	2027	1,375%
Naturgy Finance, S.A.U.	Luxembourg	850	2018	2028	1,500%
Naturgy Finance, S.A.U.	Luxembourg	300	2017	2029	1,875%
Naturgy Finance, S.A.U.	Luxembourg	900	2019	2029	0,750%
Naturgy Finance, S.A.U.	Luxembourg	500	2024	2030	3,250%
Naturgy Finance, S.A.U.	Luxembourg	500	2025	2031	3,375%
Naturgy Finance, S.A.U.	Luxembourg	500	2024	2034	3,625%
Naturgy Finance, S.A.U.	Luxembourg	500	2025	2035	3,875%
Total		4.819			

Consequently, the nominal value of the hybrid bonds as of 31 December 2025 is €331 million, and the possible redemption calendar is as follows:

Naturgy Finance Iberia, S.A.U.

Issuer	Market where listed	Nominal (million euro)	Issue	Call option	Interest rate
Naturgy Finance, S.A.U.	Luxembourg	331	2021	2027	2,374%

2. Business risks

The Company's activity is exposed to several risks.

Operating and financial risks are detailed in Note 10 of the Notes to the Annual Accounts.

3. Analysis of results

Net profit in 2025 amounted to €297 thousand, an increase of 94.14% with respect to 2024.

Net revenue amounted to €146,847 thousand, a decrease of 2.64% compared to 2024, mainly due to the decrease in loans granted to the Sole Shareholder.

Operating expenses amounted to €145,681 thousand, a decrease of 2.11% compared to 2024, mainly due to the decrease in bonds issued.

The Company's interest-bearing debt to third parties other than Naturgy was €5,162 million as of 31 December 2025, 18,77% less than as of 31 December 2024 after several bonds matured.

4. Research, development and technological innovation

The Company did not engage in any R&D or innovation activities in 2025.

5. Environment

Given the Company's activities, it has no environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results.

6. Projected performance

The Company will continue to be one of Naturgy's corporate funding vehicles, basically through issues in the Euro Medium-Term Notes (EMTN) programme.

7. Own shares

The Company did not hold any own shares in 2025 and 2024.

8. Information on average supplier payment period.

The average payment period is calculated in accordance with Law 15/2010 on measures to combat late payment in business transactions, and the changes introduced by Law 18/2022 of 28 September on the formation and growth of companies.

The disclosures in the notes to the annual accounts about the average trade supplier payment period that are required under that legislation are as follows:

	2025	2024
Total payments	4.211	3.414
Total payments outstanding	10	1.201
Average supplier payment period (days) (1)	47	54
Transactions paid ratio (days) (2)	47	56
Transactions pending payment ratio (days) (3)	21	45
Total payments made within the period established by the prompt payment regulations	4.023	2.412
% of amount paid within the period established by the prompt payment regulations with respect to total amount paid	95,53%	70,64%
Number of invoices paid within the period established by the prompt payment regulator	74	68
% of invoices paid within the period established by the prompt payment regulations with respect to total invoices paid	81,00%	35,00%

(1) Calculated on the basis of amounts paid and pending payment.

(2) Average payment period in transactions paid during the year.

(3) Average age of outstanding balances to suppliers.

The Company is evaluating its internal processes in order to contribute to expediting payment to suppliers within the maximum terms established by current law.



9. Events after the reporting date

The €240 million bond (and the loan granted to Naturgy Energy Group, S.A.) matured on 15 January 2026 and was paid (collected) on that date.

Apart from that, there have been no other material events after the reporting date.



NATURGY FINANCE IBERIA, S.A.U.

CERTIFICATE: At a meeting on 17 February 2026, the jointly and severally liable administrators authorised the Directors' Report for 2025, all sheets bearing the Company's seal and their signatures for identification purposes, all on 4 sheets numbered 1 to 4 inclusive.

The jointly and severally liable administrators then signed those documents by signing this page number 5, which is incorporated as an annex to the Company's 2025 Directors' Report.

Mr. Steven Douglas Fernández Fernández
Jointly and severally liable administrator

Mr. Enrique Berenguer Marsal
Jointly and severally liable administrator