



Report on Limited Review of Naturgy Energy Group, S.A. and Subsidiaries

(Together with the condensed interim consolidated financial statements and the consolidated interim directors' report of Naturgy Energy Group, S.A. and subsidiaries for the six-month period ended 30 June 2025)

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



KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Report on Limited Review of Condensed Interim Consolidated Financial Statements

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

To the Shareholders of Naturgy Energy Group, S.A., commissioned by the Directors of the Company

REPORT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have carried out a limited review of the accompanying condensed interim consolidated financial statements (the "interim financial statements") of Naturgy Energy Group, S.A. (the "Company") and subsidiaries (together the "Group"), which comprise the balance sheet at 30 June 2025, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, and explanatory notes (all condensed and consolidated). The Directors of the Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, pursuant to article 12 of Royal Decree 1362/2007 as regards the preparation of interim financial information. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.



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

Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2025 have not been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, pursuant to article 12 of Royal Decree 1362/2007 as regards the preparation of condensed interim financial statements.

Emphasis of Matter

We draw your attention to the accompanying note 2, which states that these interim financial statements do not include all the information that would be required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2024. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2025 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2025. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Naturgy Energy Group, S.A. and subsidiaries.

Other Matter

This report has been prepared as requested by the Company's Directors in relation to publication of the half-yearly financial report required by article 100 of Law 6/2023 of 17 March 2023 on Securities Markets and Investment Services.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Eduardo González Fernández

22 July 2025

Interim consolidated financial
statements
at 30 June **2025**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2025

[Interim consolidated balance sheet](#)

[Interim consolidated income statement](#)

[Interim consolidated statement of comprehensive income](#)

[Interim consolidated statement of changes in equity](#)

[Interim consolidated cash flow statement](#)

Notes to the condensed interim consolidated financial statements

This Interim consolidated financial statements at 30 June 2025 is a translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.

Naturgy**Interim consolidated balance sheet at 30 June 2025 and 31 December 2024 (million euros)**

	Note	30.06.2025	31.12.2024
ASSETS			
Intangible assets	5	5,818	5,980
Goodwill		2,891	2,948
Other intangible assets		2,927	3,032
Property, plant and equipment	5	19,066	19,467
Right-of-use assets	5	1,184	1,229
Investments recorded using the equity method	6	625	647
Non-current financial assets	7	392	419
Other non-current assets	8	337	340
Derivatives	13	92	59
Other assets		245	281
Deferred tax assets		1,802	2,009
NON-CURRENT ASSETS		29,224	30,091
Non-current assets held for sale	9	—	—
Inventories		1,023	807
Trade and other receivables	8	2,956	3,841
Trade receivables for sales and services		2,269	2,851
Other receivables		561	880
Derivatives	13	95	68
Current tax assets		31	42
Other current financial assets	7	200	471
Cash and cash equivalents		3,104	5,626
CURRENT ASSETS		7,283	10,745
TOTAL ASSETS		36,507	40,836
EQUITY AND LIABILITIES			
Capital		970	970
Share premium		3,808	3,808
Treasury shares		(2,538)	(206)
Reserves		6,271	5,980
Profit for the period attributed to the parent company		1,147	1,901
Interim dividend		—	(969)
Other equity items		(1,878)	(2,006)
Equity attributed to the parent company		7,780	9,478
Non-controlling interests		1,979	2,175
EQUITY	10	9,759	11,653
Deferred income		1,104	1,129
Non-current provisions	11	1,639	1,841
Non-current financial liabilities	12	13,389	15,095
Borrowings		12,147	13,716
Lease liabilities		1,242	1,379
Deferred tax liabilities		1,805	1,945
Other non-current liabilities		873	944
Derivatives	13	322	375
Other liabilities		551	569
NON-CURRENT LIABILITIES		18,810	20,954
Liabilities related to non-current assets held for sale	9	—	—
Current provisions	11	525	361
Current financial liabilities	12	3,522	2,927
Borrowings		3,326	2,733
Lease liabilities		172	183
Other financial liabilities		24	11
Trade and other payables		3,530	4,762
Trade payables		2,383	3,043
Other payables		538	691
Derivatives	13	262	817
Current tax liabilities		347	211
Other current liabilities		361	179
CURRENT LIABILITIES		7,938	8,229
TOTAL EQUITY AND LIABILITIES		36,507	40,836

Notes 1 to 27 contained in the notes to the condensed interim consolidated financial statements and the Appendices are an integral part of the interim consolidated balance sheet at 30 June 2025 and 31 December 2024.

Naturgy**Interim consolidated income statements for the six-month periods ended 30 June 2025 and 2024
(million euros)**

		Six months ended on June 30	
	Note	2025	2024
Net sales	14	9,961	9,071
Procurements	15	(6,112)	(5,301)
Other operating income	17	80	134
Personnel expenses, net	16	(290)	(288)
Other operating expenses	17	(820)	(801)
Gain/(loss) on disposals of fixed assets		—	—
Release of fixed asset grants to income and other		29	31
GROSS OPERATING PROFIT		2,848	2,846
Depreciation, amortisation and impairment losses	18	(825)	(764)
Impairment due to credit losses	13	(74)	(33)
Other results	19	14	(193)
OPERATING PROFIT/(LOSS)		1,963	1,856
Financial income		143	227
Financial expenses		(385)	(437)
Variations in fair value of financial instruments		(3)	11
Net exchange differences		—	(16)
NET FINANCIAL INCOME/(EXPENSE)	20	(245)	(215)
Profit/(loss) of entities recorded by the equity method		76	56
PROFIT/(LOSS) BEFORE TAXES		1,794	1,697
Income tax	23	(481)	(382)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		1,313	1,315
Profit for the period year from discontinued operations, net of taxes	9	—	(22)
CONSOLIDATED NET PROFIT FOR THE PERIOD		1,313	1,293
Attributable to:			
The parent company		1,147	1,043
From continuing operations		1,147	1,065
From discontinued operations		—	(22)
Non-controlling interests		166	250
Basic and diluted earnings per share in euros from continuing operations attributable to the equity holders of the parent company (Note 10)		1.20	1.11
Basic and diluted earnings per share in euros from discontinued operations attributable to the equity holders of the parent company (Note 10)		—	(0.02)
Basic and diluted earnings per share in euros attributable to the equity holders of the parent company		1.20	1.09

Notes 1 to 27 contained in the notes to the condensed interim consolidated financial statements and the Appendices are an integral part of the interim consolidated income statements for the six-month periods ended 30 June 2025 and 2024.

Naturgy**Interim consolidated statements of comprehensive income for the six-month periods ended 30 June 2025 and 2024 (million euros)**

	Six months ended on June 30	
	2025	2024
CONSOLIDATED NET PROFIT FOR THE PERIOD	1,313	1,293
OTHER COMPREHENSIVE INCOME RECOGNISED DIRECTLY IN EQUITY		
ITEMS THAT WILL NOT BE TRANSFERRED TO PROFIT/(LOSS)	(3)	(4)
Actuarial gains and losses and other adjustments	(3)	(5)
Tax effect of actuarial gains and losses and other adjustments	—	1
ITEMS THAT WILL SUBSEQUENTLY BE TRANSFERRED TO PROFIT/(LOSS)	31	(356)
Cash flow hedges	107	(530)
Gains / (Losses) per valuation	(121)	(662)
Releases to income statement	228	132
Currency translation differences	(8)	48
Gains / (Losses) per valuation	(8)	46
Releases to income statement	—	2
Companies recorded by the equity method	(31)	10
Currency translation differences - Gains / (Losses) per valuation	(31)	9
Cash flow hedges - Gains / (Losses) per valuation	—	1
Tax effect	(37)	116
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	28	(360)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,341	933
Attributable to:		
The parent company	1,272	716
From continuing operations	1,272	738
From discontinued operations	—	(22)
Non-controlling interests	69	217

Notes 1 to 27 contained in the notes to the condensed interim consolidated financial statements and the Appendices are an integral part of the consolidated interim statement of comprehensive income for the six-month periods ended 30 June 2025 and 2024.

Naturgy**Interim consolidated statement of changes in equity at 30 June 2025 and 31 December 2024 (million euros)**

	Equity attributed to the parent company (Note 10)										Non-controlling interests (Note 10)	Equity
	Share capital	Share premium	Treasury shares	Reserves and retained earnings	Profit/(loss) for the year	Other equity items				Subtotal		
						Currency translation differences	Cash flow hedges	Financial assets at fair value	Total			
Balance at 31.12.2023	970	3,808	(206)	4,363	1,986	(1,381)	270	(362)	(1,473)	9,448	2,481	11,929
Total comprehensive income for the period	—	—	—	(3)	1,043	54	(378)	—	(324)	716	217	933
Operations with shareholders or owners	—	—	—	1,599	(1,986)	—	—	—	—	(387)	(67)	(454)
Dividend distribution	—	—	—	1,598	(1,986)	—	—	—	—	(388)	(67)	(455)
Share-based payments	—	—	—	1	—	—	—	—	—	1	—	1
Other changes in equity	—	—	—	(4)	—	—	—	—	—	(4)	(528)	(532)
Other changes	—	—	—	(4)	—	—	—	—	—	(4)	(528)	(532)
Balance at 30.06.2024	970	3,808	(206)	5,955	1,043	(1,327)	(108)	(362)	(1,797)	9,773	2,103	11,876
Total comprehensive income for the period	—	—	—	17	858	7	(216)	—	(209)	666	190	856
Operations with shareholders or owners	—	—	—	(968)	—	—	—	—	—	(968)	(119)	(1,087)
Dividend distribution	—	—	—	(969)	—	—	—	—	—	(969)	(119)	(1,088)
Share-based payments	—	—	—	1	—	—	—	—	—	1	—	1
Other changes in equity	—	—	—	7	—	—	—	—	—	7	1	8
Other changes	—	—	—	7	—	—	—	—	—	7	1	8
Balance at 31.12.2024	970	3,808	(206)	5,011	1,901	(1,320)	(324)	(362)	(2,006)	9,478	2,175	11,653
Total comprehensive income for the period	—	—	—	(3)	1,147	65	63	—	128	1,272	69	1,341
Operations with shareholders or owners	—	—	(2,332)	1,321	(1,901)	—	—	—	—	(2,912)	(77)	(2,989)
Dividend distribution	—	—	—	1,319	(1,901)	—	—	—	—	(582)	(77)	(659)
Trading in treasury shares	—	—	(2,332)	—	—	—	—	—	—	(2,332)	—	(2,332)
Share-based payments	—	—	—	2	—	—	—	—	—	2	—	2
Other changes in equity	—	—	—	(58)	—	—	—	—	—	(58)	(188)	(246)
Other changes	—	—	—	(58)	—	—	—	—	—	(58)	(188)	(246)
Balance at 30.06.2025	970	3,808	(2,538)	6,271	1,147	(1,255)	(261)	(362)	(1,878)	7,780	1,979	9,759

Notes 1 to 27 contained in the notes to the condensed interim consolidated financial statements and the Appendices are an integral part of the consolidated interim statement of changes in equity at 30 June 2025 and 31 December 2024.

Naturgy**Interim consolidated cash flow statements for the six-month periods ended 30 June 2025 and 2024
(million euros)**

	Six months ended on June 30		
	Note	2025	2024
Profit/(loss) before tax		1,794	1,697
Adjustments to income:	21	768	853
Depreciation, amortisation and impairment losses	21	825	764
Other adjustments to net profit	21	(57)	89
Changes in working capital	21	494	(99)
Other cash flows from operating activities:	21	(414)	(450)
Interest paid	21	(346)	(370)
Interest collected	21	97	102
Dividends collected	21	78	47
Income tax paid	21	(243)	(229)
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		2,642	2,001
Cash flows into investing activities:		(1,081)	(1,068)
Group company acquisitions, net of cash and cash equivalents	21	—	(10)
Property, plant and equipment and intangible assets		(1,069)	(1,047)
Other financial assets		(12)	(11)
Proceeds from divestitures:		21	92
Property, plant and equipment and intangible assets		11	1
Other financial assets		10	91
Other cash flows from investing activities:		28	236
Other proceeds from investing activities		28	236
CASH FLOWS FROM INVESTING ACTIVITIES		(1,032)	(740)
Receipts/(payments) on equity instruments:		(2,571)	(506)
Acquisition		(2,571)	(506)
Receipts and payments on financial liability instruments:		(651)	110
Issue		2,194	1,849
Repayment and amortisation		(2,845)	(1,739)
Dividends paid (and remuneration on other equity instruments)	10	(665)	(460)
Other cash flows from financing activities		(2)	(8)
CASH FLOW GENERATED FROM FINANCING ACTIVITIES		(3,889)	(864)
Effect of fluctuations in exchange rates		(243)	4
VARIATION IN CASH AND CASH EQUIVALENTS		(2,522)	401
Cash and cash equivalents at beginning of the period		5,626	3,686
Cash and cash equivalents at the end of the period		3,104	4,087

Notes 1 to 27 contained in the notes to the condensed interim consolidated financial statements and the Appendices are an integral part of the consolidated interim statements of cash flows for the six-month periods ended 30 June 2025 and 2024.

Notes to the condensed interim consolidated financial statements of Naturgy at 30 June 2025

Note 1. General information

Naturgy Energy Group, S.A. is a public limited company that was incorporated in 1843. Its registered office is located at Avenida de America 38, Madrid, Spain. On 27 June 2018, the shareholders, in general meeting, agreed to change the company's business name to Naturgy Energy Group, S.A., formerly Gas Natural SDG, S.A.

Naturgy Energy Group, S.A. and subsidiaries ("Naturgy") form a group that is engaged mainly in the business of gas (supply, liquefaction, regasification, transport, storage, distribution and supply), electricity (generation, transport, distribution and supply) and any other existing source of energy. It may also act as a holding company and, in this respect, may incorporate or hold shares in other entities, regardless of their corporate object or nature, by subscribing, acquiring or holding shares, participation units or any other securities deriving from the same.

Naturgy operates mainly in Spain and, outside Spain, in Latin America, Australia, the USA and the rest of Europe.

Note 3 contains financial information broken down by operating segment.

Appendix I lists the changes in the consolidation scope with respect to Naturgy's investees at the closing date detailed in the consolidated financial statements for the year ended 31 December 2024.

The shares of Naturgy Energy Group, S.A. are listed on the four official Spanish stock exchanges, are traded on the continuous market and form part of the IBEX35.

On 25 March 2025, the Ordinary General Meeting of Shareholders of Naturgy Energy Group, S.A. approved a voluntary tender offer to acquire a maximum of 88,000,000 own shares, representing 9.08% of the share capital, addressed to all Naturgy shareholders at a fixed price of Euros 26.5 per share.

Following clearance of the offer by the Spanish National Securities Market Commission (CNMV) on 28 May 2025, the publication of the offer prospectus and conclusion of the acceptance period, the offer was settled on 24 June 2025 (Note 10).

The primary goal of the offer, which is part of the 2025-2027 Strategic Plan, is to enable Naturgy to acquire own shares for placement in an orderly manner, when considered appropriate, to increase the free float and advance towards the goal of returning to the main stock market indices.

Note 2. Basis of presentation and accounting policies

2.1. Basis of presentation

The consolidated financial statements of Naturgy Energy Group, S.A. for the year ended 31 December 2024 were approved by the shareholders at a General Meeting on 25 March 2025.

These condensed interim consolidated financial statements of Naturgy as at 30 June 2025 were authorised by the Board of Directors on 22 July 2025 pursuant to IAS 34 "Interim financial reporting" and should be read together with the consolidated financial statements for the year ended 31 December 2024, which were drawn up in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council ("EU IFRS").

As a result, it was not necessary to replicate or update certain notes or estimates contained in the consolidated financial statements for the year ended 31 December 2024. Instead, the accompanying selected notes to the financial statements contain an explanation of significant events or movements in order to explain any changes in the consolidated financial position and results of operations, comprehensive income, equity and cash flows of Naturgy between 31 December 2024, the date of the above-mentioned consolidated financial statements, and 30 June 2025.

The figures set out in these condensed interim consolidated financial statements are expressed in million euros, unless otherwise stated.

2.2. Seasonality

Demand for natural gas is seasonal, with residential gas supplies and sales in Europe generally being higher in the colder months, from October to March, than during the warmer months, from April to September, while natural gas demand for industrial and power generation purposes is normally more stable throughout the year. Electricity demand tends to increase in summer in Spain, particularly in July and August, offsetting the seasonal fluctuations in gas, since both activities are in the "Supply" segment.

In other regions where the Group operates, such as Latin America, seasonal patterns may vary depending on weather conditions and specific consumption patterns in each country.

2.3. New IFRS-EU and IFRIC interpretations

As a result of their approval, publication and entry into force on 1 January 2025, the following standards, amendments and interpretations adopted by the European Union have been applied:

Standards adopted by the European Union		Entry into force for annual periods commencing
IAS 21 (Amendment) "Lack of Exchangeability"	Determines whether one currency is convertible into another and, when it is not, determines the exchange rate to be used.	1 January 2025
Standards entering into force in subsequent years		
Standards that will enter force on or after 1 January 2026		Entry into force for annual periods commencing
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	They clarify the date of recognition and derecognition of certain financial assets and liabilities and new disclosures for contractual terms that may modify cash flows and for equity instruments designated at fair value through other income.	1 January 2026
Annual improvements to IFRS - Volume 11	Provide clarifications and changes affecting IFRS 1 (hedge accounting by a first-time adopter), IFRS 7 (gain or loss on derecognition of financial assets, deferred difference between fair value and transaction price, credit risk disclosure), IFRS 10 (determination of a "de facto agent"), IAS 7 (cash flows from investments in associates and joint ventures), and IFRS 9 (receivables that do not contain a significant financing component, derecognition of lease liabilities).	1 January 2026
Amendments to IFRS 9 and IFRS 7 - Renewable electricity contracts.	Sets out the cases in which a purchaser of renewable electricity may apply the own-use exception and specifications for the application of hedge accounting in power purchase agreements settled by differences.	1 January 2026
IFRS 18, Presentation and Disclosures in Financial Statements	Standard on presentation and disclosures in financial statements that amends IAS 1.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures under other IFRS Accounting Standards.	Specifies reduced disclosure requirements for an eligible subsidiary that applies the requirements of other IFRS Accounting Standards	1 January 2027

The consolidated financial statements are presented in euros, which is the parent company's presentation currency. The items contained in the consolidated financial statements of each of Naturgy's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency) and are translated into the group's presentation currency, as described in Note 2.4.2 "Transactions in foreign currency" in the consolidated financial statements for the year ended 31 December 2024.

Naturgy has no investments in entities with functional currencies that are not convertible into the presentation currency, i.e. the euro, and, therefore, the amendment to IAS 21 did not have any impact.

None of these standards, interpretations or amendments due to enter into force in future annual periods was applied early. At the date of authorisation of these condensed interim consolidated financial statements, the potential impacts are being analysed. Naturgy is assessing the impacts of the application on the financial information, basically for the amendments to IFRS 18 in the classification of the items in the income statement to distinguish between operating, investment and financing activities, and the modifications in the application of hedge accounting in long-term electricity sales contracts, in which the facilities sell their output to the market and there is a subsequent financial settlement for the difference between the market price and the price agreed in the contract.

The changes in hedge accounting for long-term electricity sale contracts will make it possible to avoid the impact of inefficiencies generated by the difficulty of establishing highly probable sales at renewable generation facilities. Those amendments will be applied prospectively, which will make it possible to correct existing classifications (without discontinuation) for annual periods beginning on or after 1 January 2026, with the standard allowing for early application from the first annual period following the adoption of this amendment by the EU, i.e. from 1 January 2025. Naturgy does not intend to apply this amendment to the standard in advance.

Management is closely following developments related to the implementation of international tax reforms that introduce an additional global minimum tax (Pillar 2). During 2023, the International Accounting Standards Board issued amendments to IAS 12 that provide a mandatory temporary exception from deferred tax accounting for the top-up tax and require new disclosures in the financial statements.

On 21 December 2024, Spain's Official State Gazette published Law 7/2024 of 20 December, which establishes a top-up tax to guarantee an overall minimum level for multinational enterprise groups and large-scale domestic groups, a tax on the net interest income and fees of certain financial institutions, and a tax on liquids for electronic cigarettes and other tobacco-related products, and modifies other tax regulations. Law 7/2024 is in force for annual periods beginning on or after 31 December 2023; accordingly, it is fully applicable to Naturgy in 2024.

In the case of Ireland, however, the national tax authorities have announced that, in compliance with Council Directive (EU) 2022/2523 of 15 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union, the Finance Act 2024 introduces a top-up tax that enables the minimum tax rate to be raised to 15%, from the 12.5% nominal rate in force at the date of the amendment. At the end of June 2025, a top-up tax of Euros 5 million (Euros 1.4 million in 2024) has been recognised in Ireland to reach the minimum rate of 15%.

Naturgy assessed the impact that the application of that Act would have for the Group. The possible application of the safe harbours derived from the existing data in the Qualified Country-by-Country Report was analysed and, in the event that no safe harbour is applicable, the amount of top-up tax that would need to be recognised in Spain has been analysed. As a result of this analysis, it was determined at the end of 2024 that, with the exception of Puerto Rico, all jurisdictions in which the Group operates are covered by the safe harbours applicable in the first two years of application of the top-up tax or in the case of calculating a simplified ETR (Effective Tax Rate). The analysis as at 30 June 2025 shows that this situation has not changed.

As at 30 June 2025, it was not necessary to recognise any top-up tax in the case of Puerto Rico, as the effective rate of 15% was slightly exceeded (Euros 0.5 million in 2024). As the top-up tax in Ireland is treated as a covered tax for the purposes of the Spanish top-up tax, no additional impact needs to be reflected in these condensed interim consolidated financial statements.

Naturgy is also analysing the implementation of the most appropriate technologies to comply with the new tax obligations imposed by Pillar 2 and, specifically, by Spanish Law 7/2024, of 20 December.

2.4. Accounting policies

The accounting policies applied in these condensed interim consolidated financial statements are the same as those applied in the consolidated financial statements for the year ended 31 December 2024, except for the adoption of the new EU-IFRS standards, interpretations and amendments that came into force on 1 January 2025.

2.5. Significant accounting estimates, assumptions and judgements

The preparation of the condensed interim consolidated financial statements requires the use of estimates and assumptions. The valuation standards that require a greater degree of estimation are listed in Note 2.4.25 "Significant accounting estimates and judgements" in the consolidated financial statements for the year ended 31 December 2024.

The main updates are detailed below, considering the outlook in the current context:

a. Impairment of non-financial assets

Note 4 "Non-financial asset impairment losses" details the main assumptions used to determine the recoverable value of cash-generating units (CGU).

After reviewing the impairment indicators of the CGUs as at 30 June 2025, it was found not to be necessary to conduct an impairment test or, consequently, to recognise or reverse impairment, except as detailed in Note 4.

b. Climate change and the Paris Agreement

In line with the objectives of the Paris Agreement and the goal of achieving climate neutrality established in Regulation (EU) 2021/1119, Naturgy has a Climate Transition Plan (CTP) to achieve net zero emissions by 2050, considering all the scopes of the carbon footprint and prioritising the pathways to reduce global warming to 1.5°C, where feasible, and subject to the energy and regulatory policy of each of the countries where it operates.

Naturgy's greenhouse gas (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%.

As at 30 June 2025, total Scope 1 and 2 emissions had been cut by 4.9% with respect to 2022. During the first half of 2025, no measurements were taken in relation to Scope 3 emissions (in 2024, emissions in this scope were reduced by 2% with respect to 2022).

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 2025-2027 Strategic Plan, approved by the Board of Directors on 18 February 2025, envisages continuing to invest in the energy transition, allocating the main investments 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 together with the necessary growth of electricity grids coupled with 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 surplus.
- 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.

Information on the CTP, the Group's decarbonisation strategy and the GHG emission reduction targets are set out in section "E-1 Climate change" of the Group's 2024 Non-Financial Disclosures and Sustainability Report, which is prepared in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which Naturgy has accepted and which it has been adopting progressively since they were published in 2017. At the end of 2023, the TCFD announced that it was disbanding as a working group, and the International Sustainability Standards Board (ISSB) took over the TCFD's oversight responsibilities as of 2024.

These condensed interim consolidated financial statements have been prepared taking into account the decarbonisation commitments made by Naturgy, in addition to the risks and uncertainties related to climate change and the decarbonisation of the economy. These financial statements were also based on the IASB publication "Effects of climate-related issues on financial statements" (updated in July 2023) concerning the impact of climate change on the application of IFRS in financial reporting and the guidelines set out in "ESRS E1. Climate Change", which elaborates upon the corporate sustainability reporting framework defined by the Corporate Sustainability Reporting Directive (CSRD) in this area, which is in the process of being transposed into Spanish law at the date of this report. The recommendations issued by the European Securities and Markets Authority (ESMA) were also taken into account, including the latest document published in October 2024.

The main estimates and accounting judgements made by Naturgy's management and directors when preparing the condensed interim consolidated financial statements as at 30 June 2025 in connection with the expected effects of climate change and the energy transition are described below.

1. Recoverability of non-financial assets

As detailed in Note 2.4.6 to the 2024 consolidated financial statements, non-financial assets are tested for impairment whenever an event or change in circumstances indicates that their carrying amount might not be recoverable. Additionally, regardless of the existence or otherwise of signs of impairment, goodwill and intangible assets that are either non-operational or have an indefinite useful life are reviewed at least once per year. The cash-flow projections used in the non-financial asset impairment tests are based on the best available forward-looking information and reflect the investment plans in place in each CGU for maintaining the assets' operating capacity. Those projections are in line with Naturgy's strategy, which takes into consideration the objectives of the Paris Agreement and, therefore, are based on the range of economic conditions that might exist in the foreseeable future in relation to climate change and the energy transition. The projections take into account the expected impact on wholesale and retail electricity market prices resulting from the entry into operation of new renewable generation facilities and developments in gas, oil and emission allowance prices, as well as expected demand.

Regarding emission rights in Spain, Naturgy's thermal electricity generation facilities are regulated by the European Emissions Trading Directive (Directive 2003/87/EC). That Directive has been revised several times to adapt to the EU's more ambitious targets, such as the revision for Phase IV (2021-2030), in which the targets were adjusted to align with the Paris Agreement and the EU's commitments to reduce emissions by 55% by 2030 with respect to 1990. Naturgy carries out comprehensive portfolio management for the acquisition of emission allowances equivalent to the verified emissions of its combined cycle and cogeneration facilities. To this end, Naturgy actively participates in both the primary market, through auctions, and the secondary market. These emissions relate mainly to the combined cycle gas plants in Spain and represented 88% of Naturgy's direct emissions (scope 1) in Spain in the first half of 2025.

In Mexico, the impairment tests on the combined cycle plants assume the receipt of emission allowances equivalent to the tonnes of CO₂ emitted. The current trial emissions trading system is expected to provide emission allowances free of charge to cover the emissions projected on the basis of production projections until 2026. Although the criteria for the allocation of allowances free of charge and the emissions reduction pathway that will be required have not yet been defined for 2027 and subsequent years, it is expected that the emissions generated will be covered by the free allocation and, when this is not sufficient or the free allocation is discontinued, that CO₂ costs will be passed through into selling prices as an additional operating cost, similar to the case in the European market.

The CO₂ prices assumed in the impairment test are detailed in Note 4 to the 2024 consolidated financial statements. Other material information on emission allowance costs in 2025 and 2024 is disclosed in Note 11 Provisions.

In the case of cash flow projections for the impairment tests that present terminal values, the latter are calculated on the basis of a long-term growth rate aligned with the demand trend quantified by Naturgy using its energy models, in line with current expectations with regard to the transition to a low-carbon economy and considering the physical and transition risks associated with climate change.

Projections of hydroelectric, wind and photovoltaic solar electricity output from Naturgy's renewable assets are based on projected underlying weather conditions (temperature, precipitation, wind speed and insolation).

Decommissioning costs for combined cycle and renewable generation plants are estimated in line with the long-term target.

As required by accounting standards, the cash flows estimated for the value in use of each CGU take into account the assets' current status and, therefore, do not include future investments due to technological changes or any strategic investments envisaged in the energy transition for which no assets currently exist.

The rates used to discount cash flows take into account all relevant factors affecting the perception of risk, including those associated with the energy transition and physical risks due to climate change. The cost of capital considered in each of the rates used implicitly incorporates market expectations about access to and costs of funding, provided that these risks are material for the industry and the specific context of the asset.

No signs of impairment linked to risks arising from climate change or the energy transition were identified during the first half of 2025. See Note 4.

Naturgy will continue to update its operational plans and pricing outlook to take account of changes in the economic environment and the pace of the energy transition.

2. Main group assets subject to climate change and energy transition risk:

Naturgy maintains a structure of CGUs, as detailed in Note 4 to the 2024 consolidated financial statements, whose definition takes into account the risks and opportunities arising from issues related to climate change and the energy transition.

a. Coal-fired power plants

Following the closure of all Naturgy's coal-fired power plants in the first half of 2020, the group has not generated any electricity from coal. These facilities are fully depreciated/provisioned at 30 June 2025. As of the date of authorisation of these condensed interim consolidated financial statements, the company has decommissioning certificates for two of the plants and expects to obtain those for the other two facilities in the coming months.

b. Combined cycle gas turbine (CCGT) power plants

The Group's combined cycle gas turbine plants (in Spain and Mexico) represent the most eco-efficient generation technology available at present to provide the necessary back-up for renewable energies and enable their widespread implementation while also guaranteeing security of supply, both of which are key factors for the energy transition.

In Spain, it is important to note that all the installed capacity of these plants is included in the NECP 2023-2030, which is aligned with the European objective of achieving climate neutrality by 2050. These facilities are a fundamental element in ensuring the growth of renewable energies in the national electricity system, as they provide back-up to maintain the electricity supply in the event of a lack of wind, sun or water. In this same vein, a Draft Order of the Ministry for Ecological Transition and Demographic Challenge proposing the creation of a capacity market in the Spanish mainland electricity system was released for public consultation between 18 December 2024 and 29 January 2025. As at 30 June 2025, the final version of the ministerial order had not yet been published (see Appendix II. Regulatory framework. 2.3.4).

As at 30 June 2025, the carrying amount of these assets is Euros 1,764 million, of which Euros 975 million relate to combined cycle plants in Spain. The carrying amount of the total combined cycle generation facilities in Spain is estimated at Euros 652 in 2030, Euros 352 in 2040 and Euros 0 million in 2050. The carrying amount, excluding goodwill (Note 5), of the combined cycle plants in Mexico is estimated at Euros 495 million in 2030, Euros 207 in 2040 and Euros 0 million in 2050.

A trend in electricity output below the assumptions used by Naturgy as set out in Note 4 to the 2024 consolidated financial statements could have an impact on the recoverability of the carrying amount of those assets that is recognised in the condensed interim consolidated financial statements at 30 June 2025.

c. Nuclear plants

In Spain, Naturgy is a joint owner, alongside other electric utilities, of the Almaraz and Trillo nuclear power plants. As at 30 June 2025, the carrying amount of those assets was Euros 216 million.

Naturgy relies on the Decommissioning Protocol agreed in 2019 with Enresa, Spain's national radioactive waste company, which establishes a schedule for the progressive closure of all nuclear power plants, in line with the energy transition to renewable sources and the decarbonisation target for 2050. The part of this protocol covering up to 2030 is also part of the NECP. At 30 June 2025, there have been no developments or official announcements regarding a possible review or extension of the schedule for decommissioning the plants. See section 2.2 of Appendix II - Regulatory Framework.

d. Hydroelectric power plants

As at 30 June 2025, the carrying amount of the assets of this CGU in Spain is Euros 916 million. The recoverable value of these assets could be affected in the event of a larger-than-expected future reduction in water availability due to climate change, particularly in run-of-river plants. The assumptions used in the hydroelectric power generation CGU impairment test include developments in water availability and their impact on river flows and, therefore, on production.

e. Renewable energy assets

As at 30 June 2025, the carrying amount of these assets is Euros 7,251 million, of which Euros 4,609 million are in Spain. The main perceived risk for these assets is a potential negative future trend in solar and wind resources, which are the key variables in the performance of this line of business. There may also be reductions in the remuneration arrangements for renewable energies and lower prices in marginal wholesale markets due to an increase in renewable production with low variable costs. The cash flow projections at 30 June 2025 did not consider any changes to the operation of the wholesale market that have not yet been approved, but did consider forecasts for solar and wind resources.

f. Electricity and gas transportation and distribution assets

As at 30 June 2025, the carrying amount of those assets was Euros 13,519 million. The total includes Euros 5,557 million for gas transport and distribution assets and Euros 7,962 million for electricity transmission and distribution assets. In Spain, Euros 2,472 million relate to the gas business and Euros 6,570 million to the electricity business; in Argentina, Euros 255 million relate mainly to the gas business; elsewhere in Latin America: Euros 592 million in Brazil, Euros 1,595 million in Chile and Euros 676 million in Mexico relate to the gas business and Euros 1,359 million in Panama relate to the electricity business.

These regulated assets are considered to be resilient to the energy transition. Increases in temperature and a higher frequency of extreme weather events could lead to greater technical losses (for a discussion of these risks, see Section E1-9 of the 2024 Non-Financial Disclosures and Sustainability Report), a deterioration in service quality levels, higher operating and maintenance costs and higher annual investments, although the volumes should be covered by the multi-year tariff reviews for these regulated businesses. The investment and response plans already in place, accumulated experience and network design (meshing and undergrounding of lines) should mitigate these effects. A potential massive development of distributed generation would be partially offset by the increasing electrification of the economy (e.g. electric cars) and investments in smart grids.

Naturgy's planning for the coming years envisages the coexistence in Spain of natural gas demand with demand for biomethane, to be distributed through the group's current infrastructures. It is estimated that the adaptation of existing networks for biomethane transportation will not require significant investments. Hydrogen distribution is still being considered, and the level of investment is expected to depend on the percentage of blending, which, together with the relevant regulations, will determine the viability of using the current infrastructure. It is estimated that low percentages should not require significant investments to adapt the current network.

For gas transportation and distribution assets in Argentina, Brazil, Chile and Mexico, the same strategy as applied for Spain is envisaged although with slower implementation and always in line with each country's energy policies.

g. Supply

As at 30 June 2025, the Supply business CGU has net operating assets, excluding goodwill, amounting to Euros 144 million. The impact of climate change and the energy transition on the supply business is considered to be minor, as the lower demand for natural gas could be offset by expected higher growth resulting from the electrification of the economy and the supply of renewable gases.

The Group's current positioning, resulting from its investment focus on renewables and grids, puts it in a favourable position to address any transition risks. The Group considers that the opportunities arising from the decarbonisation of the global economy (growth in renewables, investment in integrating smart grids, electrification of demand, biomethane, and green hydrogen, among others) outweigh the risks.

3. Useful lives of non-financial assets

The energy transition and the pace at which it progresses may impact the remaining useful life of assets. Nevertheless, Naturgy reviews the useful life of its assets at least at the end of each annual period.

Determining the useful lives of non-financial assets requires estimates as to the level of utilisation of the assets, the expected technological developments and the existence of legal limits or any other restrictions on their use that might arise. Based on the assumptions used in relation to Naturgy's assets, in the first half of 2025 there were no potential direct or indirect impacts arising from climate change making it necessary to re-estimate the useful life of the assets, not even in the specific case of gas transport and distribution infrastructures, considering the expected use of renewable gases in the short and medium term.

The calculation of the useful lives (Note 2.4.4 to the 2024 consolidated financial statements) of assets located in Spain takes into account the objectives of the NECP and the energy transition, the protocol signed with Enresa in the specific case of nuclear plants, and the terms of administrative concessions in the case of hydroelectric power plants. For gas and electricity distribution network assets, the regulations of each country have been taken into account, as well as the terms of the concessions.

As indicated in the previous section, a very significant percentage of the carrying amount of combined cycle gas turbine plants as at 30 June 2025 will have been depreciated by 2030, and they are expected to be fully depreciated by 2050.

4. Decommissioning provisions

The energy transition and the pace at which it progresses may also bring forward the decommissioning of combined cycle plants. Most of the combined cycle plants owned by Naturgy in Spain are expected to start decommissioning in the period 2042-2046, when they reach the end of their useful lives. In the case of Mexico, the useful lives of the plants conclude between 2041 and 2043, with the exception of the last facility commissioned, whose useful life expires in 2050, and it is assumed that they will be decommissioned at the end of their useful lives. However, to date, there is no national plan in Mexico for the closure of these facilities.

The hydroelectric plants are covered by temporary administrative concessions. Upon expiration of the administrative concessions, the plants revert to the State in good working order, which is achieved by maintenance programmes. Therefore, it is not necessary to recognise provisions for decommissioning except in cases where maintaining the plant upon expiration of the concession would be counter to the public interest or where it is not viable to continue operating it. Naturgy has recognised decommissioning provisions for these exceptional cases, which, in any case, represent a minor proportion of the total of this type of assets.

In addition to the decommissioning timeframe, Naturgy also uses a discount rate in line with the average remaining useful life of these assets.

5. Recoverability of deferred tax assets

Sufficient taxable profits are expected to be generated within the planning period to ensure the recovery of the deferred tax assets recognised for accounting purposes as at 30 June 2025. The recoverability of these assets was estimated using the same judgements and assumptions as for calculating the recoverable amount of non-financial assets.

6. Regulation

The Paris Agreement has had a major impact on the development of new climate policies and the adoption of new regulations. Since making the commitment to achieve climate neutrality by 2050 and adopting "The European Green Deal", which embodies its new growth strategy, the EU has approved various regulations in this area. Spain has also issued regulations in this area, notably the Climate Change and Energy Efficiency Law 7/2021; consequently, the regulations in connection with climate change and the energy transition are constantly in flux and might have negative effects or offer opportunities for the Group's activities.

In relation to the other countries where Naturgy operates, the company complies with energy policy and regulations on climate change, although the EU regulation is by far the most advanced.

7. Dividend distribution

Climate change risks are not expected to affect the Company's capacity to pay dividends to shareholders because of its strong cash flow and existing reserves.

In the case of regulated lines of business, a scenario in which the conditions for maintaining the current rate of investment continue to exist is compatible with the levels of dividend payments observed to date. However, in the case of deregulated lines of business, their future capacity to pay dividends is difficult to foresee due to unknown risks and uncertainties that might cause actual results, performance or events to differ substantially from those envisaged in the Group's projections.

8. Physical risks

The design and construction of Naturgy's assets serve to mitigate physical risks, whether related to climate change or otherwise, and the associated costs are included in the initial recognition of these assets in the consolidated balance sheet. Naturgy recognises the need to continue performing in-depth analysis and assessment of all its assets' resilience to climate change, while continuing to monitor this issue to ensure that its operations are safe and that the Group's facilities can continue to operate in extreme weather conditions.

In recent years, there have been no weather events with significant repercussions on operations or major financial losses. In particular, extreme rainfall produced major flash floods in Spain's Valencia region in October 2024 but did not have material consequences for operations or produce physical damage to the Group's assets located in the area, demonstrating their resilience, notably that of the gas distribution networks, the assets that were most exposed. This event did not result in any reassessment of the physical risks in the Group's asset impairment tests. No changes are anticipated in relation to climate change adaptation policy or the assessment of risks associated with extreme rainfall and flooding.

Naturgy continuously assesses the physical risks for each asset (see the assessment of these risks in section E1-9 of the 2024 Non-Financial Disclosures and Sustainability Report), and the impairment tests take them into account via each asset's generation/utilisation rates.

In the long term, Naturgy's business portfolio is expected to evolve with the energy transition, considering at all times the energy trilemma: security of supply, accessibility and affordability of energy, and mitigation of environmental impact. Decision-making on the future business portfolio will be guided by the pace of the company's progress as it moves towards meeting the objectives of the Paris Agreement. Setting the energy system on the path to net zero emissions will require unprecedented, coordinated action between energy suppliers, consumers and, above all, governments.

c. Geopolitical situation in Ukraine and the Middle East

During the first half of 2025, armed conflicts in Ukraine and the Middle East continued to be a source of geopolitical and economic instability worldwide.

The conflict between Ukraine and Russia, which began in February 2022, has continued without substantial progress towards a negotiated solution, resulting in prolonged attrition for both sides.

The energy environment has proven to be relatively stable as a result of high volumes in storage, diversification of procurement sources and moderate demand.

In this context, as part of its diversified portfolio, Naturgy has a long-term contract to procure gas of Russian origin that it entered into in 2013 with an international consortium formed by Novatek (50.1%), TotalEnergies (20%), CNPC (20%) and Silk Road Fund (9.9%). This contract has take-or-pay clauses that cover its entire term. Since the beginning of the conflict, Naturgy has received the volumes strictly established in the contract. In the first half of 2025, this contract accounted for 17% of Naturgy's overall procurements (similar in 2024).

On 6 May 2025, the European Commission presented a roadmap to completely eliminate energy imports from Russia (gas, oil and nuclear) by the end of 2027. This roadmap began to be implemented with the issuance on 17 June of a draft regulation that establishes binding measures for all Member State.

The main provisions of the proposed regulation include:

- A ban on entering into new spot contracts for Russian gas from 17 June 2025. Existing spot contracts may only be maintained until 17 June 2026, as part of a transition period.
- A ban on further imports of Russian gas (pipeline or LNG) from 1 January 2026, subject to exceptions.
- Derogation for long-term contracts (more than one year) signed before 17 June 2025, for which imports may be maintained until 1 January 2028.
- A ban on providing LNG terminal services to Russian customers or customers controlled by Russian entities from 1 January 2026, with an exception until 2028 for pre-existing contracts.
- Submission of national diversification plans: Member States must submit detailed plans for phasing out Russian gas by 1 March 2026, using a common template.

Under this proposed new regulatory framework, some energy companies, including Naturgy, may be affected by the application of the new restrictions, especially with regard to long-term supply contracts signed before the conflict.

Commenting on the possible legal implications for operators, European Energy Commissioner Dan Jørgensen said: "We have a very clear opinion from the legal team of the Commission stating that, since this would be a ban, companies would not get into legal problems. This is Force Majeure as if it has been a sanction." (Literal translation of the statements made by the European Commissioner included in Annex II Regulatory Framework).

The proposal is being dealt with under the ordinary legislative procedure, with joint participation of the European Parliament and the Council of the EU, which can make changes as co-legislators. Once the final regulation is adopted, it will be possible to assess its impact on European operators with long-term contracts.

None of Naturgy's counterparties are susceptible to being affected by existing or proposed sanctions. Moreover, it does not hold any interest in companies operating in Russia or Belarus or have investments in those countries, or cash balances or equivalent liquid assets that are restricted as a result of those measures and sanctions. For further details on interest rate, commodity price, credit and liquidity risks, see Note 13.

The conflict in the Middle East has reignited following the truce reached at the end of January 2025 between Israel and Palestinian armed groups in the Gaza Strip and after several exchanges of hostages. Meanwhile, on 13 June, Israel carried out a large-scale attack on Iran, triggering a military response from the latter. The United States joined the offensive with bombing raids on strategic targets in Iran on 22 June, and a ceasefire was announced between all sides on 24 June. Although the conflict has not had a significant direct impact on global energy supplies, it has contributed to keeping geopolitical risk premiums high in international markets.

In the first half of 2025, Naturgy resolved to terminate early the contract under which it had been providing operating and maintenance services to the Ramat Gavriel and Alan Tavor combined cycle gas turbine plants since 2019, through its subsidiary Spanish Israeli Operation and Maintenance Company Ltd. As at the date of authorisation of these condensed interim financial statements, that contract has not yet been effectively terminated. That company recognised gross operating profit of less than Euros 1 million in the first half of 2025.

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.

d. Estimated revenue from renewable energy generation facilities under the specific remuneration scheme

To determine the accounting adjustment for deviations in the market price for renewable generation facilities subject to the specific remuneration regime, as described in Note 2.4.25 to the consolidated financial statements for the year ended 31 December 2024, Naturgy considered the market prices for the years 2024, 2025 and 2026 established in Royal Decree-Law 5/2023, of 28 June, and the methodology to establish the weighted average value of the basket for the year 2025.

In accordance with the accounting treatment detailed in Note 2.4.25 to the consolidated financial statements for the year ended 31 December 2024, Naturgy determines, based on the best estimate of energy market price trends, whether leaving the remuneration system would have significantly more adverse economic consequences than remaining in it, without applying the general approach for the recognition of liabilities and only recognising an asset in the event of positive market deviations. The unrecognised liability in this connection amounted to Euros 15 million as at 30 June 2025 and Euros 17 million as at 31 December 2024.

2.6. Consolidation scope changes

Appendix I lists the changes to the consolidation scope in the six-month period ended 30 June 2025 and in 2024; the main changes are described below.

Year 2025

On 6 March 2025, Global Power Generation, S.A. increased capital by offsetting a debt owed by Global Power Generation Australia Pty, Ltd., increasing its stake in the share capital of that company (and its subsidiaries) by 0.5%.

There were no business combinations or asset acquisitions in the first half of 2025.

Year 2024

On 23 January 2024, Naturgy, through subsidiary Naturgy Renovables, S.L.U., acquired 14.8% of Evacuación Villanueva del Rey, S.L.

On 26 January 2024, Naturgy, through subsidiary Global Power Generation, S.A., acquired 15% of Sobral I Solar Energía SPE, Ltda. and 15% of Sertao I Solar Energía SPE, Ltda., as a result of which it now owns 75% of both companies.

On 19 April 2024, Naturgy, through subsidiary Fraser Coast Development Finco PTY, Ltd., acquired 100% of Fraser Coast Solar Development PTY, Ltd.

On 7 August 2024, Naturgy sold its 99.9% stake in Agua Fría Solar, LLC. through its subsidiary Naturgy Candela Devco, LLC, with a pre-tax gain of Euros 4 million.

On 11 November 2024, through its subsidiary Naturgy Nuevas Energías, S.L.U., Naturgy acquired 100% of the companies Bio Madrideojos, S.L.U., Biobarrax Albacete, S.L.U., Bio Tarancón, S.L.U., Bio Caspe, S.L.U., GNR Andalucía, S.L.U., Biogas Mediana, S.L.U., Bio Carmona, S.L.U., Bio Criptana, S.L.U., Bio Membrilla, S.L.U., Bio Corral de Almaguer, S.L.U., Biogas Lucainena, S.L.U., Bio Loja, S.L.U., Bio Vilches, S.L.U. and Bio Tobarra, S.L.U.

On 20 November 2024, Empresa Chilena de Gas Natural, S.A. acquired from Metrogas, S.A. the remaining 50% of Centrogas, S.A., thus attaining 100% of Centrogas, S.A., and the latter was merged into Empresa Chilena de Gas Natural, S.A. and dissolved. On the same date, Metrogas, S.A. acquired from an unrelated third party the remaining 0.10% interest in Financiamiento Doméstico, S.A., thus attaining 100% of Financiamiento Doméstico, S.A., which was merged into Metrogas, S.A. and dissolved.

For acquisitions of companies in 2024, Naturgy carried out an analysis of each acquisition to determine, where applicable, whether a business or a group of assets was being acquired, and concluded that no business combinations took place in 2024.

Note 3. Operational segment financial information

Naturgy's operating segment structure is aligned and coherent with the model for reporting to the Board of Directors, which is responsible for regularly reviewing the results of the segments within the company's operational decision-making process in order to decide on the resources to be allocated to each of them and assess their performance.

As at 30 June 2025, the operating segments are grouped into two large blocks, Distribution Networks and Energy Markets:

- **Distribution Networks:** groups together the business segments devoted to managing regulated gas and electricity distribution and transport infrastructures:
 - **Gas Spain:** regulated gas distribution business in Spain.
 - **Gas Mexico:** regulated gas distribution and supply in Mexico.
 - **Gas Brazil:** regulated gas distribution and supply in Brazil.
 - **Gas Argentina:** regulated gas distribution and supply in Argentina.
 - **Gas Chile:** regulated gas distribution and supply in Chile.
 - **Electricity Spain:** regulated electricity distribution in Spain.
 - **Electricity Panama:** regulated electricity distribution and supply in Panama.
 - **Electricity Argentina:** regulated electricity distribution and supply in Argentina.

This block also includes a holding company carrying out horizontal activities directly linked to this grouping's businesses.

- **Energy Markets:** includes the deregulated business segments as follows:
 - **Energy Management:** includes the following activities:
 - liquefied natural gas trading and shipping;
 - procurement and other gas infrastructure management, and supply to energy-intensive consumers; and
 - management of the Medgaz gas pipeline (equity-accounted).
 - **Thermal Generation:**
 - **Spain:** includes management of the conventional thermal generation fleet (which uses fuel to produce heat and which is not covered by a special regime) in Spain (nuclear and combined cycle).
 - **Latin America:** includes management of the conventional thermal generation facilities in Mexico, the Dominican Republic and Puerto Rico, the latter being equity-accounted through EcoEléctrica LP.
 - **Renewable Generation:**
 - **Spain:** includes management of facilities and generation projects using wind energy, mini hydro, solar and cogeneration, as well as hydroelectric power generation located in Spain, and the development pipeline in other European countries.
 - **USA:** includes managing photovoltaic generation fleet and projects being developed in the United States.
 - **Latin America** includes the management of the facilities and renewable electricity generation projects located in Latin America (Brazil, Chile, Costa Rica, Mexico and Panama).
 - **Australia:** includes management of the existing renewable power generation fleet and project pipeline in Australia.
 - **Renewable Gases:** management of renewable gas projects, mainly biomethane and green hydrogen.
 - **Supply:** its goal is to manage the supply of gas, electricity and services to end customers by adopting new technologies and services and exploiting the brand's full potential.

A holding company carrying out cross-cutting activities directly linked to the grouping's businesses is also included.

- **Other:** basically includes the corporation's operating expenses and other lesser and residual activities.

Segment results and investments for the periods of reference are as follows:

Segment financial information – Interim consolidated balance sheet

2025	Networks										Markets										Rest	Eli.	Total	
	Gas Spain	Gas Mexico	Gas Brazil	Gas Argentina	Gas Chile	Elec. Spain	Elec. Panama	Elec. Argentina	Holding and Eli.	Total	Energy Management	Thermal Generation		Renewable Generation			Renewable gases	Supply	Holding and Eli.	Total				
												Spain	LatAm	Spain	USA	LatAm								Australia
Consolidated net sales	463	427	533	298	383	454	500	97	—	3,155	2,129	670	409	73	10	77	47	19	3,368	3	6,805	1	—	9,961
Net sales between segments	33	—	—	—	—	15	—	—	—	48	993	515	—	346	—	4	1	1	477	(1,428)	909	—	(957)	—
Net sales	496	427	533	298	383	469	500	97	—	3,203	3,122	1,185	409	419	10	81	48	20	3,845	(1,425)	7,714	1	(957)	9,961
Procurements	(47)	(279)	(369)	(153)	(206)	—	(365)	(53)	—	(1,472)	(2,577)	(805)	(233)	(27)	—	(22)	(1)	(16)	(3,340)	1,424	(5,597)	—	957	(6,112)
Personnel expenses, net	(27)	(13)	(12)	(21)	(14)	(24)	(5)	(9)	(5)	(130)	(17)	(33)	(12)	(23)	(3)	(7)	(3)	(5)	(38)	(8)	(149)	(11)	—	(290)
Other operating income/ expenses / grants / gains and losses on disposals of fixed assets	(46)	(16)	(34)	(47)	(23)	(57)	(27)	(12)	(2)	(264)	(4)	(181)	(17)	(121)	(4)	(13)	(12)	(3)	(81)	(5)	(441)	(6)	—	(711)
EBITDA	376	119	118	77	140	388	103	23	(7)	1,337	524	166	147	248	3	39	32	(4)	386	(14)	1,527	(16)	—	2,848
Depreciation, amortisation & impairment losses	(127)	(29)	(25)	(7)	(29)	(137)	(30)	—	—	(384)	(46)	(67)	(31)	(144)	(22)	(13)	(23)	(2)	(74)	—	(422)	(19)	—	(825)
Impairment due to credit losses	(1)	(4)	(10)	(3)	—	—	(4)	(1)	—	(23)	—	(6)	—	—	—	—	—	—	(45)	—	(51)	—	—	(74)
Other results	—	—	—	—	19	—	—	—	(10)	9	1	—	—	—	—	4	—	—	—	—	5	—	—	14
Operating results	248	86	83	67	130	251	69	22	(17)	939	479	93	116	104	(19)	30	9	(6)	267	(14)	1,059	(35)	—	1,963
Net financial income/(expense)	(56)	(22)	(6)	4	(7)	(77)	(35)	(2)	(9)	(210)	(10)	(11)	(1)	(37)	(3)	13	(34)	—	14	(27)	(96)	1,312	(1,251)	(245)
Results of equity-consolidated companies	—	5	—	—	17	1	—	—	—	23	15	—	36	2	—	—	—	—	—	—	53	—	—	76
Income tax	(57)	(26)	(28)	(23)	(39)	(46)	(10)	(10)	(6)	(245)	(105)	(21)	(33)	(18)	(1)	(4)	(4)	2	(58)	1	(241)	5	—	(481)
Invest. in property, plant & equipment, intangible assets and right of use assets	57	31	27	14	23	160	65	13	—	390	37	82	10	175	80	8	70	1	85	—	548	7	—	945
2024	Networks										Markets										Rest	Eli.	Total	
	Gas Spain	Gas Mexico	Gas Brazil	Gas Argentina	Gas Chile	Elec. Spain	Elec. Panama	Elec. Argentina	Holding and Eli.	Total	Energy Management	Thermal Generation		Renewable Generation			Renewable gases	Supply	Holding and Eli.	Total				
												Spain	LatAm	Spain	USA	LatAm								Australia
Consolidated net sales	471	332	797	224	397	398	510	97	—	3,226	2,055	332	415	46	4	72	16	22	2,880	2	5,844	1	—	9,071
Net sales between segments	40	—	—	—	—	17	—	—	—	57	541	317	—	349	—	4	—	—	513	(1,184)	540	—	(597)	—
Net sales	511	332	797	224	397	415	510	97	—	3,283	2,596	649	415	395	4	76	16	22	3,393	(1,182)	6,384	1	(597)	9,071
Procurements	(50)	(159)	(617)	(119)	(115)	—	(355)	(43)	—	(1,458)	(2,139)	(396)	(196)	(17)	—	(17)	—	(17)	(2,839)	1,181	(4,440)	—	597	(5,301)
Personnel expenses, net	(26)	(11)	(10)	(25)	(13)	(22)	(4)	(9)	(6)	(126)	(14)	(31)	(11)	(23)	(2)	(7)	(3)	(3)	(37)	(9)	(140)	(22)	—	(288)
Other operating income/ expenses / grants / gains and losses on disposals of fixed assets	(42)	(14)	(32)	(42)	(25)	(52)	(23)	(15)	—	(245)	(59)	(125)	(20)	(106)	(5)	(13)	7	(3)	(65)	—	(389)	(2)	—	(636)
EBITDA	393	148	138	38	244	341	128	30	(6)	1,454	384	97	188	249	(3)	39	20	(1)	452	(10)	1,415	(23)	—	2,846
Depreciation, amortisation & impairment losses	(130)	(32)	(28)	(4)	(28)	(131)	(29)	—	—	(382)	(43)	(50)	(40)	(122)	(4)	(16)	(17)	(2)	(69)	—	(363)	(19)	—	(764)
Impairment due to credit losses	(1)	(12)	(8)	(3)	1	1	(6)	(1)	—	(29)	42	(14)	(2)	(3)	—	—	—	(1)	(44)	—	(22)	18	—	(33)
Other results	—	—	—	—	42	—	—	—	—	42	(235)	—	—	—	—	—	—	—	—	—	(235)	—	—	(193)
Operating results	262	104	102	31	259	211	93	29	(6)	1,085	148	33	146	124	(7)	23	3	(4)	339	(10)	795	(24)	—	1,856
Net financial income/(expense)	(48)	(28)	7	(19)	32	(79)	(40)	(12)	(14)	(201)	(49)	(10)	6	(31)	(1)	8	(16)	(1)	12	(26)	(108)	864	(770)	(215)
Results of equity-consolidated companies	—	1	—	—	9	1	—	—	—	11	17	—	32	(4)	—	—	—	—	—	—	45	—	—	56
Income tax	(61)	(29)	(38)	(1)	(78)	(33)	(16)	(9)	9	(256)	(11)	(10)	(40)	(23)	(7)	28	(2)	1	(97)	1	(160)	34	—	(382)
Invest. in property, plant & equipment, intangible assets and right of use assets	52	32	27	9	25	182	51	8	—	386	3	58	14	207	145	3	102	2	63	—	597	7	—	990

Note 4. Non-financial asset impairment losses

Definition of Cash Generating Units

As at 30 June 2025, the Cash-Generating Units (CGUs) are grouped in accordance with the description of the business structure set out in Note 4 "Non-financial asset impairment losses" to the consolidated financial statements for the year ended 31 December 2024.

Impairments

As indicated in the 2024 consolidated financial statements, non-financial assets are tested for impairment whenever an event or change in circumstances indicates that their carrying amount might not be recoverable, and it is reviewed at least once per year in the case of goodwill or intangible assets that are either not in operation or have an indefinite useful life.

As at 30 June 2025, Naturgy has not identified any general indications of impairment that would require a global review of the estimates of the recoverable value of its Cash Generating Units (CGUs), which were last updated at 2024 year-end based on the 2025-2027 Strategic Plan, approved by the Board of Directors on 18 February 2025.

Accordingly, no new recoverable amount assessments have been performed, with the exception of the valuation in those CGUs where specific circumstances have arisen that may have significantly changed the previous estimates.

The current macroeconomic environment was also considered, resulting from a combination of effects mainly related to inflation, interest rates, geopolitical risks and uncertainties. Naturgy's management model ensures that any signs of impairment that might arise as a result of the current macroeconomic environment are identified in a timely manner, allowing appropriate action to be taken.

The most sensitive aspects of the projections used are as follows:

- Renewable Generation United States:

As detailed in Appendix II, the inauguration of the new administration in January 2025 led to major legislative developments during the early months of the year. The main measures adopted include those aimed at protecting local manufacturing industry, and relaxing the country's climate change commitments.

In this context, the impact of legislative developments on projects under construction and on the pipeline of projects under development has been reviewed. Regarding projects under construction, Grimes (261 MW), in Texas, started to feed power to the grid in March 2025 while operating in test mode and is not expected to be materially affected by the new measures since, although there are bills that will eliminate clean energy tax credits, they will not affect projects that had already been approved. In the case of Mark Center (125 MW), no material impact is estimated, except for additional costs for components not purchased from domestic suppliers, for which work is already underway to minimise the impact of the new tariffs, planning according to the established exemption windows.

There is persisting uncertainty as to what action the new administration may take with regard to the pipeline of projects under development. However, apart from the tariff measures, the final impact of which is still under evaluation, at the date of authorisation of these condensed interim consolidated financial statements no provisions have been approved that would result in an impairment of this portfolio. In parallel, the various measures are being analysed with the aim of mitigating possible impacts on the development pipeline.

Asset impairment losses

As a result of the impairment tests that were updated in 2024 in line with the Strategic Plan 2025-2027, and after comparing the recoverable values (calculated in accordance with the methodology described in Note 2.4 to the consolidated financial statements for the year ended 31 December 2024) with the recognised carrying amounts, it was not found necessary to recognise or reverse impairment in these Condensed interim consolidated financial statements apart from:

Six-month period ended 30 June 2025

In the Renewable Generation Spain CGU, impairment amounting to Euros 15 million was recognised based on the assessment of the impact of a court ruling declaring illegal a wind farm that had been operating since 2010, Euros 3 million due to the presentation of additional appeals against permits granted to wind farms (Note 26), and Euros 6 million relating to rejected projects. In addition, an impairment charge of Euros 16 million was recognised for a project under development in the United States the amount of which is not recoverable. These impairments were recognised in the amount of Euros 36 million under "Depreciation & impairment losses" for property, plant and equipment, and of Euros 4 million under "Amortisation and impairment losses" for intangible assets.

Six-month period ended 30 June 2024

An impairment charge of Euros 4 million was recognised under "Depreciation and impairment losses" for property, plant and equipment at the Renewable Generation Spain CGU due to the assessment of the impact if appeals against the permits for several wind farms under construction prove to be successful.

Note 5. Intangible assets, property, plant and equipment, and right-of-use assets

The changes in the six-month period ended 30 June 2025 are as follows:

	Goodwill	Other intangible assets	Total intangible assets	Property, plant and equipment	Right-of-use assets
Gross cost	2,948	6,324	9,272	41,832	2,005
Accumulated depreciation	—	(3,017)	(3,017)	(19,172)	(776)
Impairment losses	—	(275)	(275)	(3,193)	—
Carrying amount at 31.12.2024	2,948	3,032	5,980	19,467	1,229
Investment (Note 3)	—	177	177	720	48
Divestment	—	—	—	(13)	(9)
Amortisation charge (Note 18)	—	(172)	(172)	(552)	(61)
Impairment losses (Note 4 & 18)	—	(4)	(4)	(36)	—
Currency translation differences (1)	(57)	(116)	(173)	(541)	(26)
Reclassifications and other (2)	—	10	10	21	3
Carrying amount at 30.06.2025	2,891	2,927	5,818	19,066	1,184
Gross cost	2,891	6,283	9,174	41,319	2,014
Accumulated depreciation	—	(3,118)	(3,118)	(19,130)	(830)
Impairment losses	—	(238)	(238)	(3,123)	—
Carrying amount at 30.06.2025	2,891	2,927	5,818	19,066	1,184

(1) Includes the effect of inflation in Argentina.

(2) Mainly includes:

- recognition of assets in connection with plant decommissioning costs (Note 11).
- items acquired for inclusion in property, plant and equipment held in the Group's warehouses.

As detailed in Note 4, an impairment charge of Euros 40 million (Euros 4 million in the first half of 2024) was recognised in relation to several wind farms and solar projects in the Renewable Generation Spain business, as well as a project asset in the Renewable Generation US business.

As at 30 June 2025, Naturgy had investment commitments totalling Euros 243 million (Euros 433 million as at 31 December 2024) relating basically to the construction of new renewable generation facilities and the development of the gas and electricity distribution network.

The changes in, and composition of, goodwill by CGU in the six-month period ended 30 June 2025 are as follows:

	01.01.2025	Currency translation differences	Impairment losses	30.06.2025
Networks	1,298	(21)	—	1,277
Gas Mexico	20	(1)	—	19
Gas Brazil	12	—	—	12
Gas Chile	52	(3)	—	49
Electricity Spain	1,070	—	—	1,070
Electricity Panama	144	(17)	—	127
Markets	1,650	(36)	—	1,614
Energy Management	19	—	—	19
Thermal Generation	309	(36)	—	273
LatAm	309	(36)	—	273
Renewable Generation	895	—	—	895
Spain	885	—	—	885
LatAm	8	—	—	8
USA	2	—	—	2
Supply	427	—	—	427
Total	2,948	(57)	—	2,891

Note 6. Investments in companies recognised using the equity method

Associates and joint ventures

In the six-month periods ended 30 June 2025 and 30 June 2024 there were no significant changes in equity-accounted investments. The changes in this heading relate basically to variations in these companies' equity.

Note 7. Financial assets

The breakdown of financial assets at 30 June 2025 and 31 December 2024, classified by nature and category, is as follows:

30.06.2025	Fair value through other comprehensive income	Fair value through profit or loss	Amortised cost	Total
Equity instruments	6	—	—	6
Derivatives (Note 13)	52	—	—	52
Other financial assets	—	—	334	334
Non-current financial assets	58	—	334	392
Derivatives (Note 13)	50	16	—	66
Other financial assets	—	—	134	134
Current financial assets	50	16	134	200
Total	108	16	468	592

31.12.2024	Fair value through other comprehensive income	Fair value through profit or loss	Amortised cost	Total
Equity instruments	8	—	—	8
Derivatives (Note 13)	53	—	—	53
Other financial assets	—	—	358	358
Non-current financial assets	61	—	358	419
Derivatives (Note 13)	109	33	—	142
Other financial assets	—	—	329	329
Current financial assets	109	33	329	471
Total	170	33	687	890

Financial assets recognised at fair value as at 30 June 2025 and 31 December 2024 are classified as follows:

Financial assets	30.06.2025				31.12.2024			
	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (non-observable variables)	Total	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (non-observable variables)	Total
Fair value through other comprehensive income	—	102	6	108	—	162	8	170
Fair value through profit or loss	—	16	—	16	—	33	—	33
Total	—	118	6	124	—	195	8	203

Fair value through other comprehensive income

- Equity instruments:

As described in Note 9 to the consolidated financial statements as at 31 December 2024, this includes the 85.4% holding in Electrificadora del Caribe, S.A. ESP (Electricaribe), valued at Euros 0 million at 30 June 2025 and 31 December 2024. In connection with this holding and its impairment, a deferred tax asset for the amount of Euros 105 million is recognised as at 30 June 2025 and 31 December 2024 relating to the tax loss that will be deductible once the company is liquidated.

This heading also includes minor shareholdings in unlisted companies amounting to Euros 6 million (Euros 8 million as at 31 December 2024).

- Derivatives:

Relates to the valuation of hedging derivatives linked to financial liabilities amounting to Euros 102 million (Note 13), of which Euros 50 million are classified as current assets (Euros 162 million as at 31 December 2024, of which Euros 109 million were classified as current assets).

Fair value through profit or loss

- Derivatives:

Included are derivatives linked to the financial liabilities of Ibereólica Cabo Leones II amounting to Euros 16 million as at 30 June 2025 (Euros 33 million as at 31 December 2024, which included the financial derivatives of the companies Ibereólica Cabo Leones II and GPG Solar Chile 2017, S.p.A.) (Note 13). The financial derivatives of GPG Solar Chile 2017, S.p.A. were settled in June 2025 (see Note 20). At the date of authorisation of these condensed interim consolidated financial statements, as indicated in Note 12, certain obligations under the project financing agreement of both projects have been breached and, therefore, the outstanding derivatives associated with that debt have been classified as current. At 31 December 2024, certain obligations had also been breached in both projects.

In the first half of 2025, these derivatives generated hedging inefficiencies whose negative impact, amounting to Euros 3 million, was recognised under “Variations in fair value of financial instruments” in the interim consolidated income statement as at 30 June 2025 (Euros 10 million positive impact as at 30 June 2024) (Note 20).

Amortised cost

The breakdown as at 30 June 2025 and 31 December 2024 is as follows:

	30.06.2025	31.12.2024
Commercial loans	32	31
Deposits and guarantees deposits	106	110
Other loans	196	217
Other non-current financial assets	334	358
Commercial loans	12	11
Gas system revenue deficit	43	75
Gas system income deficit	—	149
Dividend receivable	—	21
Deposits and guarantees deposits	50	45
Other loans	29	28
Other current financial assets	134	329
Total	468	687

Other financial assets as at 30 June 2025 contain mainly the following:

- Trade accounts receivable totalling Euros 44 million (Euros 42 million as at 31 December 2024) that include mainly receivables from financial leases of energy management facilities that accrued interest at an average rate of 4.95% in the first half of 2025 (3.92% in 2024).
- Deposits and guarantees amounting to Euros 156 million (Euros 155 million as at 31 December 2024) basically including amounts deposited with the competent public authorities, under applicable legislation, in respect of deposits and guarantees received from customers when contracts are signed for the supply of electricity and natural gas, as well as deposits related to derivative positions arranged in organised markets.
- “Other receivables” includes basically:
 - The value of the Torito generation concession in Costa Rica, which is treated as receivable under IFRIC 12 “Service concession arrangements” in the amount of Euros 83 million (Euros 95 million at 31 December 2024), of which Euros 14 million is classified in current assets (Euros 14 million as at 31 December 2024). These receivables are classified under this heading as they represent an unconditional right to receive fixed or determinable amounts of cash.
 - Receivables of Euros 99 million relating to the accrued electricity distribution remuneration that is outstanding under system settlements and will be collected through these settlements in a term greater than 12 months (Euros 94 million as at 31 December 2024), classified as non-current assets.
- Temporary mismatches between electricity system revenues and costs funded by Naturgy pursuant to Law 24/2013, of 26 December. This amount will be recovered through electricity system settlements. The amount of this financing has been recognised entirely as a short-term item on the understanding that it is a temporary mismatch that will be recovered through system settlements within the same year. As at 30 June 2025, it amounts to Euros 43 million (Euros 75 million as at 31 December 2024).
- As at 31 December 2024, this item included temporary mismatches between gas system revenues and costs amounting to Euros 149 million which, pursuant to Order TED/1022/2021 of 27 September, must be recovered in the following gas year. Specifically, Order TED 1022/2021 stipulates that the mismatch in the year will be recovered through the first available settlement of the following gas year. As at 30 June 2025, these temporary mismatches are included in “Other current financial liabilities” (Note 12). The entire amount of this financing has been recognised as a short-term item on the understanding that it is a temporary mismatch that will be recovered through system settlements within one year.

Note 8. Other non-current assets and trade and other receivables

The breakdown of "Other non-current assets" and "Trade and other receivables" as at 30 June 2025 and 31 December 2024, by nature and category, is as follows:

30.06.2025	Fair value through other comprehensive income	Fair value through profit or loss	Amortised cost	Total
Derivatives (Note 13)	88	4	—	92
Other assets	—	—	245	245
Other non-current assets	88	4	245	337
Derivatives (Note 13)	73	22	—	95
Other assets	—	—	2,861	2,861
Trade and other receivables	73	22	2,861	2,956
Total	161	26	3,106	3,293

31.12.2024	Fair value through other comprehensive income	Fair value through profit or loss	Amortised cost	Total
Derivatives (Note 13)	58	1	—	59
Other assets	—	—	281	281
Other non-current assets	58	1	281	340
Derivatives (Note 13)	58	10	—	68
Other assets	—	—	3,773	3,773
Trade and other receivables	58	10	3,773	3,841
Total	116	11	4,054	4,181

Financial assets recognised at fair value as at 30 June 2025 and 31 December 2024 are classified as follows:

	30.06.2025				31.12.2024			
Financial assets	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (non-observable variables)	Total	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (non-observable variables)	Total
Fair value through other comprehensive income	3	158	—	161	—	116	—	116
Fair value through profit or loss	—	26	—	26	—	11	—	11
Total	3	184	—	187	—	127	—	127

Fair value through other comprehensive income

Derivatives at fair value through other comprehensive income recognised under financial assets include operational gas price hedging derivatives amounting to Euros 123 million (Euros 102 million as at 31 December 2024), of which Euros 57 million are classified as non-current (Euros 45 million as at 31 December 2024) and hedges covering the purchase of EU emission allowances (EUAs) in the amount of Euros 3 million.

Also included are derivatives associated with long-term power purchase agreements for certain facilities in Australia amounting to Euros 35 million, of which Euros 31 million are classified as non-current (Euros 14 million as at 31 December 2024, of which Euros 13 were classified as non-current).

Fair value through profit or loss

As at 30 June 2025, derivative financial assets at fair value through profit or loss include gas price operating derivatives amounting to Euros 14 million, of which Euros 4 million are classified as non-current and Euros 10 million as current, as well as exchange rate hedge operating derivatives amounting to Euros 12 million, classified in their entirety as current

As at 31 December 2024, this item included gas price operating derivatives amounting to Euros 9 million, of which Euros 8 million were classified as current and Euros 1 million as non-current, as well as exchange rate hedge operating derivatives amounting to Euros 2 million, classified in their entirety as current.

Amortised cost

The breakdown as at 30 June 2025 and 31 December 2024 is as follows:

	30.06.2025	31.12.2024
Receivable, revenue from capacity services (Contract Asset)	98	110
Other receivables	147	171
Other non-current assets	245	281
Trade receivables	2,971	3,596
Provision for impairment due to debtor credit losses	(702)	(745)
Trade receivables for sales and services	2,269	2,851
Public Administrations	88	117
Prepayments	108	121
Receivable, revenue from capacity services (Contract Asset)	82	75
Sundry receivables	283	567
Other receivables	561	880
Current income tax asset	31	42
Trade and other receivables	2,861	3,773
Other non-current assets and trade and other receivables	3,106	4,054

The Receivables recognised due to straight-line application over the contract term of agreements for the assignment of electricity generation capacity to the Mexican Federal Electricity Commission (Contract asset).

"Other non-current receivables" includes an amount of Euros 73 million (Euros 72 million as at 31 December 2024) in connection with the Brazilian Federal Supreme Court's decision of May 2021 in favour of Naturgy companies CEG and CEG Rio in which it recognised their entitlement to collect the amounts paid unduly as a result of the inclusion of the Imposto sobre Operações relativas à Circulação de Mercadorias e Prestação de Serviços de Transporte Interestadual e Intermunicipal e de Comunicação (ICMS) in the calculation base of the Programas de Integração Social (PIS) and the Contribuição para Financiamento da Seguridade Social (COFINS). This asset, which the Brazilian companies were entitled to offset from December 2023, was recognised with a credit to an account payable under "Other non-current liabilities" in the consolidated balance sheet based on the understanding that the tax credit will be passed on to end customers through tariff revisions, though not in the short term. As at 30 June 2025, the amount recognised for this item in "Other non-current liabilities" is Euros 113 million (Euros 109 million as at 31 December 2024).

In addition, as at 30 June 2025, "Other receivables" heading includes Euros 82 million associated with adjustments for price deviations at Renewable Generation Spain facilities that operate under the specific remuneration system (Euros 93 million as at 31 December 2024), of which Euros 9 million are classified as current.

The Trade receivables account includes the accumulated balances for electricity and gas sales yet to be invoiced, amounting to Euros 1,465 million as at 30 June 2025 (Euros 1,160 million as at 31 December 2024).

"Sundry debtors" includes Euros 130 million outstanding from Sonatrach in connection with the regularisation of the 2024 price of the gas procurement contract; an agreement has been reached to settle this item in 2025 (Euros 351 million as at 31 December 2024).

As at 30 June 2025, Naturgy had recognised unmatured balances totalling Euros 529 million (Euros 600 million as at 31 December 2024) that have been factored without recourse and, consequently, were derecognised from the consolidated balance sheet as at 30 June 2025 and 31 December 2024.

Note 9. Non-current assets and disposal groups of assets held for sale and discontinued operations

As at 30 June 2025 and 31 December 2024, the Group had not recognised any non-current assets held for sale or any related liabilities.

As at 30 June 2025, the Group had not generated any profit or loss from discontinued operations.

As at 30 June 2024, "Profit for the period from discontinued operations, net of taxes", amounted to Euros 22 million, including Euros 18 million for the re-estimate of the indemnities agreed with the buyer in the sale of the Electricity Distribution Chile business, which was completed in July 2021, and Euros 4 million associated with the sale of the Gas Distribution Italy business that was completed in February 2018.

Coal-fired generation in Spain was discontinued in 2020. In the first half of 2025, decommissioning work continued at the facilities, and is expected to be completed in the next few months at the two plants where it is still pending completion (see Note 16).

Note 10. Equity

The main equity items are analysed below:

Share capital and share premium

The variations during the first half of 2025 and in 2024 in the number of shares and the share capital and share premium accounts were as follows:

	Number of shares	Share capital	Share premium	Total
01.01.2024	969,613,801	970	3,808	4,778
Variation	—	—	—	—
31.12.2024	969,613,801	970	3,808	4,778
Variation	—	—	—	—
30.06.2025	969,613,801	970	3,808	4,778

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

There were no changes in the number of shares or in the "Share capital" and "Share premium" accounts in the six-month period ended 30 June 2025 or the year ended 31 December 2024.

The Company's Board of Directors, for a maximum term of five years as from 15 March 2022, is empowered to increase share capital by a maximum of 50% of the Company's share capital at the time of the authorisation, at one or more times, through cash payments at the time and in the amount that it deems fit, by issuing ordinary, privileged or redeemable shares, with or without voting rights, with or without a share premium, without requiring any further authorisation from the shareholders, with the power to partly or wholly override preferential subscription rights, up to a limit of 20% of share capital at the date of this authorisation, and to amend the Articles of Association as required due to the capital increase or increases performed by virtue of that authorisation, with provision for incomplete subscription, all in accordance with the provisions of Article 297.1.b) of the Capital Companies Law. Additionally, based on this authorisation, it will carry out any necessary procedures and actions before domestic and overseas securities market agencies to request the listing, continuance and/or, as the case may be, delisting of the issued shares.

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 main holdings in the share capital of Naturgy Energy Group as at 30 June 2025 and 31 December 2024, based on publicly available information or disclosures made to Naturgy Energy Group, S.A., are as follows:

	Interest in share capital %	
	30.06.2025	31.12.2024
- Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" (1)	24.0	26.7
- BlackRock Inc. (2)	18.7	20.9
- CVC Capital Partners SICAV-FIS, S.A. (3)	18.6	20.7
- IFM Global Infrastructure Fund (4)	15.2	16.9
- Sonatrach (5)	4.1	4.1

(1) Through Criteria Caixa S.A.U.

(2) Since the acquisition of Global Infrastructure Partners on 1 October 2024, according to the notification of significant shareholdings to the CNMV. The indirect shareholding is held mainly through GIP III Canary 1, S.à.r.l., which has a direct shareholding of 18.5%.

(3) Through Rioja Acquisitions S.à.r.l.

(4) Through Global InfraCo O (2), S.a.r.l.

(5) Société Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures.

All Naturgy shares are traded on the four official Spanish stock exchanges and the continuous market, and form part of Spain's Ibex 35 stock index.

On 30 June 2025, the share price of Naturgy Energy Group, S.A. stood at Euros 27.00. On 31 December 2024, the share price was Euros 23.38.

In February 2024, Morgan Stanley Capital International (MSCI), a global benchmark for institutional investments and numerous mutual funds and exchange-traded funds, announced changes to the composition of several of its indexes. As a result, Naturgy ceased to be a component of several MSCI indices, effective as of market close on the last business day of February 2024. The exclusion was based on the market value of Naturgy's free float, which had fallen below MSCI's minimum inclusion thresholds, and was unrelated to its current operating and financial performance.

As stated in Note 1, and in the "Treasury shares" section of this Note, Naturgy has carried out a public, voluntary and partial tender offer for its own shares, the main purpose of which is to re-establish adequate levels of free float with the goal of returning to the main stock market indexes, and in particular to the MSCI indexes mentioned above, within the period set out in the 2025-2027 Strategic Plan.

Share-based payments

On 31 July 2018, the Board of Directors approved a long-term variable incentive plan (ILP) for the Executive Chairman and other executives. The main characteristics of the plan were made public in the form of a regulatory disclosure on 6 December 2018 and were approved by the general meeting of shareholders on 5 March 2019. This incentive initially covered the term of the 2018-2022 Strategic Plan but, on 25 November 2021, the Board decided to extend it until December 2025 to coincide with the expiration of the new 2021-2025 Strategic Plan.

On 22 April 2024, at the proposal of the Executive Chairman and in order to be able to act with absolute independence and neutrality and to avoid any conflict of interest linked to the outcome of any potential bid for Naturgy shares, the Board of Directors approved an amendment to the Executive Chairman's long-term variable incentive plan. Through this amendment, the Company returned to the original remuneration scheme provided for in his February 2018 contract and in the Remuneration Policy approved by the Shareholders' Meeting in June 2018.

The amended scheme was linked to the objectives of the Strategic Plan, and is no longer share-based. However, the main terms of the previous plan were maintained, such as the possibility of forfeiting the incentive, the duration and expiration of the plan, and the clawback clause. Additionally, under the amended plan, the Chairman may not receive more than he might have collected under the previous ILP scheme.

On 18 February 2025, Naturgy's Board of Directors approved the 2025-2027 Strategic Plan and, consequently, the early expiry of the long-term variable incentive plan. Furthermore, based on a proposal of the Appointments, Remuneration and Corporate Governance Committee, the Board of Directors decided to settle in cash, instead of shares, the value of the surplus accumulated by the corporate vehicle in accordance with the conditions established initially.

Following the approval of the early expiry of the long-term variable incentive plan, the rights vested early at the settlement date and, consequently, an amount of Euros 2 million (Euros 1 million in the first half of 2024) was recognised in the interim consolidated income statement under "Personnel expenses" with a credit to "Reserves" in the interim consolidated balance sheet (Note 16).

In addition, in a General Meeting held on 25 March 2025, the shareholders ratified the Board of Directors' resolution adopted at a meeting on 22 April 2024 to amend the long-term variable remuneration system for the Executive Chairman, as indicated above.

Following the approval of the above-mentioned amendments to the long-term variable incentive plan by the Board of Directors and ratification by the General Shareholders' Meeting, the total liability of the commitment accrued between 2018 and 2025 was recognised at fair value at the settlement date as a reclassification of equity and, subsequently, the 23 executives who were beneficiaries were paid. The settlement for the seven-year period from 2018 to 2025 amounted to an amount of Euros 9,584 thousand per year.

Treasury shares

Movements in treasury shares of Naturgy Energy Group, S.A. in the six-month period ended 30 June 2025 and in 2024 were as follows:

	Number of shares	Amount (million euro)	% Capital
01.01.2024	8,879,595	206	0.9 %
Share Acquisition Plan	—	—	— %
30.06.2024	8,879,595	206	0.9 %
Share Acquisition Plan	—	—	— %
31.12.2024	8,879,595	206	0.9 %
Tender offer	88,000,000	2,332	9.1 %
30.06.2025	96,879,595	2,538	10.0 %

At the date of publication of the notification of the tender offer (14 March 2025), Naturgy held 8,879,595 treasury shares, of which 8,639,595 shares were classified as indirect treasury shares as they were held by Naturgy Alfa Investments, S.A.U. (which is wholly owned, indirectly, by Naturgy Energy Group, S.A.).

On 25 March 2025, the Board of Directors unanimously adopted, among others, a resolution under which Naturgy Energy Group, S.A. would acquire the 8,639,595 shares of the Company owned by Naturgy Alfa Investments, S.A.U. at a price of Euros 26.50, in connection with the early termination of the long-term variable incentive plan agreed by the Company's Board of Directors at a meeting on 18 February 2025 (see "Share-based payments" section of this Note). Naturgy Energy Group, S.A., the parent company of the Group, executed this acquisition on 14 May 2025.

On 25 March 2025, at an Ordinary General Meeting of Naturgy Energy Group, S.A., the shareholders resolved to approve a voluntary partial public tender offer for a maximum of 88,000,000 own shares, representing 9.08% of its share capital, addressed to all Naturgy shareholders.

The offer was not directed at the 8,879,595 treasury shares held by the Company prior to its launch, which represented 0.92% of its share capital, which were blocked as part of the offer in order to prevent their transfer. Consequently, the offer was addressed to the holders of 960,734,206 shares of Naturgy, representing 99.08% of the share capital, with the aim of acquiring the maximum number of shares indicated above.

The offer was for the purchase of shares for a consideration of Euros 26.50 per share, payable entirely in cash.

The terms established in the offer were identical for all the shares of Naturgy to which the offer was extended, the offer being voluntary and with a price freely set by Naturgy in accordance with the provisions of Article 13.5 of Royal Decree 1066/2007, without being subject to the rules on equitable pricing in Article 9 of Royal Decree 1066/2007.

Shareholders owning shares representing more than 10% of the capital of Naturgy Energy Group, S.A.: Criteria Caixa, S.A.U. (Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona); Rioja Acquisition S.à.r.l. (CVC Capital Partners PLC); GIP III Canary 1, S.à r.l. (BlackRock, Inc.); and Global InfraCo O (2), S.à r.l. (IFM Global Infrastructure Fund), undertook to accept the offer with all of their shares.

Since the offer was made in respect of a number of shares representing 9.08% of Naturgy's share capital, which is less than the 84.97% of the share capital in respect of which acceptance undertakings have been received, it was expected that the total number of shares that accepted the offer would exceed the number of shares to which the offer was extended. Consequently, the distribution and pro-rata apportionment mechanism provided for in article 38.1 of Royal Decree 1066/2007 was applied.

The offer is part of the 2025-2027 Strategic Plan, one of whose core pillars is to restore adequate levels of free float share capital, and its main purpose is for Naturgy to acquire treasury shares so that, when deemed reasonable, possible and appropriate in accordance with market conditions existing at any given time, some or all of these shares may be placed by the Company in an orderly manner, on one or more occasions, by the procedure and under the terms and conditions (including the price) that Naturgy's Board of Directors deems most appropriate, so as to increase the free float and advance towards the goal of returning to the main stock market indexes, especially those of the MSCI family.

Naturgy expects to be able to list the shares acquired in the offering, as well as the other shares currently held as treasury shares, during the duration of the 2025-2027 Strategic Plan.

The resolution approved at the General Shareholders' Meeting on 25 March 2025 does not envisage that the shares so acquired may be cancelled and, pursuant to the 2025-2027 Strategic Plan's goal of increasing free float share capital, on 6 May 2025, the Board of Directors undertook not to propose, during that period, that the General Shareholders' Meeting approve their cancellation.

The offer was not a delisting offer as regulated in Article 65 of the Securities Markets and Investment Services Act (LMVSI) and Article 10 of Royal Decree 1066/2007, nor was it a tender offer for a capital reduction through the acquisition of treasury shares as regulated in Article 12 of Royal Decree 1066/2007.

The acceptance period was from 30 May to 13 June 2025. On completion of the offer, the number of shares ultimately acquired as part of the offer totalled 88 million, resulting in a cash outlay of Euros 2,332 million.

As at 30 June 2025, the total number of Naturgy treasury shares amounted to 96,879,595.

On 25 March 2025, the Shareholders' Meeting authorised the Board of Directors to purchase fully paid Company shares in one or more transactions in a period of not more than five years; the nominal value of the shares directly or indirectly acquired, added to those already held by the Company and its subsidiaries, must not exceed 10% of share capital or any other limit established by law. The price or value of the consideration may not be less than the nominal value of the shares and may not exceed 20% of the share price in the last stock market session prior to the transaction, without prejudice to the express authorisation to make a tender offer for the Company's shares at a price of Euros 26.5 per share.

After settlement of the offer, Naturgy holds a percentage of own shares close to the maximum limit of treasury shares provided in Spain's Capital Companies Act and, therefore, until the shares are placed as indicated above, it may only acquire 81,785 treasury shares within the limits established by the Capital Companies Act and with the authorisation granted for this purpose by the Company's shareholders in General Meeting.

There were no transactions with own shares in the six-month period ended 30 June 2024.

Earnings per share

Earnings per share are calculated by dividing the net income attributable to the equity holders of the parent Company by the average number of ordinary shares outstanding during the year:

	30.06.2025	30.06.2024
Profit attributable to equity holders of the parent company	1,147	1,043
Average number of ordinary shares in issue	957,330,891	960,734,206
Earnings per share from continuing operations (in euro):		
- Basic	1.20	1.11
- Diluted	1.20	1.11
Earnings per share from discontinued activities (in euro):		
- Basic	—	(0.02)
- Diluted	—	(0.02)

The weighted average number of ordinary shares used in calculating earnings per share in the first half of 2025 and 2024 is as follows:

	2025	2024
Average number of ordinary shares	969,613,801	969,613,801
Average number of treasury shares	(12,282,910)	(8,879,595)
Average number of shares in issue	957,330,891	960,734,206

Basic earnings per share are the same as diluted earnings per share since there were no instruments susceptible of conversion into ordinary shares during those periods and the conditions for including the shares under the incentive described in the section on Share-based payments in the calculation of diluted earnings per share were not met.

Dividends

Dividend payments made by Naturgy Energy Group, S.A., the Naturgy Group parent company, in the first six months of 2025 and 2024 are detailed below:

	30.06.2025			30.06.2024		
	% of Nominal	Euros per share	Amount (1)	% of Nominal	Euros per share	Amount (1)
Ordinary shares	60 %	0.60	582	40 %	0.40	388
Other shares (non-voting, redeemable, etc.)	—	—	—	—	—	—
Total dividends paid	60 %	0.60	582	40 %	0.40	388
a) Dividends charged to profit or retained earnings	60 %	0.60	582	40 %	0.40	388

(1) Dividends paid, net of those received by group companies, amount to Euros 576 million as at 30 June 2025 (Euros 384 million as at 30 June 2024).

In addition, the dividends paid to non-controlling interests in the six-month period ended 30 June 2025 amounted to Euros 89 million (Euros 76 million in the six-month period ended 30 June 2024), of which Euros 14 million related to remuneration on other equity instruments (Euros 32 million in the six-month period ended 30 June 2024). Consequently, total dividend payments amounted to Euros 665 million (Euros 460 million in the six-month period ended 30 June 2024).

30 June 2025

On 18 February 2025, the Board of Directors approved the following proposal for the distribution of the Company's 2024 net profit and retained earnings, for submission to the annual general meeting:

AVAILABLE FOR DISTRIBUTION

Profit.....	1,057
Retained earnings.....	2,446
Available for distribution.....	3,503

DISTRIBUTION:

TO DIVIDEND: the gross aggregate amount will be equal to the sum of the following quantities (the “Dividend”):

i. Euros 969 million (“the Total Interim Dividend”), corresponding to the two interim dividends for 2024 paid by Naturgy Energy Group, S.A., jointly equivalent to Euros 1.00 per share by the number of shares that were not direct treasury shares on the relevant dates as approved by the Board of Directors in accordance with the interim accounting statements and in accordance with the legal requirements, which disclosed the existence of sufficient liquidity for the distribution of these interim dividends out of profit for 2024 and,

ii. the amount obtained by multiplying Euros 0.60 per share by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the supplementary dividend (the “Supplementary Dividend”) are determined.

Euros 969 million of that dividend had already been paid on 1 August and 6 November 2024. The supplementary dividend was paid on 9 April 2025 in the amount per share indicated above through the entities that are members of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear).

The Board of Directors was expressly empowered to delegate its powers to the director(s) it deems fit, with express powers of substitution, so that they may perform all the actions required to carry out the distribution and, in particular, without limitation, so that they may designate the entity that is to act as payment agent.

TO RETAINED EARNINGS: Determinable amount obtained by subtracting the dividend amount from the distribution base.

TOTAL DISTRIBUTED 3,503

This proposal for the distribution of profits and retained earnings prepared by the Board for approval by the annual general meeting included a supplementary payment of Euros 0.60 per share for each qualifying share outstanding at the proposed date of payment, i.e. 9 April 2025.

The general meeting of shareholders held on 25 March 2025 approved a supplementary dividend of Euros 0.60 per share for shares not directly held as treasury stock on the payment date, which was fully paid on 9 April 2025.

After payment of the supplementary dividend, the amount allocated to retained earnings was Euros 1,952 million.

On 22 July 2025, the Board of Directors of Naturgy Energy Group, S.A. declared an interim dividend of Euros 0.60 per outstanding share out of 2025 results, payable from 30 July 2025. As agreed by the Board of Directors on 18 February 2025, the dividend per share includes the Euros 0.06 dividends that would have been payable to the shares held in treasury stock on the dividend distribution date.

Naturgy Energy Group, S.A. had sufficient liquidity to pay the interim dividend at the approval date in accordance with the Spanish Companies Law. The provisional liquidity statement as at 30 June 2025, if the number of treasury shares existing at the approval date is maintained, drawn up by the directors on 22 July 2025, is as follows:

Profit after tax	1,229
Reserves to be replenished	—
Maximum amount distributable	1,229
Forecast maximum interim dividend payment	524
Cash resources	1,864
Undrawn credit facilities	5,251
Total liquidity	7,115

At 30 June 2024

On 26 February 2024, the Board of Directors approved the proposal, for submission to the general meeting of shareholders, for the distribution of Naturgy Energy Group, S.A.'s 2023 net profit and retained earnings from previous years, as detailed in Note 14 to the consolidated financial statements for the year ended 31 December 2023.

This proposal for the distribution of profits and retained earnings prepared by the Board for approval by the annual general meeting included a supplementary payment of Euros 0.40 per share for each qualifying share outstanding at the proposed date of payment, i.e. 9 April 2024.

This proposal for the distribution of profits and retained earnings prepared by the Board for approval by the annual general meeting included a supplementary payment of Euros 0.40 per share for each qualifying share outstanding at the proposed date of payment.

The general meeting of shareholders on 2 April 2024 approved a supplementary dividend of Euros 0.40 per share for shares not directly held as treasury stock on the payment date, which was fully paid on 9 April 2024.

Following payment of the supplementary dividend, the amount allocated to Retained earnings was Euros 2,446 million.

Other equity items

Movements in other equity items break down as follows:

	Financial assets at fair value	Hedging operations	Tax effect	Total asset and liability revaluation reserves	Currency translation differences	Total
31.12.2024	(468)	(405)	187	(686)	(1,320)	(2,006)
Change in value	—	(137)	3	(134)	34	(100)
Taken to income statement	—	235	(38)	197	31	228
30.06.2025	(468)	(307)	152	(623)	(1,255)	(1,878)

The "Currency translation differences" item includes the exchange differences described in Note 2.4.2 to the consolidated financial statements for the year ended 31 December 2024 as a result of the euro's fluctuation against the main currencies of Naturgy's overseas companies. This heading also includes the effect of the restatement of the financial statements of companies in hyperinflationary economies.

Non-controlling interests

Movements in non-controlling interests during the six-month period ended 30 June 2025 are as follows:

Balance at 31 December 2024	2,175
Total comprehensive income for the period	69
Dividend distribution	(77)
Redemption subordinated debenture issuance	(169)
Return on subordinated perpetual debentures	(13)
Other changes	(6)
Balance at 30 June 2025	1,979

In May 2025, Naturgy called Euros 169 million of the subordinated perpetual notes issued in November 2021, with a coupon of 2.374% (see Note 12). This transaction had a positive impact of Euros 2 million recognised under "Reserves".

Note 11. Provisions

The breakdown of provisions as at 30 June 2025 and 31 December 2024 is as follows:

	30.06.2025	31.12.2024
Provisions for employee obligations	329	366
Other provisions	1,310	1,475
Non-current provisions	1,639	1,841
Current provisions	525	361
Total	2,164	2,202

The "Provisions for employee obligations" account includes the provisions for "Pensions and other similar obligations" and "Other obligations with personnel" detailed in Note 16 to the 2024 consolidated financial statements.

In connection with the "Other obligations with personnel" account, at the time the Strategic Plan 2021-2025 was approved in March 2022, the long-term incentive plan implemented with the approval of the Strategic Plan 2018-2022 for Naturgy executives not included in the plan mentioned in Note 10 was extended in time. The amendment extended the term of the plan until 31 December 2025 for certain serving beneficiaries in order to contribute to the achievement of the Strategic Plan 2021-2025.

As in the case of the incentive plan described in Note 10, on 18 February 2025, Naturgy's Board of Directors approved the early termination of this incentive plan. The settlement in favour of this second group of executives, also for the seven-year period from 2018 to 2025, amounted to Euros 7,145 thousand per year for the Company. This amount was covered by the provisions that had been recognised for this purpose.

In addition, at the general meeting held on 25 March 2025, the shareholders authorised the Board of Directors to establish a new multi-year variable remuneration scheme for all Naturgy executives, indexed to the annual shareholder return.

This scheme will have an ordinary duration of three years, starting on 1 January 2025, will take the annual return obtained by a shareholder as a reference, considering an initial value of the shares and, as a final value, the weighted average share price in the 90 calendar days prior to the end of the incentive period, also considering the dividends paid to shareholders during the incentive period.

This new multi-year variable remuneration scheme generates economic rights whose amount remains contingent until the end of the plan period, so its final amount cannot be confirmed until December 31, 2027. Assuming a 100% degree of compliance with the established conditions as probable, the amount accrued during the first half of 2025 would amount to Euros 7.7 million, of which Euros 3.8 million would correspond to Senior Management.

Other provisions mainly include provisions for obligations arising from the decommissioning of facilities, tax claims, as well as litigation and arbitration, insurance and other liabilities. Additional information on litigation and arbitration can be found in Note 26.

In the six months ended 30 June 2025, the balance of the "Other provisions" heading decreased by Euros 115 million, mainly in relation to the provision that Metrogas had recognised for the litigation with Transportadora de Gas del Norte, S.A., following the agreement reached between the parties (Note 26). Of this amount, Euros 34 million corresponds to the reclassification of the balance to "Trade and other payables" in the interim consolidated balance sheet for the instalment of the agreement that has not yet fallen due. It was also reduced by Euros 24 million as a result of the payment of the indemnities agreed with the parties who acquired the Electricity Distribution Chile business, sold in 2021.

As at 30 June 2025, the balance of "Other Provisions" includes the provisions for the proposed regularisation due to the partial audit of the Temporary Energy Tax for 2023 and for the estimated regularisation of the tax for 2024 (Note 21 to the consolidated financial statements for 2024), and for the disciplinary proceedings against UFD Distribución Electricidad S.A. (Note 26).

The "Current provisions" item includes mainly the value of the CO₂ emission rights that must be delivered in respect of actual emissions, which amounted to Euros 451 million as at 30 June 2025 (Euros 262 million as at 31 December 2024). The CO₂ emission rights relating to emissions produced in 2023 were delivered in the first half of 2024, with an impact on current provisions of Euros 413 million, and a balancing entry under "Inventories". The CO₂ emission allowances for the emissions produced in 2024 must be delivered in the second half of 2025.

Note 12. Financial liabilities

Set out below is a breakdown of financial liabilities, excluding "Trade and other payables", as at 30 June 2025 and 31 December 2024, by type and category:

At 30 June 2025	Creditors and payables	Hedging derivatives	Total
Issuing of debentures and other negotiable obligations	4,683	—	4,683
Borrowings from financial institutions	7,444	—	7,444
Derivative financial instruments (Note 13)	—	20	20
Lease liabilities	1,242	—	1,242
Other financial liabilities	—	—	—
Non-current financial liabilities	13,369	20	13,389
Issuing of debentures and other negotiable obligations	1,132	—	1,132
Borrowings from financial institutions	2,176	—	2,176
Derivative financial instruments (Note 13)	—	18	18
Lease liabilities	172	—	172
Other financial liabilities	24	—	24
Current financial liabilities	3,504	18	3,522
Total financial liabilities at 30.06.2025	16,873	38	16,911

As at 30 June 2025, "Other current financial liabilities" basically includes temporary mismatches between gas system revenues and costs accrued in 2024 and the six-month period ended on 30 June 2025, amounting to Euros 13 million. As at 31 December 2024, these mismatches amounted to Euros 149 million and were included under "Other financial assets" as they were financed by Naturgy (Note 7).

At 31 December 2024	Creditors and payables	Hedging derivatives	Total
Issuing of debentures and other negotiable obligations	5,027	—	5,027
Borrowings from financial institutions	8,675	—	8,675
Derivative financial instruments (Note 13)	—	14	14
Lease liabilities	1,379	—	1,379
Other financial liabilities	—	—	—
Non-current financial liabilities	15,081	14	15,095
Issuing of debentures and other negotiable obligations	1,392	—	1,392
Borrowings from financial institutions	1,322	—	1,322
Derivative financial instruments (Note 13)	—	19	19
Lease liabilities	183	—	183
Other financial liabilities	11	—	11
Current financial liabilities	2,908	19	2,927
Total financial liabilities at 31.12.2024	17,989	33	18,022

The average financial debt in the first half of 2025 amounts to Euros 15,729 million (Euros 14,878 million in the first half of 2024 and Euros 15,251 million in 2024), and has been calculated as the average of the gross financial debt balances, excluding lease liabilities.

As at the date of authorisation of these Condensed interim consolidated financial statements, Naturgy is not in breach of its financial obligations or of any type of obligation that might accelerate its financial commitments, with the exception of GPG Solar Chile 2017, S.p.A and Ibereólica Cabo Leones II, S.A., where certain obligations in the financing contracts are not being fulfilled. A waiver has been obtained from the lender banks to prevent early termination of these contracts and the debt is classified as current. Both GPG Solar Chile 2017, S.p.A. and Ibereólica Cabo Leones II, S.A. were already in breach of these obligations as at 31 December 2024.

As at 30 June 2025, the debt amounts to Euros 149 million at Cabo Leones II, S.A. and Euros 72 million at GPG Solar Chile 2017, S.p.A. (Euros 166 million at Cabo Leones II, S.A. and Euros 82 million at GPG Solar Chile 2017, S.p.A. as at 31 December 2024).

In cases of possible breach of the debt conditions, Naturgy evaluates the need to restructure the current debt and initiates negotiations with the banks, depending on market trends and the prospects of cash flows.

Financial assets at fair value as at 30 June 2025 and 31 December 2024 are classified as follows:

	30.06.2025				31.12.2024			
Financial liabilities	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (non-observable variables)	Total	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (non-observable variables)	Total
Fair value through profit or loss	—	—	—	—	—	—	—	—
Hedging derivatives	—	38	—	38	—	33	—	33
Total	—	38	—	38	—	33	—	33

The carrying amounts and fair value of non-current borrowings are as follows:

	Carrying amount		Fair value	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Issuing of debentures and other negotiable securities	4,683	5,027	4,626	4,936
Loans from financial institutions and other financial liabilities	7,444	8,675	7,471	8,738

Bonds and other marketable securities are listed and, consequently, their fair value is estimated on the basis of their market price (Level 1). The fair value of bank borrowings and other financial liabilities is estimated by discounting the cash flows over the remaining terms of such debt. The discount rates were determined based on market rates available at 30 June 2025 and 31 December 2024 for borrowings with similar credit characteristics and maturities. These valuations are based on the quoted price of similar financial instruments in an official market or on observable information in an official market (Level 2).

In the six months ended 30 June 2025 and in 2024, debt security issuance was as follows:

	01.01.2025	Issues	Buy-backs or redemptions	Adjustments, exch. rates & other	30.06.2025
Issued in a European Union Member State which required the filing of a prospectus	5,841	1,339	(2,070)	(3)	5,107
Issued in a European Union Member State which did not require the filing of a prospectus	—	—	—	—	—
Issued outside a European Union Member State	578	219	(69)	(20)	708
Total	6,419	1,558	(2,139)	(23)	5,815

	01.01.2024	Issues	Buy-backs or redemptions	Adjustments, exch. rates & other	31.12.2024
Issued in a European Union Member State which required the filing of a prospectus	6,999	1,000	(2,154)	(4)	5,841
Issued in a European Union Member State which did not require the filing of a prospectus	—	—	—	—	—
Issued outside a European Union Member State	630	195	(165)	(82)	578
Total	7,629	1,195	(2,319)	(86)	6,419

The total nominal amount drawn down under the Euro Medium Term Note (EMTN) programme, whose limit as at 30 June 2025 is Euros 12 billion, amounts to Euros 4,819 million (Euros 5,851 million as at 31 December 2024).

The total nominal amount drawn down under the Euro Commercial Paper (ECP) programme, which has a limit of Euros 1 billion as at 30 June 2025, amounts to Euros 301 million (no amount drawn down as at 31 December 2024).

The amount drawn down against other marketable debt securities and stock certificates as at 30 June 2025 was Euros 708 million (Euros 578 million as at 31 December 2024).

Six-month period ended 30 June 2025

In May 2025, Naturgy issued two bonds under the EMTN programme: Euros 500 million 6 years with a 3.375% coupon, and Euros 500 million 10 years with a 3.875% coupon. The proceeds were used to call Euros 831 million of bonds maturing between 2026 and 2027. This transaction had a positive impact of Euros 9 million, recognised under "Other financial income". The proceeds were also used to call Euros 169 million in subordinated perpetual notes (Note 10).

Bonds for a total amount of Euros 1,201 million with an average coupon of 1.04% matured in 2025.

In the six-month period ended 30 June, Euros 339 million were issued under the Euro Commercial Paper (ECP) programme, and Euros 301 million had been drawn down under this programme as at 30 June 2025 (there were no outstanding issues as at 31 December 2024).

Bond issues in Chile were for Euros 37 million 5 years at a fixed rate of 3.30% and Euros 74 million 10 years at a fixed rate of 3.50%; bond issues in Panama were for USD 70 million (Euros 61 million) 5 years at a fixed rate of 7% and USD 55 million (Euros 48 million) 7 years at a floating rate of SOFR 3 months + a spread of 3.5%.

The group continues to work on strengthening its financial profile. In this line, new funding transactions were arranged with credit institutions in Spain for Euros 2,521 million and with international institutions for Euros 96 million. In addition, refinancing transactions with credit institutions in Spain and other countries amounted to Euros 1,485 million and Euros 251 million, respectively.

Six-month period ended 30 June 2024

No issues were made under the EMTN programme in the six-month period ended 30 June 2024.

Bonds for a total amount of Euros 1,154 million with an average coupon of 1.75% matured in 2024.

A bond issued by Naturgy México S.A. de CV in the amount of MXN 2,900 million (equivalent to Euros 159 million) matured in March 2024. In that same month, Naturgy México S.A. de CV issued a MXN 3,500 million (Euros 195 million) 3-year bond with a coupon of TIE +0.49%. The bonds issued in Mexico include a change of control clause requiring a tender offer to be made to bondholders.

During 2024, no issues were made under the Euro Commercial Paper (ECP) programme and there were no outstanding issues under this programme as at 30 June 2024.

In the first half of 2024, new financing transactions were arranged with credit institutions in Spain for Euros 725 million, in addition to Euros 750 million available that had been arranged in 2023; an amount of Euros 137 million was arranged in other countries. In addition, refinancing transactions with credit institutions amounted to Euros 455 million in Spain and Euros 198 million in other countries.

Financing linked to fulfilment of ESG objectives (environmental, social and corporate governance factors)

ESG-linked financing relates to credit lines in Spain, the cost of which is linked to at least one of the following ESG indicators:

- Direct GHG emissions: three-year average reduction (Mt CO₂/GWh)
- CO₂ intensity in power generation: three-year average reduction (tCO₂/GWh)
- Water consumption: three-year average reduction (hm³)
- Women in management positions (%)

The adjustment to the cost of debt is linked to the level of compliance with the above metrics and their variation with respect to the previous year's indicators.

Such financing, amounts to Euros 3,680 million as at 30 June 2025 (Euros 3,723 million as at 31 December 2024), of which 3,580 million euros correspond to credit lines that have not been drawn down and, consequently, the impact on the funding cost of the degree of compliance with those indicators is not material.

In addition, the terms of that financing do not disclose the existence of an embedded derivative that needs to be treated separately.

Note 13. Risk management

Risk management is detailed in Note 18 to the consolidated financial statements for the year ended 31 December 2024. The main aspects of financial risk are updated below as at 30 June 2025:

Interest rate risk

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.

Naturgy uses financial swaps to manage exposure to interest rate fluctuations, by swapping floating rates for fixed rates.

As at 30 June 2025, 63% of Naturgy's debt is at fixed interest rates, while exposure to floating interest rates is limited.

The floating interest rate is mainly subject to the fluctuations of the Euribor, SOFR (USD), BBSY (AUD) and the indexed rates of Mexico, Brazil, Argentina and Chile.

The sensitivity of the Company's results and equity (other equity components) to interest rate fluctuations is as follows:

	Increase/decrease in interest rates (basis points)	Effect on profit before tax	Effect on equity before tax
30.06.2025	+50	(31)	75
	-50	31	(75)
31.12.2024	+50	(29)	70
	-50	29	(70)

In the first half of 2025, inflation in the Euro Zone remained at moderate levels, further evidencing the stabilisation observed after the sharp decline recorded between 2022 and 2024. In June 2025, the consumer price index stood at 2%. This performance enabled the European Central Bank to implement additional reductions in the official interest rates (in January, April and June 2025), bringing the main refinancing rate to 2.15%.

As for interest rates in the United States, the federal funds rate remained stable at 4.50% in the first half of 2025. This monetary policy continuity came despite pressure from the new US Administration for the Federal Reserve to make cuts similar to those implemented by the European Central Bank.

As for interest rates in Australia, the official rate remained at 3.85% in the first half of 2025. Rates were held at this level because, although inflation has softened and is within the Reserve Bank of Australia's (RBA) target range, economic growth remains sluggish and below market expectations.

In any case, floating-rate debt accounts for just 37% of Naturgy's total debt as at 30 June 2025.

Exchange rate risk

In order to mitigate these risks, Naturgy finances its investments in local currency as much as possible. Furthermore, whenever possible, it tries to match costs and revenues referenced to the same currency, as well as amounts and maturities of assets and liabilities arising from transactions denominated in currencies other than the euro.

For open positions, where it is considered to be necessary, the risks in investments in currencies other than the functional currency are managed through financial swaps and foreign exchange within the limits approved for hedging instruments.

In addition, the net assets of foreign companies with a functional currency other than the euro are subject to foreign exchange risk on translation of their financial statements in consolidation. Exposure to risk countries with more than one exchange rate is material.

The effect of exchange rates on the translation of the main items of the condensed interim consolidated financial statements as at 30 June 2025 are as follows:

Million euros	% change vs. June 2024 (1)	Gross operating results	Income for the period attributable to equity holders of the parent	Net borrowings (2)
US Dollar (USD)	1.1 %	(7)	(4)	(122)
Mexican Peso (MXN)	17.8 %	(25)	(6)	(15)
Brazilian Real (BRL)	14.5 %	(19)	(5)	2
Argentinian Peso (ARS)	45.0 %	(33)	(13)	13
Chilean Peso (CLP)	2.6 %	(8)	(5)	(17)
Other currencies	—	(2)	1	(98)
Total		(94)	(32)	(237)

(1) Corresponds to the variation in the accumulated average exchange rates, except in the case of Argentina, where the closing exchange rate is applied as it is considered a hyperinflationary economy.

(2) Corresponds to the variation in exchange rates at the end of each period.

Commodity price risk

A large proportion of Naturgy's operating results is linked to the purchase of gas for supply to a diversified portfolio of customers.

These gas procurement contracts are mostly signed on a long-term basis with purchase prices based on a combination of commodity prices, basically crude oil and its derivatives and natural gas hubs.

However, selling prices to final customers are generally agreed on a short/medium-term basis and are shaped by the supply/demand balance existing at any given time in the gas market. This may result in decoupling from gas procurement prices.

Consequently, Naturgy is exposed to the risk of fluctuations in gas procurement prices with respect to selling prices to end customers. Exposure to this risk is managed and mitigated by natural hedging, seeking to balance the commodity exposures of both prices. In addition, some procurement contracts allow this exposure to be managed through volume flexibility and repricing mechanisms.

When it is not possible to achieve a natural hedge, the position is managed, within reasonable risk parameters, through derivatives to reduce exposure to price decoupling risk, generally designated as hedging instruments. However, these hedges may prove to be ineffective as a result of changes in the expected dates of the purchase and sale transactions, a reduction in the volumes hedged, or decoupling from the indices hedged in the purchase and sale transactions.

In the integrated electricity businesses, the company's aggregate exposure is determined by the strategic generation/supply positioning and by the final sale pricing policies in electricity supply.

At the end of 2021, gas prices began to climb, reaching peak levels in 2022, following the boost caused by the effects of the war in Ukraine. Beginning in 2023, a downward correction was observed, leading to a phase of relative stability towards the end of the first half of 2024. A significant rebound then occurred until February 2025, followed by a further correction that led to a more stable environment towards the end of the first half of 2025.

The Group might be affected by the regulatory measures that the European Commission intends to approve in order to steadily reduce the European Union's energy dependence on Russia, through the gradual, coordinated and safe elimination of imports of natural gas, oil and nuclear energy from that country (see Note 2.5.c and Appendix II).

The sensitivity of profit and equity (Other equity components) to changes in the fair value of derivatives arranged to hedge commodity prices and derivatives not designated as hedge accounting is as follows:

	Increase/decrease in gas price	Effect on profit before tax	Effect on equity before tax
30.06.2025	+10%	—	(142)
	-10%	—	142
31.12.2024	+10%	—	(241)
	-10%	—	241

	Increase/decrease in electricity price	Effect on profit before tax	Effect on equity before tax
30.06.2025	+10%	(3)	(130)
	-10%	2	130
31.12.2024	+10%	(2)	(131)
	-10%	4	131

	Increase/decrease in the price of CO ₂ emission allowances	Effect on profit before tax	Effect on equity before tax
30.06.2025	+10%	—	3
	-10%	—	(3)
31.12.2024	+10%	—	—
	-10%	—	—

Business segment sensitivity to oil, gas and electricity prices is described below:

- Gas and electricity distribution: This is a regulated activity in which revenue and profit margins are linked to distribution infrastructure management services, irrespective of the prices of the commodities distributed.
- Gas and electricity: Profit margins on gas and electricity supply activities are directly affected by commodity prices. In this regard, Naturgy has a risk policy that stipulates, among other aspects, the tolerance range, based on applicable risk limits. Measures employed to keep risk within the stipulated limits include active procurement management, balanced acquisitions and sales formulae, and specific hedging so as to maximise the risk-profit relationship. In addition to the above-mentioned policy, a large proportion of Naturgy's procurement portfolio has ordinary and extraordinary price review clauses. These clauses make it possible, in the medium term, to modulate the impact in the event of decoupling between Naturgy's selling prices in its markets and trends in prices in its procurement portfolio.

Credit risk

Regarding credit risk, trade payables are recognised in the interim consolidated balance sheet net of impairment provisions for expected credit losses, which are estimated by Naturgy considering available information on past events (such as customer payment behaviour), current conditions and forward-looking elements (e.g. macroeconomic factors such as trends in gross domestic product — GDP, inflation and interest rates, among others) that may impact the credit risk of Naturgy's debtors, based on prior segregation of the customer portfolios.

Credit risk relating to trade accounts receivable is historically limited because customer receivables are collected over a short time scale, so that there is no time for significant amounts to accumulate before supply can be suspended due to non-payment, in accordance with applicable regulations; moreover, existing risk management measures optimise the credit quality of the overall receivables portfolio and implement supplementary mitigation measures.

With respect to other exposures to counterparties, such as transactions involving financial derivatives and the investment of cash surpluses, credit risk is mitigated by carrying out such transactions with reputable financial institutions in line with internal requirements. In the six months ended 30 June 2025 and in 2024, there were no significant defaults or losses.

To cover the risk of customer receivables, the Group negotiates and receives guarantees and sureties from financial institutions and third parties. As at 30 June 2025, Naturgy had received guarantees and sureties for Euros 338 million (Euros 591 million as at 31 December 2024). No guarantees were executed during the six months ended 30 June 2025 (less than Euros 1 million as at 31 December 2024).

As at 30 June 2025 and 31 December 2024, Naturgy did not have significant concentrations of credit risk. Concentration risk is minimised through diversification by managing and combining several areas of impact. Firstly, by having a portfolio of trade receivables that is spread geographically across several countries; secondly, through a diverse product offer, ranging from energy supply to the implementation of custom energy solutions; thirdly, because there are different types of customers: residential, self-employed entrepreneurs, small and large companies, both private and public, operating in different sectors of the economy.

An ageing analysis of financial assets and related expected losses as at 30 June 2025 and 31 December 2024 is set out below:

30.06.2025	Total	Current	0-180 days	180-360 days	More than 360 days
Expected loss ratio	23.6%	0.8%	26.8%	70.2%	95.7%
Trade receivables for sales and services	2,971	2,018	295	94	564
Expected loss	702	17	79	66	540

31.12.2024	Total	Current	0-180 days	180-360 days	More than 360 days
Expected loss ratio	20.7%	1.0%	28.8%	70.0%	99.5%
Trade receivables for sales and services	3,596	2,648	271	110	567
Expected loss	745	26	78	77	564

The expected loss ratio is calculated as the expected loss divided by customer receivables for sales and services.

As at 30 June 2025, the balance of the provision for bad debts (expected loss) includes bad debts at the supply companies in the Wholesale Electricity Market in the amount of Euros 104 million (Euros 97 million as at 31 December 2024).

Concerning supplier credit risk, the solvency of each supplier of products and services is guaranteed through regular analysis of their financial information, particularly prior to new engagements. To this end, the relevant valuation criteria are applied depending on the supplier's criticality in terms of service or concentration. This procedure is supported by control and supplier management mechanisms and systems.

Naturgy keeps its credit risk management model up to date based on economic forecasts in the main countries in which it operates, taking into account various factors including existing geopolitical conflicts affecting the world's economy and financial markets (Note 2.5); changes in debtors' payment behaviour were not found to have a material impact on these financial statements.

Liquidity risk

As at 30 June 2025 and 31 December 2024, available liquidity is as follows:

Liquidity source	2025	2024
Unused credit lines	5,492	5,611
Cash and cash equivalents	3,104	5,626
Total	8,596	11,237

There is also additional unused capacity to issue debt in capital markets amounting to Euros 8,561 million (Euros 7,214 million as at 31 December 2024).

In an international context that is deeply influenced by the war in Ukraine and the conflicts in the Middle East, and within the framework of the Group's financial policy, Naturgy has maintained the availability of funds to meet its obligations and to implement its business plans, guaranteeing at all times the optimum level of liquid resources and seeking to maximise efficiency in the management of financial resources.

Capital management

Naturgy's long-term credit rating is as follows:

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

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

As at 30 June 2025, bank borrowings amounting to Euros 3,998 million and outstanding bonds amounting to Euros 386 million are subject to the fulfilment of certain financial ratios (Euros 4,392 million and Euros 174 million, respectively, as at 31 December 2024).

Most of the outstanding borrowings carry a clause relating to a change of control, either by acquisition of more than 50% of the voting shares or by obtaining the right to appoint the majority of the members of the Board of Naturgy Energy Group, S.A. Those clauses are subject to additional conditions and, consequently, triggering them would require more than one of the following events to occur simultaneously: a material downgrade in the credit rating caused by the change in control, or the loss of investment grade status granted by rating agencies; inability to meet the financial obligations of the contract; a material detrimental event for the creditor; or a material adverse change in creditworthiness. These clauses would entail repayment of the outstanding debt, although the time period would normally be longer than in the event of early termination.

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

There are also loans for an amount of Euros 4,400 million that could be accelerated in the event of a change of control (Euros 5,360 million as at 31 December 2024). Most of that amount is linked to infrastructure financing from the European Investment Bank that requires a rating downgrade in addition to the change in control, and has special repayment terms that are longer than those relating to early termination events.

Derivative financial instruments

The breakdown of derivative financial instruments by category and maturity is as follows:

	30.06.2025		31.12.2024	
	Asset	Liability	Asset	Liability
Hedging derivative financial instruments	140	336	111	388
Interest rate hedges				
Cash flow hedges	38	20	53	14
Interest and exchange rate hedges				
Cash flow hedges	8	—	—	—
Exchange rate hedges				
Cash flow hedges	6	—	—	—
Price of commodities hedges				
Cash flow hedges	88	316	58	374
Other financial instruments	4	6	1	1
Price of commodities	4	6	1	1
Interest rate		—	—	—
Derivative financial instruments – non current	144	342	112	389
Hedging derivative financial instruments	135	258	169	790
Interest rate hedges				
Cash flow hedges	27	9	50	2
Interest and exchange rate hedges				
Cash flow hedges	—	1	—	2
Exchange rate hedges				
Cash flow hedges	23	8	59	15
Fair value hedges	12	—	2	1
Price of commodities hedges				
Cash flow hedges	73	240	58	770
Other financial instruments	26	22	41	46
Price of commodities	10	22	8	46
Interest rate	16	—	33	—
Derivative financial instruments current	161	280	210	836
Total	305	622	322	1,225

The fair value of derivatives is determined on the basis of quoted price in an active market (Level 1) and observable variables in an active market (Level 2).

“Other financial instruments” includes the derivatives that do not qualify for hedge accounting.

As at 30 June 2025, asset derivatives linked to financial liabilities amount to Euros 118 million (Euros 195 million as at 31 December 2024), relating to:

- interest rate derivatives amounting to Euros 38 million in connection with non-current assets and Euros 43 million in connection with current assets (Euros 53 million in connection with non-current assets and Euros 83 million in connection with current assets as at 31 December 2024).
- cash flow exchange rate hedging derivatives amounting to Euros 6 million under non-current assets and Euros 23 million under current assets (Euros 59 million under current assets as at 31 December 2024).
- interest rate and exchange rate hedging derivatives under non-current assets amounting to Euros 8 million.

Commodity price hedging instruments recognised as assets are described in note 8 "Other non-current assets and trade and other receivables".

"Other non-current liabilities" include, in addition to long-term gas price hedging derivatives in the amount of Euros 119 million (Euros 137 million as at 31 December 2024), the market value of certain power purchase agreements at the Australian subsidiaries amounting to Euros 139 million as at 30 June 2025 (Euros 181 million as at 31 December 2024) and the U.S.A. subsidiaries amounting to Euros 64 million (Euros 57 million as at 31 December 2024).

"Trade and other receivables" include, in addition to commodity price derivatives amounting to Euros 252 million as at 30 June 2025 (Euros 790 million as at 31 December 2024), the market value of power purchase agreements at the Australian subsidiaries amounting to Euros 5 million as at 30 June 2025 (Euros 24 million as at 31 December 2024) and at the U.S. subsidiaries amounting to Euros 5 million (Euros 3 million as at 31 December 2024).

The impact on the consolidated income statement of derivative financial instruments is as follows:

	Six months to June 2025		Six months to June 2024	
	Operating results	Financial results	Operating results	Financial results
Cash flow hedge (1)	(258)	33	(132)	37
Fair value hedge	14	—	(1)	—
Other financial instruments	—	(7)	4	13
Total	(244)	26	(129)	50

(1) Revenue in the first half of 2024 included Euros 36 million as a result of the maturity of the gas sales hedging instruments which were ineffective as at 31 December 2023 for the same amount due to decoupling from the indices hedged in the sales transactions.

The breakdown of derivatives as at 30 June 2025 and 31 December 2024, their fair value and the maturities of their notional values are as follows:

30.06.2025							
	Fair						
	value						
(million euros)		2025	2026	2027	2028	2029	Subsequent years
							Total
INTEREST RATE HEDGES:							
Cash flow hedges:							
Financial swaps (EUR)	14	41	55	336	216	496	9
Financial swaps (USD)	16	1	610	2	2	2	19
Financial swaps (MXN)	1	—	80	—	—	—	—
Financial swaps (AUD)	5	(31)	6	11	10	10	673
EXCHANGE RATE HEDGES:							
Cash flow hedges:							
Foreign exchange insurance (USD)	2	746	81	6	—	—	—
Foreign exchange insurance (AUD)	19	492	—	—	—	—	—
Foreign exchange insurance (BRL)	—	—	—	—	—	—	—
Fair value hedges:							
Foreign exchange insurance (BRL)	—	41	—	—	—	—	—
Foreign exchange insurance (EUR) (1)	—	5	—	—	—	—	—
Foreign exchange insurance (USD)	12	201	—	—	—	—	—
INTEREST RATE AND EXCHANGE RATE HEDGES:							
Cash flow hedges:							
Financial swaps (USD)	7	1	5	5	5	65	—
COMMODITIES HEDGES:							
Cash flow hedges:							
Commodities price derivatives (EUR)	(10)	235	178	36	15	2	—
Commodities price derivatives (USD)	(276)	527	540	487	96	34	257
Commodities price derivatives (AUD)	(109)	49	114	129	136	138	963
OTHER:							
Commodities price derivatives (EUR)	(3)	—	—	—	—	—	—
Commodities price derivatives (USD)	(11)	2	7	2	—	—	—
Financial swaps (USD)	16	123	—	—	—	—	—
Total	(317)	2,433	1,676	1,014	480	747	1,921
							8,271

⁽¹⁾ Arranged by companies with a functional currency other than the euro.

31.12.2024							
	Fair value					Notional value	
(million euros)	2025	2026	2027	2028	2029	Subsequent years	Total
INTEREST RATE HEDGES:							
Cash flow hedges:							
Financial swaps (EUR)	29	483	55	336	216	496	9 1,595
Financial swaps (USD)	30	2	689	2	2	2	22 719
Financial swaps (MXN)	4	—	82	—	—	—	— 82
Financial swaps (AUD)	24	(115)	7	12	11	11	720 646
EXCHANGE RATE HEDGES:							
Cash flow hedges:							
Foreign exchange insurance (USD)	(14)	319	—	—	—	—	— 319
Foreign exchange insurance (AUD)	58	604	—	—	—	—	— 604
Fair value hedges:							
Foreign exchange insurance (EUR) (1)	—	5	—	—	—	—	— 5
Foreign exchange insurance (USD)	1	424	—	—	—	—	— 424
INTEREST RATE AND EXCHANGE RATE HEDGES:							
Cash flow hedges:							
Financial swaps (USD)	(2)	4	5	5	5	65	— 84
COMMODITIES HEDGES:							
Cash flow hedges:							
Commodities price derivatives (EUR)	20	227	20	2	—	—	— 249
Commodities price derivatives (USD)	(856)	1,056	565	239	39	39	285 2,223
Commodities price derivatives (AUD)	(192)	96	122	136	146	147	1,031 1,678
OTHER:							
Commodities price derivatives (EUR)	(4)	—	—	—	—	—	— —
Commodities price derivatives (USD)	(34)	35	—	—	—	—	— 35
Financial swaps (USD)	33	211	—	—	—	—	— 211
Total	(903)	3,351	1,545	732	419	760	2,067 8,874

⁽¹⁾ Arranged by companies with a functional currency other than the euro.

The breakdown of derivatives as at 30 June 2025 and 31 December 2024, their fair value and the maturities of their notional values are as follows:

30.06.2025	Fair value (Euros million)	Physical units						
		2025	2026	2027	2028	2029	Subsequent years	Total
Procurements hedges								
Gas (TBTU)	20	93	99	89	12	—	—	293
Electricity (GWh)	(2)	1,011	497	196	73	38	—	1,815
Sales hedges								
Gas (TBTU)	(239)	91	95	93	13	—	—	292
Electricity (GWh)	(174)	2,024	4,492	4,180	4,349	4,341	28,947	48,333
Others (non hedge)	(14)	—	—	—	—	—	—	—
Total	(409)							

31.12.2024	Fair value (Euros million)	Physical units						Subsequent years	Total
		2025	2026	2027	2028	2029			
Procurements hedges									
Gas (TBTU)	15	208	87	40	—	—	—	335	
Electricity (GWh)	(3)	1,370	46	3	3	3	—	1,425	
Sales hedges									
Gas (TBTU)	(786)	176	85	40	—	—	—	301	
Electricity (GWh)	(254)	3,162	3,636	4,180	4,349	4,340	28,846	48,513	
Others (non hedge)	(38)	—	—	—	—	—	—	—	
Total	(1,066)								

Note 14. Net sales

The breakdown of this heading in the consolidated income statement for the first six months of 2025 and 2024 is as follows, by category, with the relevant operating segment reporting structure:

	Networks									Markets							Rest	Total
	Gas Spain	Gas Mexico	Gas Brazil	Gas Argentina	Gas Chile	Elec. Spain	Elec. Panama	Elec. Argentina	Total	Energy Management	Thermal gen.	Renewable Gen.	Renewable Gases	Supply	Holding & Eli.	Total		
2025																		
Sales of gas and access to distribution networks	433	412	529	295	381	—	—	—	2,050	693	—	—	18	1,792	—	2,503	—	4,553
Sales of electricity and access to distribution networks	—	—	—	—	2	440	498	96	1,036	147	903	182	—	1,351	—	2,583	—	3,619
LNG sales	—	—	—	—	—	—	—	—	—	1,287	—	—	—	—	—	1,287	—	1,287
Registrations and facility checks	10	3	—	—	—	5	1	—	19	2	—	—	—	16	—	18	—	37
Assignment power generation capacity	—	—	—	—	—	—	—	—	—	—	175	—	—	—	—	175	—	175
Rentals meters and facilities	12	—	1	—	—	9	—	—	22	—	—	—	—	158	—	158	—	180
Other income	8	12	3	3	—	—	1	1	28	—	1	25	1	51	3	81	1	110
Total	463	427	533	298	383	454	500	97	3,155	2,129	1,079	207	19	3,368	3	6,805	1	9,961
	Networks									Markets							Rest	Total
	Gas Spain	Gas Mexico	Gas Brazil	Gas Argentina	Gas Chile	Elec. Spain	Elec. Panama	Elec. Argentina	Total	Energy Management	Thermal gen.	Renewable Gen.	Renewable Gases	Supply	Holding and Eli.	Total		
2024																		
Sales of gas and access to distribution networks	438	315	792	223	396	—	—	—	2,164	866	—	—	—	1,437	—	2,303	—	4,467
Sales of electricity and access to distribution networks	—	—	—	—	1	384	503	96	984	53	560	132	—	1,219	—	1,964	—	2,948
LNG sales	—	—	—	—	—	—	—	—	—	1,136	—	—	—	—	—	1,136	—	1,136
Registrations and facility checks	13	3	1	—	—	5	1	—	23	—	—	—	—	23	—	23	—	46
Assignment power generation capacity	—	—	—	—	—	—	—	—	—	—	187	—	—	—	—	187	—	187
Rentals meters and facilities	12	—	2	—	—	9	—	—	23	—	—	—	—	149	—	149	—	172
Other income	8	14	2	1	—	—	6	1	32	—	—	6	22	52	2	82	1	115
Total	471	332	797	224	397	398	510	97	3,226	2,055	747	138	22	2,880	2	5,844	1	9,071

Reporting by geographic area

Naturgy's revenue by country is analysed below:

	30.06.2025	30.06.2024
Spain	5,074	4,368
Rest of Europe	1,039	1,225
France	344	582
Portugal	239	262
Netherlands	183	208
Italy	82	29
Turkey	44	—
United Kingdom	40	23
Belgium	38	29
Germany	35	92
Greece	34	—
Latin American	2,947	3,012
Mexico	822	727
Brazil	543	808
Panama	500	511
Argentina	411	353
Chile	393	406
Puerto Rico	224	150
Dominican Republic	45	54
Other Latin America	9	3
Other	901	466
South Korea	235	63
Taiwan	183	—
USA	160	52
Japan	117	51
China	117	168
Australia	48	16
Thailand	41	55
India	—	61
Total	9,961	9,071

By application of the accounting treatment described in Note 2.4.17 to the 2024 consolidated financial statements, "Net sales" for the first half of 2025 includes a positive amount of Euros 19 million as a net result of the positive and negative price deviations in the Renewable Generation Spain business under the specific remuneration regime, with Euros 82 million recognised under "Other receivables" (current and non-current) (Note 8) and Euros 69 million under "Other liabilities" (current and non-current) in the interim consolidated balance sheet. The impact on income recognised in the first half of 2024 was Euros 13 million.

Note 15. Procurements

The breakdown of this heading in the interim consolidated income statement for the first six months of 2025 and 2024 is as follows:

	2025	2024
Energy purchases	5,345	4,456
Access to transmission networks	584	628
Other purchases and changes in inventories	183	217
Total	6,112	5,301

Note 16. Personnel expenses, net

The breakdown of this heading in the interim consolidated income statement for the first six months of 2025 and 2024 is as follows:

	2025	2024
Wages and salaries	237	239
Termination benefits	8	6
Social security costs	48	46
Defined contribution plans	13	12
Share-based payments (Note 10)	2	1
Own work capitalised	(39)	(38)
Other	21	22
Total	290	288

The average number of employees of Naturgy in the first six months of 2025 and 2024 is as follows:

	2025	2024
Men	4,435	4,631
Women	2,440	2,402
Total	6,875	7,033

The average number of employees of Naturgy includes the average number of employees in joint ventures which, pro-rated by the company's percentage stake, was 140 (146 as at 30 June 2024).

The calculation of the average number of employees did not consider employees of companies which are classified as discontinued operations (Note 9) or of companies carried by the equity method, as detailed below:

	2025	2024
Discontinued operations (1)	9	20
Equity-consolidated companies	57	56

(1) These employees pertain to the coal-fired generation business in Spain, which was discontinued in 2020 (Note 9).

Note 17. Other operating income and expense

"Other operating income" in the six-month period ended 30 June 2025 amounted to Euros 80 million (Euros 134 million as at 30 June 2024).

As at 30 June 2024, this item included Euros 63 million arising from the recognition, by the Supreme Court, of the entitlement of Group's deregulated supply companies to be indemnified in the amounts paid in respect of financing the energy subsidy ("bono social") regulated in Royal Decree 897/2017, of 6 October. This amount was paid by the authorities in May 2025, and the interest accrued, amounting to Euros 12 million, was received in June.

The breakdown of "Other operating expenses" in the interim consolidated income statement for the first six months of 2025 and 2024 is as follows:

	2025	2024
Taxes	294	284
Operation and maintenance	186	169
Advertising and other commercial services	51	49
Professional services and insurance	61	57
Concession construction or improvements services IFRIC 12	39	32
Supplies	30	27
Services to customers	30	26
Lean services	59	62
Other	70	95
Total	820	801

The "Taxes" item in the six-month period ended 30 June 2024 included the amount of the energy levy: Euros 89 million. Naturgy Energy Group, S.A., the company required to make the payment because it is the main operator in the energy sector, passed the charge on to the other companies that make up the tax group.

The Group did not accrue any amounts in respect of energy taxes in the first half of 2025. Although Royal Decree-Law 10/2024, of December 23, reinstated this tax for 2025, that legal text was not approved by the Parliament in its session on 22 January 2025 (see Note 21 to the consolidated financial statements for 2024).

The balance of the 'Taxes' item increased during the first half of 2025, mainly as a result of the progressive refund of the Tax on the Value of Electricity Production (IVPEE). This increase was also driven by the increased volume of power generation that is subject to the tax in both the Thermal Generation Spain and Renewable Generation Spain segments.

Note 18. Depreciation and impairment losses on non-financial assets

The breakdown of this heading in the interim consolidated income statement for the first six months of 2025 and 2024 is as follows:

	2025	2024
Depreciation and amortisation charge	785	760
Impairment losses (Note 4)	40	4
Total	825	764

Note 19. Other results

On 6 March 2025, Metrogas, S.A., a subsidiary of the Naturgy Group in Chile, reached an agreement with Transportadora de Gas del Norte, S.A. (TGN) to settle all legal disputes initiated in 2011 that remained pending before the courts of the Republic of Argentina. As a result of this agreement, USD 20 million (Euros 19 million) of provisions were reversed in the first half of 2025 (Note 26).

In the first half of 2024, this heading included the effects of the arbitration award issued in June 2024 in the proceedings involving EDP, as well as the update of the provisions arising from the reversal of the first instance ruling handed down in Argentina on 7 May 2024 in the context of the litigation between TGN and Metrogas (Note 26).

Note 20. Net financial income/(expense)

The breakdown of this heading in the consolidated balance sheet for the first six months of 2025 and 2024 is as follows:

	2025	2024
Interest income	98	102
Other financial income (1)	45	125
Total financial income	143	227
Cost of borrowings (2)	(355)	(355)
Interest expenses pension plans	(7)	(9)
Other financial expense (3)	(23)	(73)
Total financial expense	(385)	(437)
Variations in the fair value of financial instruments (4)	(3)	11
Net exchange differences	—	(16)
Net financial income/(expense)	(245)	(215)

- (1) As at 30 June 2025, it includes mainly the positive impact of Euros 9 million linked to the EMTN bond issue and the buyback of EMTN bonds in May 2025 (Note 12). As at 30 June 2024, this item included mainly revenue from the partial reversal of the provision for the claim against Metrogas, S.A. by Transportadora de Gas del Norte, S.A. (TGN) (Note 26), and revenue from the calculation of the present value of the compensation recognise for funding the energy subsidy ("bono social") in the open market (Note 17).
- (2) This includes the cost of finance lease liabilities (Euros 42 million in 2025 and Euros 46 million in 2024) and other refinancing costs (Euros 5 million in 2025 and Euros 10 million in 2024).
- (3) This includes updating the provisions reported in the section on litigation and arbitration in Note 26, and the inflation adjustment applicable to the distribution network companies in Argentina, as a hyperinflationary economy, with impacts of Euros -9 million in 2025 and Euros -33 million in 2024.
- (4) As at 30 June 2025, this includes the ineffective portion of the financial derivatives of Ibereólica Cabo Leones II, S.A. and GPG Solar Chile 2017 S.P.A. amounting to Euros 3 million (Euros 10 million as at 30 June 2024). The financial derivatives of GPG Solar Chile 2017, S.p.A. were settled in June 2025 (Note 7).

Note 21. Cash generated by operating activities and other cash-flow breakdowns

	2025	2024
Profit/(loss) before tax	1,794	1,697
Adjustments to profit/(loss):	768	853
Depreciation, amortisation and impairment expenses (Notes 5 & 18)	825	764
Other adjustments to net income:	(57)	89
Net financial income (Note 20)	245	215
Profit/(loss) of entities recorded by equity method	(76)	(56)
Other results (Note 19)	(14)	193
Deferred revenues recognised in profit or loss	(29)	(31)
Other adjustments (1)	(183)	(232)
Changes in working capital (excluding the effects of adjustments in consolidation scope and exchange differences):	494	(99)
Inventories	(45)	188
Trade and other receivables	932	273
Trade and other payables	(393)	(560)
Other cash flows from operating activities:	(414)	(450)
Interest paid	(346)	(370)
Interest collected	97	102
Dividends received	78	47
Income tax paid	(243)	(229)
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	2,642	2,001

(1) Other adjustments to profit or loss mainly reflect movements in non-current provisions as described in Note 11.

Investment payments in group companies, associates and business units in the six-month periods ended 30 June 2025 and 2024 break down as follows:

	2025	2024
Acquisition Fraser Coast Solar Development PTY, Ltd. assets	—	(10)
Total	—	(10)

Note 22. Business Combination

There were no business combinations in the six-month periods ended 30 June 2025 and 2024 (Note 2.6).

Note 23. Tax situation

The corporate income tax expense is as follows:

	For the period ended 30 June	
	2025	2024
Current-year tax	468	359
Deferred tax	13	23
Total	481	382

The effective tax rate as at 30 June 2025 is 26.8%, compared with 22.5% in the same period of the previous year. In 2025, the effective rate has been affected mainly by the trend in earnings in countries with different tax rates. In 2024, it was affected mainly by the non-deductibility of the energy levy (Note 17), by the reversal of certain tax provisions, and by the reduced tax rate applicable to certain dividends, as well as by trends in earnings in countries with different tax rates.

Note 24. Information on transactions with related parties

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

- Significant Naturgy shareholders, i.e. those directly or indirectly owning an interest of 5% or more, and those who, though not significant, have exercised the power to nominate a member of the Board of Directors.

On the basis of that definition, Naturgy's significant shareholders are as follows:

- 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 Acquisitions, S.à.r.l. (CVC)
- IFM Global Infrastructure Fund, through Global InfraCo O (2), S.à.r.l. (IFM)
- Directors and senior management of the company and their immediate family members. The term "director" means a member of the Board of Directors and the term "senior management" refers to the Executive Chairman, in connection with his senior management functions, and persons with senior management functions who report directly to the Board of Directors, its committees or the Executive Chairman. Transactions with directors and members of senior management are disclosed in Note 25.
- Transactions between group companies form part of ordinary activities and are effected on an arm's-length basis. Group company balances include the amount that reflects Naturgy's share of the balances and transactions with companies recognised under the equity method.

The aggregate amounts of transactions with related parties are as follows (thousand euro):

2025	Significant shareholders				Directors	Group companies
	Criteria	CVC	BlackRock	IFM		
Expense and income (thousand euro)						
Financial expenses	—	—	—	—	—	30
Leases	—	—	—	—	—	2
Receipt of services	—	—	—	—	—	833
Purchase of goods (1)	—	—	—	—	—	36,389
Other expenses	—	—	—	—	—	—
Total expenses	—	—	—	—	—	37,254
Financial income	—	—	—	—	—	400
Leases	—	—	—	—	—	—
Provision of services	—	—	—	—	—	—
Sale of goods (1)	511	611	—	223	—	31,702
Other income	—	—	—	—	—	899
Total income	511	611	—	223	—	33,001

(1) Basically includes purchases and sales of energy, mainly with Qalhat LNG S.A.O.C., Sociedad Galega do Medio Ambiente, S.A. and CH4 Energía S.A. de C.V.

	Significant shareholders				Directors	Group companies
	Criteria	CVC	BlackRock (2)	IFM		
Other transactions (thousand euro)						
Acquisition of property, plant and equipment, intangible assets or other assets (3)	704,865	546,759	544,798	446,245	—	—
Finance agreements: loans and capital contributions (lender)	—	—	—	—	—	—
Dividends and other profits distributed (1)	155,376	120,515	120,083	98,353	—	—

(1) Dividends received by the directors and senior management (Note 25) in the first half of 2025 amount to Euros 111 thousand.

(2) Dividends received through the GIP III Canary 1, S.à.r.l. shareholding

(3) Sale of Naturgy Energy Group, S.A. shares.

2024	Significant shareholders				Directors	Group companies
	Criteria	CVC	GIP	IFM		
Expense and income (thousand euro)						
Financial expenses	—	—	—	—	—	34
Leases	—	—	—	—	—	2
Receipt of services	—	—	—	—	—	678
Purchase of goods (1)	—	—	—	—	—	36,385
Other expenses	—	—	—	—	—	—
Total expenses	—	—	—	—	—	37,099
Financial income	—	—	—	—	—	411
Leases	—	—	—	—	—	—
Provision of services	—	—	—	—	—	—
Sale of goods (1)	505	422	—	634	—	34,609
Other income	—	—	—	—	—	976
Total income	505	422	—	634	—	35,996

(1) Basically includes purchases and sales of energy, mainly with Qalhat LNG S.A.O.C., Sociedad Galega do Medio Ambiente, S.A. and CH4 Energía S.A. de C.V.

Other transactions (thousand euro)	Significant shareholders				Directors	Group companies
	Criteria	CVC	GIP	IFM		
Acquisition of property, plant and equipment, intangible assets or other assets	—	—	—	—	—	—
Finance agreements: loans and capital contributions (lender)	—	—	—	—	—	—
Dividends and other profits distributed (1)	103,584	80,343	80,055	58,242	—	—

(1) Dividends received by the directors and senior management (Note 25) in the first half of 2024 amounted to Euros 73 thousand.

Note 25. Information on members of the Board of Directors and Senior Management

Remuneration of the Board of Directors and senior management

Remuneration accrued to the members of the Board of Directors of Naturgy Energy Group, S.A. by virtue of their membership of the Board and of Board committees totalled Euros 2,204 thousand as at 30 June 2025 (Euros 1,868 thousand as at 30 June 2024).

As at 30 June 2025, the Board of Directors comprised 15 members (12 members as at 30 June 2024), the Audit and Control Committee had 5 members (5 members as at 30 June 2024), the Appointments, Remuneration and Corporate Governance Committee had 5 members (5 members as at 30 June 2024) and the Sustainability Committee had 4 members (4 members as at 30 June 2024).

The members of the Board of Directors of Naturgy Energy Group, S.A., excluding the Executive Chairman, have not received remuneration from profit sharing, bonuses or indemnities, and have not been granted any loans or advances. Neither have they received shares or share options during the year, they have not exercised options, and they do not have unexercised options.

The members of the Board of Directors are covered by the same liability policy that insures all directors and executives of Naturgy. As at 30 June 2025, the premium paid by Naturgy Energy Group, S.A. amounted to Euros 240 thousand (Euros 279 thousand as at 30 June 2024).

For the sole purposes of the information contained in this section, the term "senior management" is understood to include the Executive Chairman, in relation to his executive functions, and the executives reporting directly to the Board of Directors, its committees and the Executive Chairman.

As a result of the definition established in the preceding paragraph, this group comprised 17 people as at 30 June 2025 (17 people as at 30 June 2024).

The fixed remuneration, variable remuneration and other remuneration items accrued by senior management amounted to Euros 7,079 thousand as at 30 June 2025 (Euros 6,868 thousand as at 30 June 2024).

Additionally, on 18 February 2025, Naturgy's Board of Directors decided that the long-term variable incentive plan discussed in notes 10 and 11 of these condensed interim consolidated financial statements would expire early. Settling this plan for the seven-year period from 2018 to 2025 for the members of senior management resulted in an amount of Euros 7,539 thousand per year.

The Board of Directors also approved a new multi-year variable remuneration scheme for the period 2025-2027 for all Naturgy executives, including the members of senior management, as detailed in Note 11.

Contributions to pension plans and group insurance policies, together with life insurance premiums paid, totalled Euros 1,025 thousand as at 30 June 2025 (Euros 956 thousand as at 30 June 2024).

Transactions with members of the Board of Directors and senior management

The members of the Board of Directors and senior management did not carry out related-party transactions outside the ordinary course of business, or transactions conducted other than on an arm's-length basis, with Naturgy Energy Group, S.A. or group companies.

Note 26. Litigation and arbitration

The main changes and/or updates to provisions in the first six months of 2025 in connection with the situation described in the section on lawsuits and arbitration in Note 36 "Litigation, arbitration, guarantees and commitments" in the consolidated financial statements for the year ended 31 December 2024 are as follows:

Claims for PIS and COFINS taxes in Brazil

On 6 December 2023, the Federal Court of Rio de Janeiro (Appeals Chamber) issued a ruling confirming the decision received in 2015 in the first instance by Naturgy's subsidiary, Companhia Distribuidora de Gás do Rio de Janeiro (CEG), which ordered payment of the principal amount plus the relevant interest relating to the offset of receivables in connection with the PIS and COFINS taxes.

Both the company and the Brazil Federal Treasury filed appeals against the ruling, which are currently pending. During the first half of 2025, there were no significant developments in the legal proceedings, nor any new events that might change the estimates made at 2024 year-end. As at 30 June 2025, the updated amount of the provision is BRL 415 million, equivalent to Euros 65 million (Euros 63 million as at 31 December 2024). The likely outflow of funds in relation to this case will depend on the length of time that the appeal takes.

Claim against Metrogas, S.A.

On 6 March 2025, Metrogas, S.A., a subsidiary of the Naturgy group in Chile, accepted the proposal submitted by Transportadora de Gas del Norte, S.A. (TGN) with the aim of settling the litigation between the two parties that had been ongoing before the courts of the Republic of Argentina since 2011.

The proposal establishes the payment by Metrogas, S.A. of a total amount of USD 100 million (Euros 85 million) in two instalments: the first, amounting to USD 60 million, was paid on the date of acceptance of the proposal; and the second, amounting to USD 40 million, is scheduled for 10 January 2026.

As a result of this agreement, during the first half of 2025, an amount of USD 20 million (Euros 19 million) was reversed from the provision, recognised under "Other profit or loss" in the condensed interim consolidated financial statements as at 30 June 2025 (Note 19).

As at 30 June 2025, the "Trade and other payables" account in the interim consolidated balance sheet includes a balance of Euros 34 million corresponding to the portion of the aforementioned agreement that has not yet matured, there being no other balances in dispute with TGN.

Ongoing arbitration proceedings of the Group

On 28 June 2024, a New York-based arbitral tribunal issued an award establishing that Naturgy must indemnify EDP for a net amount of USD 195 million (EUR 184 million) plus interest and a portion of the arbitration costs. The arbitral ruling related to the now concluded contract whereby EDP delivered liquefied natural gas from Trinidad and Tobago to Naturgy, and Naturgy, in turn, delivered an equivalent volume of gas to EDP in the Iberian Peninsula.

In accordance with the provisions of the award, in August 2024, Naturgy paid EDP a total amount of USD 248 million (Euros 229 million), recorded in the 2024 consolidated income statement as detailed in the consolidated financial statements for that year.

In September 2024, Naturgy filed a lawsuit before a New York court seeking the annulment of the aforementioned award, which was subsequently withdrawn voluntarily in order to pursue the claim or mitigate damages by other means. Consequently, Naturgy considers that the procedure is still ongoing, although there have been no material changes with respect to the situation described in the 2024 consolidated financial statements.

As was the case at the end of the previous financial year, as at 30 June 2025 there are no balances related to this matter in the interim consolidated balance sheet.

As at 30 June 2025, there are no other arbitration proceedings in progress that require a provision to be recognised or a contingent liability to be disclosed.

Environmental incentive for coal-fired plants in Spain

On 14 December 2023, the Court of Justice of the European Union upheld Naturgy's appeal against the judgement of the General Court. The judgement is based on formal grounds and, in particular, it states that the decision to open the investigation is not sufficiently reasoned.

At the date of these interim consolidated financial statements, there have been no new developments in relation to the situation described in the consolidated financial statements for 2024. The Group continues to rate this risk as probable, as the judgment of the General Court of the European Union did not rule on the merits of the case, but merely declared that the European Commission had failed to state reasons for its decision to initiate the procedure.

As at 30 June 2025, the risk associated with this case was provisioned under "Non-current provisions" in the amount of Euros 103 million (Euros 102 million as at 31 December 2024).

Permits for renewable generation facilities in Spain

The permits for certain renewable wind and solar generation facilities in Spain that are under construction or completed have been appealed before the courts and their viability might be affected in the event that the appeals are upheld. For cases where the risk is considered likely to materialise, an impact of Euros 44 million has been estimated as at 30 June 2025 (Euros 26 million as at 31 December 2024). The increase in the risk assessment is due to the consideration of a court ruling declaring illegal a wind farm that had been operating since 2010 and the filing of an additional appeal against the permit granted to another wind farm (Note 4).

For the other cases, the risk is not considered likely to materialise although a maximum associated impact of Euros 100 million (Euros 100 million as at 31 December 2023) has been estimated.

Electricaribe

Several Colombian government agencies, including the Public Prosecutor's Office, the Superintendence for Public Services and the Superintendence for Companies, have initiated administrative and judicial procedures against the Naturgy group or its employees in connection with Electricaribe.

At the date of these financial statements, there have been no new developments in relation to the situation described in the consolidated financial statements for 2024.

Contested withholding tax assessments

On 7 July 2023, assessments were received in respect of withholdings on account of non-resident income tax for the period 2018-2020 amounting to Euros 192 million, including interest; those assessments are being disputed and an administrative-economic appeal has been filed with the Central Economic-Administrative Court. As at 30 June 2025, it is believed that the risk in those matters is not likely to materialise.

Tax-related claims in other countries

Naturgy has filed various claims related to taxes and levies with the authorities in countries in which it operates. As at 30 June 2025, the risks believed likely to materialise in this connection are estimated at Euros 60 million (Euros 72 million as at 31 December 2024). The schedule for outflows of funds will depend on how these disputes, which are at an early stage, develop.

It is considered that disclosing further information on these claims could seriously impair Naturgy's position in the ongoing disputes with the relevant counterparties and, therefore, it was decided to make the minimum disclosures required by IAS 37.92 for such cases.

Complaint by Spain's National High Court against Naturgy Generación S.L.U.

During the first half of 2024, the Public Prosecutor's Office of Spain's National High Court (Audiencia Nacional) filed a complaint against Naturgy Generación S.L.U. in connection with an alleged crime in the bids made by the Sabón 3 combined cycle thermal power plant between March 2019 and December 2020.

At 31 December 2024, only the order to accept the complaint for processing had been issued and statements had been taken from two employees, with no other actions yet taken in the proceedings. At that date, it was not possible to estimate the risk or quantify any potential economic impact arising from the proceedings. However, based on the available information, this risk was not considered likely to materialise.

Subsequently, on 4 April 2025, the National Court resolved to dismiss the proceedings, meaning that, as at 30 June 2025, there is no risk related to this matter apart from the contentious-administrative proceedings before the National Court, where the company is also challenging the penalty imposed by the CNMC.

Disciplinary proceedings against UFD Distribución Electricidad S.A.

At 30 June 2025, the National Markets and Competition Commission (CNMC) has two disciplinary proceedings open concerning possible abuse of a dominant position by the Group company UFD Distribución Electricidad, S.A. (UFD). These cases relate, respectively, to the rental of meters to certain customers and alleged preferential treatment of the Group's electricity supply companies.

On 26 May 2025, the magistrate issued a proposed resolution of the case concerning meter rental. In accordance with the proceedings, the company has submitted pleadings and is awaiting the CNMC's response.

With regard to the second case, there have been no significant developments with respect to the situation existing as at 31 December 2024.

At 30 June 2025, Naturgy maintains the value of the provision recorded at the end of 2024 (Euros 20 million).

The Group continues to closely monitor both proceedings and will assess any material new information that may emerge, and will adjust the provision in subsequent accounting periods as appropriate.

Power outage in Spain

On 28 April 2025, there was a power outage on the Iberian Peninsula, the causes of which are still being investigated by the competent authorities. Power was gradually restored throughout the day and early the next day. In this context, various industry operators, including Naturgy, were asked to submit information, and claims have been received from affected third parties for non-material amounts.

Naturgy has not been identified as the party that gave rise to the event and, as of the date of authorising these financial statements, had not received any communication from regulators regarding this matter. Accordingly, no liability has been recognised in relation to these claims, no payments have been made in their connection, and none are expected to be made in the future. Naturgy is assessing the costs incurred as a result of this outage in order to claim them once the cause has been determined.

Consequently, Naturgy considers that, based on the currently available information, there are no objective factors that justify recognising a provision for this item as at 30 June 2025, since the likelihood of an outflow of funds is considered to be remote.

As at 30 June 2025, Naturgy's interim consolidated balance sheet includes provisions for litigation based on the best estimate made using the information available, at the date of authorisation of these interim consolidated financial statements, on their progress and ongoing negotiations, which cover the estimated risks. Naturgy therefore considers that no significant liabilities will arise from the risks described in this Note.

Note 27. Events after the reporting date

On 22 July 2025, the Board of Directors declared an interim dividend out of 2025 earnings as described in Note 10 to these condensed interim consolidated financial statements.

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

Appendix I. Variations in consolidation scope

The main changes in consolidation scope in the six-month period ended 30 June 2025 are as follows:

Company name	Transaction type	Effective transaction date	Voting rights acquired/disposed of (%)	Voting rights after the transaction	Consolidation method after the transaction
SET Veciana, S.L.	Sale	10 January	(9.2)	39.1	Equity
Global Power Generation Australia Pty, Ltd.	Capital increase ⁽¹⁾	6 March	0.5	74.5	Full
Scioto Farms Solar Project, LLC.	Liquidation	9 April	(100.0)	0.0	Full

(1) Capital increase by offsetting debt, resulting in an increase in the percentage of rights acquired both in the company itself and in its subsidiaries (Note 2.6).

The main changes in the consolidation scope in 2024 were as follows:

Company name	Transaction type	Effective transaction date	Voting rights acquired/disposed of (%)	Voting rights after the transaction	Consolidation method after the transaction
Biometano Segria, S.L.	Incorporation	17 January	100.0	100.0	Full
Evacuación Villanueva del rey, S.L.	Acquisition	23 January	14.8	14.8	Equity
Sobral I Solar Energía, SPE, Ltda.	Acquisition	26 January	15.0	100.0	Full
Sertao I Solar Energía, SPE, Ltda.	Acquisition	26 January	15.0	100.0	Full
Energías Renovables Agüimes, S.L.U.	Incorporation	8 February	100.0	100.0	Full
Gas Natural Fenosa Ingeniería México, S.A. de C.V.	Liquidation	13 March	100.0	—	—
Win4H2-R1, S.L.	Disposal	21 March	50.0	—	—
Fraser Coast Solar Development PTY, Ltd.	Acquisition	19 April	100.0	100.0	Full
Naturgy Informática, S.A.U.	Liquidation	12 June	100.0	—	—
Global Power Generation Finco PTY, Ltd.	Incorporation	18 June	100.0	100.0	Full
Wagon Wheel Solar Ranch, LLC.	Incorporation	21 June	100.0	100.0	Full
Esmeralda North Solar Project, LLC.	Incorporation	1 July	100.0	100.0	Full
Naturgy Renewables USA Services Corp.	Incorporation	16 July	100.0	100.0	Full
Agua Fría Solar, LLC.	Disposal	7 August	100.0	100.0	Full
Naturgy LNG Singapore PTE. LTD.	Liquidation	14 September	100.0	—	—
Rough Hat Clark Bess, LLC.	Incorporation	24 September	100.0	100.0	Full
Defiance County Solar Project, LLC.	Liquidation	22 October	100.0	—	—
Esmeralda North Solar, LLC.	Liquidation	22 October	100.0	—	—
FT. Meade Solar, LLC.	Liquidation	22 October	100.0	—	—
Marshville Solar, LLC.	Liquidation	22 October	100.0	—	—
Saguache County Solar Project, LLC.	Liquidation	22 October	100.0	—	—
Yeager Solar, LLC.	Liquidation	22 October	100.0	100.0	Full
Renewable gas acquisitions					
Bio Madrideos, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Biobarrax Albacete, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Tarancón, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Caspe, S.L.U.	Acquisition	11 November	100.0	100.0	Full
GNR Andalucía, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Biogas Mediana, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Carmona, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Criptana, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Membrilla, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Corral de Almaguer, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Biogas Lucainena, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Loja, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Vilches, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Tobarra, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Global Power Generation Brasil Geracao de Energia Ltda.	Liquidation	19 November	100.0	—	—
Unión Fenosa Gas Exploración y Producción, S.A.	Liquidation	22 November	100.0	—	—
Centrogas S.A.	Liquidation	20 November	100.0	—	—
Financiamiento Doméstico S.A.	Liquidation	20 November	99.9	—	—
Naturgy LNG GOM, S.L.	Liquidation	5 December	100.0	—	—
Canoe Creek Solar Project, LLC.	Liquidation	13 December	100.0	—	—
Half Moon Solar Project, LLC.	Liquidation	13 December	100.0	—	—
Hayden Run Solar Project, LLC.	Liquidation	13 December	100.0	—	—
Knickerbocker Solar Project, LLC.	Liquidation	13 December	100.0	—	—
Stone Mill Solar, LLC.	Liquidation	13 December	100.0	—	—
Nedgia Balears, S.A.	Liquidation	17 December	100.0	—	—

Appendix II. Regulatory framework

In relation to the regulatory framework described in Appendix IV of the consolidated financial statements for the year ended 31 December 2024, the following aspects for the first half of 2025 are worth noting:

1. European regulatory environment

The European regulatory environment in the first half of 2025 was shaped by the publication of the Clean Industrial Deal, the Omnibus I and Omnibus II legislative packages, and the RePowerEU Roadmap and proposed related regulations.

On 26 February 2025, the European Commission published the Clean Industrial Deal, a package of measures aimed at competitiveness and decarbonisation that sets out a strategic vision for the next five years. The priorities of the Deal include addressing structural factors that raise energy prices, tackling inefficiencies in the design of tolls and taxes, and improving market integration. Other key objectives are to facilitate long-term PPAs, incentivise demand flexibility services for industrial customers and prioritise investment in electricity grids. The Deal also provides for the expansion of electricity and hydrogen transport and distribution infrastructure, carbon transport networks and storage systems. This Deal is complemented by the Sustainable Energy Action Plan, published by the European Commission on the same date, which includes measures aimed mainly at reducing energy prices and costs.

Furthermore, on 26 February 2025, the European Commission presented a set of legislative proposals aimed at streamlining the European Union's regulatory framework, strengthening competitiveness and fostering an environment favourable to investment. These packages of measures, known as Omnibus I and Omnibus II, contain key sustainability initiatives: a review of reporting obligations under the Corporate Sustainability Reporting Directive (CSRD); the Carbon Border Adjustment Mechanism (CBAM); and optimisation of the InvestEU programme.

Since the beginning of Russia's military aggression against Ukraine in February 2022, the EU has taken a number of strategic steps to reduce its energy dependence on Russia. In this context, in May 2022 the European Commission presented the REPowerEU plan, an ambitious roadmap setting out concrete targets to diversify supply sources, accelerate the energy transition and strengthen the security of Europe's energy system.

On 6 May 2025, the European Commission presented a roadmap to completely eliminate energy imports from Russia (gas, oil and nuclear) by the end of 2027. This roadmap began to be implemented with the issuance on 17 June 2025 of a draft regulation that establishes binding measures for all Member State.

The main provisions of the proposed regulation are as follows:

- A ban on entering into new spot contracts for Russian gas from 17 June 2025. Existing spot contracts may only be maintained until 17 June 2026, as part of a transition period.
- A ban on further imports of Russian gas (pipeline or LNG) from 1 January 2026, subject to exceptions.
- Derogation for long-term contracts (more than one year) signed before 17 June 2025, for which imports may be maintained until 1 January 2028.
- A ban on providing LNG terminal services to Russian customers or customers controlled by Russian entities from 1 January 2026, with an exception until 2028 for pre-existing contracts.
- Submission of national diversification plans: Member States must submit detailed plans for phasing out Russian gas by 1 March 2026, using a common template.

Under this proposed new regulatory framework, some energy companies, including Naturgy, may be affected by the application of the new restrictions, especially with regard to long-term procurement contracts signed before the conflict.

Commenting on the possible legal implications for operators, European Energy Commissioner Dan Jørgensen said: “We have a very clear opinion from the legal team of the Commission stating that, since this would be a prohibition, a ban, the companies would not get into legal problems; this is Force Majeure as if it has been a sanction.”

The proposed Regulation is currently being dealt with under the ordinary legislative procedure, in accordance with Article 294 of the Treaty on the Functioning of the European Union (TFEU), which involves the joint participation of the European Parliament and the Council of the European Union, which may make amendments in their capacity as co-legislators. At that time, it will be possible to assess the impact of the measure that is finally approved for European operators with long-term contracts.

The European Commission also presented significant proposals, recommendations and reports on gas storage and capacity mechanisms:

- Report published on 3 March 2025 on streamlining the approval procedure for capacity mechanisms with the aim of making the process more efficient and ensuring security of electricity supply.
- Legislative proposal published on 5 March 2025 to extend Regulation (EU) 2022/1032 until the end of 2027, with the aim of ensuring that EU Member States maintain adequate levels of gas storage to address potential supply disruptions.
- Recommendation to the EU Member States published on 5 March 2025 for the implementation of the storage filling targets.

And on 2 June 2025, the European Commission published an official communication that provides guidance on anticipatory investments in future-oriented electricity grids and aims to facilitate investment decisions that proactively respond to the future needs of the European electricity system.

2. Regulatory environment in Spain

2.1 Natural gas industry

The following provisions are worth noting as they are applicable in 2025:

- CNMC Resolution of 23 May 2024 establishing the access tolls for the transportation networks, local networks and regasification for the 2025 gas year.
- CNMC Resolution of 23 May 2024 establishing the remuneration for the 2025 gas year for companies carrying out regulated activities related to liquefied natural gas plants, transportation and distribution of natural gas.
- CNMC Resolution of 12 August 2024, establishing the method of calculating the adjustment to be made to the annual remuneration for natural gas transport, regasification and distribution companies for the provision of related services.
- Order TED/1013/2024, of 20 September, establishing the gas system charges and the remuneration and fees for basic underground storage facilities for the 2025 gas year.
- Order TED/1193/2024, of 30 October, establishing energy policy guidelines for the CNMC in relation to the proposed amendment of Circular 2/2019, of 12 November, which established the method of calculating the remuneration rate for natural gas regasification, transport and distribution activities.

On 16 April 2024, the Official State Gazette published the CNMC Resolution of 4 April 2024, which determines the transitory price for the rental of natural gas smart meters with a flow rate of less than or equal to 6 m³/h for customers connected to networks of less than 4 bar and consumption less than or equal to 50 MWh/year.

Royal Decree-Law 9/2024, of 23 December, and Royal Decree-Law 1/2025, of 28 January (since the former was not ratified in Parliament) once again extended, until 31 December 2025, the prohibition on cutting gas supplies to vulnerable electricity consumers on grounds of non-payment.

In 2025, the following provisions entered into force:

- Resolution of 13 January 2025, of the Directorate General for Energy Policy and Mines, which publishes the allocated and available capacity in basic underground natural gas storage facilities for the period from 1 April 2025 to 31 March 2026.
- Order TED/181/2025, of 13 February, approving the Technical Management Regulations for the Gas System under ministerial jurisdiction.
- Order TED/211/2025, of 4 March, updating the system for automatically setting maximum pre-tax sale prices for bottled liquefied petroleum gases and amending the system for automatically setting pre-tax sale tariffs for liquefied petroleum gases supplied through pipelines.
- Resolution of 26 March 2025 of the Directorate-General for Energy Policy and Mines, publishing the last resort tariff for natural gas to be applied from 1 April 2025.
- Resolution of 25 March 2025, of the Directorate-General for Industrial Strategy and Small and Medium-sized Enterprises, updating the list of standards in supplementary technical instruction ITC-ICG 11 of the Technical Regulation on the distribution and use of gaseous fuels, approved by Royal Decree 919/2006, of 18 July.
- CNMC Circular 2/2025, of 9 April, establishing the new methodological framework for access and capacity allocation in the Spanish gas system.
- CNMC Resolution of 27 May 2025 establishing the remuneration for the 2026 gas year for companies carrying out regulated activities related to liquefied natural gas plants, transportation and distribution of natural gas.
- CNMC Resolution of 27 May 2025 establishing the access tolls for the transportation networks, local networks and regasification for the 2026 gas year.
- CNMC Resolution of 13 June 2025 amending the Resolution of 3 April 2020, which established the detailed procedure for the development of market mechanisms for the allocation of capacity in the gas system.
- CNMC Resolution of 13 June 2025 establishing the procedure for managing applications and contracts for the connection of plants that produce other gases to the natural gas transportation or distribution network.
- CNMC Resolution of 17 June 2025 amending that of 24 March 2022, which established the detailed procedures for the development of congestion management and anti-hoarding for capacity mechanisms in the natural gas system and amending the Resolutions of 3 April 2020, on market mechanisms for the allocation of capacity in the gas system, and of 1 July 2020, on natural gas balancing.
- CNMC Circular 5/2025, of 18 June on regulatory information about the costs of natural gas distribution.
- Directorate-General for Energy Policy and Mines Resolution of 26 June 2025 publishing the last resort tariff for natural gas to be applied from 1 July 2025.

2.2 Electricity industry

In the electricity sector, a range of provisions were adopted in late 2024 that will apply in 2025:

- CNMC Resolution dated 4 December 2024 establishing the access tolls for the electricity transmission and distribution networks applicable as from 1 January 2025.
- CNMC Resolution dated 22 December 2024 provisionally establishing the remuneration in 2025 for electricity distribution companies.

- Resolution of 23 December 2024, of the Directorate-General for Energy Policy and Mines, approving the consumption profile and calculation method for energy settlement purposes, applicable to type 4 and 5 metering points of consumers who do not have a time-of-use consumption record, in accordance with Royal Decree 1110/2007, of 24 August, approving the Unified Regulation on Metering Points in the Electricity System for the year 2025.
- Order TED/1487/2024, of 26 December, establishing the prices of the electricity system charges and establishing various regulated costs of the electricity system for 2025 and approving the distribution of the amounts to be financed relating to the electricity subsidy ("bono social") and the cost of electricity supply for consumers referred to in articles 52.4.j) and 52.4.k) of Law 24/2013, of 26 December, on the Electricity Sector, for 2025.
- Resolution of 26 December 2024 of the Secretariat of State for Energy, updating the operating remuneration for the first calendar quarter of 2025 for electricity generation facilities whose operating costs depend essentially on the price of fuel.

Royal Decree-Law 9/2024, of 23 December, extended, until 31 December 2025, the 80% reduction in tolls for electricity-intensive supplies. However, since it was not ratified by Congress on 22 January, the measure lapsed as of 23 January. Subsequently, Royal Decree-Law 7/2025 of 24 June re-established this rebate retroactively effect from 23 January.

Provisions approved during the first half of 2025 included:

- CNMC Resolution dated 9 January 2025, provisionally establishing the remuneration in 2025 for companies owning electricity transmission facilities.
- CNMC Resolution dated 10 January 2025, provisionally establishing the remuneration in 2025 for electricity distribution companies.
- CNMC Circular 1/2025 of 28 January 2025, amending Circular 3/2020 of 15 January establishing the method for calculating electricity transmission and distribution tolls.
- Order TDF/149/2025 of 12 February establishing measures to combat phishing scams through fraudulent telephone calls and text messages and to guarantee the identification of the numbering used for the provision of customer services and of unsolicited commercial calls.
- CNMC Resolution dated 17 February 2025 establishing the remuneration for electricity distribution companies for 2021.
- Order TED/197/2025 of 26 February 2025, which establishes energy-saving obligations, compliance measures via Energy Saving Certificates, and the minimum required contributions to the National Energy Efficiency Fund for 2025.
- CNMC Resolution of 28 February 2025, publishing the operating rules for the daily and intraday electricity markets to adapt them to quarter-hourly trading and the new daily market typology.
- CNMC Resolution, of 6 March 2025, amending the Resolution of 4 December 2024 setting the tolls for access to electricity transmission and distribution networks applicable from 1 January 2025.
- CNMC Resolution dated 12 March 2025, establishing the remuneration for 2022 for companies owning electricity transmission facilities.
- Royal Decree 214/2025, of 18 March, creating the register of carbon footprint, offsetting and carbon dioxide capture projects and establishing the obligation to calculate the carbon footprint and to draw up and publish greenhouse gas emission reduction plans.
- Resolution of 28 March 2025, of the Secretariat of State for Energy, approving the operating procedures for the system for implementing the settlement period for fifteen-minute deviations.

- Secretariat of State for Energy Resolution of 8 April 2025 updating the operating remuneration in the second calendar quarter of 2025 for electricity generation facilities whose operating costs depend essentially on the price of fuel.
- CNMC Resolution of 30 April 2025 approving the standardised formats for the publication of electricity generation and demand access capacities by distribution system operators.
- CNMC Resolution of 8 June 2025 establishing establishes the detailed specifications for determining firm access capacity of demand to electricity distribution networks.
- CNMC Resolution of 12 June 2025 amending the operating procedures for the development of a voltage control service in the Spanish mainland electricity system.

In July 2025, the National Markets and Competition Commission (CNMC) released for public consultation two proposals for circulars that are of particular importance for the electricity distribution business and for the financial remuneration of regulated activities in the electricity sector:

- Proposal for a Circular establishing the methodology for calculating the remuneration of the electricity distribution business: This proposal aims to update the methodological framework applicable to calculating the remuneration for distribution companies for the next regulatory period, 2026-2031. The new methodology maintains the principles of efficiency and sustainability established in Circular 6/2019, but introduces adjustments aimed at reinforcing efficient investment, facilitating the integration of renewable energies, and adapting remuneration to the challenges arising from digitalisation and the energy transition. It also reviews the technical and economic parameters that determine the remuneration base and performance-related incentives.
- Proposed amendment to Circular 2/2019, regarding the methodology for calculating the Financial Remuneration Rate (FRR): the CNMC proposed a review of the current methodology for calculating the FRR applicable to regulated electricity transmission and distribution activities. In particular, a new methodology for calculating the cost of debt is introduced in order to improve the estimate of funding conditions in the third regulatory period. An update of the regulatory leverage ratio is also proposed, in line with the practices of other European regulators.

Both proposals are currently in the public consultation phase and are scheduled for final approval in the second half of 2025, with entry into force from 1 January 2026.

On 28 April 2025, there was a blackout in the Spanish mainland electricity system that resulted in the declaration of an electricity crisis and the implementation of the emergency and system restoration procedure.

Spain's National Security Council resolved to create, within the Central Government, a committee to analyse the circumstances of the electricity crisis and draw conclusions. On 17 June 2025, the government presented its findings, stating that the origin of the blackout was multifactorial.

On 24 June 2025, Spain's Cabinet approved Royal Decree-Law 7/2025, of 25 June 2025, on urgent measures to strengthen the electricity system. This Royal Decree incorporates several measures that are structured in three large blocks aimed at: strengthening the resilience of the electricity system, promoting storage and flexibility, and driving the electrification of industry, mobility and air conditioning.

Vulnerability

Royal Decree-Law 4/2024, of 26 June, published in the Official State Gazette on 28 July, extended the higher discounts of 65% and 80% for the electricity subsidy, which will taper down by 1 July 2025 to permanent values of 35% for vulnerable consumers and 50% for severely vulnerable consumers. These values are higher than those in force before the crisis measures. However, Royal Decree-Law 9/2024 postponed the date for reaching the 35% and 50% discounts to 31 December 2025.

Furthermore, in accordance with Royal Decree Law 9/2024, of 23 December, the prohibition on cutting off supply to vulnerable consumers in the event of non-payment will remain in force until 31 December 2025.

From 1 January 2025, value-added tax for all consumers will revert to the standard rate of 21%.

Nuclear plants

Spain currently has five operational nuclear power plants, comprising seven reactors, with a combined installed capacity of 7.4 GW. These facilities account for approximately 20% of Spain's electricity output. In January 2019, the Spanish government reached an agreement with the main electricity companies and the National Radioactive Waste Company (Enresa) to establish a schedule for the gradual closure of nuclear power plants between 2027 and 2035. This agreement provides for shutting down the reactors when they reach between 44 and 46 years of operation, starting with Almaraz I in 2027 and ending with Trillo in 2035.

To date, there has been no progress or official announcements on a possible review or extension of this timetable, except for a bill in Congress by the Popular Party to amend the agreed closure timetable and allow plants to continue operating beyond 2035. This initiative was accepted for consideration in June 2025, but its approval will depend on political consensus and the decisions of the companies that own the plants. The companies that own Almaraz I (Iberdrola, Endesa and Naturgy) have expressed their intention to request an extension until 2030, but have not yet made an official application.

2.3. Other regulations in Spain

2.3.1. Energy tax

Law 38/2022 of 27 December, published on 28 December 2022, created a temporary energy levy of 1.2% of revenue for 2022 and 2023 (calendar years prior to those in which the payment obligation arises: 2023 and 2024) of the main operators in the energy sectors.

Subsequently, Royal Decree-Law 8/2023 of 27 December extended this levy throughout 2024. However, Law 7/2024 of 20 December was amended in its passage through Parliament: a final provision was added repealing Article 1 of Law 38/2022, which constitutes a de facto repeal of the Temporary Energy Levy and rules out the possibility that it may be extended to 2025 via a Royal Decree Law. In response to this repeal, the subsequent meeting of the Spanish Cabinet on 23 December 2024 adopted Royal Decree Law 10/2024, of 23 December, which re-imposed the Temporary Energy Levy for 2025, on the basis of net sales in 2024.

The Plenary Session of the Congress of Deputies on 22 January 2025 did not ratify Royal Decree Law 10/2024, of 23 December, which consequently lapsed, meaning that no amount will accrue in 2025 under the Temporary Energy Levy.

2.3.2. PNIEC 2023-2030

On 28 May 2025, the European Commission published its assessment of Spain's National Energy and Climate Plan (PNIEC) 2023-2030, evaluating the country's commitment to the European Union's energy and climate objectives. In its analysis, the Commission recognised the progress made and highlighted key areas where Spain has opportunities to strengthen its leadership in the energy transition. The Commission identified areas with potential for improvement, such as reducing emissions in the LULUCF sector (Land Use, Land-Use Change, and Forestry), increasing the level of energy interconnection, and strengthening energy efficiency measures to reach European targets.

2.3.3. Emission allowances

The Naturgy Group currently has two types of activities that are regulated under the European Emissions Trading System. One is maritime shipping, incorporated in 2024, which, by 30 September 2025, must deliver allowances equivalent to 40% of the emissions produced in European waters in 2024. The other is the energy sector, which applies to all the Naturgy Group's combined cycle plants in Spain, as well as to the cogeneration plant in Almazán, as its installed thermal capacity exceed 20 MW. The Almazán cogeneration plant is the only Naturgy Group facility that continues to receive an allocation of emission allowances free of charge, since it produces useful heat for industrial processes.

2.3.4 Combined cycle capacity mechanism

On 18 December 2024, a Draft Order of the Ministry for Ecological Transition and Demographic Challenge (MITECO) was released for public consultation. It proposes the creation of a capacity market in the Spanish mainland electricity system, with the aim of strengthening security of supply in an environment with a high penetration of renewables. This consultation concluded on 29 January 2025. To date, the conclusions have not been officially published, nor has the final version of the regulation been approved. However, the Ministry continues to work on it and is coordinating with the European Commission to ensure it is compatible with European regulations on state aid.

During the first half of 2025, regulatory work continued on the development of this mechanism, which provides for competitive auctions to remunerate the availability of firm capacity in manageable technologies, including combined cycle gas plants. Although the final regulatory framework has not yet been approved, the sector is closely monitoring the progress of the preliminary design of the scheme, which provides for different types of auctions with multi-year horizons.

3. Regulation of the gas industry in Latin America

3.1 Natural gas industry

3.1.1 Natural gas distribution in Brazil

CEG and CEG RIO

On 1 January 2025, the new tariffs for CEG and CEG RIO came into force, with adjustments to the annual inflation index variation of IGP-M (+6.33%) in accordance with decisions 4840 and 4841/2024 of 23 December 2024.

Following the agreement reached in connection with the 4th Integrated Tariff Review (ITR), negotiations resumed for the 5th ITR (period 2023-2027), which is currently in the phase of analysing the remuneration rate and asset base.

CEG's and CEG Rio's concessions run until 2027. These contracts, originally signed in 1997 for a period of 30 years, can be extended for an additional 30 years subject to legal and regulatory requirements. Naturgy formally applied for an extension in 2024. The regulator (Agenera) is evaluating the technical, financial and operational documentation that was submitted and a final decision is expected in the first half of 2026.

Gas Natural Sao Paulo Sur, S.A. (SPS)

On 29 May 2025, ARSESP, under Resolution No. 1.689/25, approved the tariff update of the annual readjustment of SPS margins by the inflation rate of 8.46% for the period from 31 May 2025 to 30 May 2026.

The following adjustments were made to the margins in force from 31 May 2025:

- A compensatory adjustment of -22.19% to the residential, collective residential and commercial segments.
- A compensatory adjustment of -6.51%, to the other consumer segments (except residential and commercial).

SPS would have been due for a five-yearly review at the end of May 2025 but, in April 2025 the regulator postponed the initial RTI timetable sine die.

Naturgy is currently engaging with the licensing authority to renew the concession, which expires in May 2030.

3.1.2. Natural gas distribution in Mexico

On 20 December 2024, a decree was published in the Official Gazette of the Federation (DOF) reforming, adding and repealing various provisions of the Political Constitution of the United Mexican States with the aim of streamlining organisational structure.

To that end, a decree was published in the Official Gazette of the Federation (DOF) on 18 March 2025, coming into force on 19 March, enacting the National Energy Commission Act (LCNE), which merged the Energy Regulatory Commission (CRE) and the National Hydrocarbons Commission (CNH) into a single body: the National Energy Commission (CNE). From that date, the CNE assumed the functions of tariff supervision and regulation.

Also, a decree was published on 18 March 2025, coming into force on 19 March 2025, enacting the Hydrocarbons Sector Law (LSH) and repealing the previous Hydrocarbons Law, granting the National Energy Secretariat (SENER) greater planning and supervisory powers.

With regard to tariff revisions, the tariff periods for the various permits in Monterrey, Bajío, Saltillo, Mexico City, Toluca, and Nuevo Laredo are valid until 31 December 2025. However, all of these tariffs are currently under appeal. To date, no judgments have been rendered.

For the Tabasco, Campeche and Mérida distribution areas, the tariff period ended in December 2023. For Península it ended in June 2024. The business plans for Tabasco, Campeche and Mérida were filed on 4 December 2023, while the business plan for Península was filed in April 2024. The regulator has not yet issued the relevant resolutions. However, the concessions in these areas have not yet started operations, as there is no gas available at the sites.

Regarding the maximum tariffs in force, the Energy Regulatory Commission (CRE) approved the tariff update for regulatory inflation in 2024 for the following permits: Monterrey, Bajío, Saltillo, Mexico City, Toluca and Nuevo Laredo, although they are all pending publication in the DOF in order to be applied, with the exception of Monterrey, whose tariffs for 2024 have already been published and are being applied. Regarding the 2025 tariff update for inflation, the Monterrey update was approved but is pending publication in the DOF in order to be applied.

3.1.3 Natural gas distribution in Argentina

As a continuation of the tariff review process for the five-year period 2025-2029 that started in August 2024, on 13 January 2025, the national gas regulator, ENARGAS, by means of Resolution 2025-16, announced Public Hearing No. 106 on 6 February 2025, with the purpose of submitting for consideration: a) a five-yearly review of gas transport and distribution tariffs; b) methodology for the periodic adjustment of gas transport and distribution tariffs; c) modification of the Distribution Service Regulations in relation to the items linked to the power to cut off service for non-payment.

As a result of this consultation, in April 2025 ENARGAS published Resolutions 263/2025 and 264/2025 approving the Five-Year Tariff Review (2025-2029) and the Tariff Schedules corresponding to Naturgy BAN, S.A. and Naturgy NOA, S.A., respectively; these entail a tariff increase of 14.92% for Naturgy BAN, S.A. and 2.57% for Naturgy NOA, S.A., which will be applied in 31 monthly instalments as from 1 May 2025.

On 5 June 2025, the Energy Secretariat issued Resolution 241/2025 establishing the monthly adjustment of tariffs in accordance with the variation of the indices established by ENARGAS in the Five-Year Tariff Review.

Subsequently, on 6 June 2025, ENARGAS published Resolutions 367/2025 and 366/2025 approving the methodology for the periodic adjustment of tariffs corresponding to Naturgy BAN S.A. and Naturgy NOA S.A., respectively. On 1 July 2025, ENARGAS approved the new tariff sheets for Naturgy BAN and Naturgy NOA with Resolutions 432 and 433/2025, respectively.

3.1.4 Natural gas distribution in Chile

In accordance with regulations, on 30 March 2025, the Four-Year Report for the calculation of the New Replacement Value (NRV) for the period 2026-2029 and the Annual Profitability Check Report were submitted to the regulator. Currently, both are in the iteration phase with the regulator. Preliminary results are expected to be available in August 2025.

Regarding the initiatives to amend the Gas Law, no progress or significant activity took place during the first half of 2025.

4. Regulation of the international electricity industry

4.1 Regulated activities in the international electricity industry — Distribution

4.1.1 Electricity distribution in Panama

On 5 October 2023, Resolution AN-18737 approved the tariffs for the distribution and supply of electricity for the period from 1 July 2023 to 30 June 2026. These tariffs are updated every six months in line with the Consumer Price Index (CPI). A six-monthly update is currently in force with application from 1 January 2025 to 30 June 2025.

This six-monthly update has resulted in an increase of +1.09% for EDEMET customers and a decrease of -7.33% for EDECHI customers (values calculated by comparing the tariff in force from January to June 2025 with that in force between July and December 2024, without taking into account government subsidies).

Throughout 2025, the State's contribution was sustained by applying discounts from the tariff stabilisation fund (FET) for EDEMET and EDECHI customers consuming up to 300 kWh per month, as well as through contributions from the Occidente tariff fund (FTO) for EDECHI customers, given that approval was granted in December 2024 for the programme to be extended until June 2025.

Through Resolution AN No. 19567 of 6 September 2024, the regulator (ASEP) approved Naturgy's proposal to implement a plan of intensive maintenance work on the network, with adjustments and pruning/felling work on the most critical circuits, with the aim of improving service quality in our concession area. This work was exempted from quality indicators for a period of six months, from 1 September 2024 to 28 February 2025. As a result of achievements during this first phase of the Quality Improvement Plan, an application was made to the regulator to extend the execution with a second intensive phase of work (Phase II), with a duration of six additional months, starting on 1 March 2025. The proposal was approved by the ASEP under Resolution AN No. 20036 of 20 March 2025.

4.1.2 Electricity distribution in Argentina

The tariff scheme in the province of San Juan, where Naturgy operates through Naturgy San Juan S.A. (formerly Energía San Juan, S.A.), consists of five-yearly Ordinary Tariff Reviews (RTO) and half-yearly Extraordinary Tariff Reviews (RTE). The latter update the variables contained in the aggregated distribution value (VAD), make market projections and make adjustments (between estimated and actual figures) to taxes, levies and charges that are not set out explicitly in the invoices for the service.

The RTO process setting the tariffs for the five-year period from 2021 to 2025, was completed early in 2021.

Public hearings have been held systematically for subsequent RTEs. The latest was approved on 23 December 2024, through EPRE Resolution No. 1200/24, to be applied to consumption from 23 January 2025 (8th Extraordinary Tariff Review). This Resolution entails decreases of approximately -4.4% in the distributor's average sales tariff and -6.6% in the distribution added value (VAD). This decrease results from real inflation being lower than that estimated in the previous tariff review.

In order to comply with the provisions of Art. 47 of Law 524-A and Art. 31 of the Naturgy San Juan S.A. Concession Contract, the proposal for the new Tariff Table and Tariff Regime for the next five-year period was submitted to the Provincial Electricity Regulator (EPRE) on 22 January 2025. This mandatory proposal, which is required of Naturgy San Juan S.A. in its capacity as concessionaire of the public service of distribution and supply of electricity in the province of San Juan, is submitted one year prior to the end of each five-year tariff period. The next five-year tariff period will start on 23 January 2026.

In line with the National Government's decision to promote an energy market where supply and demand can transact autonomously, on 24 January 2025, the National Energy Secretariat, through Resolution SE No. 21/25, authorised companies to enter into unregulated agreements without the intervention of Compañía Administradora del Mercado Mayorista Eléctrico, S.A. (CAMMESA), in a gradual transition process, without jeopardising energy supply or increasing costs for consumers. The changes can be summarised as three main points: decentralisation of fuel management, promotion of unregulated bilateral agreements in the market, and fulfilment of existing generation and fuel contracts until their expiration.

On 31 January 2025, National Energy Secretariat Resolution SE N°24/25 reduced the government subsidy (SEN) for low-income residential users (N2) from 71.92% to 65.0% and for middle-income users (N3) from 55.94% to 50.0%. These reductions will be phased in over 11 months, from February to December 2025.

On 13 March 2025, through Executive Decree No. 186/25, the government established a debt regularisation plan for electricity distributors and cooperatives to enable them to access financing and invest in improving the electricity system. As a result, on 21 April 2025, the Undersecretariat of Energy established by means of Provision No. 1 that the electricity distributors that are agents of the Wholesale Electricity Market (MEM) who are interested in joining the Special Regime for the Regularisation of Obligations of the MEM and the Special Credit Regime must notify the Undersecretariat accordingly. Since Naturgy San Juan S.A. meets the conditions established to access the special regime, it has expressed its intention to join.

This regime basically establishes that a credit equivalent to two transactions in the month of February 2025 will be recognised and will be applied as a credit to transactions in the months following the signature of an agreement in accordance with a works plan agreed upon beforehand with the Undersecretariat for the improvement of the electricity system.

4.2 Unregulated activities in the international electricity industry — Generation

Naturgy operates as a power generator in Mexico, Panama, Costa Rica, Dominican Republic, Puerto Rico, Chile, Brazil, Australia and the United States.

4.2.1 Costa Rica and Puerto Rico

In Costa Rica, a capacity commitment contract has been signed with the Costa Rican Electricity Institute (ICE) for the 50 MW Torito power plant, which has been operating since 2015 under a 20-year concession. After this period, the plant will be transferred to the ICE at no cost.

There have been no significant regulatory changes specifically affecting the Torito plant in Costa Rica.

In Puerto Rico, a power and capacity sale contract is in place with the state-owned Puerto Rico Electric Power Authority (PREPA). Naturgy's stake in EcoEléctrica, the company that owns the Puerto Rico combined cycle plant, is carried using the equity method.

In Puerto Rico, the main regulatory measures have been presented by the Puerto Rico Energy Business (NEPR) and have been in force since March 2025. These regulatory measures include increased penalties for breach of contract by private operators, including EcoEléctrica. Specifically, in February 2025, the House of Representatives passed an amendment to the Energy Transformation and Relief Act that increased penalties for non-compliance to \$125,000 per day, convertible to \$250,000 per day for persistent non-compliance.

4.2.2 Panama

Electricity produced by Naturgy's hydropower plants in the country is sold through bilateral contracts with distributors as a result of auctions carried out by the transmission company (ETESA) and approved by the National Public Services Authority (ASEP). Power is also sold on the open market.

Although no new laws were enacted during the first half of 2025, regulatory reforms and proposals were set in motion that are expected to result in a new tariff methodology that better recognises generation, distribution and storage costs.

4.2.3 Dominican Republic

Naturgy operates two oil-fired generation plants: Palamara (102 MW) and La Vega (92.5 MW), in operation since 2000 and 2001, respectively. Both plants take part in the wholesale electricity market and cover approximately 3% of the country's demand.

No new laws were enacted in the Dominican Republic during the first half of 2025. However, strategic plans and regulatory reviews were set in motion within the framework of the National Pact for the Reform of the Electricity Sector, which runs until 2030. The main impacts of these reviews relate to the discussion surrounding the need for a transparent and efficient tariff regime and the search for improved protection of customers' rights, with a direct impact on independent suppliers and distributors.

The Dominican Electricity Industry Association (ADIE) has encouraged debate on the need to adapt the regulatory framework to new technologies, storage, distributed generation and the digitalisation of the system.

Resolution SIE-136-2024 MEM, issued by the Superintendency of Electricity (SIE) on 28 November 2024, had a significant impact during the first half of 2025 as it encouraged the entry of new participants in the ancillary services market, including renewable generators with fast response capacity, resulting in increased competition and enhanced efficiency in frequency regulation.

Resolution SIE-047-2025, issued by the Superintendence of Electricity in April 2025, introduced major measures to improve cybersecurity in the electricity sector. Notably, an inter-institutional committee was created involving such bodies as the National Energy Commission (CNE), the Ministry of Energy and Mines (MEM) and the Superintendence of Electricity (SIE). In addition, each actor in the electricity sector must designate an asset manager with responsibility for implementing cybersecurity operational units, security officers, training programmes, incident response plans and regular audits.

4.2.4 Mexico

The gas-fired combined cycle power plants in Mexico have commitments in place with the Federal Electricity Commission (CFE) under 'Power Generation Capacity Commitment and Associated Power Purchase Agreements', signed between 2001 and 2010 for a duration of 25 years.

The Bii Hioxo wind farm, commissioned in 2014, sells electricity to large customers on a self-supply basis under medium and long-term bilateral contracts.

On 18 March 2025, Mexico enacted various reforms applicable to unregulated activities in the electricity sector. The reforms were approved and entered into force on 19 March 2025. In particular, the new Electricity Sector Law (LESE), replaces the Electricity Industry Law (LIE) of 2014. The new law retains the wholesale electricity market (MEM), but creates new rules for participation; it also establishes that at least 54% of the energy fed into the grid each year must come from government-controlled sources.

Another new development approved on 18 March 2025 was the creation of the National Energy Commission (CNE) under the Ministry of Energy (SENER), which replaces the Energy Regulatory Commission (CRE). The CNE is responsible for granting generation and supply permits, issuing regulation and supervising compliance, and overseeing private-sector participation in generation.

Additionally, the Federal Electricity Commission (CFE) has ceased to be a "productive enterprise" and is now a state-owned enterprise wholly owned by the federal government, with its own legal personality and assets. Its new purpose is to achieve energy justice and sustainable development.

The Electricity Sector Development Plan must be issued by SENER and updated annually. Under the new reforms, it has been agreed that the first plan must be published on 18 March 2026 and will serve as a roadmap for new plants, infrastructure and permits. The plan will also define the areas where new privately-owned capacity will be allowed and set targets for private-sector participation for specific technologies (solar, wind, etc.).

Moreover, the emissions trading system (SCE) is expected to be defined under the energy sector restructuring process promoted by the new government of President Claudia Sheinbaum Pardo. At the end of the first half of 2025, senior management appointments at the SCE remain pending. While the restructuring is underway, the testing phase will continue in accordance with the schedule set out in the preliminary guidelines.

4.2.5 Chile

Naturgy was awarded the energy tender for regulated customers conducted in August 2016, securing a 20-year long-term Power Purchase Agreement (PPA) to supply electricity to distributors. To meet this commitment, Naturgy developed and built two plants (wind and solar) that came on stream in January 2021 with a total installed capacity of approximately 330 MW.

In addition, Naturgy operates 12 “small means of distributed generation - PMGD” plants (10 MW maximum capacity) which, under current regulations, have access to a Stabilised Node Price that is regulated for a term of up to 14 years. The combined total capacity of these 12 plants currently in commercial operation is approximately 56 MW.

In January 2025, Chile began implementing the Energy Transition Law (Law 21.721), which was enacted on 20 December 2024. This Law provides for a number of amendments to the General Electricity Services Law (LGSE). Its impact on unregulated activities lies in strengthening the role of electricity transmission as critical infrastructure for integrating privately-owned renewable generation, introducing operational flexibility mechanisms, and establishing incentives for storage and distributed generation projects.

During the first half of 2025, the Ministry of Energy prioritised accelerated decarbonisation, which favours solar, wind and green hydrogen projects. The government also worked on new storage regulations and tried to improve the network's spatial planning to avoid bottlenecks that affect private-sector energy producers.

Significant progress has also been made on the bill that the government sent to the Chamber of Deputies in August 2024, which aims to extend the coverage of the electricity subsidy by amending various legal instruments relating to tariff stabilisation. Specifically, in January 2025, the Finance Committee of the Chamber of Deputies approved three of the bill's financing pillars: the surcharge on the green tax on carbon dioxide emissions, the collection of net VAT generated by the increase in electricity tariffs, and a new charge to the tariff stabilisation fund (FET) funded by the withdrawal of distributed small-scale generation (PMGD) from the system. This bill is still under discussion in Congress.

4.2.6 Australia

In Australia, Naturgy has power purchase agreements (PPA) in place for wind farms that are already operational, as well as for projects under construction and in development. These PPAs are signed for terms ranging from ten to twenty years. Under these contracts, farms sell their output on the market at the prevailing market price, and a financial settlement is made for the difference between the market price and the contract price.

During the first half of 2025, there were no significant changes in regulations specifically affecting Naturgy's activity in this country.

4.2.7 Brazil

Naturgy operates in Brazil through four photovoltaic generation plants with a total capacity of 154 MW that came into operation in 2017 and 2018 and have 20-year contracts for the sale of reserve energy to Câmara de Comercialização de Energia Elétrica (CCEE).

In May 2025, an energy reform process was launched with the main objective of liberalising the electricity market, allowing all consumers to freely choose their energy supplier. This reform indirectly impacts renewable energy projects by eliminating the distribution toll subsidy for which those projects were eligible. However, this reform will not affect power purchase agreements (PPAs) signed before October 2025, so Naturgy's existing contracts remain unchanged.

4.2.8. USA

In 2025, the arrival of the new administration headed by Donald Trump brought significant legislative changes during the first months of the year, as well as a shift in the country's energy policy, which is now geared towards protecting conventional generation and relaxing commitments to combat climate change.

Naturgy's exposure in the United States is confined to photovoltaic plants. Specifically, Naturgy has two operational photovoltaic plants in the state of Texas: 7V Solar Ranch and Grimes.

The steps taken so far can be classified into three distinct groups: import policies, tax incentives and other measures:

- **Import policies:** imposition of tariffs to favour US manufacturing.

The Trump administration has invoked the International Emergency Economic Powers Act (IEEPA) and Section 232 of the Trade Expansion Act of 1962 to pass diverse legislation imposing import tariffs on goods from certain countries. Initial announcements of high import tariffs led to disruptions in global trade and significant turbulence in financial markets in the early days. Negotiations with the countries involved began at that time and appear to be producing results, with a reduction in tariffs and, consequently, a lower impact than initially expected. Given the US renewable energy industry's high dependence on imports, tariff effects are expected to lead to higher capital costs and pressure on delivery times.

During the first half of 2025, there were significant legal developments regarding the tariffs imposed by the United States on a number of trading partners. The legal situation remains subject to change, as various federal courts have handed down partially contradictory rulings on the validity and application of the tariffs, creating legal uncertainty until the appeals are resolved. Although tariffs have not had a direct material impact on the Group's operations, the issue is being actively monitored due to their potential impact on global supply chains and international trade flows.

- **Tax incentives:** measures aimed at reducing incentives for renewable energy.

The main legislative development in the tax area is the budget reconciliation bill known as the "One Big Beautiful Bill Act".

That bill was initially approved by the House of Representatives on 22 May 2025 and was referred to the Senate, which approved the text on 1 July 2025, including various amendments to the text originally proposed by the House. On 3 July 2025, the House of Representatives passed the version that had been previously approved by the Senate. The final wording as enacted provides conditions for the termination of tax credits for renewables that are more lenient than in the initial version approved in the House.

After final approval by the House of Representatives, the text was signed by President Donald Trump in a symbolic act on 4 July 2025, Independence Day. The signature of this Act concludes a period of high regulatory uncertainty and provides a new regulatory framework for the energy industry.

The biggest impact of the new Act on the country's renewables business would come from changes in renewable energy tax credits. The main change in this respect is the early termination of tax credits for solar and wind energy, bringing forward this termination for all projects that are not in service before 2027, compared with the deadline of 2032 provided for in the previous law. The new act also imposes additional requirements to eliminate technological content and ownership by companies from China, Russia, Iran and North Korea.

However, the new rule maintains the safe harbour for all projects that demonstrate commencement of construction under this heading within 12 months of enactment of the Act by retaining tax credits subject to the facilities coming into service by 2030. Naturgy has been implementing strategies for several months to preserve the tax credits under current law for its advanced development projects, and now, with the new rules, to secure tax credits for the rest of the portfolio that is at an earlier stage.

The current regulation does not provide material changes with respect to the pre-existing legislation (Inflation Reduction Act - IRA) for other renewable technologies, including energy storage.

- **Other measures:** in response to the Trump administration's lower commitment to promoting renewable energy. The main executive orders passed by the federal government in this regard are:
 - Executive Order No. 14154 – Unleashing American Energy, dated 20 January 2025, to promote the exploration and production of the country's natural resources in order to reduce energy costs for citizens while making the country a global energy leader.

- Executive Order No. 3415 – Temporary Suspension of Delegated Authority, dated 20 January 2025, which suspended the issuance of new permits for renewable energy facilities by government agencies for a period of 60 days. On 29 March 2025, upon expiry of the 60-day period, no formal order renewing or lifting the suspension was published.
- Executive Order No. 14162 – Putting America First In International Environmental Agreements, dated 20 January 2025, which withdrew the United States from the Paris Agreement on climate change.

There has been intense legislative activity in Texas (the home state of the Group's two operational solar plants: 7V and Grimes).

During the 2025 legislative session in Texas, which ended on 2 June 2025, several initiatives that sought to restrict renewable energy development were finally dropped. Three key bills — SB 819, SB 388 and SB 715 — made progress in the Senate but failed to pass the deadlines or gain the necessary support in the House of Representatives and, consequently, did not become law.

These bills proposed measures such as:

- Imposing strict new permitting requirements, fees, taxes and regulatory restrictions on solar and wind projects of 10 MW or more (SB 819).
- Requiring that at least half of all new electricity generation come from dispatchable sources other than battery storage, originally focusing on natural gas (SB 388).
- Establishing retroactive mandates for existing renewable facilities to install back-up power sources ("firming requirements") (SB 715).

If they had passed, these laws would have made the development of renewable projects significantly more expensive and raised electricity costs for consumers.

Similar proposals can be expected to resurface in future legislative sessions in Texas and other states.

Naturgy Energy Group, S.A. and subsidiaries
Interim financial report as at 30 June 2025

CONSOLIDATED INTERIM DIRECTORS' REPORT AS AT 30 JUNE 2025

Consolidated Director's report corresponding to the six-month period ended 30 June 2025

1. Business evolution and results

1.1. Executive summary

Summary results of the period

	1H25	1H24	Change (%)
EBITDA	2,848	2,846	0.1
Consolidated profit attributable to the parent Company	1,147	1,043	10.0
Capital expenditure (CAPEX) ⁽¹⁾	897	947	(5.3)
Net financial debt ⁽²⁾	13,689	12,201	12.2
Free cash flow after non-controlling interests ⁽¹⁾	1,280	671	90.8

⁽¹⁾The definition of these alternative performance measures has been redefined to better reflect the investment effort of the Group's businesses (see Appendix I of the Alternative performance metrics).

⁽²⁾As of 31 December 2024.

The first semester of 2025 has been marked by higher energy prices compared to the first semester of 2024, both in gas and electricity, due to the ongoing global events and the macroeconomic situation.

During this period, Naturgy reached an EBITDA of Euros 2,848 million, maintaining record levels in line with the first semester of 2024. Solid performance that reflects the company's diversification and resilience. The Consolidated profit attributable to the parent Company for the first half of 2025 has reached Euros 1,147 million, a 10% increase compared to the first half of 2024. Naturgy has generated a strong cash flow in the period maintaining a robust balance sheet even after the Euros 2,332 million share repurchase completed in June 2025.

Regulated activities delivered stable results, driven by higher regulatory remuneration in Spain Electricity and tariff updates in Latin America, offset by the effect of depreciation in the exchange rate. Regarding Naturgy's liberalized activities, Energy Management business was a key contributor to the result, supported by competitive gas procurement and proactive risk management. Thermal Generation business has delivered strong results, particularly in Spain, driven by higher demand and production in constraint management markets. This performance highlights the essential role of flexible generation assets – especially in combined cycle gas or CCGT plants – in maintaining system stability. As renewables penetration continues to increase, so does the system's reliance on CCGT plants to provide critical balancing and support services.

Naturgy also continued to expand its installed renewable capacity. During the first semester of 2025, Naturgy invested Euros 897 million, primarily in Renewable Generation and Networks. Renewable installed capacity reached 7.7 GW, with 1.4 GW additional capacity currently under construction. Capital discipline and profitability remained a cornerstone in the current environment, maintaining a selective and strategic approach to growth in the Renewable Generation sector.

Naturgy's net financial debt as of 30 June 2025 stood at Euros 13,689 million compared to Euros 12,201 million at the end of 2024. Net financial debt to LTM EBITDA stood at 2.6x, reflecting the impact of the Euros 2,332 million share repurchase completed in June 2025.

On April 9 2025, Naturgy distributed its 2024 final dividend of 0.60 €/share in cash, reaching a total dividend of 1.60 €/share in 2024. As part of the Strategic Plan 2025-27, Naturgy reviewed its dividend distribution policy for 2024-2027, establishing an annual dividend per share trajectory from 1.60€ in 2024 to 1.90€ in 2027, subject to maintaining a BBB credit rating.

Following the completion of the tender offer, treasury stock has reached 10% of the total capital and, as planned, the dividend per share will be proportionally increased based on the size of the treasury stock, since treasury shares do not receive dividends and their corresponding amount is redistributed among the remaining shareholders. As such, Naturgy's first 2025 interim dividend will amount to 0.60€ per outstanding share, payable on 30 July 2025.

Completion of tender offer

On 25 March 2025, the Ordinary General Meeting of Shareholders of Naturgy Energy Group, S.A. approved a voluntary tender offer to acquire a maximum of 88,000,000 own shares, representing 9.08% of the share capital, addressed to all Naturgy shareholders at a fixed price of Euros 26.5 per share.

Following clearance of the offer by the Spanish National Securities Market Commission (CNMV) on 28 May 2025, the publication of the offer prospectus and conclusion of the acceptance period, the offer was settled on 24 June 2025 (see Note 10 "Equity" in the condensed interim consolidated financial statements as at 30 June 2025).

The primary goal of the offer, which is part of the 2025-2027 Strategic Plan, is to enable Naturgy to acquire own shares for placement in an orderly manner, when considered appropriate, to increase the free float and advance towards the goal of returning to the main stock market indices.

MSCI (Morgan Stanley Capital International)

In February 2024, Morgan Stanley Capital International (MSCI), a global benchmark for institutional investments and numerous mutual funds and exchange-traded funds, announced changes to the composition of several of its indexes. As a result, Naturgy ceased to be a component of several MSCI indices, effective as of market close on the last business day of February 2024. The exclusion was based on the market value of Naturgy's free float, which had fallen below MSCI's minimum inclusion thresholds, and was unrelated to its current operating and financial performance.

Naturgy has carried out a public, voluntary and partial tender offer for its own shares, the main purpose of which is to re-establish adequate levels of free float it is expected to return to the main stock market indexes, particularly to the MSCI mentioned above, within the period included in the Strategic Plan 2025-27.

Energy demand and commodity prices

During the first half of 2025, average gas and electricity prices in Europe were higher compared to the first half of 2024, affected by macro-economic uncertainty and lower temperatures.

In this context, gas prices in the main hubs have experienced relevant increases where TTF, HH, and JKM compared on average 42%, 68%, and 27% above the first half of 2024, respectively. Also, wholesale electricity prices were 58% higher on average compared to the first semester of 2024. Conversely, average Brent prices compared 15% below the first half of 2024.

Demand had a mixed evolution across markets. Brazil Gas demand grew up to 7% and, Spain Gas demand experienced a slight increase of 0.7%. On the other side Argentina Gas and Mexico Gas showed reductions of 3.9% and 0.1% respectively. Spain Electricity demand posted a 2.0% increase, while Argentina Electricity and Panama Electricity decreased by 7.1% and 1.4% respectively. Finally, in the case of Chile Gas, considering only gas distribution sales, decreased by 5.3%.

Outlook 2025

Based on the company's solid performance in the first half of 2025 and the current energy outlook for the remainder of the year, Naturgy estimates that it can achieve an EBITDA and Consolidated profit attributable to the parent Company exceeding Euros 5,300 million and Euros 2,000 million, respectively. Furthermore, Naturgy expects to end the year 2025 with a net financial debt over than Euros 14,700 million which translates into a net financial debt to EBITDA ratio below 2.8x. This reflects the strong current trading and the positive outlook for the remainder of the year.

Strategic Plan 2025-27

Naturgy presents a compelling investment case for both institutional and retail investors, as evidenced by the fact that the share price remained above the tender offer levels after completing the offer. This reflects strong market confidence in the company's outlook and Strategic Plan 2025–27 unveiled in February, which outlines a clear path for value creation and a growing and attractive shareholder remuneration backed by disciplined investment and sustained record EBITDA. The current energy environment further underscores the attractiveness of the Strategic Plan 2025-27.

1.2. Key comparability factors

Reporting structure

Naturgy's segment structure is aligned and coherent with the its model for reporting to the Board of Directors, which is responsible for regularly reviewing the results of the segments within the company's operational decision-making process in order to decide on the resources to be allocated to each of them and assess their performance.

As at 30 June 2025, the operating segments are:

- **Distribution Networks:** groups together the business segments devoted to managing regulated gas and electricity distribution and transport infrastructures:
 - **Gas Spain:** regulated gas distribution business in Spain.
 - **Gas Mexico:** regulated gas distribution and supply in Mexico.
 - **Gas Brazil:** regulated gas distribution and supply in Brazil.
 - **Gas Argentina:** regulated gas distribution and supply in Argentina.
 - **Gas Chile:** regulated gas distribution and supply in Chile.
 - **Electricity Spain:** regulated electricity distribution in Spain.
 - **Electricity Panama:** regulated electricity distribution and supply in Panama.
 - **Electricity Argentina:** regulated electricity distribution and supply in Argentina.

This block also includes a holding company carrying out horizontal activities directly linked to this grouping's businesses.

- **Energy Markets:** includes the deregulated business segments as follows:
 - **Energy Management:** includes the following activities:
 - liquefied natural gas trading and shipping;
 - procurement and other gas infrastructure management, and supply to energy-intensive consumers; and
 - management of the Medgaz gas pipeline (equity-accounted).
 - **Thermal Generation:**
 - **Spain:** includes management of the conventional thermal generation fleet (which uses fuel to produce heat and which is not covered by a special regime) in Spain (nuclear and combined cycle).
 - **Latin America:** includes management of the conventional thermal generation facilities in Mexico, the Dominican Republic and Puerto Rico, the latter being equity-accounted through EcoEléctrica LP.
 - **Renewable Generation:**
 - **Spain:** includes management of facilities and generation projects using wind energy, mini hydro, solar and cogeneration, as well as hydroelectric power generation located in Spain, and the development pipeline in other European countries.

- **USA:** includes managing photovoltaic generation fleet and projects being developed in the United States.
- **Latin America** includes the management of the facilities and renewable electricity generation projects located in Latin America (Brazil, Chile, Costa Rica, Mexico and Panama).
- **Australia:** includes management of the existing renewable power generation fleet and project pipeline in Australia.
- **Renewable Gases:** management of renewable gas projects, mainly biomethane and green hydrogen.
- **Supply:** its goal is to manage the supply of gas, electricity and services to end customers by adopting new technologies and services and exploiting the brand's full potential.

A holding company carrying out cross-cutting activities directly linked to the grouping's businesses is also included.

- **Other:** basically includes the corporation's operating expenses and other lesser and residual activities.

Perimeter changes

There are no transactions completed in the first six months of 2025 with a relevant impact in comparability in the first half of 2025 compared to the first half of 2024 results.

The main changes to the consolidation scope in the six-month period ended 30 June 2025, are described in Note 2.6 in the condensed interim consolidated financial statements as at 30 June 2025.

Foreign exchange impact

Exchange rate fluctuations in the period are summarized below:

Currency	Average accumulated exchange rate June 2025	Change vs June 2024 (%)	EBITDA	Consolidated profit attributable to the parent Company
USD/€	1.09	1.1	(7)	(4)
MXN/€	21.81	17.8	(25)	(6)
BRL/€	6.29	14.5	(19)	(5)
ARS/€ ⁽¹⁾	1,415.97	45.0	(33)	(13)
CLP/€	1,043.91	2.6	(8)	(5)
Other			(2)	1
Total			(94)	(32)

⁽¹⁾ Exchange rate as of 30 June 2025 as a consequence of considering Argentina as a hyperinflationary economy

During the first semester of 2025, the evolution of currencies had an impact on the Group's financial performance of Euros -94 million and Euros -32 million in EBITDA and consolidated profit attributable to the parent Company, respectively, with all currencies experiencing a depreciation against the Euro in the first semester of 2024.

1.3. Consolidated results

	1H25	1H24	Change (%)
Net sales	9,961	9,071	9.8
EBITDA	2,848	2,846	0.1
Depreciation, amortisation and impairment expenses	(825)	(764)	8.0
Impairment of credit losses	(74)	(33)	124.2
Other results	14	(193)	(107.3)
Operating Profit	1,963	1,856	5.8
Net financial income/ (expenses)	(245)	(215)	14.0
Profit of entities recorded by equity method	76	56	35.7
Corporate income tax	(481)	(382)	25.9
Profit for the year from discontinued operations, net of taxes	—	(22)	(100.0)
Non-controlling interest	(166)	(250)	(33.6)
Consolidated profit attributable to the parent Company	1,147	1,043	10.0

Net sales

Net sales totaled Euros 9,961 million in the first half of 2025, up 9.8% compared to the first half of 2024, supported by higher energy prices both in gas and electricity.

EBITDA

Consolidated EBITDA reached Euros 2,848 million in the first half of 2025, maintaining record EBITDA levels in line with the first semester of 2024.

The Group posted strong results supported by higher contribution from liberalized activities, notably in the activity of Energy Management, benefiting from higher gas prices during the period and competitive procurements and of Thermal Generation, particularly in Spain, driven by higher demand and production in constraint management markets. This performance highlights the essential role of flexible generation assets –especially CCGTs plants– for maintaining system stability.

The breakdown by business of the EBITDA is as follows:

	1H25	1H24	Change (%)
Distribution Networks	1,337	1,454	(8.0)
Energy Markets	1,527	1,415	7.9
Rest	(16)	(23)	(30.4)
EBITDA	2,848	2,846	0.1

Operating Profit

Depreciation, amortization and impairment expenses reached in the period Euros 825 million, up to 8.0% compared to the first half of 2024, primarily as a result of higher impairments corresponding to Spain Renewable Generation and USA Renewable Generation. For further details, see Note 4 “Non-financial asset impairment losses” in the condensed interim consolidated financial statements as at 30 June 2025.

Impairment of credit losses reached Euros 74 million in the first semester of 2024, 124.2% higher than in the first half of 2024.

“Other results” amounted to Euros 14 million, as a result of changes and/or updates, in the first six months of 2025, of provisions in connection with the situation described in Note 26 “Litigation and arbitration” in the condensed interim consolidated financial statements as at 30 June 2025.

Net financial income

	1H25	1H24	Change (%)
Cost of net financial debt	(257)	(253)	1.6
Other financial expenses/income	12	38	(68.4)
Net financial income/ (expenses)	(245)	(215)	14.0

Financial result amounted to Euros 245 million, increasing 14.0% compared to the first half of 2024. Cost of net financial debt increased slightly due to higher financial liabilities despite the reduction in the average cost of gross financial debt, which stands at 3.9% in the first semester of 2025 compared to 4.0% as of year ended December 2024, both excluding cost from IFRS16 debt and other refinancing costs. Additionally, “Other financial expenses/ income” are mainly affected by reversals of provisions in 2024.

As of 30 June 2025, 63% of gross debt is at fixed rates and 67% is denominated in Euros.

Profit of entities recorded by equity method

Equity-accounted affiliates contributed Euros 76 million positive compared to Euros 56 million as of June 2024, corresponding to EcoElectrica (Euros 36 million), Chile Gas entities (Euros 17 million), Medina/Medgaz (Euros 12 million), Qalhat (Euros 3 million), Renewable Generation and cogeneration (Euros 2 million) and others (Euros 6 million).

The increase compared to the first semester of 2024 occurs as a result of the higher contribution of the associated interests in Renewable Generation and cogeneration activities, Chilean entities, as well as EcoElectrica.

Corporate income tax

The effective corporate tax rate for the first six months of 2025 stood at 26.8% compared with 22.5% at previous year.

Consolidated profit attributable to the parent Company

Consolidated profit attributable to the parent Company reached Euros 1,147 million in the first six months of 2025, increasing 10.0% compared to the first half of 2024.

Income attributed to non-controlling interests

Income attributed to non-controlling interests amounted to Euros 166 million in the first half of 2025, down 33.6% compared to 30 June 2024, as detailed in the following table:

	1H25	1H24	Change (%)
Spain Gas	(30)	(33)	(9.1)
Chile Gas	(47)	(99)	(52.5)
Other affiliates ⁽¹⁾	(81)	(104)	(22.1)
Other equity instruments	(8)	(14)	(42.9)
Total	(166)	(250)	(33.6)

⁽¹⁾ Including Latin America Thermal Generation, Latin America and Australia Renewable Generation, Gas in Brazil, Mexico and Argentina and Panama Electricity

The decrease is mainly due to Chile Gas following the positive impact from the reversal of TGN (Transportadora de Gas del Norte, S.A.) provisions in the first half of 2024, as well as lower income from Latin America affiliates. On the other hand, the reduction in “Other equity instruments”, which includes accrued interest on Deeply Subordinated Notes (hybrids), is explained by the Euros 500 million hybrid redemption without replacement completed in April 2024 and Euros 169 million redeemed in May 2025 as part of a liability management transaction.

As of 30 June 2025, the nominal of hybrids outstanding amounts to Euros 331 million.

1.4. Results by business unit

1.4.1. Distribution Networks

Below is the detail of the reported and ordinary EBITDA for the six-month period ended June 30, 2025 and 2024:

	1H25	1H24	Change (%)
Distribution Networks	1,337	1,454	(8.0)
Spain Gas	376	393	(4.3)
Mexico Gas	119	148	(19.6)
Brazil Gas	118	138	(14.5)
Argentina Gas	77	38	102.6
Chile Gas	140	244	(42.6)
Spain Electricity	388	341	13.8
Panama Electricity	103	128	(19.5)
Argentina Electricity	23	30	(23.3)
Holding and eliminations	(7)	(6)	16.7

Networks aggregated EBITDA decreased 8.0% to Euros 1,337 million during the first six months of 2025 mainly as a consequence of the positive impact in Chile Gas, registered in the first half of 2024, from the adjustment of the provision related to TGN (Transportadora de Gas del Norte, S.A.) claims and the negative exchange rate impact (Euros 81 million).

On the other hand, Argentina Gas, Brazil Gas and Argentina Electricity benefited from significant tariff updates, which were partially offset by exchange rate depreciation (Euros -23 million, Euros -18 million and Euros -10 million respectively). Spain Electricity improvement was driven by higher asset base and the recognition of higher remuneration that was overdue from previous years. Mexico Gas experienced both negative exchange rate impact (Euros 21 million) and lower tariffs, while Spain Gas was affected by the annual adjustment in regulated remuneration, despite the recovery of demand in the residential segment due to lower temperatures. Last, Panama Electricity showed lower margin due to lower recovery of price deviations, lower demand due to mild temperatures, and higher costs for the execution of the quality plan.

Spain gas

Results

	1H25	1H24	Change (%)
Net sales	496	511	(2.9)
Procurement	(47)	(50)	(6.0)
Gross margin	449	461	(2.6)
Other operating income	16	17	(5.9)
Personnel expenses	(27)	(26)	3.8
Taxes	(10)	(9)	11.1
Other operating expenses	(52)	(50)	4.0
EBITDA	376	393	(4.3)
Depreciation, provisions and other results	(128)	(131)	(2.3)
EBIT	248	262	(5.3)

In the first six months of 2025, EBITDA reached Euros 376 million, down 4.3% compared to the first half of 2024, due to regulatory adjustment in the remuneration of gas distribution under the current regulatory framework, partially offset by demand recovery in the residential segment due to lower temperatures.

Main aggregates

The main aggregates in the gas distribution networks activity are as follows:

	1H25	1H24	Change (%)
TPA - Sales (GWh)	84,154	83,574	0.7
LPG Sales (tn)	41,489	38,614	7.4
Distribution network (km)	57,135	57,048	0.2
Increase in connection points, thousand	(12)	(12)	—
Connection points (thousand) (at 30/06)	5,319	5,340	(0.4)

Gas sales (excluding LPG sales) slightly increased by 0.7% compared to the same period last year, while connection points remained stable with a little decrease (0.4%) compared to the first six months of 2024.

Mexico Gas

Results

	1H25	1H24	Change (%)
Net sales	427	332	28.6
Procurement	(279)	(159)	75.5
Gross margin	148	173	(14.5)
Other operating income	7	12	(41.7)
Personnel expenses	(13)	(11)	18.2
Taxes	(1)	(1)	—
Other operating expenses	(22)	(25)	(12.0)
EBITDA	119	148	(19.6)
Depreciation, provisions and other results	(33)	(44)	(25.0)
EBIT	86	104	(17.3)

On the first six months of 2025, EBITDA reached Euros 119 million, decreasing 19.6% compared to the first half of 2024. This decline was primarily due to negative exchange rate impact (Euros 21 million) and reduced tariff updates in certain distribution areas.

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Gas activity sales (GWh)	25,598	25,619	(0.1)
Gas sales	12,023	12,016	0.1
TPA	13,575	13,603	(0.2)
Distribution network (km)	23,374	23,249	0.5
Increase in connection points (thousand)	6	5	20.0
Connection points (thousand)(at 30/06)	1,587	1,575	0.8

Gas sales activity decreased by 0.1% while connection points grew by 0.8% compared to the first half of 2024

Brazil Gas

Results

	1H25	1H24	Change (%)
Net sales	533	797	(33.1)
Procurement	(369)	(617)	(40.2)
Gross margin	164	180	(8.9)
Other operating income	16	18	(11.1)
Personnel expenses	(12)	(10)	20.0
Taxes	(2)	(3)	(33.3)
Other operating expenses	(48)	(47)	2.1
EBITDA	118	138	(14.5)
Depreciation, provisions and other results	(35)	(36)	(2.8)
EBIT	83	102	(18.6)

In the first six months of 2025 EBITDA reached Euros 118 million, 14.5% down in the first half of 2024, as a consequence of negative exchange rate impact (Euros 18 million) partially offset by tariff update due to inflation in Rio de Janeiro.

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Gas activity sales (GWh)	18,082	16,903	7.0
Gas sales	12,271	13,644	(10.1)
TPA	5,811	3,259	78.3
Distribution network (km)	8,445	8,382	0.8
Increase in connection points (thousand)	2	2	—
Connection points (thousand)(at 30/06)	1,192	1,188	0.3

Overall gas sales increased by 7.0% compared to the first six months of 2024, mainly in TPA sales.

Connection points supply remained stable, growing slightly to 0.3% in the period.

Argentina gas

Results

	1H25	1H24	Change (%)
Net sales	298	224	33.0
Procurement	(153)	(119)	28.6
Gross margin	145	105	38.1
Other operating income	13	8	62.5
Personnel expenses	(21)	(25)	(16.0)
Taxes	(20)	(16)	25.0
Other operating expenses	(40)	(34)	17.6
EBITDA	77	38	102.6
Depreciation, provisions and other results	(10)	(7)	42.9
EBIT	67	31	116.1

Within the first six months of 2025, EBITDA amounted to Euros 77 million, 102.6% higher than in the first six months of 2024, reflecting significant tariff updates, which compensated the negative exchange rate impact of Euros 23 million.

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Gas activity sales (GWh)	48,593	50,552	(3.9)
Gas sales	18,709	16,569	12.9
TPA	29,884	33,983	(12.1)
Distribution network (km)	40,515	40,223	0.7
Increase in connection points (thousand)	1	1	—
Connection points (thousand)(at 30/06)	2,262	2,261	0.0

Overall gas activity sales decreased by 3.9%, with dispar performance among segments. Generation+TPA and GNV segments decreased by 12.1% and 13.8% respectively, with commercial remained quite stable (0.3%), retail showed moderate growth (3.3%) and Industrial grew significantly (50.3%).

Connection points remained stable compared to the first six months of 2024.

Chile gas

Includes the activities of gas distribution and supply.

Results

	1H25	1H24	Change (%)
Net sales	383	397	(3.5)
Procurement	(206)	(115)	79.1
Gross margin	177	282	(37.2)
Other operating income	1	1	—
Personnel expenses	(14)	(13)	7.7
Taxes	(2)	(2)	—
Other operating expenses	(22)	(24)	(8.3)
EBITDA	140	244	(42.6)
Depreciation, provisions and other results	(10)	15	(166.7)
EBIT	130	259	(49.8)

In the first six months of 2025, EBITDA amounted Euros 140 million, down 42.6% when compared to the first semester of 2024. The comparison was affected by the positive impact from the adjustment of the provision related to TGN (Transportadora de Gas del Norte, S.A.) claims registered in the first half of 2024. In addition, negative exchange rate impact totalled Euros 9 million in the period. On the other hand, the supply business benefited from higher sales and margins from an improved energy scenario.

Main aggregates

	1H25	1H24	Change (%)
Gas activity sales (GWh)	18,848	16,707	13.0
Gas distribution sales (GWh)	4,776	5,045	(5.3)
Gas sales (GWh)	1,154	873	32.2
TPA (GWh) ⁽¹⁾	12,918	10,789	19.7
Distribution network (km)	8,405	8,339	0.8
Increase in connection points (thousand)	4	5	(20.0)
Connection points (thousand)(at 30/06)	706	697	1.3

(1) Corresponds to the gas pipelines TPA of the Chile Gas Supply business.

Total gas sales increased by 32.2%, following both higher sales to power generators and surplus sales. On the contrary, total gas distributed sales decreased by 5.3%, mainly driven by retail (7.1%) and industrial (4.2%) segments.

Connection points increased by 1.3%.

Spain electricity networks

Results

	1H25	1H24	Change (%)
Net sales	469	415	13.0
Procurement	—	—	—
Gross margin	469	415	13.0
Other operating income	14	11	27.3
Personnel expenses	(24)	(22)	9.1
Taxes	(13)	(12)	8.3
Other operating expenses	(58)	(51)	13.7
EBITDA	388	341	13.8
Depreciation, provisions and other results	(137)	(130)	5.4
EBIT	251	211	19.0

In the first six months of 2025, EBITDA amounted to Euros 388 million, a 13.8% increase compared to the first six months of 2024, mainly due to the increase in the asset base as a result of investments made and the recognition of higher remuneration that was overdue from previous years.

Main aggregates

	1H25	1H24	Change (%)
Sales - TPA (GWh)	13,287	13,028	2.0
Distribution network (km)	116,285	115,819	0.4
Connection points (thousand)	3,871	3,846	0.7
ICEIT (minutes)	19.1	17.7	7.9

Electricity sales increased by 2.0% and connection points remained stable during the period.

Panama electricity

Results

	1H25	1H24	Change (%)
Net sales	500	510	(2.0)
Procurement	(365)	(355)	2.8
Gross margin	135	155	(12.9)
Other operating income	4	4	—
Personnel expenses	(5)	(4)	25.0
Taxes	(4)	(3)	33.3
Other operating expenses	(27)	(24)	12.5
EBITDA	103	128	(19.5)
Depreciation, provisions and other results	(34)	(35)	(2.9)
EBIT	69	93	(25.8)

In the first half of 2025, EBITDA amounted to Euros 103 million, down 19.5% compared to the first six months of 2024, as a result of due to the lower recovery of price deviations in the tariff and a reduction in demand due to mild temperatures.

Likewise, a higher amount of other operating expenses due to the execution of the quality plan.

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Electricity business sales (GWh)	2,946	2,987	(1.4)
Electricity sales	2,453	2,475	(0.9)
TPA	493	512	(3.7)
Distribution network (km)	31,094	30,572	1.7
Connection points (thousand)(at 30/06)	795	780	1.9

Electricity sales decreased by 1.4% compared to the same period of 2024, while connection points grew by 1.9%.

Argentina electricity

Results

	1H25	1H24	Change (%)
Net sales	97	97	—
Procurement	(53)	(43)	23.3
Gross margin	44	54	(18.5)
Other operating income	12	7	71.4
Personnel expenses	(9)	(9)	—
Taxes	(3)	(4)	(25.0)
Other operating expenses	(21)	(18)	16.7
EBITDA	23	30	(23.3)
Depreciation, provisions and other results	(1)	(1)	—
EBIT	22	29	(24.1)

In the first six months of 2025, EBITDA amounted to Euros 23 million, 23.3% lower than in the first six months of 2024, mainly as a result of exchange rate depreciation, impacting with Euros -10 million in the period, which partially offset the regulatory tariff updates.

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Electricity business sales (GWh)	1,074	1,156	(7.1)
Distribution network (km)	10,417	10,334	0.8
Connection points (thousand)(at 30/6)	267	263	1.5

Electricity sales decreased by 7.1% while connection points increased by 1.5% when compared to first half of 2024.

1.4.2. Energy Markets

Below is the detail of the reported EBITDA for the six-month period ended June 30, 2025 and 2024:

	1H25	1H24	Change (%)
Energy Markets	1,527	1,415	7.9
Energy Management	524	384	36.5
Thermal Generation	313	285	9.8
Spain	166	97	71.1
Latin America	147	188	(21.8)
Renewable Generation	322	305	5.6
Spain	248	249	(0.4)
USA	3	(3)	(200.0)
Latin America	39	39	—
Australia	32	20	60.0
Renewable Gases	(4)	(1)	300.0
Supply	386	452	(14.6)
Holding and eliminations	(14)	(10)	40.0

The Energy Markets businesses posted an EBITDA of Euros 1,527 million, an increase of 7.9% when compared to the first semester of 2024.

The first half of 2025 has been marked by higher margins compared to the first semester of 2024, particularly in Energy Management and Spain Thermal Generation, as well as higher Renewable Generation installed capacity. However, Supply and Latin America Thermal Generation comparison has been affected by positive impacts registered in the first half of 2024.

Energy Management businesses benefited from more competitive procurement contracts and higher margins driven by hedges sales.

Spain Thermal Generation businesses has delivered better results, driven by higher production and a greater margin in restrictions, that is, in ancillary service markets.

Latin America Thermal Generation results compared below the first half of 2024, due to the lower revenues from the Power Balance Market in Mexico, and the positive effect generated in 2024 by the insurance indemnity received the previous year in relation to the incident at the Hermosillo plant in Mexico.

Renewable Generation positive evolution by 5.6% compared to the first half of 2024, is supported by higher installed capacity, which was partially offset by reduced wind and hydroelectric production in Spain. Latin America remained stable while Australia grew significantly, benefiting from start of operation of new capacity.

Contribution from the Renewable Gases, which mainly includes the management of biomethane, is still showing operational indicators in accordance with an early stage development. Nevertheless, it is expected the growth foreseen in the Strategic Plan 2025-27.

Lastly, the Supply business in Spain benefited in the year 2024 from the favourable judicial ruling on the collection of electricity subsidies.

1.4.2.1. Energy Management

Results

	1H25	1H24	Change (%)
Net sales	3,122	2,596	20.3
Procurement	(2,577)	(2,139)	20.5
Gross margin	545	457	19.3
Other operating income	12	11	9.1
Personnel expenses	(17)	(14)	21.4
Taxes	—	(41)	(100.0)
Other operating expenses	(16)	(29)	(44.8)
EBITDA	524	384	36.5
Depreciation, provisions and other results	(45)	(236)	(80.9)
EBIT	479	148	223.6

In the first six months of 2025, EBITDA reached Euros 524 million, 36.5% higher compared to the first semester of 2024. The activity benefited from higher margins achieved in hedging operations, competitive gas procurement contracts and the elimination of the Temporary Energy Levy. Exchange rate impact amounted to Euros -4 million.

In addition, gas procurement contracts have not been affected by the uncertainty in energy markets caused by geopolitical conflicts. Moreover, volume flexibility and renegotiation clauses in procurement contracts stand as additional levers to navigate the scenario.

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Gas supply (GWh)	78,643	75,096	4.7
CCGT	14,257	8,733	63.3
Third parties	12,294	17,035	(27.8)
LNG Gas sales (GWh)	52,092	49,328	5.6
Electricity sales (GWh)	1,531	645	137.4
Shipping fleet capacity (m3)	1,290,298	1,159,998	11.2

On 30 June 2025, total gas sales reached 78,643 GWh, a 4.7% increase compared to same period of previous year.

1.4.2.2. Thermal Generation

Spain

Results

	1H25	1H24	Change (%)
Net sales	1,185	649	82.6
Procurement	(805)	(396)	103.3
Gross margin	380	253	50.2
Other operating income	1	6	(83.3)
Personnel expenses	(33)	(31)	6.5
Taxes	(129)	(80)	61.3
Other operating expenses	(53)	(51)	3.9
EBITDA	166	97	71.1
Depreciation, provisions and other results	(73)	(64)	14.1
EBIT	93	33	181.8

In the first six months of 2025, EBITDA reached Euros 166 million, up 71.1% compared to the first six months of 2024. The activity benefited from higher demand for flexible generation in ancillary services markets, driven by higher renewables penetration. This evidences the critical role of flexible generation assets, which support voltage control, contingency response and compensate for photovoltaic drop-off in the evening at peak demand.

In addition, Naturgy has pioneered the implementation of a single remote-control center operating the entire fleet, enabling best in class efficiency and flexibility.

Pool prices increased by 58% against prices for the first semester of 2024, averaging 61.8 €/MWh in the period.

During this period, the reinstatement of the Electricity Production Tax, coupled with increased production, has driven a 61.3% increase in taxes, despite the elimination of the Temporary Energy Levy.

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Installed capacity (MW)	8,031	8,031	—
Nuclear	604	604	—
CCGTs	7,427	7,427	—
Electric energy produced (GWh)	7,698	5,317	44.8
Nuclear	1,674	1,836	(8.8)
CCGTs	6,024	3,481	73.1

Total production increased by 44.8% in the period, with CCGTs increasing by 73.1%, partially compensated by nuclear decreasing by 8.8%.

Latin America

Results

	1H25	1H24	Change (%)
Net sales	409	415	(1.4)
Procurement	(233)	(196)	18.9
Gross margin	176	219	(19.6)
Other operating income	1	1	—
Personnel expenses	(12)	(11)	9.1
Taxes	(1)	(1)	—
Other operating expenses	(17)	(20)	(15.0)
EBITDA	147	188	(21.8)
Depreciation, provisions and other results	(31)	(42)	(26.2)
EBIT	116	146	(20.5)

Within the first six months of 2025, EBITDA reached Euros 147 million, down 21.8% compared to the first six months of 2024. This reduction is due to lower revenues from the Power Balance Market, and the positive effect generated in 2024 by the insurance indemnity received the previous year in connection with the incident at the Hermosillo plant in Mexico. Exchange rate impact in EBITDA amounted to Euros -3 million in the period.

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Installed capacity (MW)	2,644	2,644	—
Mexico (CCGT)	2,446	2,446	—
Dominican Republic (Fuel)	198	198	—
Electric energy produced (GWh)	6,982	7,557	(7.6)
Mexico (CCGT)	6,725	7,272	(7.5)
Dominican Republic (Fuel)	257	285	(9.8)

Overall production decreased by 7.6%, with Mexican combined cycles down by 7.5% while production in Dominican Republic fell by 9.8% compared to the first six months of 2024.

1.4.2.3. Renewable Generation

Below is the detail of the reported EBITDA for the period ended June 30, 2025 and 2024:

	1H25	1H24	Change (%)
Renewable Generation	322	305	5.6
Spain	248	249	(0.4)
USA	3	(3)	(200.0)
Latin America	39	39	—
Australia	32	20	60.0

Renewable Generation, for its part, achieved EBITDA of Euros 322 million during the period, an increase of 5.6% compared to the first half of 2024.

Renewables Spain

Results

	1H25	1H24	Change (%)
Net sales	419	395	6.1
Procurement	(27)	(17)	58.8
Gross margin	392	378	3.7
Other operating income	12	3	300.0
Personnel expenses	(23)	(23)	—
Taxes	(74)	(57)	29.8
Other operating expenses	(59)	(52)	13.5
EBITDA	248	249	(0.4)
Depreciation, provisions and other results	(144)	(125)	15.2
EBIT	104	124	(16.1)

In the first six months of 2025, EBITDA amounted Euros 248 million 0.4% less than the first six months of 2024. Higher prices and installed capacity were offset by lower hydroelectric and wind production in Spain.

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Installed capacity (MW)	5,381	5,086	5.8
Hydroelectric ⁽¹⁾	2,062	2,062	—
Wind	2,505	2,426	3.3
Solar	763	547	39.5
Cogeneration and others	51	51	—

⁽¹⁾ Gross hydraulic generation capacity

	1H25	1H24	Change (%)
Electric energy produced (GWh)	5,831	6,330	(7.9)
Hydroelectric	2,850	3,239	(12.0)
Wind	2,265	2,619	(13.5)
Solar	591	341	73.3
Cogeneration and others	125	131	(4.6)
Market share of renewables	6.8 %	7.1 %	-0,3 pp

Despite investment pace being slowed by permit delays, installed capacity at 30 June 2025 reached 5,381 MW, 295 MW more than previous year. Of this increase capacity, 79 MW corresponds to wind and 216 MW solar capacity.

Total production decreased by 7.9 % compared to the same period last year, with wind and hydroelectric production decreasing by 13.5% and 12.0% respectively, while solar increased by 73.3%, which has allowed the market share to remain relatively stable.

Renewables USA

Results

	1H25	1H24	Change (%)
Net sales	10	4	150.0
Procurement	—	—	—
Gross margin	10	4	150.0
Other operating income	3	1	200.0
Personnel expenses	(3)	(2)	50.0
Taxes	(1)	—	—
Other operating expenses	(6)	(6)	—
EBITDA	3	(3)	(200.0)
Depreciation, provisions and other results	(22)	(4)	450.0
EBIT	(19)	(7)	171.4

EBITDA as of the first half of 2025, amounted to Euros 3 million against Euros -3 million in the first semester of 2024, after the entry into operation of Grimes solar plant (261 MW). Higher revenues were partially offset by higher OPEX to attend increased capacity.

As of 30 June 2025, it has been recognized an impairment, amounting Euros 16 million due to an asset in a development project which has been recognized as non-recoverable. (See Note 4 “Non-financial asset Impairment losses” of the condensed interim consolidated financial statements as at 30 June 2025).

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Installed capacity (MW)	563	302	86.4
Solar	563	302	86.4
Electric energy produced (GWh)	352	216	63.0
Solar	352	216	63.0

In the first semester of 2025, the solar plant Grimes, with an installed capacity of 261 MW, has started to feed energy into the system, operating under test mode. In the period, production amounted to 352 GWh, up 63.0% compared to the first half of 2024.

Renewables Latin America

Results

	1H25	1H24	Change (%)
Net sales	81	76	6.6
Procurement	(22)	(17)	29.4
Gross margin	59	59	—
Other operating income	6	7	(14.3)
Personnel expenses	(7)	(7)	—
Taxes	(1)	(1)	—
Other operating expenses	(18)	(19)	(5.3)
EBITDA	39	39	—
Depreciation, provisions and other results	(9)	(16)	(43.8)
EBIT	30	23	30.4

In the first six months of 2025, EBITDA reached Euros 39 million, in line with 2024. Higher overall production, mainly in Costa Rica and Panama, as well as higher margins, were offset by negative exchange rate impact (Euros -5 million).

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Installed capacity (MW)	828	817	1.3
Mexico (Wind)	234	234	—
Brazil (Solar)	154	153	0.7
Chile (Solar)	162	152	6.6
Chile (Wind)	206	206	—
Costa Rica (Hydroelectric)	50	50	—
Panama (Hydroelectric)	22	22	—

	1H25	1H24	Change (%)
Electric energy produced (GWh)	861	814	5.8
Mexico (Wind)	290	274	5.8
Brazil (Solar)	143	137	4.4
Chile (Solar)	143	147	(2.7)
Chile (Wind)	112	129	(13.2)
Costa Rica (Hydroelectric)	126	91	38.5
Panama (Hydroelectric)	47	36	30.6

Installed capacity in Latin America increased by 1.3% compared to the same period in 2024, reaching a total of 828 MW. Regarding energy production, it reached 861 GWh, representing an increase of 5.8% compared to the first six months of 2024, mainly due to the favourable conditions of hydropower technology in Costa Rica and Panama and, to a lesser extent, in Mexico and Brazil.

Renewables Australia

Results

	1H25	1H24	Change (%)
Net sales	48	16	200.0
Procurement	(1)	—	—
Gross margin	47	16	193.8
Other operating income	1	—	—
Personnel expenses	(3)	(3)	—
Taxes	—	—	—
Other operating expenses	(13)	7	(285.7)
EBITDA	32	20	60.0
Depreciation, provisions and other results	(23)	(17)	35.3
EBIT	9	3	200.0

In the first six months of 2025, EBITDA amounted to Euros 32 million, 60.0% higher than last year, driven by additional capacity coming into operation, with a very significant increase in production.

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Installed capacity (MW)	886	386	129.5
Solar	128	—	—
Wind	758	386	96.4
Battery storage (MW)	65	10	550.0

	1H25	1H24	Change (%)
Electric energy produced (GWh)	994	345	188.1
Solar	75	—	—
Wind	919	345	166.4

Installed capacity as of June 30, 2025, will reach 886 MW, compared to the 386 MW installed as of June 30, 2024 representing a 129.5% increase, that is 500 MW installed during the period. Current installed capacity includes 758 MW of wind, 128 MW of solar and 65 MW of battery storage.

Total production reached 994 GWh during the period, representing a 188.1% increase compared to June 30, 2024, equivalent to 649 GWh. Additionally, Naturgy has 65 MW of battery storage, which allows for more efficient management of the energy produced, optimizing margins.

1.4.2.4. Renewable Gases

The company continues to lead the development of renewable gases in Spain as a key pillar of decarbonization.

Results

	1H25	1H24	Change (%)
Net sales	20	22	(9.1)
Procurement	(16)	(17)	(5.9)
Gross margin	4	5	(20.0)
Other operating income	1	—	—
Personnel expenses	(5)	(3)	66.7
Taxes	—	—	—
Other operating expenses	(4)	(3)	33.3
EBITDA	(4)	(1)	300.0
Depreciation, provisions and other results	(2)	(3)	(33.3)
EBIT	(6)	(4)	50.0

Renewable Gases includes the management of renewable gas projects, specifically biomethane, whose contribution to consolidated EBITDA at this point remains nonmaterial (Euros -4 million).

Main aggregates

Biomethane	1H25	1H24	Change (%)
Operation capacity (MW)	4	3	33.3
Production (MWh)	2,598	92	2,723.9

Naturgy has three biomethane production projects in operation, with a total installed capacity of 4 MW, which have reached a production of 2,598 MWh during the first half of 2025.

The Elena plant, in Cerdanyola del Vallès (Barcelona), was the first plant to inject renewable gas from landfills into the gas distribution network; the plant located at EDAR Bens (wastewater treatment plant) in A Coruña; and the Vila-sana plant (Lleida), installed on the Porgaporcs livestock farm. In the coming months, one additional facility will be added in Utiel (Valencia).

1.4.2.5. Supply

Results

	1H25	1H24	Change (%)
Net sales	3,845	3,393	13.3
Procurement	(3,340)	(2,839)	17.6
Gross margin	505	554	(8.8)
Other operating income	5	69	(92.8)
Personnel expenses	(38)	(37)	2.7
Taxes	(31)	(54)	(42.6)
Other operating expenses	(55)	(80)	(31.3)
EBITDA	386	452	(14.6)
Depreciation, provisions and other results	(119)	(113)	5.3
EBIT	267	339	(21.2)

In the first six months of 2025, EBITDA reached Euros 386 million, down 14.6% compared to the same period of 2024. This reduction is mainly due to the recognition, in the first half of 2024, of the indemnity of Euros 63 million, plus interests, for the amounts paid for the cost of financing the energy subsidy for liberalized customers by Naturgy's supply companies.

On the other hand, during the first semester of 2025, the business has experienced a positive impact from the elimination of the Temporary Energy Levy in Spain.

Lastly, the result has been affected by the regulated gas tariff margin reduction.

Main aggregates

The main aggregates of the activity are as follows:

	1H25	1H24	Change (%)
Gas sales (GWh) ⁽¹⁾	36,878	35,812	3.0
Residential Spain	9,668	9,058	6.7
Industrial clients	26,294	25,897	1.5
SM&E	916	857	6.9
By segment	36,878	35,812	3.0
Liberalised	31,373	30,770	2.0
Regulated	5,505	5,042	9.2
Electricity sales (GWh)	9,251	9,096	1.7
Residential Spain	4,818	4,698	2.6
Industrial clients	3,174	3,531	(10.1)
SM&E	1,259	867	45.2
By segment	9,251	9,096	1.7
Liberalised	7,733	7,552	2.4
Regulated	1,518	1,544	(1.7)
Retail contracts (thousand)	10,370	10,731	(3.4)
Gas	3,352	3,459	(3.1)
Electricity	4,337	4,327	0.2
Services	2,681	2,945	(9.0)
Contracts per customer (Spain)	1.48	1.50	-0.02 pp
Gas contract market share (Spain)	42.2	43.3	-1.1 pp

⁽¹⁾ including gas sales of energy efficiency contracts

Power sales increased by 1.7% compared to the same period last year, driven by the S&ME and Residential segments, which recorded increases of 45.2% and 2.6% respectively. In contrast, the Industrial segment decreased by 10.1%.

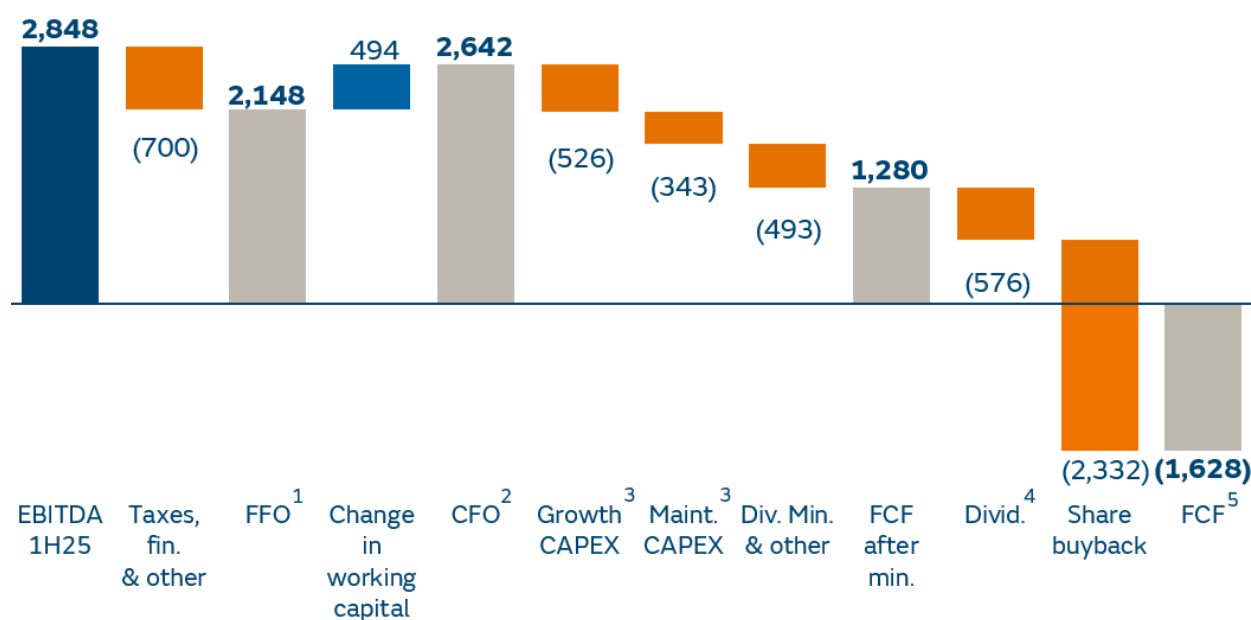
On the other hand, Gas Supply business experienced reductions in margins, particularly in the Industrial, S&ME and Regulated segments, as a result of higher supply costs. These increases reflect the evolution of market conditions and prices updated from 2024. This effect was partially offset by the 3.0% increase in gas sales compared to the first six months of 2024 in all customers segments, particularly S&ME and Residential achieving 6.9% and 6.7% respectively.

Total number of retailer contracts decreased by 3.4% versus the first six months of 2024.

Last, Naturgy successfully completed the transfer of its client base in Spain into a new digital transformative platform, significantly enhancing client service.

1.5. Cash flow

The evolution of cash flow for the first semester of 2025 is detailed below:



Notes:

1 FFO: Funds from operations.

2 CFO: Cash flow from operations (Cash flows from operating activities according to the Consolidated Cash Flow Statement).

3 Net CAPEX (526+343=869).

4 Dividends paid net of those received by Group companies.

5 FCF: Net Free Cash Flow

Within the first six months of 2025, FFO (funds from operations) maintained a solid performance in the period underpinned by the stability of regulated activities and the positive evolution of the liberalized activities, achieving a positive Free Cash Flow after minorities.

Naturgy's net financial debt increased by Euros 1,488 million during the first semester of 2025 standing at Euros 13,689 million as of 30 June 2025 against Euros 12,201 million year-end 2024. The increase was mainly due to the impact of the Euros 2,332 million share repurchase completed in June 2025. Despite this temporary effect, the company's balance sheet and its liquidity remain robust, providing flexibility and strength to achieve the objectives of the Strategic Plan 2025-27.

CAPEX

The breakdown of Net capital expenditure (Net CAPEX) was as follows:

	1H25	1H24	Change (%)
Investments in property, plant and equipment and intangible assets (CAPEX) ⁽¹⁾	897	947	(5.3)
Other proceeds from investing activities	(28)	(236)	(88.1)
Net capital expenditure (Net CAPEX)⁽¹⁾	869	711	22.2

⁽¹⁾ The definition of this alternative performance measure has been redefined to better reflect the investment effort of the Group's businesses (see Appendix I of the Alternative performance metrics).

The breakdown of Capital expenditure (CAPEX) by activities is as follows:

	1H25	1H24	Change (%)
Distribution Networks	381	381	—
Spain Gas	54	50	8.0
Mexico Gas	31	31	—
Brazil Gas	25	26	(3.8)
Argentina Gas	14	9	55.6
Chile Gas	23	25	(8.0)
Spain Electricity	160	181	(11.6)
Panama Electricity	61	51	19.6
Argentina Electricity	13	8	62.5
Energy Markets	509	560	(9.1)
Energy management	2	3	(33.3)
Thermal Generation	92	71	29.6
Spain	82	57	43.9
Latin America	10	14	(28.6)
Renewable Generation	329	421	(21.9)
Spain	172	187	(8.0)
USA	80	127	(37.0)
Latin America	7	3	133.3
Australia	70	104	(32.7)
Renewable Gases	1	2	(50.0)
Supply	85	63	34.9
Rest	7	6	16.7
Capital expenditure (CAPEX)⁽¹⁾	897	947	(5.3)

⁽¹⁾ The definition of these alternative performance measures has been redefined to better reflect the investment effort of the Group's businesses (see Appendix I of the Alternative performance metrics).

A breakdown of maintenance and growth CAPEX provides useful insight into the Group's investment profile.

Maintenance CAPEX amounted to Euros 350 million in the first half of 2025, compared to Euros 334 million in the same period of the previous year, as a result of higher maintenance in Thermal Generation Spain.

Growth CAPEX in the first half of 2025 represented over 60% of total CAPEX and amounted Euros 547 million. The main items of growth CAPEX in 2025 are as follows:

- A total of Euros 162 million invested in the development of distribution networks in Spain and Latin America, of which Euros 82 million in Spain, including gas and electricity, Euros 30 million in Panama Electricity, Euros 13 million in Mexico Gas, Euros 14 million in Chile Gas, Euros 15 million in Argentina (gas and electricity) and Euros 8 million in Brazil Gas.
- A total of Euros 307 million invested in the construction of different renewable projects, of which Euros 157 million in Spain, Euros 70 million in Australia and Euros 80 million in USA. In 2024, Euros 10 million were recognized from the acquisition of assets of Fraser Coast Solar Development PTY, Ltd.
- A total of Euros 1 million in the development of Renewable Gases projects.
- A total of Euros 77 million in the Supply activity.

Naturgy remains committed to renewables development and has reached 7.7 GW of installed capacity as of 30 June 2025. In this respect, 1.1 GW of additional capacity came into operation compared to the first semester of 2024, of which 295 MW in Spain, 11 MW in Latin America, 500 MW in Australia (without including battery storage) and 261 MW in USA, after coming into operation the photovoltaic project Grimes in Texas.

In addition to this, the Group has currently over 1.4 GW of renewable capacity under construction, of which 0.9 GW in Spain, 0.4 GW in Australia and 0.1 MW in the USA. Out of these, 362 MW are expected to become operational in Spain in the coming months.

The Group is also leading renewable gas developments in Spain as a key pillar of decarbonization. Accordingly, Naturgy has three biomethane production projects in operation: the Elena Plant, in Cerdanyola del Vallès (Barcelona), which was the first to inject renewable gas from landfills into the gas distribution network; the plant located at EDAR Bens (wastewater treatment plant), in A Coruña, and the Vila-sana plant (Lleida) installed on the Porgaporce livestock farm. In the coming months, one additional facility will be added in Utiel (Valencia).

Naturgy is driving the development of biomethane in Spain and has established a series of strategic alliances. In 2024, Naturgy signed an alliance with an agricultural and livestock waste management company, Hispania Silva, to develop up to 30 biomethane production plants in Spain, which will be operational before 2030 and have an annual generation capacity of approximately 2.5 TWh of biomethane per year.

In March 2025, a new alliance with Bioeco Energías was established for 0.5 TWh production and in May 2025 a collaboration with ID Energy Group for the development of 20 new plants in Spain, with an investment of more than Euros 500 million and an estimated production capacity of 1,600 GWh per year, with entry into operation planned between 2026 and 2028.

1.6. Financial Position

As of 30 June 2025, Net financial debt amounts to Euros 13,689 million, Euros 1,488 million above year-end 2024 figure (Euros 12,201 million), reflecting the strong cash flow generation in the period offset by the impact of the Euros 2,332 million share repurchase completed in June 2025.

During the six first months of 2025, the most relevant transactions and refinancing operations included:

- In May 2025, Naturgy issued two bonds under the EMTN programme: Euros 500 million 6 years with a 3.375% coupon, and Euros 500 million 10 years with a 3.875% coupon. The proceeds were used to call Euros 831 million of bonds maturing between 2026 and 2027. The proceeds were also used to call Euros 169 million in subordinated perpetual notes.
- Likewise, during the first half of 2025, EMTN bonds for a total amount of Euros 1,201 million with an average coupon of 1.04% matured in 2025.
- Euros 339 million were issued under the Euro Commercial Paper (ECP) programme, and Euros 301 million had been drawn down under this programme as at 30 June 2025.

- Bond issues in Chile were for Euros 37 million 5 years at a fixed rate of 3.30% and Euros 74 million 10 years at a fixed rate of 3.50%.
- Bond issues in Panama were for USD 70 million (Euros 61 million) 5 years at a fixed rate of 7% and USD 55 million (Euros 48 million) 7 years at a floating rate of SOFR 3 months + a spread of 3.5%.
- New funding transactions were arranged with credit institutions in Spain for Euros 2,521 million and with international institutions for Euros 96 million.
- Finally, refinancing transactions with credit institutions in Spain and other countries amounted to Euros 1,485 million and Euros 251 million, respectively.

The evolution of the principal ratios applied referent to the Net financial debt is as follows:

		1H25	1H24
EBITDA/Net financial debt cost	times	11.1	11.2
Net financial debt /LTM EBITDA (1)	times	2.6	2.3

(1) Comparative information as of 31 December 2024

Net financial debt to EBITDA reached 2.6x as of 30 June 2025, showing the sound financial and leverage position of the group, even after the Euros 2,332 million share repurchase completed in June 2025.

Naturgy maintains a BBB rating (stable outlook) with both S&P and Fitch.

Liquidity (Euro million)

Liquidity as of 30 June 2025 stood at Euros 8,596 million, including Euros 3,104 million in cash and equivalents and Euros 5,492 million in undrawn and fully committed credit lines.

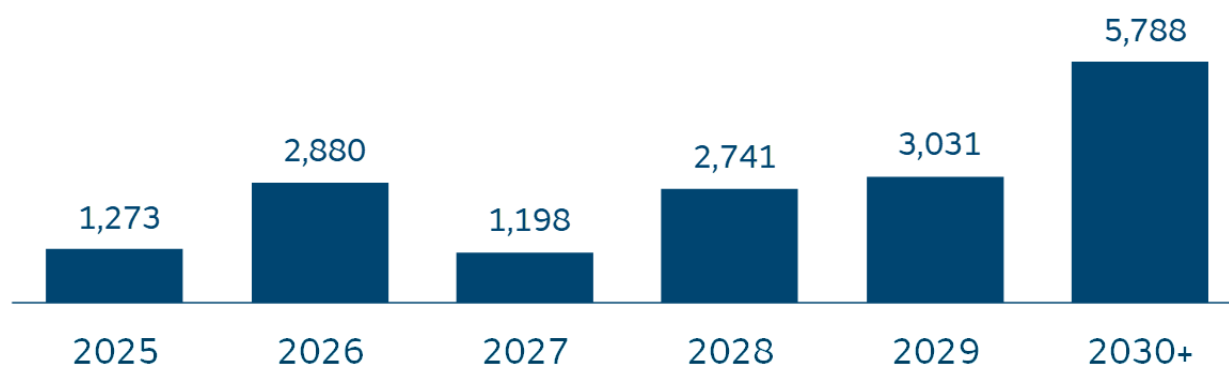
As of 30 June 2025, the detail of the Group's current liquidity is as follows:

	Consolidated		Chile		Brazil	Argentina	Mexico	Panam a	Holding & others
	1H25	2024	CLP	USD	BRL	ARS	MXN	USD	EUR/Others
Cash and equivalents	3,104	5,626	197	79	186	68	92	120	2,362
Undrawn committed credit lines	5,492	5,611	—	26	34	—	—	78	5,354
Total	8,596	11,237	197	105	220	68	92	198	7,716

The credit lines maturity is as follows:

	2025	2026	2027	2028	2029	2030+
Undrawn committed credit lines	112	1,234	331	720	1,094	2,001

The gross financial debt maturities as of 30 June 2025 are as follows:



The detail of the net financial debt, the average financial cost of the gross debt and the % of fixed gross debt for country and currency is as follows:

		Consolidated		Chile		Brazil	Argentina	Mexico	Panama	Holding & others
		1H25	2024	CLP	USD	BRL	ARS	MXN	USD	EUR/Others
Net financial debt	€m	13,689	12,201	250	(28)	(9)	(41)	475	841	12,201
Average cost of debt (1)	%	3.90	4.0	8.0	6.8	14.0	29.1	9.8	7.6	8.4
% fixed rated (gross debt) (2)	%	63	68	58	50	2	—	39	9	156

⁽¹⁾ Does not include neither cost from IFRS 16 debt nor other refinancing costs. Information as of 30 June projected in annual terms.

⁽²⁾ Percentage of fixed-rate gross financial debt over total gross financial debt (see Note 13. Risk management, of the Condensed Consolidated Interim Financial Statements as of June 30, 2025).

The average cost of gross financial debt for the period, excluding the cost of lease liabilities under IFRS 16 and other refinancing costs, is 3.9%, slightly lower than in 2024 (4.0%).

2. Main risks, opportunities and uncertainties

During the first half of 2025, Naturgy applied the same risk management model as described in section 4. “Main risks, opportunities and uncertainties”, of the consolidated directors' report for the year ended 31 December 2024.

Naturgy defines five risk types in its Corporate Risk Map:

1. **Economic:** market (commodity, exchange rate, volume, margin/price), regulatory and legal.
2. **Financial:** credit, interest rate, tax, liquidity, rating and provisions and guarantees.
3. **Operational:** insurable operational, security, business continuity and crisis management, fraud, cybersecurity, data protection, environmental and biodiversity, and health and safety.
4. **Reputational / Sustainability:** reputational and ESG, compliance, customer satisfaction and climate change.
5. **Strategic:** associated with the profile of the Group's business portfolio, which includes long-term exposure to commodities, capital employed in each geography, and the business risk profile.

The main economic and financial risks are described in notes 13 and 26 to the condensed interim consolidated financial statements as at 30 June 2025. Climate change risk is detailed in note 2.5.b to the condensed interim consolidated financial statements as at 30 June 2025. The main operational and reputational/sustainability risks are discussed in the Consolidated Non-Financial Information Statement and Sustainability Reporting for the year ended 31 December 2024.

Naturgy's Strategic Plan 2025-2027, approved by the Board of Directors on 18 July 2025, envisages attaining resilient cash flow and a sound balance sheet to facilitate execution of the Group's investment plan and ensure an attractive, sustainable return for its shareholders. The core lines of this strategy are as follows:

- Operational excellence
- Financial discipline and profitability
- Returns and liquidity for shareholders

Naturgy views the energy transition as an opportunity to transform the business by driving decarbonisation to achieve sustainable growth, energy security and price competitiveness. In this context, and based on the 2025-2027 Strategic Plan, Naturgy's main opportunities are as follows:

- **An integrated industrial model with a presence throughout the value chain:** with growth potential and sound regulatory frameworks enabling it to maximise profitability.
- **A multi-energy position:** Exposure to electricity and gas, as a key source for the energy transition.
- **Renewable Generation:** growth in renewable generation capacity in line with the global energy transition, combined with hybridisation and repowering of operating wind farms, and batteries to complement photovoltaic plants.
- **Network operation and growth:** continue improving grid quality and security of energy supply by integrating renewable energies to meet growing electricity demand.
- **Lead development of Renewable Gases:** by developing/acquiring renewable gas innovation projects, alliances and partnerships to accelerate decarbonisation and strengthen the role of gas in the energy transition.
- **Gas** is the essential component to ensure security of supply and flexibility and is a cornerstone of the energy transition.

Aligned with these opportunities, there are horizontal uncertainties, such as the macroeconomic context and geopolitical exposure, that may materialise and have an impact on many of the risks managed by Naturgy.

During the first half of 2025, armed conflicts in Ukraine and the Middle East continued to be a source of geopolitical and economic instability worldwide.

The conflict between Ukraine and Russia, which began in February 2022, has continued without substantial progress towards a negotiated solution, resulting in prolonged attrition for both sides.

The energy environment has proven to be relatively stable as a result of high volumes in storage, diversification of procurement sources and moderate demand.

In this context, as part of its diversified portfolio, Naturgy has a long-term contract to procure gas of Russian origin that it entered into in 2013 with an international consortium formed by Novatek (50.1%), TotalEnergies (20%), CNPC (20%) and Silk Road Fund (9.9%). This contract has take-or-pay clauses that cover its entire term. Since the beginning of the conflict, Naturgy has received the volumes strictly established in the contract. In the first half of 2025, this contract accounted for 17% of Naturgy's overall procurements (similar in 2024).

On 6 May 2025, the European Commission presented a roadmap to completely eliminate energy imports from Russia (gas, oil and nuclear) by the end of 2027. Implementation of the roadmap commenced on 17 June 2025 with the publication of a draft regulation establishing measures binding on all Member States (see Appendix II to the condensed interim consolidated financial statements as at 30 June 2025).

Under this proposed new regulatory framework, some energy companies, including Naturgy, may be affected by the application of the new restrictions, especially with regard to long-term procurement contracts signed before the conflict.

None of Naturgy's counterparties are susceptible to being affected by existing or proposed sanctions. Moreover, it does not hold any interest in companies operating in Russia or Belarus or have investments in those countries, or cash balances or equivalent liquid assets that are restricted as a result of those measures and sanctions.

The conflict in the Middle East has reignited following the truce reached at the end of January 2025 between Israel and Palestinian armed groups in the Gaza Strip and after several exchanges of hostages. Meanwhile, on 13 June, Israel carried out a large-scale attack on Iran, triggering a military response from the latter. The United States joined the offensive with bombing raids on strategic targets in Iran on 22 June, and a ceasefire was announced between all sides on 24 June. Although the conflict has not had a significant direct impact on global energy supplies, it has contributed to keeping geopolitical risk premiums high in international markets.

In the first half of 2025, Naturgy resolved to terminate early the contract under which it had been providing operating and maintenance services to the Ramat Gavriel and Alan Tavor combined cycle gas turbine plants since 2019, through its subsidiary Spanish Israeli Operation and Maintenance Company Ltd. As at the date of authorisation of these condensed interim consolidated financial statements, that contract has not yet been effectively terminated. That company recognised gross operating profit of less than Euros 1 million in the first half of 2025.

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.

In 2025, the arrival of the new administration in the USA headed by Donald Trump brought significant legislative changes during the early months of the year, as well as a shift in the country's energy policy, which is now geared towards protecting conventional generation and relaxing commitments to combat climate change. The measures adopted to date mainly concern tariffs and tax incentives.

The changes in the regulatory framework are described in Appendix II of the condensed interim consolidated financial statements as at 30 June 2025.

3. Subsequent events

Events after the closing date, 30 June 2025, are described in Note 27 to the interim consolidated financial statements as of 30 June 2025.

Appendix I. Alternative performance metrics

Naturgy's financial disclosures contain magnitudes and metrics drafted in accordance with International Financial Reporting Standards (IFRS) and others that are based on the Group's disclosure model, referred to as Alternative Performance Metrics (APM), which are viewed as adjusted figures with respect to those presented in accordance with IFRS.

The chosen APMs are useful for persons consulting the financial information as they allow an analysis of the financial performance, cash flows and financial situation of Naturgy, and a comparison with other companies.

Below is a glossary of terms with the definition of the APMs. Generally, the APM terms are directly traceable to the relevant items of the interim consolidated balance sheet, interim consolidated income statement, interim consolidated statement of cash flows or notes to the interim financial statements of Naturgy. Terms which cannot be directly cross-referenced are reconciled in the Glossary below.

At the close of 2024, the following APMs were redefined to more accurately reflect the investment efforts of the various businesses:

- Investments (CAPEX)
- Net investments (Net CAPEX)
- Free cash flow after non-controlling interests

In this regard, the comparative figures for the first half of fiscal year 2024 for the affected APMs have been restated.

Alternative performance metrics	Definition and terms	Reconciliation of values at 30.06.2025	Reconciliation of values at 30.06.2024	Relevance
EBITDA	EBITDA = Net sales (2) – Procurements (2) + Other operating income (2) – Personnel expenses, net (2) – Other operating expenses (2) + Gain/(loss) on disposals of fixed assets (2) + Release of fixed asset grants to income and other (2)	Euros 2,848 million	Euros 2,846 million	EBITDA (“Earnings Before Interest, Taxes, Depreciation and Amortization”) measures the Group’s operating profit before deducting interests, taxes, depreciations and amortizations. By dispensing with the financial, tax and accounting expenses magnitudes that do not entail a cash outflow, it allows evaluating the comparability of the results over time. It is an indicator widely used in the markets to compare the results of different companies.
Operating Expenses (OPEX)	Personnel expenses, net (2) + Own work capitalised (4) (Note 16) + Other operating expenses (2) – Taxes (4) (Note 17)	Euros 855 million = 290 + 39 + 820 – 294	Euros 843 million = 288 + 38 + 801 – 284	Measure of the expenses incurred by the Group to carry out its business activities, without considering taxes. Amount allowing comparability with other companies.
Capital expenditure (CAPEX)	Investment in intangible assets (4) (Note 5) + Investment in property, plant and equipment (4) (Note 5) + Cash flows from Group company acquisitions, net of cash and cash equivalents (3)	Euros 897 million = 177 + 720 + 0	Restatement of 30 June 2024: Euros 947 million = 137 + 800 + 10	Measure of the investment effort of each period in assets of the different businesses, including accrued and unpaid investments. It allows to know the allocation of the resources and it eases the comparison of the investment effort between periods. It is made up both of maintenance and growth investments (resources invested in the development or growth of the Group's activities), including investments in Group's company acquisitions, net of cash and cash equivalents.
Net capital expenditure (Net CAPEX) (6)	CAPEX (5) – Other proceeds from investing activities (3)	Euros 869 million = 897 – 28	Restatement of 30 June 2024: Euros 711 million = 947 – 236	Measurement of the investment effort in each period without considering the assets transferred or contributed by third parties.
Gross financial debt	Non-current financial liabilities (1) (Note 12) + Current financial liabilities (1) (Note 12)	Euros 16,911 million = 13,389 + 3,522	Euros 16,144 million = 13,557 + 2,587 Comparative information as of December 31 of the previous year: Euros 18,022 million = 15,095 + 2,927	Measure of the Group's level of financial debt. Includes current and non-current concepts. This indicator is widely used in capital markets to compare different companies.
Net financial debt	Gross financial debt (5) – Cash and cash equivalents (1) – Derivative financial assets linked to financial liabilities (4) (Note 13)	Euros 13,689 million = 16,911 – 3,104 – 118	Euros 11,838 million = 16,144 – 4,087 – 219 Comparative information as of December 31 of the previous year: Euros 12,201 million = 18,022 – 5,626 – 195	Measure of the Group's level of financial debt including current and non-current items, after discounting the cash and cash equivalents balance and asset derivatives linked to financial liabilities. This indicator is widely used in capital markets to compare different companies.

Alternative performance metrics	Definition and terms	Reconciliation of values at 30.06.2025	Reconciliation of values at 30.06.2024	Relevance
Leverage (%)	Net financial debt (5) / (Net financial debt (5) + Equity (1))	58.4% = 13,689 / (13,689 + 9,759)	49.9% = 11,838 / (11,838 + 11,876) Comparative information as of December 31 of the previous year: 51.1% = 12,201 / (12,201 + 11,653)	Measure of the weight of external resources in the financing of business activity. This indicator is widely used in capital markets to compare different companies.
Cost of net financial debt	Cost of borrowings (4) (Note 20) – Interest income (4) (Note 20)	Euros 257 million = 355 - 98	Euros 253 million = 355 - 102	Measure of the cost of financial debt net of income from financial interests. This indicator is widely used in capital markets to compare different companies.
EBITDA / Cost of net financial debt	EBITDA (5) / Cost of net financial debt (5)	11.1x = 2,848 / 257	11.2x = 2,846 / 253 Comparative information as of December 31 of the previous year: 10.9x = 5,365 / 490	Measure of the company's ability to generate operating resources in relation to the cost of financial debt. This indicator is widely used in capital markets to compare different companies.
Net financial debt / LTM (last twelve months) EBITDA	Net financial debt (5) / EBITDA from the last twelve months (2)	2.6x = 13,689 / 5,367	2.2x = 11,838 / 5,472 Comparative information as of December 31 of the previous year: 2.3x = 12,201 / 5,365	Measure of the Group's ability to generate resources to meet financial debt payments. This indicator is widely used in capital markets to compare different companies.
Net free cash flow	Cash flow generated from operating activities (3) + Cash flows from investing activities (3) + Cash flows from financing activities (3) – Receipts/payments from financial liability instruments (3)	Euros -1,628 million = 2,642 – 1,032 – 3,889 + 651	Euros 287 million = 2,001 – 740 – 864 – 110	Measure of cash generation to assess the funds available to debt service.
Free cash flow after non-controlling interests	Net free cash flow (5) + Parent company dividends net of collected by other group companies (4) (Note 10) + Purchase of treasury shares (4) (Note 10)	Euros 1,280 million = -1,628 + 576 + 2,332	Restatement of 30 June 2024: Euros 671 million = 287 + 384 + 0	Measure of cash generation corresponding to operating and investment activities. It is used to evaluate funds available to pay dividends to shareholders and to attend debt service.

Alternative performance metrics	Definition and terms	Reconciliation of values at 30.06.2025	Reconciliation of values at 30.06.2024	Relevance
Average cost of gross financial debt	Cost of borrowings (4) (Note 20) - cost of lease financial liabilities (4) (Note 20) - other refinancing costs, projected in annual terms / monthly weighted average of the gross financial debt (excluding lease financial liabilities) (4) (Note 12)	$3.9\% = (355 - 42 - 5) * (365 / 181) / 15,729$	$4.0\% = (355 - 46 - 10) * (366 / 182) / 14,878$ Comparative information as of December 31 of the previous year: $4.0\% = (710 - 85 - 15) / 15,251$	Measure of the effective interest rate of financial debt. This indicator is widely used in capital markets to compare different companies.
Liquidity	Cash and other equivalent liquid (1) + Undrawn and fully committed lines of credit (4) (Note 13)	Euros 8,596 million = 3,104 + 5,492	Euros 9,749 million = 4,087 + 5,662 Comparative information as of December 31 of the previous year: Euros 11,237 million = 5,626 + 5,611	Measure of the Group's ability to face any type of payment.
Economic value distributed	Procurements (2) + Other operating expenses (includes Taxes) (2) + Income tax payments (3) + Personnel expenses (2) + Work carried out for fixed assets (4) (Note 16) + Financial expenses (2) + Parent company dividends net of collected by other group companies (4) (Note 10) + Discontinued activities expenses (4) (Note 9)	Euros 8,465 million = 6,112 + 820 + 243 + 290 + 39 + 385 + 576 + 0	Euros 7,500 million = 5,301 + 801 + 229 + 288 + 38 + 437 + 384 + 22	Measure of the company's value considering the economic valuation generated by its activities, distributed to the different interest groups (shareholders, suppliers, employees, public administrations and society)

(1) Consolidated balance sheet line item.

(2) Consolidated income statement line item.

(3) Consolidated statement of cash flows line item.

(4) Figure detailed in the Notes to the Condensed interim consolidated accounts.

(5) Figure detailed in the APMs.

(6) Figure detailed in the Directors' Report.



Report on Limited Review of Naturgy Energy Group, S.A.

(Together with the condensed interim financial statements and the interim directors' report of Naturgy Energy Group, S.A. for the six-month period ended 30 June 2025)

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



KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Report on Limited Review of Condensed Interim Financial Statements

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

To the Shareholders of Naturgy Energy Group, S.A., commissioned by the Directors of the Company

REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have carried out a limited review of the accompanying condensed interim financial statements (hereinafter the “interim financial information”) of Naturgy Energy Group, S.A. (the “Company”), which comprise the balance sheet at 30 June 2025, and the income statement, statement of changes in equity and cash flows statement for the six-month period then ended, and explanatory notes to the interim financial information (all condensed). The Directors of the Company are responsible for the preparation of this interim financial information in accordance with the accounting principles and the minimum content envisaged in articles 12 and 13 of Royal Decree 1362/2007 of 19 October 2007 and in Circular 3/2018 of the Spanish National Securities Market Commission (CNMV) for the preparation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial information.



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

Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial information for the six-month period ended 30 June 2025 has not been prepared, in all material respects, in accordance with the accounting principles and the minimum content envisaged in articles 12 and 13 of Royal Decree 1362/2007 and in Circular 3/2018 of the Spanish National Securities Market Commission (CNMV) as regards the preparation of this interim financial information.

Emphasis of Matter

We draw your attention to note 2 in the accompanying interim financial information, which states that such interim financial information does not include all the information that would be required in a complete set of interim financial statements prepared in accordance with the financial reporting framework applicable to the entity in Spain. The accompanying interim financial information should therefore be read in conjunction with the Company's annual accounts for the year ended 31 December 2024. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying interim directors' report for the six-month period ended 30 June 2025 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial information, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The interim directors' report is not an integral part of the interim financial information. We have verified that the accounting information contained therein is consistent with that disclosed in the interim financial information for the six-month period ended 30 June 2025. Our work is limited to the verification of the interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of the Company.

Other Matter

This report has been prepared as requested by the Company's Directors in relation to publication of the half-yearly financial report required by article 100 of Law 6/2023 of 17 March 2023 on Securities Markets and Investment Services.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Eduardo González Fernández

22 July 2025

Condensed interim financial statements of Naturgy Energy Group, S.A.

June 2025

Interim balance sheet

Interim income statement

Interim statement of recognised income and expense

Interim statement of changes in equity

Interim cash flow statement

Notes to the condensed interim financial statements



Naturgy Energy Group, S.A.**Interim balance sheet****(million euro)**

		30.06.2025	31.12.2024
NON-CURRENT ASSETS	Note	27,636	29,008
Intangible assets		26	25
Other intangible assets		26	25
Property, plant and equipment		88	93
Land and buildings		68	72
Other property, plant and equipment		20	21
Long-term investments in group companies and associates	5	27,347	28,655
Equity instruments		15,878	15,994
Loans to companies		11,469	12,661
Long-term investments	6	25	18
Equity instruments		3	4
Derivatives		19	11
Other financial assets		3	3
Other non-current assets		34	90
Derivatives		34	90
Deferred tax assets		116	127
CURRENT ASSETS		4,188	4,798
Trade and other receivables		148	413
Trade receivables for sales and services		—	4
Trade receivables, group companies and associates		19	36
Derivatives		111	280
Other sundry receivables		1	74
Other amounts receivable from Public Administrations		17	19
Short-term investments in group companies and associates	5	2,159	1,226
Loans to companies		1,526	1,224
Other financial assets		633	2
Short-term investments	6	11	21
Derivatives		10	19
Other financial assets		1	2
Short-term prepayments and accrued expenses		6	2
Cash and cash equivalents	4	1,864	3,136
Cash at banks and in hand		1,177	2,169
Other cash equivalents		687	967
TOTAL ASSETS		31,824	33,806

Notes 1 to 16 are an integral part of the condensed interim financial statements.

Naturgy Energy Group, S.A.**Interim balance sheet****(million euro)**

	Note	30.06.2025	31.12.2024
EQUITY	7	15,810	17,704
SHAREHOLDERS' FUNDS		15,797	17,684
Capital		970	970
Share capital		970	970
Share premium		3,808	3,808
Reserves		10,360	10,362
Legal and statutory		300	300
Other reserves		10,060	10,062
Treasury shares		(2,538)	(6)
Profit/(loss) for the period		1,229	1,057
Retained earnings		1,952	2,446
Interim dividend		—	(969)
Other equity instruments		16	16
VALUE CHANGE ADJUSTMENTS		13	20
Hedging operations		13	20
NON-CURRENT LIABILITIES		10,737	11,202
Long-term provisions	8	286	296
Long-term post-employment obligations		186	203
Other provisions		100	93
Long-term borrowings	9	5,536	5,349
Bank borrowings		5,530	5,342
Derivatives		5	6
Other financial liabilities		1	1
Amounts owing to group companies and associates falling due in more than one year	10	4,618	5,205
Deferred tax liabilities		263	263
Other liabilities		34	89
Derivatives		34	89
CURRENT LIABILITIES		5,277	4,900
Short-term borrowings	9	130	134
Bank borrowings		117	131
Finance lease payables		—	1
Derivatives		10	2
Other financial liabilities		3	—
Amounts owing to group companies and associates falling due in less than one year	10	4,908	4,268
Trade and other payables		237	497
Trade payables		34	56
Trade payables, Group companies and associates		7	77
Derivatives		111	280
Personnel (outstanding remuneration)		18	40
Current tax liabilities		64	42
Other amounts payable to Public Administrations		3	2
Short-term prepayments and accrued expenses		2	1
TOTAL EQUITY AND LIABILITIES		31,824	33,806

Notes 1 to 16 are an integral part of the condensed interim financial statements.

Naturgy Energy Group, S.A.**Interim income statement****(million euro)**

	Note	30.06.2025	30.06.2024
Revenue	11	1,415	1,029
Sales		1	4
Income from equity instruments of group companies and associates		1,183	774
Income from marketable securities and other financial instruments of group companies and associates		231	251
Raw materials and consumables		(2)	(4)
Consumption of goods		(2)	(4)
Other operating income		57	57
Supplementary income and other operating income		57	57
Personnel expenses		(27)	(36)
Wages, salaries and related expenses		(18)	(28)
Social Security		(6)	(6)
Provisions		(3)	(2)
Other operating expenses		(74)	(52)
Services received		(74)	(68)
Taxes		—	(1)
Impairment losses and variation in trade provisions		—	17
Fixed asset depreciation/amortisation		(11)	(8)
Impairment and gain/(loss) on disposals of fixed assets		65	57
Impairment of and losses from equity instruments of group companies and associates	5	65	58
Gain/(loss) on disposals of equity interests in group companies and associates	5	—	(1)
OPERATING PROFIT/(LOSS)		1,423	1,043
Financial income		32	30
Negotiable securities and other financial instruments		32	30
- In third parties		32	30
Financial expenses		(202)	(203)
Borrowings from group companies and associates		(105)	(127)
Borrowings from third parties		(97)	(76)
Exchange differences		(2)	—
NET FINANCIAL INCOME		(172)	(173)
PROFIT/(LOSS) BEFORE TAXES		1,251	870
Income tax		(22)	3
PROFIT/(LOSS) FOR THE PERIOD		1,229	873
Basic and diluted earnings per share in euro		1.28	0.91

Notes 1 to 16 are an integral part of the condensed interim financial statements.

Naturgy Energy Group, S.A.
Interim statement of changes in equity

A) INTERIM STATEMENT OF RECOGNISED INCOME AND EXPENSE		(million euro)	
	30.06.2025	30.06.2024	
PROFIT/(LOSS) FOR THE PERIOD	1,229	873	
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	96	20	
Cash flow hedges	3	25	
Actuarial gains and losses and other adjustments	94	1	
Tax effect	(1)	(6)	
RELEASES TO INCOME STATEMENT	(9)	(13)	
Cash flow hedges	(12)	(18)	
Tax effect	3	5	
TOTAL INCOME AND EXPENSE RECOGNISED IN THE PERIOD	1,316	880	

Notes 1 to 16 are an integral part of the condensed interim financial statements.

Naturgy Energy Group, S.A.**Interim statement of changes in equity****B) TOTAL STATEMENT OF CHANGES IN EQUITY****(million euro)**

	Share capital	Share premium	Reserves	Treasury shares	Retained Earnings	Profit of the period	Interim dividend	Other instruments	Value changes adjustments	Total
Balance at 1.1.2024	970	3,808	10,360	(6)	2,592	1,211	(969)	14	43	18,023
Total recognised income and expense	—	—	—	—	—	873	—	1	6	880
Operations with shareholders or owners										
- Dividend distribution	—	—	—	—	(388)	—	—	—	—	(388)
Other changes in equity	—	—	—	—	242	(1,211)	969	—	—	—
Balance at 30.06.2024	970	3,808	10,360	(6)	2,446	873	—	15	49	18,515
Total recognised income and expense	—	—	2	—	—	184	—	1	(29)	158
Operations with shareholders or owners										
- Dividend distribution	—	—	—	—	—	—	(969)	—	—	(969)
Other changes in equity	—	—	—	—	—	—	—	—	—	—
Balance at 31.12.2024	970	3,808	10,362	(6)	2,446	1,057	(969)	16	20	17,704
Total recognised income and expense	—	—	(2)	—	—	1,229	—	96	(7)	1,316
Operations with shareholders or owners										
- Dividend distribution	—	—	—	—	(582)	—	—	—	—	(582)
- Trading in treasury shares	—	—	—	(2,532)	—	—	—	(29)	—	(2,561)
Other changes in equity	—	—	—	—	88	(1,057)	969	(67)	—	(67)
Balance at 30.06.2025	970	3,808	10,360	(2,538)	1,952	1,229	—	16	13	15,810

Notes 1 to 16 are an integral part of the condensed interim financial statements.

Naturgy Energy Group, S.A.**Interim cash flow statement****(million euro)**

	30.06.2025	30.06.2024
Profit/(Loss) for the year before tax	1,251	870
Adjustments to results	(1,277)	(916)
Fixed asset depreciation/amortisation	11	8
Impairment adjustments	(65)	(75)
Change in provisions	5	1
Profit/(loss) on write-offs and disposals of financial instruments	—	1
Financial income	(1,446)	(1,055)
Financial expenses	202	203
Exchange differences	2	—
Other income and expenses	14	1
Changes in working capital	(10)	36
Debtors and other receivables	95	(9)
Other current assets	(4)	(4)
Creditors and other payables	(102)	49
Other current liabilities	1	—
Other cash flows from operating activities	705	771
Interest paid	(186)	(224)
Dividends received	638	674
Interest collected	237	247
Income tax collections/(payments)	16	74
Cash flows from operating activities	669	761
Amounts paid on investments	(356)	(327)
Group companies and associates	(349)	(322)
Intangible assets	(5)	(3)
Property, plant and equipment	(2)	(2)
Amounts collected from divestments	14	124
Group companies and associates	9	123
Other financial assets	5	1
Cash flows from investing activities	(342)	(203)
Collections and payments on equity instruments	(2,399)	—
Cancellation of equity instruments	(67)	—
Acquisition of own equity instruments	(2,332)	—
Collections and payments from financial liability instruments	1,382	196
Issuance	5,221	2,009
Bank borrowings	354	1,474
Payables to Group companies and associates	4,862	535
Other payables	5	—
Repayment/redemption of	(3,839)	(1,813)
Bank borrowings	(179)	(119)
Payables to Group companies and associates	(3,626)	(1,686)
Other payables	(34)	(8)
Dividend payments	(582)	(388)
Cash flow from financing activities	(1,599)	(192)
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS	(1,272)	366
Cash and cash equivalents at the beginning of the year	3,136	1,598
Cash and cash equivalents at year end	1,864	1,964

Notes 1 to 16 are an integral part of the condensed interim financial statements.

Notes to the interim financial statements as at 30 June 2025

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Notes to the interim financial statements as at 30 June 2025

Note 1. General information

Naturgy Energy Group, S.A. ("the Company"), the parent company of the Naturgy group ("Naturgy"), was incorporated as a public limited company in 1843 and its registered office is at Avda. América 38, Madrid. On 27 June 2018, the shareholders, in general meeting, agreed to change the company's business name to Naturgy Energy Group, S.A., formerly Gas Natural SDG, S.A.

The company's corporate purposes, as per its articles of association, comprise the following activities:

- a. All types of activities related to gas, electricity and any other type of existing energy source, the production and sale of electrical, electro-mechanical and electronic equipment and components, planning and execution of construction projects, management of architectural projects, civil engineering works, utilities and gas and hydrocarbon distribution in general; management of communications, telecommunications, gas and hydrocarbon distribution networks in general, and maintenance of electrical and gas appliances; as well as business consulting, energy planning and energy use rationalisation services, research, development and exploitation of new technologies, communications, computer and industrial security systems; training and selection of human resources and real estate management and development.
- b. Acting as a holding company, incorporating companies or holding shares as a member or shareholder in other companies no matter what their corporate purpose or nature, by subscribing, acquiring or holding shares, participation units or any other securities deriving from the same, subject to compliance with the legal requirements in each case.

The Company's main ordinary activity is the administration and management of its shareholdings in subsidiaries. In addition, as at 30 June 2025, the Company has short-term gas procurement contracts.

The Company's shares are listed on the four Spanish stock exchanges and the continuous market and form part of the Ibex 35 stock index.

On 25 March 2025, the Ordinary General Meeting of Shareholders of Naturgy Energy Group, S.A. approved a voluntary tender offer to acquire a maximum of 88,000,000 own shares, representing 9.08% of the share capital, addressed to all Naturgy shareholders at a fixed price of Euros 26.5 per share.

Following clearance of the offer by the Spanish National Securities Market Commission (CNMV) on 28 May 2025, the publication of the offer prospectus and conclusion of the acceptance period, the offer was settled on 24 June 2025 (Note 7).

The primary goal of the offer, which is part of the 2025-2027 Strategic Plan, is to enable Naturgy to acquire own shares for placement in an orderly manner, when considered appropriate, to increase the free float and advance towards the goal of returning to the main stock market indices.

Note 2. Basis of presentation, comparability and accounting policies

The Company's financial statements for 2024 were approved at the annual general meeting of shareholders on 25 March 2025.

The selected condensed interim financial information has been prepared in connection with the publication of the interim financial report required by Article 100 of Law 6/2023, of 17 March, on Securities Markets and Investment Services, and in accordance with the principles and content provided for in Articles 12 and 13 of Royal Decree 1362/2007, of 19 October, regarding the transparency requirements relating to information on issuers whose securities are listed on an official secondary market or another regulated market in the European Union, and in Circular 3/2018, of 28 June, on the periodic information of issuers with securities listed on regulated markets relating to half-yearly financial reports, and, consequently, does not include all the information that would be required in a full set of financial statements prepared in accordance with accounting principles and standards generally accepted under Spanish law. Therefore, the interim financial information should be read together with the Company's financial statements for the year ended 31 December 2024.

As a result, it was not necessary to replicate or update certain notes or estimates contained in the aforementioned financial statements of the Company. Instead, the accompanying selected notes to the financial statements contain details of significant events or movements in order to explain any changes in the financial position and results of operations, comprehensive income, equity and cash flows of the Company between 31 December 2024, the date of the above-mentioned consolidated financial statements, and 30 June 2025.

These condensed interim financial statements have been prepared based on the Company's accounting records in order to fairly present its equity and financial position as at 30 June 2025, as well as the Company's results, changes in equity and cash flows for the period then ended.

As at 30 June 2025, the Company's working capital was negative in the amount of Euros 1,089 million. In this respect, the Company's liquidity statements envisaged for this year together with the amounts available under credit lines (Note 4) ensure coverage of same and, consequently, the Company's directors present these condensed interim financial statements on the basis of the going concern principle.

Unless otherwise stated, the figures set out in these financial statements are expressed in million euros, this being the Company's functional and presentation currency, unless expressly indicated in another unit..

In addition to the figures for 2025, the condensed interim financial statements as at 30 June 2025 present, for comparative purposes, for each item in the balance sheet, income statement, statement of changes in equity, cash-flow statement and notes to the financial statements, the figures for the previous year/period, which formed part of the 2024 financial statements and the condensed interim financial statements as at 30 June 2024.

The condensed interim consolidated financial statements of Naturgy as at 30 June 2025 were authorised by the Board of Directors on 22 July 2025 in accordance with IAS 34 "Interim Financial Reporting". The main figures (in million euros) disclosed therein, which were the subject of a limited review, are as follows:

Total assets	36,507
Equity attributed to the parent company	7,780
Non-controlling interests	1,979
Revenue	9,961
Income attributable to equity holders of the parent	1,147

Note 3. Accounting policies

The accounting policies and valuation standards applied by the Company to prepare these condensed interim financial statements are the same as at 31 December 2024, as detailed in Note 3 to the financial statements as at 31 December 2024.

3.1 Significant accounting estimates and judgements

The preparation of the condensed interim financial statements requires the use of estimates and assumptions. Note 3.20 to the financial statements as at 31 December 2024 lists the valuation standards that are most reliant on estimates.

As at 30 June 2025, the main estimates are as follows:

a. Impairment of investments in group companies and associates

As at 30 June 2025, the Company has not identified any general indications of impairment that might require a global review of the estimates of the recoverable value of investments in group companies and associates, updated at 2024 Year-end, on the basis of the 2025-2027 Strategic Plan, approved by the Board of Directors on 18 February 2025. Consequently, as at 30 June 2025, there were no indications of the need to recognise or reverse impairments other than those indicated in Note 5.

b. Climate change and the Paris Agreement

In line with the objectives of the Paris Agreement and the goal of achieving climate neutrality established in Regulation (EU) 2021/1119, Naturgy has a Climate Transition Plan (CTP) to achieve net zero emissions by 2050, considering all the scopes of the carbon footprint and prioritising the pathways to reduce global warming to 1.5°C, where feasible, while subject to the energy and regulatory policy of each of the countries where it operates.

Naturgy's greenhouse gas (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 other countries are considered, the Scope 3 reduction is expected to be 8%.

As at 30 June 2025, total Scope 1 and 2 emissions had been cut by 4.9% with respect to 2022. During the first half of 2025, no measurements were taken in relation to Scope 3 emissions (in 2024, emissions in this scope were reduced by 2% with respect to 2022).

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 2025-2027 Strategic Plan, approved by the Board of Directors on 18 February 2025, envisages continuing to invest in the energy transition, allocating the main investments 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 surplus.
- 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 European Union (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.

Information on the CTP, the Group's decarbonisation strategy and the GHG emission reduction targets are set out in section "E-1 Climate change" of the Group's Consolidated Non-Financial Information Statement and Sustainability Reporting 2024, which is prepared in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which Naturgy has accepted and which it has been adopting progressively since they were published in 2017. At the end of 2023, the TCFD announced that it was disbanding as a working group, and the International Sustainability Standards Board (ISSB) took over the TCFD's oversight responsibilities as of 2024.

These condensed interim financial statements have been prepared taking into account the decarbonisation commitments made by Naturgy, in addition to the risks and uncertainties related to climate change and the decarbonisation of the economy. The main accounting estimates and judgements relate to the expected effects of climate change and the energy transition on the recoverability of investments in group companies and associates, deferred tax assets, regulations and dividend distributions.

c. Geopolitical situation in Ukraine and the Middle East

During the first half of 2025, armed conflicts in Ukraine and the Middle East continued to be a source of geopolitical and economic instability worldwide.

The conflict between Ukraine and Russia, which began in February 2022, has continued without substantial progress towards a negotiated solution, resulting in prolonged attrition for both sides.

The energy environment has proven to be relatively stable as a result of high volumes in storage, diversification of procurement sources and moderate demand.

In this context, as part of its diversified portfolio, Naturgy has a long-term contract for the procurement of gas of Russian origin that it entered into in 2013 with an international consortium formed by Novatek (50.1%), TotalEnergies (20%), CNPC (20%) and Silk Road Fund (9.9%). This contract has take-or-pay clauses covering its entire term. Since the beginning of the conflict, Naturgy has received the volumes strictly established in the contract. In the first half of 2025, this contract has accounted for 17% of Naturgy's overall procurements (similar in 2024).

On 6 May 2025, the European Commission presented a roadmap to completely eliminate energy imports from Russia (gas, oil and nuclear) by the end of 2027. This roadmap began to be implemented with the issuance on 17 June of a draft regulation that establishes binding measures for all Member State.

The main provisions of the proposed regulation are:

- A ban on entering into new spot contracts for Russian gas from 17 June 2025. Existing spot contracts may only be maintained until 17 June 2026, as part of a transition period.
- A ban on further imports of Russian gas (pipeline or LNG) from 1 January 2026, subject to exceptions.
- Derogation for long-term contracts (more than one year) signed before 17 June 2025, for which imports may be maintained until 1 January 2028.
- A ban on providing LNG terminal services to Russian customers or customers controlled by Russian entities from 1 January 2026, with an exception until 2028 for pre-existing contracts.
- Submission of national diversification plans: Member States must submit detailed plans for phasing out Russian gas by 1 March 2026, using a common template.

Under this proposed new regulatory framework, some energy companies, including Naturgy, may be affected by the application of the new restrictions, especially with regard to long-term supply contracts signed before the conflict.

Commenting on the possible legal implications for operators, European Energy Commissioner Dan Jørgensen said: "We have a very clear opinion from the legal team of the Commission that since this will be a ban, companies will not get into legal problems. This is force majeure as if it had it been a sanction." (Literal translation of the statements made by the European Commissioner).

The proposal is being dealt with under the ordinary legislative procedure, with joint participation of the European Parliament and the Council of the EU, which can make changes as co-legislators. Once the final regulation is adopted, it will be possible to assess its impact on European operators with long-term contracts.

None of Naturgy's counterparties are susceptible to being affected by the sanctions, nor does it hold any interest in companies operating in Russia or Belarus or have investments in these countries, or cash balances or equivalent liquid assets that are restricted as a result of those measures and sanctions. For further details on interest rate, commodity price, credit and liquidity risks, see Note 4.

The conflict in the Middle East has reignited following the truce reached at the end of January 2025 between Israel and Palestinian armed groups in the Gaza Strip and after several exchanges of hostages. Meanwhile, on 13 June, Israel carried out a large-scale attack on Iran, triggering a military response from the latter. The United States joined the offensive with bombing raids on strategic targets in Iran on 22 June, and a ceasefire was announced between all sides on 24 June. Although the conflict has not had a significant direct impact on global energy supplies, it has contributed to keeping geopolitical risk premiums high in international markets.

In the first half of 2025, Naturgy resolved to terminate early the contract under which it had been providing operation and maintenance services to the Ramat Gavriel and Alan Tavor combined cycle gas turbine plants since 2019, through its subsidiary Spanish Israeli Operation and Maintenance Company Ltd. As at the date of authorisation of these condensed interim financial statements, that contract has not yet been effectively terminated. That company recognised gross operating profit of less than Euros 1 million in the first half of 2025.

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 in this area.

Note 4. Main risks and uncertainties

The main risks and uncertainties are disclosed in the 2024 financial statements. The main aspects of financial risk are updated as at 30 June 2025.

Risk management

Risk management is described in detail in Note 14 to the 2024 financial statements. The main aspects of financial risk are updated as at 30 June 2025 below:

Interest rate risk

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.

Naturgy employs financial swaps to manage exposure to interest rate fluctuations, by swapping floating rates for fixed rates.

As at 30 June 2025, 63% of Naturgy's debt is at fixed interest rates, while exposure to floating interest rates is limited.

The sensitivity of the Company's results and equity (value change adjustments) to interest rate fluctuations is as follows:

	Increase/decrease in interest rates (basis points)	Effect on profit before tax	Effect on equity before tax
30 June 2025	50	(20)	15
	(50)	20	(15)
31 December 2024	50	(16)	19
	(50)	16	(19)

During the first half of 2025, inflation in the Euro Area remained at moderate levels, consolidating the stabilisation observed after the sharp decline between 2022 and 2024. In June 2025, the consumer price index stood at 2%. This performance enabled the European Central Bank to implement four reductions in the official interest rates (in January, April and June 2025), bringing the main refinancing rate to 2.15%.

Exchange rate risk

In order to mitigate these risks to the extent possible, Naturgy finances its investments in local currency. Furthermore, whenever possible, it tries to match costs and revenues referenced to the same currency, as well as amounts and maturities of assets and liabilities arising from operations denominated in currencies other than the euro.

For open positions, where it is considered to be necessary, the risks in investments in currencies other than the functional currency are managed through financial swaps and foreign exchange within the limits approved for hedging instruments.

The currency other than the euro with which the Company operates most is the US dollar. The sensitivity of the Company's profits and equity (value change adjustments) to a 5% variation (increase or decrease) in the US dollar/euro exchange rate is not material.

Commodity price risk

A large proportion of the Group's operating results is linked to the purchase of gas for supply to a diversified portfolio of customers.

These gas procurement contracts are mostly signed on a long-term basis with purchase prices based on a combination of commodity prices, basically crude oil and its derivatives and natural gas hubs.

However, selling prices to final customers are generally agreed on a short/medium-term basis and are shaped by the supply/demand balance existing at any given time in the gas market. This may result in decoupling from gas procurement prices.

Therefore, Naturgy is exposed to the risk of fluctuations in gas procurement prices with respect to selling prices to end customers. Exposure to this risk is managed and mitigated by natural hedging, seeking to balance the commodity exposures of both prices. In addition, some supply contracts allow this exposure to be managed through volume flexibility and repricing mechanisms.

When it is not possible to achieve a natural hedge, the position is managed, within reasonable risk parameters, through derivatives to reduce exposure to price decoupling risk, generally designated as hedging instruments. However, these hedges may prove to be ineffective as a result of changes in the expected dates of the purchase and sale transactions, a reduction in the volumes hedged or decoupling from the indices hedged in the purchase and sale transactions.

The Company also purchases gas in the market for supply to other Naturgy companies.

In the integrated electricity businesses, the company's aggregate exposure is determined by the strategic generation/supply positioning and by the final sale pricing policies in electricity supply.

At the end of 2021, gas prices began to climb, reaching peak levels in 2022, following the boost caused by the effects of the war in Ukraine. Beginning in 2023, a downward correction was observed, leading to a phase of relative stability towards the end of the first half of 2024. A significant rebound then occurred until February 2025, followed by a further correction that led to a more stable environment towards the end of the first half of 2025.

It should be noted that Naturgy could be affected by the regulatory measures that the European Commission intends to approve in order to steadily reduce the European Union's energy dependence on Russia, through the gradual, coordinated and safe elimination of imports of natural gas, oil and nuclear energy from that country. See Note 3.1.c.

Finally, Naturgy is exposed to trends in the price of CO₂ emission rights, basically for power generation by its combined cycle plants, although it is estimated that a reasonably likely change in the price of rights would not significantly affect period income or equity.

Business segment sensitivity to oil, gas and electricity prices is described below:

- Gas and electricity distribution: This is a regulated activity in which revenue and profit margins are linked to distribution infrastructure management services, irrespective of the prices of the commodities distributed.
- Gas and electricity: Profit margins on gas and electricity supply activities are directly affected by commodity prices. In this regard, Naturgy has a risk policy that stipulates, among other aspects, the tolerance range, based on applicable risk limits. Measures employed to keep risk within the stipulated limits include active procurement management, balanced acquisitions and sales formulae, and specific hedging so as to maximise the risk-profit relationship. In addition to the above-mentioned policy, a large proportion of Naturgy's procurement portfolio has ordinary and extraordinary price review clauses. These clauses make it possible, in the medium term, to modulate the impact in the event of decoupling between Naturgy's selling prices in its markets and trends in prices in its procurement portfolio.

Credit risk

Credit risk relating to trade receivables is reflected in the balance sheet net of provisions for bad debts, estimated by the Company on the basis of the ageing of the debt and past experience, in accordance with the prior segregation of customer portfolios and the current economic environment.

Credit risk relating to trade accounts receivable has historically been limited due, on the one hand, because customer receivables are collected over a short time scale, so that there is no time for significant amounts to accumulate before supply can be suspended due to non-payment, in accordance with applicable regulations and, on the other hand, due to the established risk management measures in place optimise the credit quality of the overall receivables portfolio as well as implementing supplementary measures.

With respect to other exposures to counterparties, such as 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 requirements. In the six months ended 30 June 2025 and in 2024, there were no significant defaults or losses.

The ageing analysis of financial assets concluded that there were no unimpaired past-due financial assets as at 30 June 2025 and 31 December 2024.

An ageing analysis of financial assets and related expected losses as at 30 June 2025 and 31 December 2024 is set out below:

30.06.2025	Total	Current	0 to 180 days	180 to 360 days	Over 360 days
Expected loss ratio	100.0 %	—	—	—	100.0 %
Trade receivables for sales and services	13	—	—	—	13
Expected loss	13	—	—	—	13

31.12.2024	Total	Current	0 to 180 days	180 to 360 days	Over 360 days
Expected loss ratio	76.5 %	—	—	—	100.0 %
Trade receivables for sales and services	17	2	2	—	13
Expected loss	13	—	—	—	13

The expected loss ratio is calculated as the expected loss divided by customer receivables for sales and services.

Concerning supplier credit risk, the solvency of each supplier of products and services is guaranteed through regular analysis of their financial information, particularly prior to new engagements. To this end, the relevant assessment criteria are applied depending on the supplier's criticality in terms of service or concentration. This procedure is supported by control mechanisms and systems and supplier management.

As at 30 June 2025 and 31 December 2024, the Company did not have significant concentrations of credit risk.

Naturgy keeps its credit risk management model up to date based on economic forecasts in the main countries in which it operates, taking into account various factors including existing geopolitical conflicts affecting the world's economy and financial markets (Note 3.1); changes in debtors' payment behaviour were not found to have a material impact on the interim financial statements as at 30 June 2025 or the financial statements as at 31 December 2024.

Liquidity risk

As at 30 June 2025, the Company's working capital was negative in the amount of Euros 1,089 million (Euros 102 million as at 31 December 2024). As at 30 June 2025, available liquidity totalled Euros 7,115 million (Euros 8,409 million as at 31 December 2024), including cash and cash equivalents of Euros 1,864 million (Euros 3,136 million as at 31 December 2024) together with unused bank financing and credit lines totalling Euros 5,251 million (Euros 5,273 million as at 31 December 2024).

There is also additional unused capacity to issue debt in capital markets amounting to Euros 7,880 million (Euros 7,149 million as at 31 December 2024).

In an international context that is deeply influenced by the war in Ukraine and the conflicts in the Middle East, and within the framework of the Group's financial policy, Naturgy has maintained the availability of funds to meet its obligations and to implement its business plans, guaranteeing at all times the optimum level of liquid resources and seeking to maximise efficiency in the management of financial resources.

Capital management

The main purpose of the Company's capital management is to ensure a financial structure that can optimise capital cost and maintain a solid financial position, in order to combine value creation for the shareholder with access to the financial markets at a competitive cost to cover financing needs.

Naturgy targets approximately 50% leverage in its long-term capital management strategy.

The Company's long-term credit rating is as follows:

	30.06.2025	31.12.2024
Standard & Poor's (S&P)	BBB (*)	BBB (*)
Fitch	BBB (*)	BBB (*)

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

Note 5. Investments in Group companies and associates

The classification of investments in Group companies and associates by category as at 30 June 2025 and 31 December 2024 is as follows:

At 30.06.2025	Financial assets at cost	Financial assets at amortised cost	Total
Equity instruments	15,878	—	15,878
Loans	—	11,469	11,469
Non-current	15,878	11,469	27,347
Loans	—	1,526	1,526
Other financial assets	—	633	633
Current	—	2,159	2,159
TOTAL	15,878	13,628	29,506

At 31.12.2024	Financial assets at cost	Financial assets at amortised cost	Total
Equity instruments	15,994	—	15,994
Loans	—	12,661	12,661
Non-current	15,994	12,661	28,655
Loans	—	1,224	1,224
Other financial assets	—	2	2
Current	—	1,226	1,226
TOTAL	15,994	13,887	29,881

Movements in non-current investments in group companies and associates during the six-month period ended 30 June 2025 and in 2024 are as follows:

	Holdings in group companies	Loans to group companies	Holdings in associates	Total
Balance at 01.01.2024	15,878	13,997	4	29,879
Additions	1	—	—	1
Divestments	(1)	(37)	—	(38)
Reclassification	—	(1,114)	—	(1,114)
Charge/reversal provisions	59	—	—	59
Balance at 30.06.2024	15,937	12,846	4	28,787
Additions	47	340	—	387
Reclassification	—	(525)	—	(525)
Charge/reversal provisions	6	—	—	6
Balance at 31.12.2024	15,990	12,661	4	28,655
Additions	3	33	—	36
Divestments	(184)	(37)	—	(221)
Reclassification	—	(1,188)	—	(1,188)
Charge/reversal provisions	65	—	—	65
Balance at 30.06.2025	15,874	11,469	4	27,347

The main corporate transactions carried out by the Company were as follows:

Six-month period ended 30 June 2025

- Cash contribution of Euros 2 million to offset losses of the company Naturgy Innovahub, S.L.U.
- The distribution of dividends by Naturgy Generación, S.L.U. in the amount of Euros 83 million was recognised as a decrease in the carrying amount of that company.
- Part of the dividend payment by Naturgy Engineering, S.L. in the amount of Euros 1 million was recognised as a decrease in the carrying amount of that company.
- Acquisition of 70 shares in Naturgy Iberia, S.A. from group company La Propagadora del Gas, S.A. for an amount of Euros 0.1 million, as a result of which the Company became the sole shareholder of that company.
- Within the framework of the early expiration of the long-term variable incentive plan (ILP) approved by the Board of Directors on 18 February 2025 (Note 7), Euros 100 million of the share premium of Naturgy Participaciones, S.A.U. was distributed together with the surplus arising basically from dividend receipts, the change in the share price of Naturgy Energy Group, S.A., which is the basis of the ILP, in the amount of Euros 95 million. The distribution of the share premium was recognised as a decrease in the carrying amount of the holding in this company, the surplus being distributed as a change in Other equity instruments with a balancing entry to the account payable for the purchase of the shares on 14 May 2025 (Note 7).

Six-month period ended 30 June 2024

- Acquisition of one share in the company Naturgy Informática, S.A. with the result that the Company became that company's sole shareholder. The holding was derecognised in the amount of Euros 1 million.

Also, prior to the liquidation of Naturgy Informática, S.A.U., in April 2024 the Company acquired its assets, mainly software licenses and computer hardware. This acquisition was offset by the Company against intercompany loans granted to Naturgy Informática, S.A.U. prior to the transaction date, for a net amount of Euros 37 million.

- Cash contribution of Euros 1 million to offset losses of the company Naturgy Innovahub, S.L.U.

Impairment of assets

As at 30 June 2025, net revenue was recognised for the reversal of impairment of holdings in group companies and associates amounting to Euros 65 million (Euros 58 million at 30 June 2024 as revenue from impairment reversal) under the heading "Impairment of and losses from equity instruments of Group companies and associates" in the interim income statement, detailed below:

	30.06.2025	30.06.2024
Naturgy Generación, S.L.U.	65	66
Naturgy Commodities Trading, S.A.	2	(2)
General de Edificios y Solares, S.L.	1	1
Naturgy Informática, S.A.U.	—	(3)
Petroleum Oil & Gas España, S.A.	—	(3)
Naturgy Engineering, S.L.	(1)	—
Naturgy Finance Iberia, S.A.U. (*)	(2)	(1)
Total	65	58

(*) On 28 May 2024, Naturgy Finance Iberia, S.A.U. (formerly Naturgy Finance BV) was registered under its new name and its registered offices and domicile for tax purposes were transferred from the Netherlands to Spain.

As at 30 June 2025:

The revenue from the reversal of impairment charges on holdings in group companies and associates during the first six months of 2025 relate to:

— **Naturgy Generación, S.L.U.:**

As at 30 June 2025, an amount of Euros 65 million was reversed from the provision for impairment of the shareholding in this company, which is part of the Hydroelectric Generation Spain CGU, based on the positive performance projected in the Strategic Plan 2025-2025, approved by the Board of Directors on 18 February 2025.

The accumulated impairment as at 30 June 2025 is Euros 1,950 million.

— **Naturgy Commodities Trading, S.A.:**

Impairment was reversed in the amount of Euros 2 million in connection with the shareholding in Naturgy Commodities Trading, S.A. due to that company's favourable performance. The accumulated impairment as at 30 June 2025 is Euros 29 million.

— **General de Edificios y Solares, S.L.:**

As at 30 June 2025, Euros 1 million were reversed from the provision for impairment of the shareholding in this company, on the basis of the trend in its net worth. The accumulated impairment as at 30 June 2025 is Euros 4 million.

Additionally, the following holdings were impaired as at 30 June 2025:

— **Naturgy Finance Iberia, S.A.U.:**

Impairment in the amount of Euros 2 million. The accumulated impairment as at 30 June 2025 is Euros 2 million.

— **Naturgy Engineering S.L.:**

Impairment in the amount of Euros 1 million. The accumulated impairment as at 30 June is Euros 6 million.

30 June 2024:

The main revenue items from the reversal of impairment of investments in group companies and associates during the first six months of 2024 related to:

— **Naturgy Generación, S.L.U.:**

As at 30 June 2024, an amount of Euros 66 million was reversed from the provision for impairment of the shareholding in this company, which is part of the Hydroelectric Generation Spain CGU.

The accumulated impairment as at 30 June 2024 is Euros 2,042 million.

The assumptions and projections in connection with the Hydroelectric Generation CGU were based on the best forward-looking information available at that date.

— **General de Edificios y Solares, S.L.:**

As at 30 June 2024, Euros 1 million were reversed from the provision for impairment of the shareholding in this company, on the basis of the trend in its net worth. The accumulated impairment as at 30 June 2024 is Euros 5 million.

– **Naturgy Informática, S.A.U.:**

An impairment charge of Euros 3 million was recognised for the stake in Naturgy Informática, S.A.U. based on its liquidation value. This shareholding was derecognised in June 2024.

– **Naturgy Commodities Trading, S.A.:**

An impairment charge of Euros 2 million was recognised for the shareholding in Naturgy Commodities Trading, S.A. due to that company's adverse performance. The accumulated impairment as at 30 June 2024 is Euros 23 million.

– **Petroleum Oil&Gas España, S.A.:**

An impairment charge of Euros 2 million was recognised due to that company's adverse performance. The accumulated impairment as at 30 June 2024 is Euros 78 million. In addition, a provision for future liabilities in the amount of Euros 1 million was recognised under "Other long-term provisions".

– **Naturgy Finance Iberia, S.A.U.:**

An impairment charge was recognised for an amount of Euros 1 million. The accumulated impairment as at 30 June 2024 is Euros 1 million.

Gain/(loss) on disposals of equity interests in Group companies and associates

As at 30 June 2025, there were no gains or losses on disposals of holdings in group companies and associates. In 2024, a loss of Euros 1 million was recognised for miscellaneous expenses associated with the liquidation and sale of holdings in group companies.

Loans to group companies and associates and other financial assets

As at 30 June 2025, non-current loans to group companies and associates amounted to Euros 11,469 million (Euros 12,661 million as at 31 December 2024), maturing as follows:

Maturity	At 30.06.2025	At 31.12.2024
2026	—	1,000
2027	3,105	4,647
2028	2,311	1,569
2029	2,501	2,513
2030	1,000	1,000
2031 and subsequent	2,552	1,932
Total	11,469	12,661

Set out below are movements in the six-month period ended 30 June 2025 and in 2024 in the items making up loans and other current financial assets:

	Loans to group companies and associates	Other financial assets	Total
Balance at 1.1.2024	291	3	294
Additions	329	100	429
Divestments	(122)	(1)	(123)
Reclassifications and transfers	1,000	—	1,000
Balance at 30.06.2024	1,498	102	1,600
Additions	(22)	(100)	(122)
Divestments	(257)	—	(257)
Reclassifications and transfers	5	—	5
Balance at 31.12.2024	1,224	2	1,226
Additions	306	631	937
Divestments	(6)	—	(6)
Reclassifications and transfers	2	—	2
Balance at 30.06.2025	1,526	633	2,159

There are no significant differences between carrying amounts and fair values in the balances under Loans to group companies and associates and other receivables.

Current loans to group companies and associates include loans to group companies totalling Euros 1,444 million (Euros 1,137 million in 2024), including receivables from group companies relating to consolidated corporate income tax amounting to Euros 61 million and to consolidated VAT amounting to Euros 1 million (Euros 61 million in 2024 relating to consolidated corporate income tax and Euros 1 million relating to consolidated VAT). Accrued interest receivable of Euros 82 million (Euros 87 million in 2024) is also included.

As at 30 June 2025, loans to group companies and associates accrued interest at a rate of 4.95% (5.11% in 2024) for non-current loans and a rate of 3.46% (4.77% in 2024) for current loans.

As at 30 June 2025, the balance of dividends receivable was Euros 628 million, recognised under "Other current financial assets" (there was no balance as at 31 December 2024).

Note 6. Investments

Details of financial assets by class and category as at 30 June 2025 and 31 December 2024 are as follows:

At 30 June 2025	Financial assets at amortised cost	At cost	Hedging derivatives	Total
Equity instruments	—	3	—	3
Derivatives	—	—	19	19
Other financial assets	3	—	—	3
Non-current investments	3	3	19	25
Derivatives	—	—	10	10
Other financial assets	1	—	—	1
Current investments	1	—	10	11
Total	4	3	29	36

At 31 December 2024	Financial assets at amortised cost	At cost	Hedging derivatives	Total
Equity instruments	—	4	—	4
Derivatives	—	—	11	11
Other financial assets	3	—	—	3
Non-current investments	3	4	11	18
Derivatives	—	—	19	19
Other financial assets	2	—	—	2
Current investments	2	—	19	21
Total	5	4	30	39

Financial assets at fair value as at 30 June 2025 and 31 December 2024 are classified as follows:

30.06.2025					31.12.2024			
Financial assets	Level 1 (quoted price in an active market)	Level 2 (observable variables)	Level 3 (unobservable variables)	Total	Level 1 (quoted price in an active market)	Level 2 (observable variables)	Level 3 (unobservable variables)	Total
Fair value through profit or loss	—	29	—	29	—	30	—	30
Total	—	29	—	29	—	30	—	30

Financial assets at cost

All financial assets at cost relate to unlisted shareholdings as at 30 June 2025 and 31 December 2024.

Financial assets at amortised cost

The balance as at 30 June 2025 and 31 December 2024 is as follows:

	At 30.06.2025	At 31.12.2024
Deposits and guarantees	3	3
Non-current	3	3
Deposits and guarantees	1	2
Current	1	2
Total	4	5

The fair values and carrying amounts of these assets do not differ significantly.

Note 7. Equity

The main equity items are as follows:

Share capital and share premium

The variations, during the six-month period ended 30 June 2025 and in 2024, in the number of shares and the share capital and share premium accounts are as follows:

	Number of shares	Share capital	Share premium	Total
At 1 January 2024	969,613,801	970	3,808	4,778
Variation	—	—	—	—
At 31 December 2024	969,613,801	970	3,808	4,778
Variation	—	—	—	—
At 30 June 2025	969,613,801	970	3,808	4,778

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

There were no movements in the number of shares or in the share capital and share premium accounts in the first half of 2025 or in 2024.

The Company's Board of Directors, for a maximum term of five years as from 15 March 2022, is empowered to increase share capital by a maximum of 50% of the Company's share capital at the time of the authorisation, at one or more times, through cash payments at the time and in the amount that it deems fit, by issuing ordinary, privileged or redeemable shares, with or without voting rights, with or without a share premium, without requiring any further authorisation from the shareholders, with the power to partly or wholly override preferential subscription rights, up to a limit of 20% of share capital at the date of that authorisation, and to amend the Articles of Association as required due to the capital increase or increases performed by virtue of that authorisation, with provision for the possibility of incomplete subscription, all in accordance with the provisions of Article 297.1.b) of the Capital Companies Law. Additionally, based on this authorisation, it will carry out any necessary procedures and actions before domestic and overseas securities market agencies to request the listing, continuance and/or, as the case may be, delisting of the issued shares.

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

The main holdings in the Company's share capital as at 30 June 2025 and 31 December 2024, in accordance with available public information and disclosures made to the Company, are as follows:

	% interest in share capital	
	At 30.06.2025	At 31.12.2024
-FundaciónBancariaCaixad'Estalvis i Pensions de Barcelona, "la Caixa" (1)	24.0	26.7
-BlackRock,inc.(2)	18.7	20.9
-CVC Capital Partners PLC (3)	18.6	20.7
- IFM Global Infrastructure Fund (4)	15.2	16.9
- Sonatrach (5)	4.1	4.1

(1) Holding through Criteria Caixa, S.A.U.

(2) Since the acquisition of Global Infrastructure Partners on 1 October 2024, according to the notification of significant shareholdings to the CNMV. The indirect shareholding is held mainly through GIP III Canary 1, S.à.r.l., which has a direct shareholding of 18.5% (20.6% as at 31 December 2024)

(3) Through Rioja Acquisition S.à.r.l.

(4) Through Global InfraCo (2) S.à.r.l.

(5) Société Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures

All the Company's shares are traded on the four official Spanish Stock Exchanges and the continuous market and form part of the Ibex 35 stock index.

On 30 June 2025, the share price stood at Euros 27.00. On 31 December 2024, the share price was Euros 23.38.

In February 2024, Morgan Stanley Capital International (MSCI), a global benchmark for institutional investments and numerous mutual funds and exchange-traded funds, announced changes to the composition of several of its indexes. As a result, Naturgy ceased to be a component of several MSCI indices, effective as of market close on the last business day of February 2024. The exclusion was based on the market value of Naturgy's free float, which had fallen below MSCI's minimum inclusion thresholds, and was unrelated to its current operating and financial performance.

As stated in Note 1, and in the "Treasury shares" section of this note, Naturgy carried out a public, voluntary and partial tender offer for its own shares, the main purpose of which is to re-establish adequate levels of free float with the goal of returning to the main stock market indexes within the period set out in the 2025-2027 Strategic Plan.

Reserves

"Reserves" includes the following items:

	30.06.2025	31.12.2024
Legal reserve	200	200
Statutory reserve	100	100
Voluntary reserves	9,731	9,731
Capital redemption reserve	31	31
Other reserves	298	300
Total	10,360	10,362

Legal reserve

Appropriations to the legal reserve are made in compliance with the Spanish Capital Companies Law, which stipulates that 10% of profit 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 increased capital.

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.

Statutory reserve

Under the Company's Articles of Association, 2% of net profit for the year must be allocated to the statutory reserves until it reaches at least 10% of share capital.

Capital redemption reserve

Following approval at the ordinary general meeting of shareholders on 26 May 2020, a capital reduction was made in August through the redemption of treasury shares with a reduction of Euros 14 million in capital and Euros 284 million in voluntary reserves.

In addition, pursuant to Article 335 c) of the Spanish Capital Companies Law, a restricted capital redemption reserve was created for an amount equal to the par value of the redeemed shares. The total accumulated capital redemption reserve amounts to Euros 31 million as at 30 June 2025 and 31 December 2024.

Voluntary reserve and other reserves

Relates basically to voluntary reserves for undistributed profits, also including the effects of the measurement of shareholdings in group companies as a result of transactions between group companies, recognised in the same amounts as stated in Naturgy's consolidated financial statements. As at 30 June 2025, the "Other reserves" account includes the costs associated with the aforementioned tender offer for own shares, in the amount of Euros 2 million.

Share-based payments

On 31 July 2018, the Board of Directors approved a long-term variable incentive plan (ILP) for the Executive Chairman and other executives. The main characteristics of the plan were made public in the form of a regulatory disclosure on 6 December 2018 and were approved by the general meeting of shareholders on 5 March 2019. This incentive initially covered the term of the 2018-2022 Strategic Plan but, on 25 November 2021, the Board decided to extend it until December 2025 to coincide with the expiration of the new 2021-2025 Strategic Plan.

On 22 April 2024, at the proposal of the Executive Chairman and in order to be able to act with absolute independence and neutrality and to avoid any conflict of interest linked to the outcome of any potential bid for Naturgy shares, the Board of Directors approved an amendment to the Executive Chairman's long-term variable incentive plan. Through this amendment, the Company returned to the original remuneration scheme provided for in his February 2018 contract and in the Remuneration Policy approved by the Shareholders' Meeting in June 2018.

The amended scheme was linked to the objectives of the Strategic Plan, and is no longer share-based. However, the main terms of the previous plan were maintained, such as the possibility of forfeiting the incentive, the duration and expiration of the plan, and the clawback clause. Additionally, under the amended plan, the Chairman may not receive more than he might have collected under the previous ILP scheme.

On 18 February 2025, Naturgy's Board of Directors approved the 2025-2027 Strategic Plan and, consequently, the early expiry of the long-term variable incentive plan. Furthermore, based on a proposal of the Appointments, Remuneration and Corporate Governance Committee, the Board of Directors decided to settle in cash, instead of shares, the value of the surplus accumulated by the corporate vehicle in accordance with the conditions established initially.

Following the approval of the early expiry of the long-term variable incentive plan, the rights vested early at the settlement date and, consequently, as at 30 June 2025, an amount of Euros 2 million (Euros 1 million in the first half of 2024) was recognised in the interim income statement under "Personnel expenses" with a credit to "Other equity instruments" in the interim balance sheet.

In addition, at a General Meeting held on 25 March 2025, the shareholders ratified the Board of Directors' resolution adopted at a meeting on 22 April 2024 to amend the long-term variable remuneration system for the Executive Chairman, as indicated above.

Following the approval of the above-mentioned amendments to the long-term variable incentive plan by the Board of Directors and ratification by the General Shareholders' Meeting, the total liability of the commitment accrued between 2018 and 2025 has been recognised at fair value at the settlement date as a reclassification of equity and, subsequently, the 23 executives who were beneficiaries were paid. The settlement for the seven-year period from 2018 to 2025 amounted to an amount of Euros 9,584 thousand per year.

Treasury shares

Movements during the first six months of 2025 and in 2024 involving own shares of the Company are as follows:

	Number of shares	In million euro	% Capital
At 1 January 2024	240,000	6	—
At 30 June 2024	240,000	6	—
At 31 December 2024	240,000	6	—
Acquisition of shares from Naturgy Alfa Investments, S.A.U.	8,639,595	200	0.9
Tender offer	88,000,000	2,332	9.1
At 30 June 2025	96,879,595	2,538	10.0

Six-month period ended 30 June 2025

At the date of publication of the initial announcement of the tender offer (14 March 2025), Naturgy Alfa Investments, S.A.U., a wholly-owned subsidiary of the Company, indirectly held 8,639,595 shares in Naturgy Energy Group, S.A.

On 25 March 2025, the Board of Directors unanimously adopted, among others, a resolution under which Naturgy Energy Group, S.A. would acquire the 8,639,595 shares of the Company owned by Naturgy Alfa Investments, S.A.U. at a price of Euros 26.50, in connection with the early termination of the long-term variable incentive plan agreed by the Company's Board of Directors at a meeting on 18 February 2025 (see "Share-based payments" section of this Note). The Company executed this acquisition on 14 May 2025, recognising the shares acquired at the initial cost for Naturgy, adjusting the difference in Other Equity Instruments.

On 25 March 2025, at an Ordinary General Meeting of Naturgy Energy Group, S.A., the shareholders resolved to approve a voluntary partial public tender offer for a maximum of 88,000,000 own shares, representing 9.08% of its share capital, addressed to all Naturgy shareholders.

The offer was not directed at the 8,879,595 treasury shares held by the Company prior to its launch, representing 0.92% of its share capital, which were blocked as part of the offer in order to prevent their transfer. Consequently, the offer was addressed to the holders of 960,734,206 shares of Naturgy, representing 99.08% of the share capital, with the aim of acquiring the maximum number of shares indicated above.

The offer was for the purchase of shares for a consideration of Euros 26.50 per share, payable entirely in cash.

The terms established in the offer were identical for all the shares of Naturgy to which the offer was extended, the offer being voluntary and with a price freely set by Naturgy in accordance with the provisions of Article 13.5 of Royal Decree 1066/2007, without being subject to the rules on equitable pricing in Article 9 of Royal Decree 1066/2007.

Shareholders owning shares representing more than 10% of the capital of Naturgy Energy Group, S.A.: Criteria Caixa, S.A.U. (Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona); Rioja Acquisition S.à.r.l. (CVC Capital Partners PLC); GIP III Canary 1, S.à.r.l. (BlackRock, Inc.); and Global InfraCo O (2), S.à.r.l. (IFM Global Infrastructure Fund), undertook to accept the offer with all of their shares.

Since the offer was made in respect of a number of shares representing 9.08% of Naturgy's share capital, which is less than the 84.97% of the share capital in respect of which acceptance undertakings were received, it was expected that the total number of shares that accepted the offer would exceed the number of shares to which the offer was extended. Consequently, the distribution and pro-rata apportionment mechanism provided for in article 38.1 of Royal Decree 1066/2007 was applied.

The offer is part of the 2025-2027 Strategic Plan, one of whose core pillars is to restore adequate levels of free float, and its main purpose is for Naturgy to acquire treasury shares so that, when deemed reasonable, possible and appropriate in accordance with market conditions existing at any given time, some or all of these shares may be placed by the Company in an orderly manner, on one or more occasions, by the procedure and under the terms and conditions (including the price) that Naturgy's Board of Directors deems most appropriate, so as to increase the free float and advance towards the goal of returning to the main stock market indexes, especially those of the MSCI family.

Naturgy expects to be able to float the shares acquired in the offering, as well as the other shares currently held as treasury shares, during the term of the 2025-2027 Strategic Plan.

The resolution approved at the General Shareholders' Meeting on 25 March 2025 does not envisage that the shares so acquired may be cancelled and, pursuant to the 2025-2027 Strategic Plan's goal of increasing free float, on 6 May 2025, the Board of Directors undertook not to propose, during that period, that the General Shareholders' Meeting approve their cancellation.

The offer was not a delisting offer as regulated in Article 65 of the Securities Markets and Investment Services Act (LMVSI) and Article 10 of Royal Decree 1066/2007, nor was it a tender offer for a capital reduction through the acquisition of treasury shares as regulated in Article 12 of Royal Decree 1066/2007.

The acceptance period was from 30 May to 13 June 2025. On completion of the offer, the number of shares ultimately acquired as part of the offer totalled 88 million, resulting in a cash outlay of Euros 2,332 million.

As at 30 June 2025, the total number of Naturgy treasury shares amounted to 96,879,595.

On 25 March 2025, the Shareholders' Meeting authorised the Board of Directors to purchase fully paid Company shares in one or more transactions in a period of not more than five years; the nominal value of the shares directly or indirectly acquired, added to those already held by the Company and its subsidiaries, must not exceed 10% of share capital or any other limit established by law. The price or value of the consideration may not be less than the nominal value of the shares and may not exceed 20% of the share price in the last stock market session prior to the transaction, without prejudice to the express authorisation to make a tender offer for the Company's shares at a price of Euros 26.5 per share.

After settlement of the offer, Naturgy holds a percentage of own shares close to the maximum limit of treasury shares provided in Spain's Capital Companies Law and, therefore, until the shares are placed as indicated above, it may only acquire an additional 81,785 own shares within the limits established by the Capital Companies Law and with the authorisation granted for this purpose by the Company's shareholders in General Meeting.

Year 2024

No transactions involving own shares were carried out in the first half of 2024.

Dividends

Set out below is a breakdown of dividend payments made in 2025 and 2024:

	30.06.2025			30.06.2024		
	% of Nominal	Euros per share	Amount	% of Nominal	Euros per share	Amount
Ordinary shares	60 %	0.60	582	40 %	0.40	388
Other shares (non-voting, redeemable, etc.)	—	—	—	—	—	—
Total dividends paid	60 %	0.60	582	40 %	0.40	388
a) Dividends charged to profit or retained earnings	60 %	0.60	582	40 %	0.40	388

At 30 June 2025

On 18 February 2025, the Board of Directors approved the proposal, for submission to the general meeting of shareholders, to distribute the Company's 2024 net profit and the retained earnings from previous years, as follows:

AVAILABLE FOR DISTRIBUTION

Profit.....	1,057
Retained earnings.....	2,446
Available for distribution.....	3,503

DISTRIBUTION:

TO DIVIDENDS: the gross aggregate amount will be equal to the sum of the following quantities (the "Dividend"):

i. Euros 969 million ("the Total Interim Dividend"), corresponding to the two interim dividends for 2024 paid by Naturgy Energy Group, S.A., jointly equivalent to Euros 1.00 per share by the number of shares that were not direct treasury shares on the relevant dates as approved by the Board of Directors in accordance with the interim accounting statements and with the legal requirements, which disclosed the existence of sufficient liquidity for the distribution of these interim dividends out of profit for 2024, and

ii. the amount obtained by multiplying Euros 0.60 per share by the number of shares that are not direct treasury shares on the date on which the shareholders or record entitled to receive the supplementary dividend (the "Supplementary Dividend") are determined.

Euros 969 million of that dividend had already been paid on 1 August and 6 November 2024. The Supplementary Dividend will be paid in the amount per share indicated above through the entities that are members of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). That dividend will be paid to shareholders on 9 April 2025.

The Board of Directors is empowered, with express powers to be replaced by the director(s) it deems fit, to perform all the actions required to carry out the distribution and, in particular, without limitation, to designate the entity that is to act as payment agent.

TO RETAINED EARNINGS: Determinable amount obtained by subtracting the dividend amount from the distribution base.

TOTAL DISTRIBUTED 3,503

This proposal for the distribution of profits and retained earnings prepared by the Board for approval by the annual general meeting included a supplementary payment of Euros 0.60 per share for each qualifying share outstanding at the proposed date of payment, 9 April 2025.

The general meeting of shareholders on 25 March 2025 approved a supplementary dividend of Euros 0.60 per share for shares not directly held as treasury stock on the payment date, which was paid in full in cash on 9 April 2025.

After payment of the supplementary dividend, the amount allocated to retained earnings was Euros 1,952 million.

On 22 July 2025, the Board of Directors of Naturgy Energy Group, S.A. declared an interim dividend of Euros 0.60 per outstanding share out of 2025 results, payable from 30 July 2025. As agreed by the Board of Directors on 18 February 2025, the dividend per share includes the Euros 0.06 of dividends that would have been payable to the shares held in treasury stock on the date on the dividend distribution date.

The Company had sufficient liquidity to pay the dividend at the approval date, in accordance with the provisions of the Spanish Capital Companies Law. The provisional liquidity statement at 30 June 2025, if the number of treasury shares existing at the approval date is maintained, drawn up by the directors on 22 July 2025, is as follows:

Profit after tax	1,229
Reserves to be replenished	—
Maximum distributable amount	1,229
Forecast interim dividend payment	524
Cash resources	1,864
Undrawn credit facilities	5,251
Total liquidity	7,115

At 30 June 2024

On 20 February 2024, the Board of Directors approved the proposal submitted to the general meeting of shareholders for the distribution of the Company's net profit for 2023 and retained earnings from previous years, as detailed in Note 11 to the financial statements for the year ended 31 December 2023.

This proposal for the distribution of profits and retained earnings prepared by the Board for approval by the annual general meeting included a supplementary payment of Euros 0.40 per share for each qualifying share outstanding at the proposed date of payment, i.e. 9 April 2024.

The general meeting of shareholders on 2 April 2024 approved a supplementary dividend of Euros 0.40 per share for shares not directly held as treasury stock on the payment date, which was fully paid on 9 April 2024.

Following payment of the supplementary dividend, the amount allocated to retained earnings was Euros 2,446 million.

Note 8. Provisions

The breakdown of provisions as at 30 June 2025 and 31 December 2024 is as follows:

	At 30.06.2025	At 31.12.2024
Provisions for employee obligations	186	203
Other provisions	100	93
Non-current provisions	286	296

The "Provisions for employee obligations" account includes the provisions for "Pensions and other similar obligations" and "Other obligations with personnel" detailed in Note 12 to the 2024 financial statements.

In connection with the "Other obligations with personnel" account, in March 2022, at the time the Strategic Plan 2021-2025 was approved, the long-term incentive plan implemented with the approval of the Strategic Plan 2018-2022 for Naturgy executives not included in the plan mentioned in Note 7 was extended in time. The amendment extended the term of the plan until 31 December 2025 for certain serving beneficiaries in order to contribute to the achievement of the Strategic Plan 2021-2025.

As in the case of the incentive plan described in Note 7, on 18 February 2025, Naturgy's Board of Directors approved the early termination of this incentive plan. The settlement in favour of this second group of executives, also for the seven-year period from 2018 to 2025, amounted to Euros 2,825 thousand per year for the Company. This amount was covered by the provisions that had been recognised for this purpose.

In addition, at the general meeting held on 25 March 2025, the shareholders authorised the Board of Directors to establish a new multi-year variable remuneration scheme for all Naturgy executives, indexed to the annual shareholder return.

This scheme will have an ordinary duration of three years, starting on 1 January 2025, will take the annual return obtained by a shareholder as a reference, considering an initial value of the shares and, as final value, the weighted average share price in the 90 calendar days prior to the end of the incentive period, also considering the dividends paid to shareholders during the incentive period.

This new multi-year variable remuneration scheme generates economic rights whose amount remains contingent until the end of the plan period, so its final amount cannot be confirmed until 31 December 2027. Assuming a 100% degree of compliance with the established conditions as probable, the amount accrued to Naturgy Energy Group, S.A. during the first half of 2025 would amount to Euros 4.8 million, of which Euros 3.4 million would correspond to Senior Management.

"Other non-current provisions" mainly includes provisions recognised to cover obligations deriving from tax claims.

Note 9. Financial liabilities

Set out below is a breakdown of financial liabilities, excluding “Trade and other payables”, as at 30 June 2025 and 31 December 2024, by nature and category:

At 30.06.2025	Amortised cost	Hedging derivatives	Total
Bank borrowings	5,530	—	5,530
Derivatives	—	5	5
Other financial liabilities	1	—	1
Non-current borrowings	5,531	5	5,536
Bank borrowings	117	—	117
Derivatives	—	10	10
Other financial liabilities	3	—	3
Current borrowings	120	10	130
Total	5,651	15	5,666

At 31.12.2024	Amortised cost	Hedging derivatives	Total
Bank borrowings	5,342	—	5,342
Derivatives	—	6	6
Other financial liabilities	1	—	1
Non-current borrowings	5,343	6	5,349
Bank borrowings	131	—	131
Derivatives	—	2	2
Finance lease payables	1	—	1
Current borrowings	132	2	134
Total	5,475	8	5,483

Financial liabilities at fair value as at 30 June 2025 and 31 December 2024 are classified as follows:

At 30.06.2025					At 31.12.2024				
Financial liabilities	Level 1 (quoted price in an active market)	Level 2 (observable variables)	Level 3 (unobservable variables)	Total	Financial liabilities	Level 1 (quoted price in an active market)	Level 2 (observable variables)	Level 3 (unobservable variables)	Total
Hedging derivatives	—	15	—	15	Hedging derivatives	—	8	—	8
Total	—	15	—	15	Total	—	8	—	8

The carrying amounts and fair value of non-current borrowings are as follows:

	Carrying amount		Fair value	
	At 30.06.2025	At 31.12.2024	At 30.06.2025	At 31.12.2024
Bank borrowings, derivatives and other financial liabilities	5,536	5,349	5,569	5,418

The fair value of loans with fixed interest rates is estimated on the basis of the discounted cash flows over the remaining terms of such debt. The discount rates were determined based on market rates available at 30 June 2025 and 31 December 2024 for borrowings with similar credit and maturity characteristics. These valuations are based on the quoted price of similar financial instruments in an official market or on observable information in an official market (Level 2).

The movement in financial liabilities is as follows:

	Bank borrowings	Derivatives	Finance lease payables	Other financial liabilities	Total
Balance at 01.01.2024	2,547	—	—	1	2,548
Additions	1,478	2	2	—	1,482
Decrease	(119)	—	—	—	(119)
Balance at 30.06.2023	3,906	2	2	1	3,911
Additions	1,632	6	(1)	—	1,637
Decrease	(65)	—	—	—	(65)
At 31.12.2024	5,473	8	1	1	5,483
Additions	351	8	—	7	366
Decrease	(177)	(1)	(1)	(4)	(183)
Balance at 30.06.2025	5,647	15	—	4	5,666

In the six-month period ended 30 June 2025, borrowings bore interest at an average effective rate of 3.18% (3.51% in the six months ended 30 June 2024) including the derivative instruments assigned to each transaction.

As at 30 June 2025, bank borrowings include Euros 26 million in interest pending payment (Euros 28 million as at 31 December 2024).

Most of the outstanding borrowings include a clause relating to a change in control, either by acquisition of more than 50% of the voting shares or by obtaining the right to appoint the majority of the members of the Board of Naturgy Energy Group, S.A. These clauses are subject to additional conditions and, therefore, their activation depends on the simultaneous occurrence of some of the following events: a material downgrade in the credit rating caused by the change in control, or the loss of investment grade status granted by rating agencies; inability to honour the financial obligations of the contract; a material detrimental event for the creditor; or a material adverse change in creditworthiness. These clauses entail the repayment of drawn-down debt, although they usually have a longer term than that granted in cases of early termination.

At the date of authorisation of these interim financial statements, the Company is not in breach of its financial obligations or of any type of obligation that could give rise to the acceleration of its financial commitments.

The main financial instruments are as follows:

Institutional financing

The Company has loans from the Official Credit Institute (ICO) in the form of instruments maturing in 2034 at the latest for a total amount of Euros 390 million (Euros 400 million as at 31 December 2024).

Additionally, in connection with borrowings from institutional banks, the European Investment Bank (EIB) had granted financing to the Company as at 30 June 2025 in the amount of Euros 2,030 million maturing between 2025 and 2044 (Euros 2,064 million as at 31 December 2024).

Other bank borrowings

As at 30 June 2025, payables to non-institutional credit institutions amount to Euros 3,227 million (Euros 3,009 million as at 31 December 2024).

The Company continues to work on strengthening its financial profile; in this line, financing operations were arranged with credit institutions in the amount of Euros 1,485 million for refinancing credit lines and loans in Spain in 2025 (Euros 3,075 million in 2024), and which basically include:

2025

- Refinancing of credit lines for a total aggregate amount of Euros 735 million and loans in the amount of Euros 750 million.

2024

- Credit lines for an aggregate amount of Euros 1,900 million and loans of Euros 1,175 million were refinanced.

Naturgy also enjoys a comfortable debt maturity profile and balance sheet position, as well as flexibility in its investments and operating expenses for addressing the current economic situation.

Of total bank borrowings, Euros 931 million (Euros 952 million as at 31 December 2024) is subject to compliance with certain financial ratios.

ESG-linked finance

ESG-linked financing relates to credit lines in Spain, the cost of which is linked to at least one of the following ESG indicators:

- Direct GHG emissions: three-year average reduction (Mt CO₂/GWh)
- CO₂ intensity in power generation: three-year average reduction (tCO₂/GWh)
- Water consumption: three-year average reduction (hm³)
- Women in management positions (%)

The adjustment to the cost of debt is linked to the level of compliance with the above metrics and their variation with respect to the previous year's indicators.

Such financing amounts to Euros 3,680 million (Euros 3,723 million as at 31 December 2024), of which Euros 3,580 are undrawn credit lines so, the impact on the funding cost of the degree of compliance with those indicators is not material.

In addition, the terms of that financing do not disclose the existence of an embedded derivative that needs to be treated separately.

Note 10. Payables to Group companies and associates

The breakdown by maturity of payables to Group companies is as follows:

Maturity	30.06.2025	At 31.12.2024
2025	—	4,268
2026	4,908	716
2027	512	1,379
2028	821	816
2029	1,194	1,194
2030 and subsequent	2,091	1,100
Total	9,526	9,473

As at 30 June 2025, payables to Group companies are mainly debts recognised at amortised cost related to securities issued by Naturgy Finance Iberia, S.A.U. under the European Medium-Term Notes (EMTN) programme and the European Commercial Paper (ECP) programme. As at 31 December 2024, there were no debts under the ECP programme.

Also included are the balances payable to Naturgy Finance Iberia S.A.U. in respect of perpetual subordinated debentures amounting to Euros 331 million (Euros 500 million as at 31 December 2024) and to Unión Fenosa Preferentes, S.A. relating to preference shares totalling Euros 110 million (Euros 110 million as at 31 December 2024), and the short-term loan arranged with Naturgy LNG Marketing, LTD in the amount of Euros 431 million.

Payables to group companies also include accrued unmatured interest amounting to Euros 55 million (Euros 72 million in 2024) and cash pooling balances with group companies for Euros 3,421 million bearing interest at a rate of 2.464% (Euros 2,876 million in 2024, bearing interest at a rate of 3.762%), as well as balances with group companies relating to consolidated corporate income tax, amounting to Euros 111 million (Euros 120 million as at 31 December 2024), and other lesser balances with branches totalling Euros 2 million. As at 31 December 2024, this item also included balances with Group companies relating to consolidated VAT in the amount of Euros 21 million.

The detail of the Group companies' debts in connection with bond issues is as follows:

At 30 June 2025							
Programme/Company	Country	Year formalised	Currency	Programme limit	down nominal	Available	Issued in the year
Euro Commercial Paper (ECP) programme							
Naturgy Finance Iberia, S.A.U.	Spain	2010	Euros	1,000	301	699	339
European Medium Term Notes (EMTN) programme							
Naturgy Finance Iberia, S.A.U.	Spain	1999	Euros	12,000	4,819	7,181	1,000
(*) On 28 May 2024, Naturgy Finance BV registered a cross border conversion to Naturgy Finance Iberia, S.A.U., transferring its registered offices and domicile for tax purposes from the Netherlands to Spain.							
At 31 December 2024							
Programme/Company	Country	Year formalised	Currency	Programme limit	down nominal	Available	Issued in the year
Euro Commercial Paper (ECP) programme							
Naturgy Finance Iberia, S.A.U.	Spain	2010	Euros	1,000	—	1,000	—
European Medium Term Notes (EMTN) programme							
Naturgy Finance Iberia, S.A.U.	Spain	1999	Euros	12,000	5,851	6,149	1,000

As is habitual in the Euromarket, the bonds issued, in a volume of Euros 4,819 million (Euros 5,851 million as at 31 December 2024), might be accelerated if a change in control triggered a downgrade of more than two full notches in at least two of the Company's three ratings and all the ratings fell below investment grade, provided that the rating agency stated that the rating downgrade was the result of the change in control.

The main movements during the first six months of 2025 and 2024 are:

30 June 2025

In May 2025, Naturgy Finance Iberia, S.A.U. issued two bonds under the EMTN programme: Euros 500 million 6 years with a 3.375% coupon, and Euros 500 million 10 years with a 3.875% coupon. The proceeds were used to call Euros 831 million of bonds maturing between 2026 and 2027, and to call Euros 169 million of the subordinated perpetual bonds. This transaction had a positive impact on the Company's profit and loss account in the amount of Euros 11 million, recognised under "Income from marketable securities and other financial instruments of group companies and associates", due to the debt related to Naturgy Finance Iberia, S.A.U.

Bonds for a total amount of Euros 1,201 million with an average coupon of 1.04% matured in 2025.

In the first half of 2025, Euros 339 million were issued under the Euro Commercial Paper (ECP) programme, and Euros 301 million had been drawn down under this programme as at 30 June 2025 (there were no outstanding issues as at 31 December 2024).

30 June 2024

No issues were made under the EMTN programme in the six-month period ended 30 June 2024.

Bonds for a total amount of Euros 1,154 million with an average coupon of 1.75% matured in 2024.

During 2024, no issues were made under the Euro Commercial Paper (ECP) programme and there were no outstanding issues under this programme as at 30 June 2024.

There are no significant differences between the carrying amounts and fair values of Payables to Group companies and associates.

Note 11. Revenue

Revenue breaks down as follows:

	30.06.2025	30.06.2024
Natural gas sales and other	1	4
Income from equity instruments of group companies and associates	1,183	774
Income from marketable securities and other financial instruments of group companies and associates	231	251
Total	1,415	1,029

	30.06.2025	30.06.2024
Domestic market	1,410	1,015
Foreign market:	5	14
- European Union	2	14
- Other countries	3	—
Total	1,415	1,029

Gas sales are made basically in the domestic market and relate to the sale of gas to other Naturgy companies.

The breakdown of dividends from group companies is as follows:

	30.06.2025	30.06.2024
Gas Natural Comercializadora, S.A.	570	100
Naturgy Iberia, S.A.U.	235	121
Naturgy Distribución Latinoamérica S.A.	229	156
Global Power Generation, S.A.	73	—
Holding Negocios Electricidad, S.A.	45	—
Naturgy Infraestructuras EMEA, S.L.	13	21
Naturgy Generación Térmica, S.L.U.	11	26
Naturgy Finance Iberia, S.A.U.	5	3
La Propagadora del Gas, S.A.	1	—
Naturgy Engineering, S.L.	1	—
Naturgy Capital Markets, S.A.	—	1
Naturgy Aprovisionamientos, S.A.	—	205
Naturgy Ciclos Combinados, S.L.U.	—	141
Total	1,183	774

Note 12. Workforce

The average number of Company employees is as follows:

	30.06.2025	30.06.2024
Men	159	146
Women	193	171
Total	352	317

Note 13. Information on transactions with related parties

The following are related parties for the purposes of this note:

- Significant Naturgy shareholders, i.e. those directly or indirectly owning an interest of 5% or more, and those who, though not significant, have exercised the power to propose the appointment of a member of the Board of Directors.

Based on that definition, Naturgy's related parties as at 30 June 2025 are as follows:

- 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 Acquisitions, 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 "director" means a member of the Board of Directors and the term "senior management" refers to the Executive Chairman, in connection with his senior management functions, and persons with senior management functions who report directly to the Board of Directors, its committees or the Executive Chairman. Transactions with directors and members of senior management are disclosed in Note 14.
- Transactions between Naturgy companies form part of ordinary activities and are effected at arm's length.

The aggregated amounts of operations with significant shareholders are as follows (in thousand euros):

At 30.06.2025					
Income and expense (in thousand euros)	Significant shareholders				Directors and executives
	Criteria	CVC	BlackRock	IFM	
Total expenses	—	—	—	—	—
Total income	—	—	—	—	—

Other transactions (in thousand euros)	Criteria	CVC	BlackRock (2)	IFM	Directors and executives
Purchase of tangible, intangible and other assets (3)	704,865	546,759	544,798	446,245	—
Dividends and other profits distributed (1)	155,376	120,515	120,083	98,353	—

(1) Dividends received by the directors and senior management (Note 13) in the first half of 2025 amount to Euros 111 thousand.

(2) Dividends received through the GIP III Canary 1, S.à.r.l. shareholding

(3) Sale of shares of Naturgy Energy Group, S.A. (Notes 1 and 7)

At 30.06.2024					
Income and expense (in thousand euros)	Significant shareholders				Directors and executives
	Criteria	CVC	GIP	IFM	
Total expenses	—	—	—	—	—
Total income	—	—	—	—	—

Other transactions (in thousand euros)	Criteria	CVC	GIP	IFM	Directors and executives
Dividends and other profits distributed (1)	103,584	80,343	80,055	58,242	—

(1) Dividends received by the directors and senior management (Note 13) in the first half of 2024 amounted to Euros 73 thousand.

Note 14. Information on members of the Board of Directors and Senior Management

Remuneration of the Board of Directors and senior management

Remuneration accrued to the members of the Board of Directors of Naturgy Energy Group, S.A. by virtue of their membership of the Board and of Board committees totalled Euros 2,204 thousand as at 30 June 2025 (Euros 1,868 thousand as at 30 June 2024).

As at 30 June, the 2025 Board of Directors comprised 15 members (12 members as at 30 June 2024), the Audit and Control Committee had 5 members (5 members as at 30 June 2024), the Appointments, Remuneration and Corporate Governance Committee had 5 members (5 members as at 30 June 2024) and the Sustainability Committee had 4 members (4 members as at 30 June 2024).

The members of the Board of Directors of Naturgy Energy Group, S.A., excluding the Executive Chairman, have not received remuneration from profit sharing, bonuses or indemnities, and have not been granted any loans or advances. Moreover, they did not receive shares or share options during the period, or exercise options or have options to be exercised.

The members of the Board of Directors are covered by the same liability policy that insures all Naturgy directors and executives. As at 30 June 2025, the premium paid by Naturgy Energy Group, S.A. amounted to Euros 240 thousand (Euros 279 thousand as at 30 June 2024).

For the sole purposes of the information contained in this section, the term "senior management" is understood to include the Executive Chairman, in relation to his executive functions, and the executives reporting directly to the Board of Directors, its committees and the Executive Chairman.

As a result of the definition established in the preceding paragraph, as at 30 June 2025, this group comprised 17 people (17 people as at 30 June 2024).

The fixed remuneration, variable remuneration and other remuneration items accrued by senior management amounted to Euros 7,079 thousand as at 30 June 2025 (Euros 6,868 thousand as at 30 June 2024).

Additionally, on 18 February 2025, Naturgy's Board of Directors decided that the long-term variable incentive plan discussed in notes 7 and 8 of these condensed interim financial statements would expire early. Settling this plan for the seven-year period from 2018 to 2025 for the members of senior management resulted in an amount of Euros 7,539 million per year.

The Board of Directors also approved a new multi-year variable remuneration scheme for the period 2025-2027 for all Naturgy executives, including the members of senior management, as detailed in Note 8.

Contributions to pension plans and group insurance policies, together with life insurance premiums paid, totalled Euros 1,025 thousand as at 30 June 2025 (Euros 956 thousand as at 30 June 2024).

Transactions with members of the Board of Directors and senior management

The members of the Board of Directors and senior management did not carry out related-party transactions outside the ordinary course of business, or transactions conducted other than on an arm's-length basis, with Naturgy Energy Group, S.A. or group companies.

Note 15. Contingent liabilities for litigation and arbitration

The main changes and/or updates to provisions in the first six months of 2025 in connection with the situation described in the section on lawsuits and arbitration in Note 27 "Commitments and contingent liabilities" to the financial statements for the year ended 31 December 2024 are as follows:

Contested withholding tax assessments

On 7 July 2023, assessments were received in respect of withholdings on account of non-resident income tax for the period 2018-2020 amounting to Euros 192 million, including interest; those assessments are being disputed and an administrative-financial appeal has been filed with the Central Economic-Administrative Court. As at 30 June 2025, it is believed that the risk in those matters is not likely to materialise.

Power outage in Spain

On 28 April 2025, there was a power outage in the Iberian Peninsula whose causes are still being investigated by the competent authorities. Power was gradually restored throughout the day and early the next day. In this context, various industry operators, including Naturgy, were asked to submit information, and claims have been received from affected third parties for non-material amounts.

Naturgy has not been identified as the causal agent of the incident, nor has it received any communication from regulators regarding this matter as of the date of preparation of these condensed interim financial statements. Accordingly, no liability has been recognised in relation to these claims, no payments have been made in their connection, and none are expected to be made in the future. Naturgy is assessing the costs incurred as a result of this outage in order to claim them once the cause has been determined.

Consequently, Naturgy considers that, based on the currently available information, there are no objective factors that justify recognising a provision for this item as at 30 June 2025.

Note 16. Events after 30 June 2025

On 22 July 2025, the Board of Directors declared an interim dividend out of 2025 earnings as described in Note 7.

Apart from the foregoing, there have been no other material events since the reporting date.

Condensed interim financial statements of Naturgy Energy Group, S.A.

June 2025

DIRECTORS' REPORT



Directors' report for the condensed interim financial statements as at 30 June 2025

Contents

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1. Key figures

Naturgy Energy Group, S.A. is a holding company whose main ordinary activity is the administration and management of holdings in subsidiaries. As a result, its earnings arise fundamentally from dividends and revenues from finance provided to companies in the Naturgy group.

The key figures of Naturgy Energy Group, S.A. and the changes as at 30 June 2025 and 31 December 2024 are as follows:

	30.06.2025	31.12.2024	%
Net sales (*)	1,415	1,029	37.5 %
Operating profit (*)	1,423	1,043	36.4 %
Profit/(loss) for the period (*)	1,229	873	40.8 %
Shareholders' equity	15,797	17,684	(10.7)%
Equity	15,810	17,704	(10.7)%
Borrowings	5,666	5,483	3.3 %

(*) Comparative information as at 30 June 2024

According to the definition of Alternative Performance Metrics (APM) used, borrowings refer to the sum of the balance sheet headings entitled "Long-term borrowings" (Euros 5,536 million as at 30 June 2025 and Euros 5,349 million as at 31 December 2024) and "Short-term borrowings" (Euros 130 million as at 30 June 2025 and Euros 134 as at 31 December 2024). This metric is material as a measure of the Company's indebtedness, which includes current and non-current items. This indicator is widely used in capital markets to compare different companies.

2. Significant events in the first half

Changes in the first half of 2025 and 2024 relate basically to revenue accrued on equity instruments of group companies.

Revenue in the six-month period ended 30 June 2025 amounted to Euros 1,415 million, of which Euros 1 million were from the sale of gas, Euros 1,183 million were dividends collected from group companies and associates, and Euros 231 million were from finance provided to Naturgy group companies (Euros 1,029 million as at 30 June 2024, of which Euros 4 million were from the sale of gas, Euros 774 million were dividends collected from group companies and associates, and Euros 251 million were from finance provided to Naturgy group companies).

As at 30 June 2025, the Euros 386 million increase in net sales with respect to the same period of the previous year is the net outcome of:

- A decrease of Euros 3 million in revenue basically in connection with natural gas sold in the European market through other group companies.
- An increase of Euros 409 million in dividends received from subsidiaries in the first half, mainly from Gas Natural Comercializadora, S.A., Naturgy Iberia, S.A., Naturgy Distribución Latinoamérica, S.A., Global Power Generation, S.A., Holding Negocios de Electricidad, S.A, Naturgy Infraestructuras EMEA, S.L., Naturgy Generación Térmica, S.L.U., and Naturgy Finance Iberia, S.A.U.
- A decrease of Euros 20 million in financial revenues on funding to subsidiaries.

Procurements in the period, basically of gas, amounted to Euros 2 million (Euros 4 million as at 30 June 2024), a Euros 2 million decrease, in line with sales performance.

Other operating revenue of Euros 57 million, personnel expenses of Euros 27 million, operating expenses of Euros 74 million, depreciation and amortisation of Euros 11 million, and reversal of impairment charges on holdings in group companies and associates of Euros 65 million, resulted in operating profit for the period amounting to Euros 1,423 million, an increase of Euros 380 million with respect to the same period of the previous year.

As at 30 June 2024, other operating revenue of Euros 57 million, personnel expenses of Euros 36 million, operating expenses of Euros 52 million, depreciation and amortisation of Euros 8 million, and the reversal of impairment charges for group companies and associates of Euros 58 million, together with Euros 1 million in losses on the disposal of holdings in group companies, resulted in operating profit in the period amounting to Euros 1,043 million.

A financial loss of Euros 172 million was recognised (Euros 173 million in the same period of 2024).

Profit before taxes amounted to Euros 1,251 million and the corporate income tax expense was Euros 22 million lower, with the result that net profit for the period was Euros 1,229 million, compared with Euros 873 million in the same period of the previous year.

3. Main risks and opportunities

The information provided below refers to the Naturgy consolidated group (hereinafter Naturgy), although the Company's main risks and opportunities are duly disclosed in Note 4 of the Company's condensed interim financial statements.

During the first half of 2025, Naturgy applied the same risk management model as described in section 4. Main risks, opportunities and uncertainties, of the consolidated directors' report for the year ended 31 December 2024.

Naturgy defines five risk types in its Corporate Risk Map:

1. **Economic:** market (commodity, exchange rate, volume, margin/price), regulatory and legal.
2. **Financial:** credit, interest rate, tax, liquidity, rating and provisions and guarantees.
3. **Operational:** insurable operational, security, business continuity and crisis management, fraud, cybersecurity, data protection, environmental and biodiversity, and health and safety.
4. **Reputational / Sustainability:** reputational and ESG, compliance, customer satisfaction and climate change.
5. **Strategic:** associated with the profile of the Group's business portfolio, which includes long-term exposure to commodities, capital employed in each geography, and the business risk profile.

The main economic and financial risks are described in notes 13 and 26 to the condensed interim consolidated financial statements as at 30 June 2025. Climate change risk is detailed in note 2.5.b to the condensed interim consolidated financial statements as at 30 June 2025. The main operational and reputational/sustainability risks are discussed in the Consolidated Non-Financial Information Statement and Sustainability Reporting for the year ended 31 December 2024.

Naturgy's Strategic Plan 2025-2027, approved by the Board of Directors on 18 July 2025, envisages attaining resilient cash flow and a sound balance sheet to facilitate execution of the Group's investment plan and ensure an attractive, sustainable return for its shareholders.

The core lines of this strategy are as follows:

- Operational excellence
- Financial discipline and profitability
- Returns and liquidity for shareholders

Naturgy views the energy transition as an opportunity to transform the business and is committed to driving decarbonization while balancing sustainable growth, energy security, and price competitiveness. In this context, and based on the 2025-2027 Strategic Plan, Naturgy's main opportunities are as follows:

- **Integration industrial model with presence across the value chain**, with growth potential and solid regulatory frameworks and attractive risk-returns.
- **Multi energy position** with presence in power and gas, as a key energy transition source.
- **Renewable Generation:** growth in renewable generation capacity in line with the global energy transition, combined with hybridizations and repowering of wind farms in operation and complementary batteries to photovoltaic plants.

- **Operation and growth in Distribution Networks:** continue to improve and upgrade the quality of the networks and energy supply to integrate renewables generation to meet customer demands.
- **Lead the development of Renewable Gases:** acquisition of third-party developments, as well as partnerships and alliances accelerate the decarbonization and consolidate the role of gas in the energy transition.
- **Gas** as an essential component to guarantee security of supply and flexibility and cornerstone of the energy transition.

In line with these opportunities, there are horizontal uncertainties, such as the macroeconomic context and geopolitical exposure, which materialise and have an impact on many of the risk types described in the previous section.

During the first half of 2025, armed conflicts in Ukraine and the Middle East continued to be a source of geopolitical and economic instability worldwide.

The conflict between Ukraine and Russia, which began in February 2022, has continued without substantial progress towards a negotiated solution, resulting in prolonged attrition for both sides.

The energy environment has proven to be relatively stable as a result of high volumes in storage, diversification of procurement sources and moderate demand.

In this context, as part of its diversified portfolio, Naturgy has a long-term contract to procure gas of Russian origin that it entered into in 2013 with an international consortium formed by Novatek (50.1%), TotalEnergies (20%), CNPC (20%) and Silk Road Fund (9.9%). This contract has take-or-pay clauses that cover its entire term. Since the beginning of the conflict, Naturgy has received the volumes strictly established in the contract. In the first half of 2025, this contract has accounted for 17% of Naturgy's overall procurements (similar in 2024).

On 6 May 2025, the European Commission presented a roadmap to completely eliminate energy imports from Russia (gas, oil and nuclear) by the end of 2027. Implementation of the roadmap commenced on 17 June 2025 with the publication of a draft regulation establishing measures binding on all Member States (see Annex II to the condensed interim consolidated financial statements as at 30 June 2025).

Under this proposed new regulatory framework, some energy companies, including Naturgy, may be affected by the application of the new restrictions, especially with regard to long-term procurement contracts signed before the conflict.

None of Naturgy's counterparties are susceptible to being affected by existing or proposed sanctions. Moreover, it does not hold any interest in companies operating in Russia or Belarus or have investments in those countries, or cash balances or equivalent liquid assets that are restricted as a result of those measures and sanctions.

The conflict in the Middle East has reignited following the truce reached at the end of January 2025 between Israel and Palestinian armed groups in the Gaza Strip and after several exchanges of hostages. Meanwhile, on 13 June, Israel carried out a large-scale attack on Iran, triggering a military response from the latter. The United States joined the offensive with bombing raids on strategic targets in Iran on 22 June, and a ceasefire was announced between all sides on 24 June. Although the conflict has not had a significant direct impact on global energy supplies, it has contributed to keeping geopolitical risk premiums high in international markets.

In the first half of 2025, Naturgy resolved to terminate early the contract under which it had been providing operating and maintenance services to the Ramat Gavriel and Alan Tavor combined cycle gas turbine plants since 2019, through its subsidiary Spanish Israeli Operation and Maintenance Company Ltd. As at the date of authorisation of these condensed interim financial statements, that contract has not yet been effectively terminated. That company recognised gross operating profit of less than Euros 1 million in the first half of 2025.

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 in this area.

In 2025, the arrival of the new administration in the USA headed by Donald Trump brought significant legislative changes during the early months of the year, as well as a shift in the country's energy policy, which is now geared towards protecting conventional generation and relaxing commitments to combat climate change. The measures adopted to date mainly concern tariffs and tax incentives.

The changes in the regulatory framework are described in Appendix II of the condensed interim consolidated financial statements as at 30 June 2025.

4. Treasury shares

Movements during the first six months of 2025 and in 2024 involving own shares of the Company are detailed in Note 7 to the condensed interim financial statements as at 30 June 2025.

5. Subsequent events

Events after 30 June 2025 are described in Note 16 to the condensed interim financial statements as at 30 June 2025.

NATURGY ENERGY GROUP, S.A.

Authorisation of the interim financial statements of NATURGY ENERGY GROUP, S.A. for the first half of 2025 by the Board of Directors of NATURGY ENERGY GROUP, S.A. at a meeting on 22 July 2025.

Mr. Francisco Reynés Massanet
Executive Chairman

Mr. Ramón Adell Ramón
Director

Mr. Martin Catchpole
Director

Ms. Lucy Chadwick
Director

Mr. Javier De Jaime Guijarro
Director

Ms. Isabel Estapé Tous
Director

Ms. María Isabel Gabarró Miquel
Director

Ms. Helena Herrero Starkie
Coordinating Director

Ms. Marta Martínez Alonso
Director

Mr. Rajaram Rao
Director

Mr. Pedro Sainz de Baranda Riva
Director

Mr. Claudi Santiago Ponsa
Director

Mr. Jaime Siles Fernández-Palacios
Director

Mr. José Antonio Torre De Silva López de Letona
Director

Mr. Nicolás Villén Jiménez
Director