



Nortegas Energía Distribución, S.A.U.

2024 First Half Results

November 2024

Disclaimer

The materials in this document are provided for information purposes only and is not in particular intended to confer any legal rights on any recipient. None of the information contained in this document constitutes an offer of, or an invitation to purchase, any security, nor any investment advice or services.

Statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future and there can be no assurance that future results will not be materially different from those described herein. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. Any forward-looking statement involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. There may be material risks that are currently not considered to be material or of which the Company, and its respective advisors or representatives are unaware.

This document does not constitute an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities, and nothing contained herein shall form the basis of any contract or commitment whatsoever. This document does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company in any jurisdiction or an inducement to enter into investment activity. No part of this document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of the Company's or shareholders, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this document. None of the Company, nor any of the Company's shareholders, directors, officers, employees or affiliates nor any other person accepts any liability (in negligence or otherwise) whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

In providing this document, neither the Company nor its respective advisers and/or agents undertake any obligation to provide the recipient with access to any additional information or to update this document or any additional information or to correct any inaccuracies in any such information which may become apparent.

The information and opinions contained herein are provided as at the date of the document. We assume no obligations to update the forward-looking information contained herein to reflect actual results, changes in assumptions or changes in factors affecting this information.

Agenda

- 1** Key Highlights
- 2** Operational Overview
- 3** Financial Overview
- 4** Environmental, Social and Governance (“ESG”)
- 5** Closing Remarks

1	Key Highlights
2	Operational Overview
3	Financial Overview
4	Environmental, Social and Governance (“ESG”)
5	Closing Remarks

1 Key Highlights

Sustained Connection Points Growth	<ul style="list-style-type: none">▪ Continuous growth in the residential & commercial segments, proving business resilience and long-term prospects of natural gas<ul style="list-style-type: none">▪ +5.1k additional net connection points compared to H1 2023 results, fastest growing distribution company▪ 12.0 TWh of aggregate distributed volume in H1 2024▪ Remunerated volume evolution (+1.1% vs. H1 2023)<ul style="list-style-type: none">▪ Industrial segment volumes above 2023 H1 figures resulting from demand recovery propelled by natural gas price normalization▪ Domestic & Commercial segment volume affected by warmer temperatures throughout H1 2024
Stable Financial Performance with resilient Cash Generation	<ul style="list-style-type: none">▪ Ordinary income of €104M during H1-2024 (-2.0% YoY decrease)▪ EBITDA of €75M during H1-2024 (-0.5% YoY decrease) with new CPs, recovery of volumes and active cost management offsetting warm winter and regulatory adjustments▪ Efficiency plan launched expecting to yield additional savings from H2 2024▪ Strong cash generation¹ of €64.0M (85.8% conversion ratio) driven by stable capex
De-Risked Capital Structure	<ul style="list-style-type: none">▪ Long-term maturity profile with no exposure to market volatility (100% fixed interest rate)▪ Strong liquidity position, with €120M of undrawn facilities at Nortegas Energía Grupo▪ No further refinancing until next regulatory period▪ Strong commitment to maintain current investment grade rating▪ S&P confirmed Nortegas' Investment Grade rating in November 2024 (BBB- / stable outlook)
Fully Committed and Delivering on ESG Agenda	<ul style="list-style-type: none">▪ Advancing on positioning Nortegas as a leading player on the energy transition in Spain, through the development of a significant renewable gas platform▪ 4-star rating and 95 points out of 100 (peer average of 92)▪ 4.364 t CO2 eq emissions avoided by boilers transformations▪ 49% GHG emissions reduction in comparison with the year 2019

Table of Contents

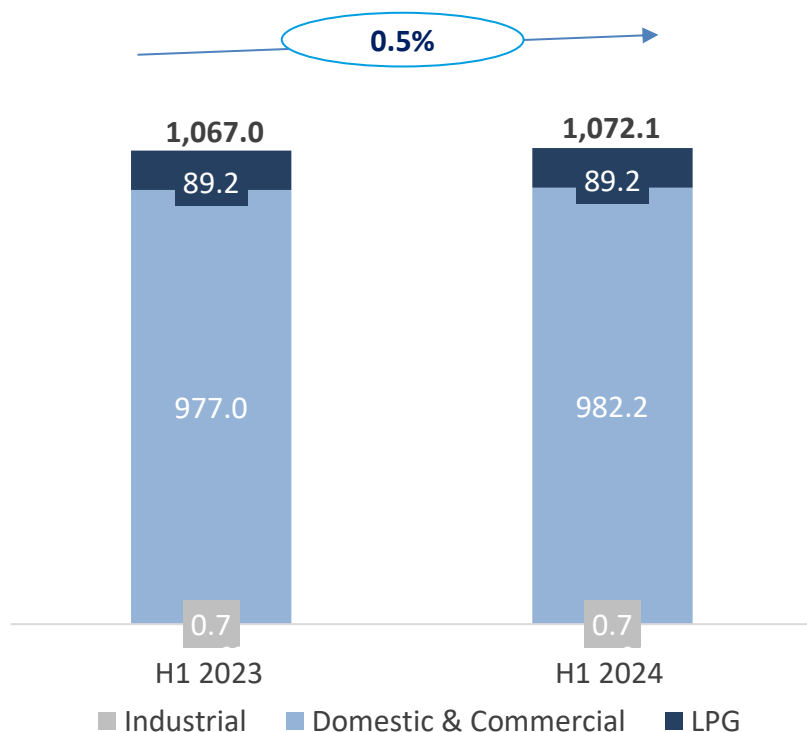
1	Key Highlights
2	Operational Overview
3	Financial Overview
4	Environmental, Social and Governance (“ESG”)
5	Closing Remarks

2 Operational Overview

Connection Points and Volumes

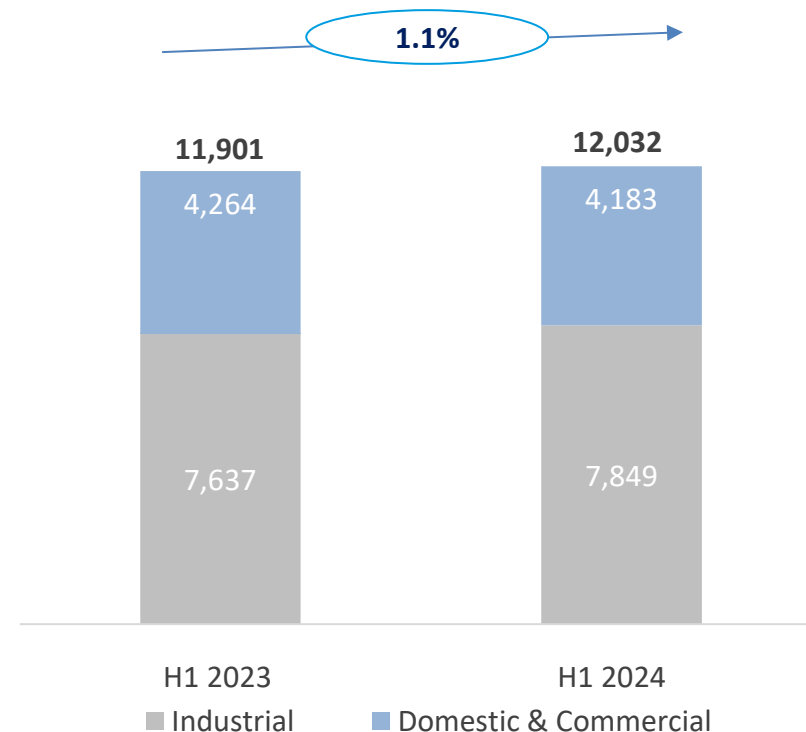
Evolution of Connection Points by Segment

Number of CPs in '000s, as of 30th of June of each year



Evolution of Remunerated Volume by Commercial Segment

TWh, as of 30th of June of each year



- Regarding **CPs evolution**, during the first semester of 2024 Nortegas has achieved **stable and continuous growth** with a **net growth in CPs of 5.1k**
- Total volumes above H1 2023 figures (+1.1% vs. H1 2023) resulting from a **steady recovery of the industrial demand due to normalized natural gas prices throughout 2024**, despite **warmer temperatures impacting the Domestic & Commercial segment**
- **Steady recovery of volumes vs. 2023 during Q2** (+31% vs. Q2 2023 for commercial and residential demand)

Table of Contents

1	Key Highlights
2	Operational Overview
3	Financial Overview
4	Environmental, Social and Governance (“ESG”)
5	Closing Remarks

3 Financial Overview

Consolidated Income Statement

Income Statement for the 6 Months Period Ending June 30th

€M	H1 2023	H1 2024
A Revenues	106	104
<i>Natural gas distribution remuneration</i>	78	76
B LPG regulated revenues	15	14
<i>Other regulated revenues</i>	12	12
<i>Other revenues</i>	1	1
Supplies	(14)	(13)
Self-constructed assets	4	3
Other Income	1	0
C Operating Expenses	(21)	(20)
EBITDA	75	75
<i>Margin</i>	71.2%	72.3%
<i>Margin ex-LPG¹</i>	79.6%	80.0%
Amortisation Expenses	(42)	(42)
EBIT	34	33
<i>Margin</i>	31.6%	32.0%
D Net Financial Expenses	(9)	(8)
Profit before income tax	25	25
Income Tax	(5)	(5)
Profit for the year	20	20

Comments

- A Revenues aligned with 2023 figures.** Revenues impacted from lower remuneration on natural gas mainly driven by warm winter temperatures and regulatory adjustment, partially offset by growth on CPs and volumes
 - High percentage of regulated revenues at around 99%**
- B LPG Business** mainly affected by lower residential demand due to warmer temperatures throughout the period and lower regulated prices **with no relevant impact on LPG margin**
- C Operating Expenses:** Proactive management of costs leading to reduced opex, with further initiatives expected to generate additional savings from H2 2024
- D Net Financial Expenses in line with last year's results:**
 - 100% fixed financial structure
 - No significant maturities until the next regulatory period

3 Financial Overview

Consolidated Cash Flow Statement

Cash Flow Statement as of 30th of June 2023 and 2024

€M	H1 2023	H1 2024
EBITDA	75	75
Corporate Tax payments	(0)	(0)
Change in Current Assets & Liabilities & Others	11	7
A Capex	(11)	(11)
B Interest payments	(5)	(4)
Cash-flow from operating and investing activities	70	66
Debt repayment / issuance	-	-
Cash-flow after third party financing activities	70	66
End of Period Cash and Cash Equivalents	60	81

€M	H1 2023	H1 2024
EBITDA	75	75
Capex	(11)	(11)
C Cash Generation (EBITDA-Capex)	64	64
<i>Cash Conversion</i>	<i>84.8%</i>	<i>85.8%</i>

Comments

- A** CAPEX deployed in H1 2024 in line with H1 2023. Savings on commercial and maintenance related CAPEX, compensated with network extensions:
- Savings on Commercial CAPEX and Client-related CAPEX resulting from a conservative approach to market capture
 - Efficiency plans on network maintenance CAPEX yielding additional savings
 - Increasing Network extension CAPEX through focus on industrial segment enhancement
 - Ancillary CAPEX in line with H1 2023 figures
- B** Interest payments include mainly bond interests
- C** Stable and resilient cash generation: EBITDA-Capex of (€64M aligned with 2023) with a higher rate of cash conversion (85.8%) as compared to H1 2023 figures (84.8%)

3 Financial Overview

Consolidated Balance Sheet

Balance Sheet as of 31st of December 2023 and 30th of June 2024

€M	December 31 st , 2023	June 30 th , 2024
Property, plant and equipment	884	865
Goodwill	46	46
Other intangible assets	1,370	1,357
Rights for use of assets	1	1
Other non-current financial assets	1	1
Deferred tax assets	0	0
Total non-current assets	2,303	2,272
Other current assets	42	23
Cash and cash equivalents	68	81
Total current assets	110	104
Total assets	2,413	2,376
Total equity	965	923
Financial liabilities from issuing bonds	1,122	1,122
Leases	1	1
Other non-current financial liabilities	1	1
Other non-current liabilities	22	27
Deferred tax liabilities	263	262
Total non-current liabilities	1,409	1,413
Current financial liabilities	8	11
Leases	0	0
Debt with group companies and associates	15	22
Other current liabilities	16	6
Total current liabilities	39	39
Total equity and liabilities	2,413	2,376

Comments

- As of 30th of June 2024, total **Cash on Balance Sheet** amounted to **€81M vs €68M in December 2023**
- The **equity** as of 30th of June 2024 **amounted to €923M (vs. €965M in December 2023)**
- Total **Net Debt as of 30th of June 2024 of €1,076M** representing a **reduction of €3M**, driven by the **cash position increase, partially offset by increased current liabilities and debt with group companies**
- Financial policy driven by the shareholder commitment **to maintain an investment grade credit rating**
- Nortegas' Investment Grade rating (BBB- / stable outlook) confirmed by S&P in November 2024**

S&P Global
Ratings

BBB-/Stable/--
Issuer credit rating

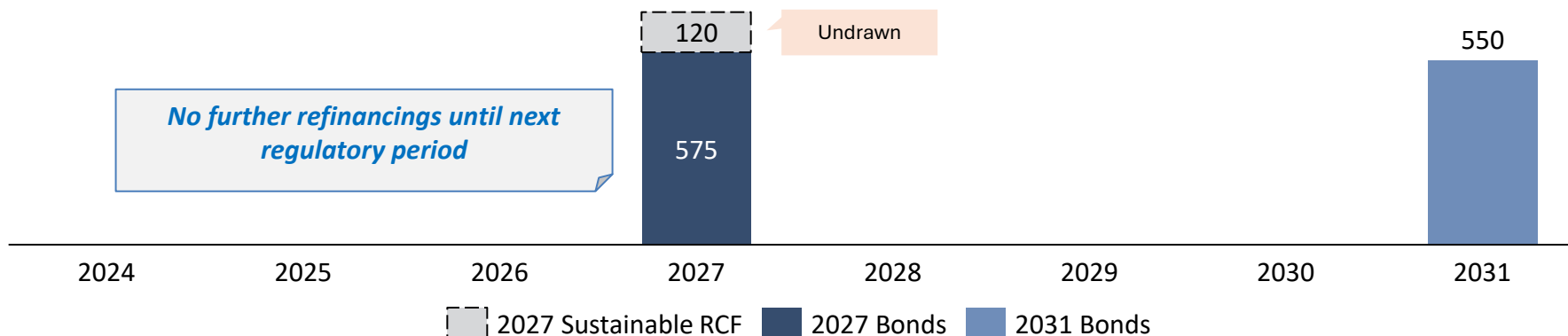
3 Financial Overview

Financial policy and capital structure supporting Investment Grade rating

Debt and Liquidity Position as of 30th of June 2024 (Nortegas Energía Distribución, S.A.U. and subsidiaries)

Instrument	Available (€M)	Drawn (€M)	Coupon
2027 Sustainable RCF ¹	120	--	Euribor + 0.75%
2027 Bonds	--	575	2.065%
2031 Bonds	--	550	0.905%
Cash on Balance Sheet	81	--	--
Total	201	1,125	--

Debt Maturities as of 30th June 2024 (€M)



Key Data Points

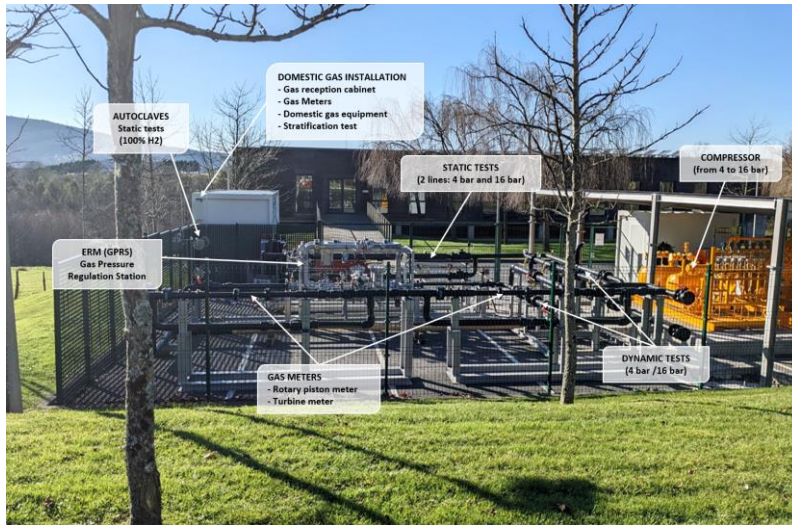
Net Debt €1,076M	ND/EBITDA LTM 7.3x	Rating S&P ² BBB- Stable outlook (as of Nov. 2024)	Average Maturity 5.0 years	Average Cost of Debt 1.26%
----------------------------	------------------------------	-------------------------------------------------------------------------------	--------------------------------------	--------------------------------------

Table of Contents

1	Key Highlights
2	Operational Overview
3	Financial Overview
4	Environmental, Social and Governance (“ESG”)
5	Closing Remarks

Blending H2 and Natural Gas in Current Distribution Networks

Nortegas networks are ready to blend up to 20% hydrogen. Nortegas tested for 12,000 hours a full network in operation, injecting up to 20% hydrogen blending with positive results on elements and materials



H2SAREA Project in Zamudio (Biscay):

- ✓ Actual natural gas distribution network and user's installations behavior under H2 Blending from 5% to 20% vol.
- ✓ Network with 20 years of current operation
- ✓ 12,000 hours of testing with hydrogen
- ✓ Volumes equivalent to a population of 40,000
- ✓ Not a single leak found. 550 potential points of leak, tested 16 times. Stratification test
- ✓ Industrial installations case studies
- ✓ Hydrogen injection position
- ✓ Hydrogen Deblender

Injecting 20% hydrogen into the natural gas grid would decarbonise the equivalent of 40%-50% of homes (ie. more than 2.5m dwellings). Using existing infrastructure

Blending creates immediate demand-side support for the first Green Hydrogen projects

Blending further supports the early development of Valleys

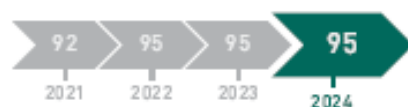


2024 GRESB Infrastructure Asset Benchmark Report

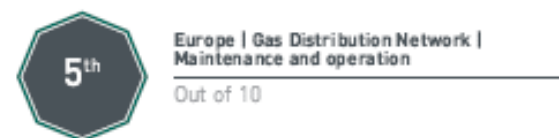
Nortegas Energía Distribución, S.A.U | Nortegas Energía Distribución, S.A.U

GRESB Rating
★★★★☆

Participation & Score



Peer Comparison



Nature of Ownership:

Private (non-listed) entity

Sector:

Gas Distribution Network

Location:

Spain

4 ESG Review

Key Indicators



- **1.593 t CO₂ eq** emissions avoided by boilers transformations



- **49%** GHG emissions reduction in comparison with the year 2019 (*Nortegas Annual Report - Scope 1 and 2*)



- **0** accidents own personnel



- **40%** women in leadership positions



- **4 stars** rating and 95 out of 100 in **2024** GRESB assessment (*the results are published the 1st October*)



- **71** hours to volunteering activities

Table of Contents

1	Key Highlights
2	Operational Overview
3	Financial Overview
4	Environmental, Social and Governance (“ESG”)
5	Closing Remarks

5 Closing Remarks

1 Growth in CPs and recovery of volumes driven by a resilient and diversified customer base

2 Strong and stable cash generation based on regulated revenues, discretionary capex and ongoing efficiency plan

3 Sound financial position with available undrawn liquidity sources

4 De-risked financial structure with no maturities until the next regulatory period and 100% fixed rates mitigating market risk

5 Financial policy driven by strong commitment to maintain a stable investment grade rating

6 Nortegas leading the Spanish energy transition through the development of renewable gases to be distributed by existing networks⁽¹⁾

A solid dark blue square located to the left of the section header.

Appendix: Legal Chart

Appendix: Legal Chart

