ANNUAL ACCOUNTS ENAGÁS, S.A. 2024

“Translation of financial statements originally issued in Spanish and prepared in accordance with accounting principles generally accepted in Spain. In the event of a discrepancy, the Spanish-language version prevails”

12/31/2024

Audit Report on Financial Statements
issued by an Independent Auditor

ENAGÁS, S.A.
Financial Statements and Management Report
for the year ended
December 31, 2024

Building a better
working world

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AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 5)

To the shareholders of
ENAGÁS, S.A.:

Report on the financial statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 1.2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

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

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

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

Key audit matters

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

Recovery of financial assets related to Gasoducto Sur Peruano, S.A.

Description

The Directorate General for Hydrocarbons of the Ministry for Energy and Mines, on January 24, 2017, terminated the "Improvements to the National Energy Security and Development of the South Peruvian Pipeline" concession agreement and the National Institute for the Defense of Competition and Intellectual Property requested that Gasoducto del Sur Peruano, S.A. (GSP) file for bankruptcy.

On July 2, 2018, entity, filed with the International Centre for Settlement of Investment Disputes (ICSID) to initiate arbitration against the Peruvian State regarding its investment in GSP and after going through different phases, on December 20, 2024, Enagás, S.A. was notified that the arbitration award considers that the Republic of Peru has violated its obligations under Articles 4.1 and 5 of the Peru-Spain APPRI. Consequently, Peru is ordered to pay Enagás 176 million dollars, plus annual interest of 1.44%, calculated on a simple basis from January 24, 2018 up to the date of the award, and capitalised semi-annually from then until the compensation is actually paid. This results in a total of 194 million euros, in addition to covering 75% of the legal costs.

As a result of the award, the Company has derecognized the 454,275 thousand euros that it held as of December 31, 2023 under the heading "Long-term financial investments - Other financial assets" from the Balance Sheet in relation to its investment in GSP, and has canceled the account payable to Enagás Internacional, S.L.U. as a recovery of the investment in GSP in the amount of 260,516 thousand euros (heading "Long-term debts with group companies and associates") and has recorded an expense in the amount of 220,976 thousand euros in the heading "Impairment and gains (losses) on disposal of financial instruments" in the Income Statement as of December 31, 2024.

We have considered this area as a key audit matter since due to the relevance of the amounts involved and the uncertainty that has existed throughout the process regarding the outcome of the arbitration, which has required the making of estimates by the Directors of the Parent Company based on the opinions of the entity's legal advisors.

The information regarding the valuation standards applied and the corresponding breakdowns is included in note 1.4 of the financial statements.

Our response

Our audit procedures in this regard included, among other, the following:

- Understanding of the process established by Company's Management for the recoverability of this asset, evaluation of the design and implementation of the relevant controls established in the aforementioned process and verification of the operational effectiveness of said controls.
- Evaluating compliance with the terms and conditions of the contracts and agreements between shareholders of GSP.
- Analyzing recent relevant notifications between Peruvian official bodies and the

GSP Group, as well as the documents included in the claim filed by the Company with the ICSID, specifically, the award issued by said body on December 20, 2024.

- Holding meetings with external and independent experts in Peruvian and international law engaged by the Management.
- Reviewing the analysis reports of this matter prepared by various Peruvian and international law experts (bankruptcy, criminal and administrative law, inter alia) and the Company's internal legal consultants.
- Evaluation of the fair value of the financial asset registered in relation to the compensation established in the award issued by the ICSID on December 20, 2024, as well as the impairment recorded in the Income Statement.
- Evaluation of the reasonableness of the impairment recorded in the Income Statement, as well as the different accounting impacts derived from the award issued by ICSID on December 20, 2024.
- Reviewing the disclosures included in the notes to the financial statements in conformity with the applicable financial reporting framework.

Impairment analysis of group companies (equity instruments)

Description

The company makes significant estimates when testing investments in group companies for impairment (equity instruments) in those companies with indications of impairment loss (determined by analyzing the recoverable amount of the investments).

We have considered this area as a key issue in our audit due to the complexity inherent in the estimation process, the significant impact that changes in the assumptions considered could have on the accompanying annual accounts, as well as the relevance of the amounts involved.

The information regarding the valuation standards applied and the corresponding breakdowns is included in note 1.4 of the financial statements.

Our response

Our audit procedures consisted, among other, the following:

- Understanding of the process established by Company's Management for the recoverability of these assets, evaluation of the design and implementation of the relevant controls established in the aforementioned process and verification of the operational effectiveness of said controls.
- Reviewing, in collaboration with valuation specialists, the reasonableness of the methodology used by the Company's Management for preparing the discounted cash flow statements of each investment accounted for using the equity method, focusing particularly on the discount rate and long-term growth rate applied.
- Analyzing the financial information projected in the business plan of the group companies by analyzing historical financial information, current conditions, and expectations regarding their future performance.
- Checking the mathematical accuracy of impairment models and reviewing the sensibility analysis performed by the Company's Management.
- Reviewing the disclosures included in the notes to the financial statements in conformity with the applicable financial reporting framework.

Other information: Management report

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

Our audit opinion on the financial statements does not cover the Management report. Our responsibility for the Management report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that the non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the Management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the Management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the Management report is consistent with that provided in the 2024 financial statements and its content and presentation are in conformity with applicable regulations.

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the audit committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of Enagás, S.A. for the 2024 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of Enagás, S.A. are responsible for submitting the annual financial report for the 2024 financial year, in accordance with the formatting requirements set out in Delegated Regulation EU 2019/815 of 17 December, 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). For this reason, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors have been included in the consolidated management report for reference.

Our responsibility consists of examining the digital file prepared by the directors of the Company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 17, 2025.

Term of engagement

The ordinary general shareholders' meeting held on March 31, 2022 appointed us as auditors for 3 years, commencing on December 31, 2022.

Previously, we were appointed as auditors by the shareholders for two periods of 3 years and we have been carrying out the audit of the financial statements continuously since December 31, 2016.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

José Agustín Rico Horcajo
(Registered in the Official Register of Auditors under No. 21920)

February 17, 2025

ENAGÁS, S.A.

ENAGÁS, S.A.

Balance sheet at December 31, 2024

(In thousands of euros)

Assets	Notes	12/31/2024	12/31/2023
NON-CURRENT ASSETS		**4,678,344**	**5,571,011**
Intangible assets	**2.5**	**23,432**	**24,239**
Research and development		43	71
IT applications		23,389	24,168
Property, plant, and equipment	**2.4**	**19,215**	**19,800**
Land and buildings		12,848	13,762
Technical facilities and other PP&E		4,964	4,932
Prepayments and work in progress		1,403	1,106
Property investments	**4.1.a**	**–**	**17,380**
Land		–	17,380
Long-term investments in group and multigroup companies	**1.4**	**4,578,320**	**5,034,663**
Equity instruments		4,578,320	5,034,663
Long-term financial investments		**3,183**	**458,059**
Loans to third parties		4	5
Other financial assets	1.4.c	3,179	458,054
Deferred tax assets	**4.2.g**	**54,194**	**16,870**
CURRENT ASSETS		**556,068**	**236,535**
Non-current assets held for sale	**4.1.a**	**22,547**	**–**
Inventories		**16,497**	**15,613**
Raw materials and other procurements	2.3	16,497	15,613
Trade and other receivables		**48,456**	**25,722**
Customers		–	51
Customers, Group companies and associates	2.2	6,878	13,921
Other receivables		95	116
Personnel		73	839
Current tax assets		41,409	10,794
Other credits with the Public Administrations		1	1
Short-term investments in group and multigroup companies	**1.4**	**154,428**	**126,564**
Loans to companies		89,428	86,864
Other financial assets		65,000	39,700
Short-term accruals		**2,314**	**2,287**
Cash and cash equivalents	**3.6.a**	**311,826**	**66,349**
Treasury		110,342	66,122
Other cash and cash equivalents		201,484	227
TOTAL		5,234,412	5,807,546

The accompanying Notes 1 to 5 constitute an integral part of the Balance Sheet at December 31, 2024

Liabilities	Notes	12/31/2024	12/31/2023
EQUITY		**2,437,778**	**2,709,776**
SHAREHOLDERS' EQUITY		**2,437,778**	**2,709,776**
Capital	**3.1.a**	**392,985**	**392,985**
Subscribed capital		392,985	392,985
Issue premium	**3.1.b**	**465,116**	**465,116**
Issue premium		465,116	465,116
Reserves	**3.1.d**	**1,591,943**	**1,585,503**
Legal and statutory		78,597	78,597
Other reserves		1,513,346	1,506,906
Treasury shares	**3.1.c**	**(18,131)**	**(15,982)**
Profit/(loss) for the year		**104,669**	**461,034**
Interim dividend	**1.5**	**(104,443)**	**(181,841)**
Other equity instruments		**5,639**	**2,961**
NON-CURRENT LIABILITIES		**2,521,199**	**2,732,774**
Long-term provisions	**2.8.a**	**6,390**	**7,606**
Obligations for long-term employee benefits		492	1,912
Other provisions		5,898	5,694
Long-term debts	**3.2.a**	**65**	**63**
Other financial liabilities		65	63
Long-term debts with group companies and associates	**3.2.c**	**2,513,364**	**2,723,707**
Deferred tax liabilities	**4.2.g**	**1,351**	**1,391**
Long-term accruals		**29**	**7**
CURRENT LIABILITIES		**275,435**	**364,996**
Other current liabilities		**4,686**	**4,385**
Short-term debts	**3.2.b**	**4,220**	**5,353**
Debts with credit institutions		61	86
Other financial liabilities		4,159	5,267
Short-term debts with group companies	**3.2.c**	**212,065**	**290,049**
Trade and other payables	**2.3**	**54,464**	**65,125**
Suppliers		7,739	8,816
Payables to group companies and associates		34	444
Other payables		506	786
Personnel		9,817	6,998
Other debts with the Public Administrations		19,543	34,799
Customer advances		16,825	13,282
Short-term accruals		**–**	**84**
TOTAL		5,234,412	5,807,546

The accompanying Notes 1 to 5 constitute an integral part of the Balance Sheet at December 31, 2024 enagas

ENAGÁS, S.A.

Income statement at December 31, 2024

(In thousands of euros)

	Notes	12.31.2024	12.31.2023
CONTINUING OPERATIONS		**322,775**	**517,734**
Revenue	**2.1.a**	**417,032**	**610,450**
Rendering of services		72,167	73,246
Dividend income from group and multigroup companies		344,865	537,204
Work done by the company for its assets	**2.4**	**132**	**175**
Other operating income		**404**	**3,127**
Accessory income and other current management income		404	3,127
Personnel expenses	**2.1.b**	**(49,478)**	**(48.173)**
Wages, salaries and similar		(37,243)	(36,551)
Social contributions		(12,235)	(11,622)
Other operating expenses	**2.1.c**	**(39,012)**	**(39,996)**
External services		(38,726)	(38,802)
Taxes		(266)	(1,064)
Other management expenses		(20)	(130)
Amortisation of fixed assets	**2.4 and 2.5**	**(8,396)**	**(7,755)**
Impairment and gains/(losses) on disposal of assets	**2.4 and 4.1.a**	**20**	**(94)**
Impairment and gains/(losses) on disposals of financial instruments	**2.1.d**	**2,073**	**—**
OPERATING PROFIT		**322,775**	**517,734**
Financial income	**3,3**	**3,367**	**2,364**
From marketable securities and other financial instruments		3,367	2,364
Third parties		3,367	2.364
Financial expenses	**3,3**	**(74,287)**	**(70,867)**
For debts with group companies and associates		(71,037)	(65,424)
For debts with third parties		(3,250)	(5,443)
Exchange differences	**3.3 and 4.1.b**	**(1,568)**	**(152)**
Impairment and gains (losses) on disposals of financial instruments	**1.4.c**	**(220,976)**	**—**
FINANCIAL RESULT		**(293,464)**	**(68,655)**
PROFIT/(LOSS) BEFORE TAX		**29,311**	**449,079**
Income tax	**4.2.e**	**75,358**	**11,955**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**104,669**	**461,034**
DISCONTINUED OPERATIONS		**—**	**—**
PROFIT/(LOSS) FOR THE YEAR		104,669	461,034

The accompanying Notes 1 to 2 constitute an integral part of the Income Statement at December 31, 2024

ENAGÁS, S.A.

Statement of Recognised Income and Expenses at December 31, 2024

(In thousands of euros)

	Notes	12.31.2024	12.31.2023
RESULTS TO THE INCOME STATEMENT		**104,669**	**461,034**
INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY		**—**	**—**
From cash flow hedges		—	—
For grants, donations and bequests received		—	—
Tax effect		—	—
AMOUNTS TRANSFERRED TO THE INCOME STATEMENT		**—**	**—**
From cash flow hedges		—	—
For grants, donations and bequests received		—	—
Tax effect		—	—
TOTAL RECOGNISED INCOME AND EXPENSES		104,669	461,034

The accompanying Notes 1 to 5 constitute an integral part of the Statement of Recognised Income and Expenses at December 31, 2024

ENAGÁS, S.A.

Statement of Total Changes in Equity at December 31, 2024

(In thousands of euros)

	Note	Capital	Issue premium and reserves	Treasury shares	Profit/(loss) for the year	Interim dividend	Other equity instruments	Adjustments for changes in value	Grants, donations and bequests	Total Equity
BALANCE ADJUSTED AT THE BEGINNING OF 2023		392,985	2,036,412	(18,366)	463,320	(179,684)	3,731	—	—	2,698,398
Total recognised income and expenses		—	—	—	**461,034**	—	—	—	**—**	**461,034**
Transactions with shareholders		—	—	—	(269,627)	(181,841)	—	—	—	(451,468)
Distribution of dividends	1.5	—	—	—	(269,627)	(181,841)	—	—	—	(451,468)
Transactions with treasury shares		—	—	**1,011**	**—**	**—**	**—**	**—**	**—**	**1,011**
Other changes in equity		**—**	**14,207**	**1,373**	**(193,693)**	**179,684**	**(770)**	**—**	**—**	**801**
Payments based on equity instruments	3.1.c	—	98	1,373	—	—	(770)	—	—	701
Other changes		—	14,109	—	(193,693)	179,684	—	—	—	100
BALANCE AT DECEMBER 31, 2023		392,985	2,050,619	(15,982)	461,034	(181,841)	2,961	—	—	2,709,776
BALANCE ADJUSTED AT THE BEGINNING OF 2024		392,985	2,050,619	(15,982)	461,034	(181,841)	2,961	—	—	2,709,776
Total recognised income and expenses		—	—	—	**104,669**	—	—	—	**—**	**104,669**
Transactions with shareholders		**—**	**—**	**—**	**(272,479)**	**(104,443)**	**—**	**—**	**—**	**(376,922)**
Distribution of dividends	1.5	—	—	—	(272,479)	(104,443)	—	—	—	(376,922)
Transactions with treasury shares		**—**	**—**	**(6,206)**	**—**	**—**	**—**	**—**	**—**	**(6,206)**
Other changes in equity		**—**	**6,440**	**4,057**	**(188,555)**	**181,841**	**2,678**	**—**	**—**	**6,461**
Payments based on equity instruments	3.1.c	—	(274)	4,057	—	—	2,678	—	—	6,461
Other changes		—	6,714	—	(188,555)	181,841	—	—	—	—
BALANCE AT DECEMBER 31, 2024		**392,985**	**2,057,059**	**(18,131)**	**104,669**	**(104,443)**	**5,639**	**—**	**—**	**2,437,778**

The accompanying Notes 1 to 5 constitute an integral part of the Statement of Total Changes in Equity at December 31, 2024.

ENAGÁS, S.A.

Cash Flow Statement at December 31, 2024

(In thousands of euros)

	Notes	12.31.2024	12.31.2023
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**260,228**	**569,186**
Profit/(loss) for the year before taxes		**29,311**	**449,079**
Adjustments to profit		**(43,788)**	**(461,013)**
Amortisation of fixed assets	2.4 and 2.5	8,396	7,755
Variation of provisions		1,413	676
Attribution of grants		(103)	(244)
Gains/losses due to decreases and disposals of assets		—	64
Gains/losses due to decreases and disposals of financial instruments	3.3	220,976	—
Financial income and dividends		(348,232)	(540,314)
Financial expenses	3.3	74,287	70,867
Impairment		(2,093)	30
Exchange differences		1,568	152
Changes in working capital		**(7,551)**	**4,770**
Inventories	2.3	(884)	(4,422)
Trade and other receivables		7,115	1,908
Other current assets		1,169	751
Trade and other payables		(13,880)	7,458
Other current liabilities		(1,093)	(925)
Other non-current assets and liabilities		22	—
Other cash flows from operating activities		**282,256**	**576,350**
Interest paid		(73,194)	(57,804)
Dividends received		319,565	632,504
Interest received		1,780	2,009
Income tax paid (received)		34,105	(359)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**210,163**	**32,009**
Payments for investments		**(281,288)**	**(319,015)**
Group companies and associates	1.4	(274,702)	(307,353)
Intangible assets and property, plant and equipment	2.4 and 2.5	(6,569)	(7,522)
Other financial assets		(17)	(4,140)
Proceeds from disposals		**491,451**	**351,024**
Group companies and associates	1.4	491,451	351.000
Intangible assets and property, plant and equipment		—	24
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(224,924)**	**(606,776)**
Proceeds from and payments on equity instruments		**(2,337)**	**759**
Grants, donations and bequests received		85	—
Acquisition of equity instruments		(6,206)	—
Disposal of equity instruments		3,784	759
Proceeds from and payments on financial liabilities	3,2	**154,335**	**(156,067)**
- Issue of debts with credit entities		4	928
- Issue of debts with group companies and associates		221,000	524,950
- Repayment and amortisation of debts with credit entities		(2)	(1,933)
- Repayment and amortisation of debts with group companies and associates		(66,667)	(680,012)
Dividends paid and remuneration on other equity instruments		**(376,922)**	**(451,468)**
- Dividends	1.5	(376,922)	(451,468)
EFFECT OF EXCHANGE RATE FLUCTUATIONS (IV)		**10**	**(6)**
NET INCREASE/DECREASE IN CASH AND EQUIVALENTS (I + II + III + IV)		**245,477**	**(5,587)**
Cash and cash equivalents at beginning of the year	3,6	66,349	71,936
Cash and cash equivalents at year-end		311,826	66,349

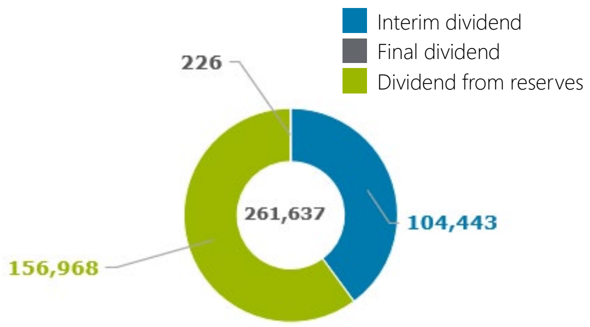
The accompanying Notes 1 to 5 constitute an integral part of the Cash Flow Statement at December 31, 2024

1. COMPANY ACTIVITIES AND PRESENTATION BASES

Relevant aspects

Results

- The Company's net profit amounted to 104.7 million euros.
- Net profit per share amounted to 0.40 euros per share as compared to 1.76 euros per share in 2023.
- The proposed dividend payment per share for 2024 amounts to 1.00 euros per share (1.74 euros per share in 2023) (Note 1.5).
- The Board of Directors has proposed the full distribution of the parent company Enagás, S.A.'s net profit for the 2024 financial year, along with a dividend from reserves totalling 156.9 million euros (Note 1.5).



Investments in group and multigroup companies

- At December 31, 2024 Enagás, S.A. held financial instruments in the amount of 4,578 million euros, through which it carries out some of its activities.
- During the 2024 financial year, Enagás S.A. has made investments of 274.7 million euros in its subsidiaries (Note 1.4.a).
- In 2024, the Company increased its shareholding in the German company Hanseatic Energy Hub by 5% after acquiring a 10% stake in 2023. This company is building the Stade regasification plant, key to the supply of liquefied natural gas (LNG) in Europe (Note 1.4.a).

Gasoducto Sur Peruano, S.A. ("GSP")

- On December 20, 2024, an arbitration award was communicated to Enagás in relation to the situation of the investment in GSP. The dispute between the Peruvian State and Enagás arose as a result of the termination of the concession contract on January 24, 2017 in connection with the application of the investment recovery mechanism established in the GSP Concession contract. In this regard, an international arbitration was initiated in 2018 under the Agreement for the Promotion and Reciprocal Protection of Investments (hereinafter, APPRI) Spain-Peru, detailed in Note 1.4.c, and submitted to the International Centre for Settlement of Investment Disputes (hereinafter ICSID).
- This award considers that the Republic of Peru has violated its obligations under Articles 4.1 and 5 of the Peru-Spain APPRI. Consequently, Peru is ordered to pay Enagás 176 million dollars, plus annual interest of 1.44%, calculated on a simple basis from January 24, 2018 up to the date of the award, and capitalised semi-annually from then until the compensation is actually paid. This results in a total of 194 million euros, in addition to covering 75% of the legal costs.
- As of December 31, 2024, the Company reported a loss of 221 million euros in the income statement arising from the resolution of the award for the unrecognised amount.

1.1 Company activity

Enagás, S.A, a company incorporated in Spain on July 13, 1972 in accordance with the Corporate Enterprises Act, is the parent company of a group of entities including interests in subsidiaries, associated companies, joint operations and joint ventures, which are engaged in various activities and, together with Enagás, S.A., the Enagás Group (hereinafter the Group). Its corporate purpose is the transmission, storage and regasification of natural gas, as well as all related functions with the technical management of the gas system.

a. Corporate purpose

a. Regasification, basic and secondary transmission as well as storage of natural gas, via the corresponding gas infrastructure or facilities, of its own or of third parties, and also the performance of auxiliary activities or others related to the aforementioned activities.

b. Design, construction, start up, exploitation, operation, and maintenance of all types of complementary gas infrastructure and facilities, including telecommunications networks, remote control and control of any nature, and electricity networks, whether its own or of third parties.

c. Development of all functions relating to technical management of the gas system.

d. Transmission and storage activities for carbon dioxide, hydrogen, biogas, and other energy-related fluids, via the corresponding facilities, of its own or of third parties, as well as the design, construction, start up, exploitation, operation, and maintenance of all types of complementary infrastructure and installations necessary for said activities.

e. Activities for making use of heat, cold, and energies associated with its main activities or arising from them.

f. Rendering of services of a diverse nature, among them, engineering, construction, advisory, and consultancy services in connection with the activities relating to its corporate purpose as well as participation in natural gas markets management activities to the extent they are compatible with the activities permitted for the Company by law.

On December 28, 2023, Royal Decree-Law 8/2023 of December 27 was issued, providing that Enagás, as the operator of the natural gas transmission network, may operate as the provisional operator of the hydrogen backbone transmission network.

The above activities can be carried out by Enagás, S.A. itself or through companies with an identical or analogous corporate purpose in which it holds interest, provided they remain within the scope and limitations established by legislation applicable to the hydrocarbons sector. In accordance with said legislation, the activities related to transmission and technical management of the system which are of a regulated nature must be carried out by two subsidiaries entirely owned by Enagás, S.A. (Enagás Transporte, S.A.U. and Enagás GTS, S.A.U., respectively).

Consequently, the corporate purpose includes:

a. Management of the corporate group comprised of the interest held in share capital of companies belonging to the group.

b. Rendering of assistance or support services to affiliates, including the provision of appropriate guarantees and reinforcement for them.

b. Other information

Its registered address is located at Paseo de los Olmos, 19, 28005, Madrid. The Articles of Association and other public information about the Company and its Group may be consulted on its web page, www.enagas.es, and at its registered office.

In addition to the operations carried out directly, Enagás, S.A., as the parent company of the Enagás Group and in accordance with current legislation, is obliged to separately prepare consolidated accounts of the Group, which also include interests in subsidiaries, associates, joint operations and joint ventures.

The main figures of the Consolidated Annual Accounts of the Enagás Group for 2024 and 2023 are the following:

	12.31.2024	12.31.2023
Total assets	7,495,935	8,507,270
Equity	2,392,144	2,999,761
Revenue	905,546	907,570
Net profit/(loss)	(299,309)	342,528

1.2 Presentation bases

These Annual Accounts have been prepared by the Directors in accordance with the financial information regulatory framework applicable to the Company, which is established in:

i. Commercial Code and remaining mercantile legislation.

ii. The National Chart of Accounts, approved by Royal Decree 1514/2007 of November 16, has undergone several amendments since its publication. The latest amendment, made by Law 7/2024 on December 20, introduces a temporary exception to the accounting and disclosure of deferred taxes. These deferred taxes arise from implementing the law that establishes a Complementary Tax, as well as other national regulations designed to ensure a minimum global tax level for multinational groups or large national entities.

iii. Compulsory regulations approved by the Accounting and Audit Institute, in development of the National Charts of Accounts and its complementary standards.

iv. The other Spanish accounting regulations to be applied.

In addition, no non-compulsory accounting principles have been applied.

Also, the Directors authorised these Annual Accounts for issue in due consideration of all compulsory accounting principles and standards with a significant effect on the Annual Accounts.

The Annual Accounts of Enagás, S.A. and its Consolidated Group for financial year 2024 were prepared by its Directors at the Board of Directors meeting held on February 17, 2025. The 2023 Annual Accounts of Enagás S.A. and its consolidated Group were approved at the Enagás, S.A. General Shareholders' Meeting held on March 21, 2024 and duly filed at the Madrid Companies Registry.

These Annual Accounts are presented in thousands of euros (unless otherwise stated).

a) Going concern principle

The Annual Accounts of the Company have been prepared on a going concern basis.

As of December 31, 2024, the Company reports a positive working capital of 281 million euros. This marks an improvement from December 31, 2023, when the Company had a negative working capital of 128 million euros. This change is primarily because the Company paid off 238 million euros of debt owed to group companies during the 2024 financial year.

b) Materiality criteria

The accompanying Annual Accounts do not include the information or disclosures which, not requiring detail due to their qualitative importance, the Group did not consider of material significance or important relative to the concept of materiality as defined in the conceptual framework of the National Charts of Accounts, taking into account the Annual Accounts as a whole.

c) True and fair view

The accompanying Annual Accounts, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and criteria set out therein and, accordingly, provide a true and fair view of the Company's equity, financial position, results of operations, the statement of changes in equity and cash flows during the year.

These Annual Accounts have been prepared by the Directors of the Company and will be submitted for approval by the General Shareholders' Meeting. It is expected that they will be approved without modification.

d) Comparison of information

In compliance with Spanish mercantile law, for comparative purposes for each of the headings presented in the Balance Sheet, the Income Statement, the Statement of Changes in Equity, and the Cash Flow Statement, in addition to the figures for 2024, those of 2023 have been included. The Notes also include quantitative information from the previous year, except when an accounting standard specifically establishes this as unnecessary.

e) Grouping of items

Certain items on the Balance Sheet, the Income Statement, the Statement of Changes in Equity and the Cash Flow Statement are grouped together to make them easier to understand, although when individual data is significant, specific information has been included in the respective Notes to these Annual Accounts.

f) Changes in accounting policies

In 2024 there were no significant changes in accounting policies with respect to those applied in 2023.

g) New standards

On December 21, 2024, Law 7/2024, dated December 20, was published in the Official State Gazette. This law introduces a Complementary Tax to ensure a minimum global tax level for multinational and large national groups. It comes into effect on December 22, 2024 and applies to tax periods starting on or after December 31, 2023.

Pillar Two rules shall apply to the Enagás Group, where Enagás S.A. is the parent, and where the Company is included (Note 4.2). In accordance with these rules, the parent companies of multinational groups that meet certain thresholds will have to pay a supplementary tax that will tax the profits obtained in any jurisdiction in which it operates in which the effective tax rate, calculated at the jurisdictional level, is lower than the minimum rate of 15%.

The accounting standards that regulate income tax in Spain are Accounting and Valuation Standard (NRV) 13 Income Tax, set out in the National Charts of Accounts (PGC), approved by Royal Decree 1514/2007, of November 16, and the Resolution of February 9, 2016, of the Spanish Institute of Accountants and Auditors (ICAC), which develops the rules for recording, valuation and preparation of the annual accounts for the accounting of income tax (ICAC Resolution on the Tax). These standards have not yet been amended to reflect the temporary exception to the recognition and disclosure of deferred tax assets and liabilities arising from the Pillar Two standard, in line with the amendments included in IAS-EU 12.

An analysis was conducted to determine how the complementary tax applies to the Group. The analysis found that all entities within the Group have an effective tax rate of at least 15%. Therefore, according to the estimate made, in 2024, the new global minimum tax should have no impact neither for the Company nor for the companies that comprise the Enagás Group.

1.3 Estimates and accounting judgements made

The results and determination of assets and liabilities disclosed in the Annual Accounts are sensitive to the accounting principles and policies, measurement bases and estimates used by the Company's Directors.

In the 2024 Annual Accounts, the Company's Senior Management have occasionally used estimates, subsequently ratified by the Directors, in order to quantify certain assets, liabilities, income, expenses and commitments recognised therein. These estimates basically relate to the following:

a. The useful life of intangible assets and PP&E (Notes 2.4 and 2.5).

b. The measurement of non-current assets held for sale (Note 4.1.a).

c. The measurement of assets to determine the possible existence of impairment losses (Note 1.4.a and Note 2.6).

d. Provisions of invoices pending formalisation (Notes 2.2 and 2.3).

e. The calculation of provisions and contingencies (Note 2.8).

f. The calculation of income tax and deferred tax assets (Note 4.2).

g. Impairment loss on financial assets measured at amortised cost (Note 1.4).

h. The fair value of equity instruments granted under the Long-Term Incentive Plan ("ILP") (Note 4.4).

Although these estimates were made on the basis of the best information available at December 31, 2024 regarding the facts analysed, it is possible that future events may require these to be modified (upwards or downwards) in the years ahead. This would be carried out prospectively, recognising the effects of the changes to accounting estimates in the Annual Accounts.

During the twelve-month period ended on December 31, 2024, there were no significant changes to the estimates made at 2023 year-end, and thus future periods are also not expected to be affected.

1.4 Investments in group and multigroup companies and other financial investments

Accounting policies

Financial assets

Financial assets at cost

The Company includes in this category:

- Investments in the equity of group and multigroup companies are classified as financial assets at cost.
- Any other financial asset that initially should be classified in the fair value portfolio with changes in the income statement when it is not possible to obtain a reliable estimate of its fair value.

Investments included in this category are initially measured at cost, which is the fair value of the consideration given plus directly attributable transaction costs.

In the case of investments in group entities, if an investment existed before the entity was classified as a group entity, jointly controlled entity or associate, the cost of that investment is measured at the carrying amount that the investment should have had immediately before the entity is classified as such.

Subsequent measurement is also at cost, less any the cumulative amount of the impairment valuation adjustments.

Financial assets at amortised cost

The Company classifies a financial asset in this category if the following conditions are met:

- The Company holds the investment under a management model whose objective is to collect the cash flows from the performance of the contract.
- The contractual features of the financial asset give rise to cash flows at specified times that consist solely of the collection of principal and interest on the principal outstanding.

Generally, loans and advances to customers and other debtors are included in this category.

In addition, the Company has equity instruments where it holds the investment in order to receive cash flows from the execution of a contract, through carry-forward tax losses and R&D deductions, and the contractual conditions of the financial asset give rise, on specified dates, to cash flows, consisting of principal and interest payments on the outstanding principal amount.

Financial assets classified in this category are initially measured at fair value, which, until proven otherwise, is assumed to be the transaction price, which is the fair value of the consideration given plus capitalised transaction costs.

Trade receivables maturing in no more than one year and not bearing a contractual interest rate, as well as advances and loans to employees, dividends receivable and disbursements on equity instruments, the amount of which is expected to be received in the short-term, may be measured at their face value when the effect of not discounting the cash flows is not significant.

The amortised cost method is used for subsequent measurement. Accrued interest is recognised in the income statement (financial income) using the effective interest rate method.

Receivables maturing in less than one year which, as described above, are initially measured at their face value, will continue to be measured at that amount, unless they have been impaired.

If the contractual cash flows of a financial asset measured at amortised cost change due to financial difficulties of the issuer, the Company generally assesses whether an impairment loss should be recognised.

Derecognition of balance of financial assets

The Company derecognises a financial asset from the balance sheet when:

- The contractual rights to the cash flows from the asset expire. A financial asset is derecognised when it expires and the Company has received the related amount.
- The contractual rights to the cash flows from the financial asset have been transferred. In this case, the financial asset is derecognised when the risks and rewards of ownership have been substantially transferred.

- Impairment losses on financial assets

Financial assets at cost

- At the closure of each financial year, or when there are indications of loss of value, the Company analyses the recoverability of the equity investments in group and multigroup companies, in order to verify that the recoverable amount of these investments is greater than the value recognised in the Company's accounting records.
- In order to calculate the recoverable amount of the Group companies, an analysis of the updated cash flows is prepared, based on detailed future projections for these investments.
- The recognition of impairment losses and reversal of impairment losses, if any, are recognised as income or expense in the income statement. The reversal is limited to the carrying amount of the investment that would have been recognised at the reversal date if no impairment loss had been recognised.

Financial assets at amortised cost

- At least at year-end, the Company analyses whether there is objective evidence that the value of a financial asset is impaired as a result of one or more events that occurred after its initial recognition and that cause a reduction or delay in the estimated future cash flows, which may be caused by the debtor's insolvency.
- If such evidence exists, the impairment loss is calculated as the difference between the carrying amount and the present value of future cash flows. This includes, if applicable, those arising from the enforcement of collateral and personal guarantees, which are estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at variable interest rates, the effective interest rate applicable at the closing date of the annual accounts is used in accordance with the contractual conditions.
- Impairment losses, as well as their reversal when the amount of such loss decreases due to causes related to a subsequent event, are recognised as an expense or income, respectively, in the income statement. The reversal is limited to the carrying amount of the asset that would have been recognised at the reversal date if no impairment loss had been recognised.

Significant estimates and judgements

- With regard to the impairment test relating to group and multigroup companies, the discount rate applied to Spanish companies in 2024 was between 5% and 7% according to the business that it is allocated to (between 5% and 7% in 2023). Investments in international companies range from 6.5% to 10.5%, depending on the business and the country in which they operate (7.3% to 10.3% in 2023). The sensitivity analysis of the discount rate of 0.5% and -0.5% carried out at 2024 year-end indicates that the Company shows no sign of significant risks associated with potential reasonable variations. Thus, the Company's Management considers that, within the specified ranges, there would be no changes in the impairment calculation.
- As a substitute for the present value of future cash flows, the Company uses the market value of the instrument, provided that it is sufficiently reliable to be considered representative of the value that could be recovered by the Company.

The breakdown of accounts under the headings "Investments in group and multigroup companies" and "Other financial investments", both short- and long-term at year-end 2024 and 2023 is as follows:

	2024	2023
Long-term investments in group and multigroup companies and other financial investments	**4,581,503**	**5,492,722**
Long-term investments in group and multigroup companies (Note 1.4.a)	4,578,320	5,034,663
Equity instruments	4,578,320	5,034,663
Long-term financial investments	3,183	458,059
Loans to third parties	4	5
Other financial assets (Note 1.4.c)	3,179	458,054
Short-term investments in group and multigroup companies and other financial investments	**154,428**	**126,564**
Short-term investments in group and multigroup companies (Note 1.4.a)	154,428	126,564
Credits to group companies for tax effect (1) (Note 1.4.b and 4.2.b)	89,428	86,864
Dividends receivable (2)	65,000	39,700

(1) As mentioned in Note 4.2.b, Enagás S.A. is the parent company of Tax Consolidation Group 493/12 for corporate income tax, and this amount matches the accounts receivable from the different companies belonging to the group in respect of their contribution to the group's taxable income.

(2) This amount relates mainly to the dividends receivable at December 31, 2024 approved by Enagás Transporte, S.A.U. in 2024 and which have been collected in January 24, 2025 (Note 2.1.a)

a) Equity instruments

	% Stake		Thousands of euros								
				Result					Carrying amount		
Name / Address / Activity	Direct	Indirect	Capital	Operating income	Net	Remaining Equity	Total Equity	Dividends Received	Cost	Accumulated impairment	Total
2024								**344,865**	**4,594,498**	**(16,178)**	**4,578,320**
Enagás Transporte, S.A.U.	100	—	532,089	301,739	266,311	2,125,233	2,923,633	268,748	2,723,120	—	2,723,120
Enagás GTS, S.A.U.	100	—	5,914	140	2,782	14,584	23,280	—	42,098	—	42,098
Enagás Financiaciones, S.A.U.	100	—	890	72,941	11,210	(2,355)	9,745	10,845	8,381	—	8,381
Enagás Internacional, S.L.U.	100	—	184,340	291,895	358,385	891,602	1,434,327	65,272	1,628,004	—	1,628,004
Enagás Peru, SAC	—	100	4,689	(6)	(3)	(3,105)	1,581	—	1	(1)	—
Enagás México, S.A. de C.V.	1	99	3,950	(50)	(39)	(3,779)	132	—	89	(89)	—
Enagás Emprende, S.L.U.	100	—	35,054	1,277	(487)	56,696	91,263	—	116,885	(11,574)	105,311
Enagás Services Solutions, S.L.U.	100	—	9,618	1,641	1,480	16,556	27,654	—	32,168	(4,514)	27,654
Enagás Infraestructuras de Hidrógeno, S.L.U.	100	—	3,978	(5,095)	(3,739)	7,657	7,896	—	13,285	—	13,285
Mibgas Derivatives, S.A.	19	9	500	528	861	697	2,058	—	97	—	97
Enagás Renovable, S.A.	60	—	8,671	7,341	5,764	19,075	33,510	—	27,019	—	27,019
Hanseatic Energy Hub GMBH	15	—	844	(16,158)	(20,128)	(13,361)	(32,645)	—	3,299	—	3,299
Hanseatic Energy Hub Operations	50.1	–	100	–	–	–	100	–	52	–	52
2023								**537,203**	**5,052,914**	**(18,251)**	**5,034,663**
Enagás Transporte, S.A.U.	100	–	532,089	305,966	248,748	2,204,00	2,984,84	306,400	2,775,311	–	2,775,311
Enagás GTS, S.A.U.	100	–	5,914	609	816	5,595	12,325	–	33,925	–	33,925
Enagás Financiaciones, S.A.U.	100	–	890	67,122	9,144	(698)	9,337	14,325	8,338	–	8,338
Enagás Internacional, S.L.U.	100	–	184,340	157,448	156,827	1,868,326	2,209,493	216,478	2,072,480	–	2,072,480
Enagás Peru, SAC	–	100	4,496	(349)	(115)	(3,302)	1,079	–	1	(1)	–
Enagás México, S.A. de C.V.	1	99	3,907	(55)	(62)	(3,707)	139	–	89	(89)	–
Enagás Emprende, S.L.U.	100	–	28,904	(2,211)	(1,127)	44,532	72,310	–	96,376	(9,946)	86,430
Enagás Services Solutions, S.L.U.	100	–	9,618	1,143	2,296	14,197	26,110	–	32,104	(8,215)	23,889
Enagás Infraestructuras de Hidrógeno, S.L.U.	100	–	2,838	(2,486)	(1,795)	6,761	7,804	–	9,453	–	9,453
Mibgas Derivatives, S.A.	19	9	500	439	633	65	1,198	–	97	–	97
Enagás Renovable, S.A.	60	–	8,671	(8,085)	(8,544)	22,165	22,292	–	17,419	–	17,419
Estación de Compresión Soto la Marina, S.A.P.I. de C.V.	48	2	10,553	4,749	2,266	7,656	20,476	–	5,147	–	5,147
Hanseatic Energy Hub GMBH	10	–	757	(1,484)	(3,315)	15,216	12,658	–	2,122	–	2,122
Hanseatic Energy Hub Operations	50.1	–	100	–	–	–	100	–	52	–	52

These Group companies are not listed on the Securities Markets.

In 2024, the main following changes were made to the Company's investments on equity instruments:

Enagás Transporte

In 2024 Enagás Transporte, S.A.U. refunded "Other contributions from shareholders" for a total amount of 234,919 thousands of euros.

Also, on December 4, 2024, the Company made a contribution of funds to Enagás Transporte, S.A.U. amounting to 180,000 thousands of euros as "Other contributions from shareholders".

Enagás Internacional

In October 2024, Enagás Internacional, S.L.U. refunded "Other contributions from shareholders" for a total amount of 264,450 thousands of euros.

On December 3, 2024, the Company made a contribution of funds to Enagás Internacional S.L.U. amounting to 59,336 thousands of euros as "Other contributions from shareholders".

In addition, on December 20, 2024, Enagás Internacional, S.L.U. returned "Other shareholder contributions" by offsetting a loan it had granted to Enagás, S.A., amounting to 238,785 thousands of euros (Note 3.2).

Moreover, as noted in Note 3.4, during the 2024 financial year, there was a reduction in shareholding amounting to 670 thousands of euros due to the fair value hedge of derivatives used to hedge the fair value of the investment's exchange rate.

Enagás Emprende

On July 22, 2024, Enagás Emprende, S.L.U. carried out a capital increase by issuing 2,400,000 new shares with a nominal value of one euro each, with a total issue premium of 5,600 thousands of euros, through a fully disbursed monetary contribution.

On December 2, 2024, Enagás Emprende, S.L.U. carried out a new capital increase by issuing 3,750,000 new shares with a nominal value of one euro each, with a total issue premium of 8,750 thousands of euros, through a fully disbursed monetary contribution.

Enagás Infraestructuras de Hidrógeno, S.L.U.

On February 20, 2024, Enagás, S.A. increased its capital in Enagás Infraestructuras de Hidrógeno, S.L.U. by issuing 1,140,000 new shares with a nominal value of one euro each, with a total issue premium of 2,660 thousands of euros, through a fully disbursed monetary contribution.

Enagás Renovable, S.A.

On June 28, 2024, the Company approved a fund contribution to Enagás Renovable, S.A., which was disbursed on July 2, 2024 as "Other shareholder contributions", totalling 9,600 thousands of euros.

Hanseatic Energy Hub GmbH (HEH)

In February 2024, Enagás S.A. increased its capital in Hanseatic Energy Hub GmbH in proportion to its stake, with 9 thousands of euros allocated to share capital and 164 thousands of euros to issue premium, to support the construction of the regasification terminal.

Additionally, in March 2024, the company acquired an extra 5% stake in the German company for 884 thousands of euros and capitalised acquisition costs of 120 thousands of euros.

Enagás GTS, S.A.U.

On April 30, 2024, the Company made a contribution of funds to Enagás GTS, S.A.U. amounting to 7,919 thousands of euros as "Other contributions from shareholders".

E. C. Soto la Marina, S.A.P.I.

As noted in Note 4.1a, the investment in the company Soto la Marina was reclassified during the 2024 financial year as a non-current asset held for sale, as the conditions of a sale plan were met.

Other transactions

As a result of the approval of a cycle of the Long-Term Incentive Plan ("ILP") on March 31, 2022 at the General Shareholders' Meeting of Enagás, S.A. (Note 4.4), in accordance with BOICAC No. 75/2008, query No. 7, the Company increased the value of the equity instruments of each of the subsidiaries with beneficiaries assigned to the Plan, i.e. Enagás Transporte, S.A.U., Enagás Financiaciones, S.A.U., Enagás Internacional, S.L.U., and Enagás Emprende, S.L.U., by a total of 319 thousands of euros in 2024 (237 thousands of euros in 2023). The counterparty of these contributions is included under the heading "Other equity instruments" in equity on the balance sheet at December 31, 2024, as a result of the cost assumed by the Company in each of the aforementioned subsidiaries.

In connection with the approval of the Flexible Share-Based Remuneration Plan (Note 3.1.c), the Company has increased the value of the equity instruments for each of the subsidiaries with beneficiaries under the Plan. These subsidiaries are Enagás Transporte, S.A.U., Enagás Financiaciones, S.A.U., Enagás Internacional, S.L.U., Enagás Services Solutions, S.L.U., Enagás Infraestructuras de Hidrógeno, S.L.U., Enagás GTS, S.A.U., and Enagás Emprende, S.L.U. The total increase during the 2024 financial year amounts to 2,903 thousands of euros.

b) Loans to companies

At December 31, 2024 the Company has no loans granted to other group companies, except for the tax cash receivables detailed in Note 4.2.b which at December 31, 2024 amounts to 89,428 thousands of euros, mainly with Enagás Transporte, S.L.U. amounting to 83,245 thousands of euros.

c) Other financial assets

Gasoducto Sur Peruano, S.A.

In relation to the investment in Gasoducto Sur Peruano, S.A. (hereinafter "GSP") as indicated in Note 3.3. to the Consolidated Annual Accounts of the Enagás Group since 2016, on January 24, 2017 the Directorate General of Hydrocarbons of the Peruvian Government's Ministry of Energy and Mines (hereinafter the "State of Peru") sent an official letter to GSP stating "the termination of the concession agreement owing to causes attributable to the concession holder", in accordance with the terms of Clause 6.7 of the "Improvements to the Energy Security of the Country and the Development of the Gasoducto Sur Peruano" (hereinafter "the Project") concession agreement, because the financial close had not been evidenced within the period established in the agreement (January 23, 2017), and proceeded to the immediate enforcement of the totality of the guarantee for full compliance given by GSP (262.5 million dollars), to ensure fulfilment of the obligations relating to the concession, which in the case of Enagás generated a payment of 65.6 million dollars. Also in January 2017, they paid GSP bank financing sureties to Enagás amounting to 162 million dollars, including both principal and interest pending payment. In December 2017, the process for delivering the Concession Assets held by GSP was substantially completed with the Peruvian State assuming control over them.

As a result of the termination of the concession contract, in accordance with the opinion of external and internal legal advisors, the Peruvian State had the obligation to apply Clause 20 of the Concession Contract, calculating the Net Carrying Amount (hereinafter NCA) of the Concession Assets, calling up to a maximum of three auctions to award the Concession, with the auction result being to pay GSP the NCA. With the amount that GSP would have received for the NCA of the Concession Assets, it would have proceeded to settle its obligations to third parties and, if appropriate, reimburse the capital contributions made by its shareholders.

As a result of inaction by the State of Peru in relation to the aforementioned procedure, on December 19, 2017, Enagás notified the Peruvian State about the existence of a dispute relating to the investment in GSP with a view to reaching an amicable agreement on the terms of Article 9.1 of the Agreement for the Reciprocal Promotion and Protection of APPRI in Spanish signed by the Republic of Peru and the Kingdom of Spain. This notification represented the beginning of the six-month period for direct contact prior to initiating international arbitration in which the APPRI acts as the mechanism for recovering the investment in GSP. Once the required six months of direct contact between Enagás and the Peruvian State had elapsed without it being possible to reach an amicable settlement of this dispute, on July 2, 2018, Enagás filed an application for the initiation of arbitration against the Peruvian State regarding its investment in GSP with the ICSID.

On December 20, 2024, the award regarding this dispute was communicated, establishing that the Republic of Peru breached its obligations under Articles 4.1 and 5 of the Peru-Spain APPRI. Consequently, Peru is ordered to pay Enagás 176 million dollars, plus annual interest of 1.44%, calculated on a simple basis from January 24, 2018 up to the date of the award, and capitalised semi-annually from then until the compensation is actually paid, totalling 194 million dollars, along with 75% of the legal costs. In this sentence, the amounts corresponding to the bank guarantees and performance bonds have not been recognized, which will continue to be claimed within GSP's bankruptcy proceedings. Additionally, GSP has initiated arbitration before ICSID to recover its investment in the project and pay its creditors.

In relation to the restriction on repatriating TGP's dividends, the award states "that including Enagás Internacional in category 2 of Law No. 30737, along with any measures of asset restriction (such as the establishment of a Guarantee Trust) and limitations on the rights to transfer resources abroad resulting from this categorisation under Law No. 30737 and its regulations, constitutes a violation of Article 4.1 of the APPRI". The Arbitral Tribunal considered that Peru has not proven the existence of corruption related to the awarding of the GSP project.

As a consequence of this ruling, since the full amount of the investment made by Enagás was not recognised, the Company has recorded a loss of 220,976 thousands of euros in the income statement for the unrecognised amount.

The Company has also cancelled its account receivable related to Enagás Internacional's investment in GSP, as well as the account payable to Enagás Internacional for this matter amounting to 260,516 thousands of euros (271,979 thousands of dollars), as outlined in Note 3.2.

Regarding this award, on January 17, 2025, Enagás requested a correction from the Tribunal under Article 49(2) of the ICSID Convention, arguing that a material error was made in calculating the damages awarded to Enagás due to the incorrect percentage of Enagás' stake in the GSP project being used. The amount requested amounts thus to 94 million dollars.

Based on the above, the Company has written off the entire receivable it had in relation to its investment in GSP. This receivable amounted to 454,275 thousands of euros (471,401 thousands of dollars) on December 31, 2023.

Other related matters

On March 12, 2018, Law No. 30737 was published "guaranteeing immediate payment to the Peruvian State to repair civil damage caused by corruption and related crimes". On May 9, 2018, Supreme Decree 096-2018-EF was published, enacting the regulations of the aforementioned law.

In accordance with Article 9 of Law No. 30737, legal persons and legal entities in the form of partnerships, consortiums and joint ventures who may have benefited from the awarding of contracts, or subsequent to it, jointly with persons who have been convicted or who may have acknowledged having committed crimes against the public administration, asset laundering or related crimes, or their equivalents against the State of Peru, in Peru or abroad are classified as Category 2, and therefore fall within its scope of application.

In June 2019, the Peruvian Judiciary approved the Effective Partnership Agreement reached between the Odebrecht Group and the Peruvian Public Prosecutor's Office, and the GSP project was not included as one of the projects affected by corruption-related events. Subsequent developments reveal that over seven years after the investigations began, the Peruvian Public Prosecutor's Office has been unable to present any definitive evidence of corruption related to the awarding of the GSP project. In July 2024, the status of Odebrecht manager Jorge Barata as an effective collaborator was revoked, and consequently, the Prosecutor's Office has started investigating him, denying any acts of corruption by him or the company in connection with the GSP project's award.

During the arbitration proceedings before ICSID, specifically in the award mentioned earlier, no new evidence has been provided that irrefutably links GSP to corruption. The ICSID Tribunal that issued the award states, upon reviewing the matter, that the evidence in the arbitration file does not indicate any irregularities. On the contrary, it confirms that the awarding of the GSP project complied with legal requirements.

Notwithstanding the above comments on the extension of the initial Effective Collaboration Agreement signed by Odebrecht and the Public Prosecutor of Peru, there have been no significant developments regarding the actions of the Public Prosecutor of Peru on the investigation of Odebrecht's activities in Peru and other investigations carried out by the Special Team of the Peruvian Prosecutor's Office for alleged crimes that could somehow be related to the awarding of the project. In this regard, two investigations are known to be in progress:

- The first case, documented in Folder 321-2014, concerns aggravated collusion involving a former Odebrecht employee and a public official. This case concluded with a 2024 verdict acquitting both parties of any crime. The verdict has been appealed and is currently under review.
- In relation to the second investigation opened, sealed with Folder 12-2017, being that those under investigation include two employees of Enagás and Enagás Internacional, S.L.U. This investigation has been closed and is awaiting indictment by the Public Prosecutor's Office. Based on the opinion of our external legal advisors in Peruvian criminal law, it is maintained that to date there is no indication that the investigations may conclude negatively for Enagás.

In relation to this second file, on December 30, 2020, the Peruvian Public Prosecutor's Office requested its incorporation as a civil plaintiff in the criminal proceedings in order to request the payment of a possible reparation in the aforementioned proceedings once a final judgement has been handed down, as well as in order to request possible precautionary measures that seek to ensure the eventual reparation, amounting to 1,107 million dollars for the GSP project. After the two previous initial applications were rejected on formal grounds, the last application submitted was accepted in March 2023. The hearing took place on July 12, 2023. Subsequently, Enagás Internacional has been named as a third party civilly liable concerning the two employees involved in the investigation.

The amount will be determined by the presiding criminal judge, who will make a detailed assessment once a final verdict is issued, should there be any convictions of the employees under investigation. According to both external and internal lawyers, the amount requested has not been duly supported nor does it comply with the possible civil liability that could be claimed on the basis of the offences referred to in the indictment. An objective reference for the calculation is the one established by Law No. 30737, which assures payment of civil compensation to the Peruvian State. Considering the preliminary stage of the criminal process, taking into account the elements of knowledge available to date and based on the conclusions of the specialist local lawyers, it is considered that the probability of the imposition of this compensation in any case does not exceed 50% (possible), and therefore it is not appropriate to register any provision, as it is considered a contingent liability. Likewise, in the event that it could eventually be declared well-founded, and the amount of the compensation could not be reliably estimated, the reference amount to be considered would be between 0 and 242 million dollars.

Moreover, with regard to civil compensation, even without evidence of a criminal conviction or a confession of the commission of crimes, as required under Article 9 of Law No. 30737, on June 28, 2018, the State of Peru classified Enagás Internacional on the "List of Contracts and Subjects of Category 2 indicating the legal person or legal entity included under Section II of Law No. 30737" in relation to the concession contract awarded to GSP. The application of the mentioned standard involves different measures to contribute to the payment of potential civil compensation, such as setting up an escrow account, reporting information, limiting transfers to other countries or preparing a compliance programme.

The total amount of the escrow account that would correspond to Enagás, estimated as 50% of the entire average equity that corresponds to its participation in GSP confirmed with the Ministry of Justice, amounts to 65.5 million dollars, Enagás having delivered a bank guarantee letter for this amount in August 2023 which has been renewed until July 2024.

The Peruvian State has also affirmed that the measure prohibiting companies included in Category 2 from making transfers outside of Peru, pursuant to Law No. 30737, is applicable. Based on the conclusions of Enagás' external and internal legal advisors, it is maintained that this measure would be applicable to the investment in GSP and should not restrict the dividends received from TGP (amounting to 542.2 million dollars), also considering that this investment is protected by the Legal Stability Agreements in force in Peru, a regulation whose prevalence and application has been formally requested to the Peruvian state.

In order to put into practice the application of these Legal Stability Agreements, direct negotiations with the Peruvian State were initiated on February 24, 2021, followed by the submission by Enagás of a request for international arbitration under the Spanish-Peruvian APPRI on December 23, 2021. In addition, Enagás Internacional has pledged its TGP shares in favour of Enagás Financiaciones, S.A.U. and Enagás, S.A. to guarantee the payment of its present or future obligations and debts.

With respect to this second ICSID arbitration procedure, the Arbitration Court was constituted on December 5, 2022, and Legal Resolution No. 1 was issued on January 26, 2023, establishing the procedural rules that govern the arbitration procedure until the award is handed down. On June 1, 2023, Enagás filed its Statement of Claim with ICSID, followed by the Statement of Defence from the Peruvian State on October 6, 2023. Enagás submitted its Reply Brief to ICSID on April 17, 2024, and the Peruvian State responded with its Rejoinder Brief on September 16, 2024. Hearings were held on October 28, 2024, and the Tribunal's decision is pending, expected in 2025.

As mentioned in the previous section, the GSP arbitration award has also addressed this issue. It determined that placing Enagás International in Category 2, along with the associated asset restrictions—which include a ban on transferring dividends abroad—violates the fair and equitable treatment to which Enagás International is entitled as an international investor.

Laika Research, A.I.E.

During 2022, the Company acquired 50% together with Enagás Infraestructuras de Hidrógeno, S.L.U., which acquired the other 50%. of the Economic Interest Grouping Laika Research, A.I.E. (hereinafter "A.I.E."), whose activity is research and development and technological innovation.

This investment is recorded under "Financial assets measured at amortised cost" as the A.I.E.'s activity is directed by another entity not related to the Company, which retains both the majority of the benefits and the risks of the activity, with the Company taking only tax incentives regulated by Spanish legislation. Enagás, S.A. charges the carry-forward tax losses and R&D deductions generated by the A.I.E. against the investments and by subtracting the debt recorded with the tax authorities, the corresponding income.

During 2024, the Company increased the capital of the A.I.E. by 288 thousands of euros. This amount was written off against the 2023 corporate income tax and generated financial income of 85 thousands of euros (730 thousands of euros in 2023) (See Note 4.2 and 2.1).

Moreover, in november 2024 the Company has sold its stake in the A.I.E., by exercising his put option for fifty euros, without having any impact on the Income Statement.

1.5 Dividends distributed and proposed

a) Proposed distribution of profit attributable to the company

The appropriation of 2024 profit corresponding to the Company proposed by the Board of Directors and which will be submitted for approval by the General Shareholders' Meeting is as follows:

	12.31.2024
Dividend	104,669
TOTAL	104,669

At a meeting held on November 18, 2024, the Board of Directors of Enagás, S.A. agreed to distribute an interim dividend charged against 2024 profit, based on the necessary liquidity statement, expressed in thousands of euros, amounting to 104,443 thousands of euros (0.400 euros gross per share), in accordance with Article 277 of the Spanish Corporate Enterprises Act.

The provisional accounting records prepared by the Company, in accordance with legal requirements and which presented balances sufficient for the distribution of the interim dividend in 2024, were as follows:

	Provisional accounting statement at October 31, 2024
Net accounting result	(68,623)
10% legal reserve	—
Interim dividend received from Group companies	334,338
Profit "available" for distribution	**265,715**
Forecast payment on account	**(104,443)**
Forecast cash balance for the period from October 31 to December 31:	
Cash balance	269,516
Projected collection for the period considered	390,067
Credit lines and loans available from financial institutions	1,550,000
Payments projected for the period under consideration (including the payment on account)	(423,817)
Estimated available financing after dividend distribution	**1,785,766**

The aforementioned interim dividend was paid on December 12, 2024.

The proposed gross final dividend from the 2024 profit is 0.0009 euros per share.

In addition to the proposed distribution of profit for 2024, it is proposed that a dividend of 156,968 thousands of euros (0.5991 euros per share) be paid out of voluntary reserves, bringing the total gross dividend proposed to 0.6000 euros per share.

These dividends are subject to approval by the ordinary General Shareholders' Meeting and are not included as a liability in these Annual Accounts. This gross complementary dividend will amount to a total maximum of 157,194 thousands of euros.

b) Total dividends paid

In addition to the aforementioned interim dividend for 2024, during 2024 Enagás, S.A. distributed the gross complementary dividend for 2023.

This dividend amounted to 272,479 thousands of euros (1.044 euros per share) and was paid on July 4, 2024.

1.6 Commitments and guarantees

Accounting policies

- A financial guarantee contract is a contract which requires that the issuer makes specific payments to repay the holder for losses incurred when a specific debtor does not fulfil payment obligations at maturity, in accordance with the original or modified conditions of a debt instrument. The rights and obligations associated with a financial guarantee will be considered as financial assets and financial liabilities. For subsequent valuation, a contract will be recognised as the greater amount of a) the amount resulting from standards relating to provisions or b) accumulated amortisation of the initial measurement and possible accrued income.
- An investment commitment corresponds to that obligation contracted with a related party which can give rise to outflows of funds or other resources in the future. The following is included among these: commitments not recognised in connection with contributing funds or resources as a consequence of incorporation agreements, capital intensive projects carried out by a business combination, commitments not recognised in connection with providing loans or other financial support to the joint venture, or commitments not recognised in connection with acquiring a stake, regardless of whether a specific future

At December 31, 2024 and 2023, the detail of the Company's commitments and guarantees is as follows:

Commitments and guarantees	Group companies, associates and related companies (Note 4.3)	Third parties	Total
2024			
Guarantees on financial debt	3,871,642	—	3,871,642
Guarantees and sureties granted - Other	59,887	67,235	127,122
Investment commitments	4,000	—	4,000
Total	3,935,529	67,235	4,002,764
2023			
Guarantees on financial debt	4,457,900	—	4,457,900
Guarantees and sureties granted - Other	44,189	178,193	222,382
Investment commitments	5,000	—	5,000
Total	4,507,089	178,193	4,685,282

a) Guarantees for debt with group companies, associates and related companies

	Thousands of euros	
	2024	2023
E. Financiaciones debt guarantee	3,278,561	3,180,303
Guarantee on the Enagás Internacional debt	—	361,484
Guarantee on the TAP debt	593,081	645,000
Guarantee on the Enagás Holding USA/Enagás USA debt	—	271,113
Total	3,871,642	4,457,900

The guarantees outlined above mainly correspond to:

- The guarantees provided by Enagás, S.A. for all the debt of Enagás Financiaciones for both the bond issues and the loans granted by different entities. These secured transactions include the Euro Medium Term Note (EMTN) programme for a maximum amount of 4,000 million euros which was listed on the Luxembourg Stock Exchange in 2012 and renewed on July 24, 2024, as well as the Euro Commercial Paper (ECP) programme for a maximum amount of 1,000 million euros, listed on the Irish Stock Exchange on May 4, 2017, and renewed on July 24, 2024, with no amounts drawn on the latter.

  The guarantees provided by Enagás, S.A. for all the debt of Enagás Financiaciones amount to 3,278,561 thousands of euros at December 31, 2024 (3,180,303 thousands of euros at December 31, 2023).

- It includes the corporate guarantee granted by Enagás, S.A. on behalf of the financial entities of Trans Adriatic Pipeline, AG (TAP), in accordance with the Financing Agreement signed by this company on November 30, 2018. This guarantee basically covers the following items:
  - Principal and interest of the Financing Agreement provided by TAP at any time;
  - Market value of the hedging instrument over the interest rate of the Financing Contract.

  TAP reached the "Financial Completion Date" on March 31, 2021, a milestone that allowed the partners to replace the guarantees provided on the company's debt during the construction phase of the infrastructure with a mechanism for shareholder support for the repayment of the TAP loan (Debt Payment Undertaking), which will be in effect until its maturity, and which would be activated in the event of certain extraordinary events.

This support mechanism has been granted jointly by each of TAP's shareholders, so that Enagás would only be liable, in a hypothetical case, for the amount corresponding to it in accordance with its stake in TAP's share capital.

This support mechanism during the operating period is contractually limited by a cap in force throughout the life of the financing arrangement, so that the amounts claimed from Enagás may never exceed a total amount of 1,091,022 thousands of euros, regardless of the market value of the derivative or any other contingency.

At December 31, 2024 the amount guaranteed by Enagás, S.A. in favour of TAP creditors amounts to 593,081 thousands of euros (645,000 thousands of euros at December 31, 2023).

- As of December 31, 2023, the Company had provided guarantees for the debt of Enagás Internacional, S.L.U., totalling 361,484 thousands of euros, and for the debt of Enagás Holding USA, S.L.U., totalling 271,113 thousands of euros. These debts were cancelled during the 2024 financial year.

b) Guarantees and sureties granted - Other

Group and related companies

This heading includes the following guarantees and sureties granted to group companies at December 31, 2024:

- Technical guarantees granted to third parties by Enagás Transporte, S.A.U. amounting to 3,712 thousands of euros (3,712 thousands of euros at December 31, 2023), all of which are counter-guaranteed by Enagás, S.A.
- Enagás Renovable, S.A. for 9,337 thousands of euros (5,450 thousands of euros at December 31, 2023), and Efficiency for LNG Applications, S.L. for 24,630 thousands of euros (24,630 thousands of euros at December 31, 2023) related to the projects of these companies, all counter-guaranteed by Enagás, S.A.
- Enagás, S.A. guarantees the hedging transactions undertaken by Enagás Internacional, S.L.U. The fair value of these transactions is 22,048 thousands of euros as of December 31, 2024, compared to 9,001 thousands of euros as of December 31, 2023 for the hedging transactions of both Enagás Internacional, S.L.U. and Enagás Holding USA, S.L.U.
- At December 31, 2023 the Company counter-guaranteed Enagás Internacional, S.L.U. the bid bond for the port concession in Colombia for the Buenaventura project in the amount of 1,360 thousands of euros. This insurance was cancelled during 2024.

Other parties with third parties

This includes technical guarantees provided to third parties by Enagás, S.A. amounting to 67,235 thousands of euros (178,193 thousands of euros as of December 31, 2023).

c) Investment commitments

Group and related companies

In relation to the Stade (HEH) project, Enagás S.A. maintains investment commitments for an estimated additional amount of 3,200 thousands of euros (5,000 thousands of euros as of December 31, 2023) until its construction, is completed. This commitment corresponds to the disbursements expected to be made by the Company until the start-up of this project, taking into account the forecast for the contracting of long-term debt. The infrastructure projects of the Company's and its subsidiaries are carried out through long-term contracts in which the Group-related project companies participate, where each project specifies the external debt required for their funding, without recourse to the shareholders or with limited recourse to the guarantees granted.

Additionally in relation with the project Stade, the project partners plan to commit extra funds to cover potential risks that may arise during the construction period and any deviations in amounts from the project's funding sources. For the Company, this additional commitment is approximately 800 thousands of euros until commissioning.

Consequently, the total investment commitments for the Stade project amount to 4,000 thousands of euros.

2. OPERATIONAL PERFORMANCE OF THE COMPANY

Relevant aspects

Operating profit

- Operating profit amounted to 322.8 million euros (Note 2.1).
- For the financial year 2024, there has been a 2.7% increase in personnel costs, amounting to 49 million euros, when compared to 2023 personnel costs. The external services costs amount to 38.7 million euros and are therefore aligned with those of 2023 (Note 2.1).

Workforce

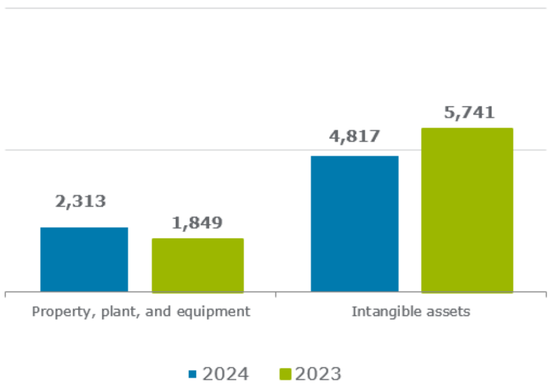
- At December 31, 2024, Enagás S.A.'s workforce comprised 337 employees, 188 of whom were women and 149 men. (Note 2.1).

Impairment of assets

- During 2024 the Company reversed impairments of its investments in group companies for a net amount of 2 million euros (Note 2.6).

Fixed assets

- The additions to fixed assets during 2024 and 2023 are distributed as follows (Notes 2.4 and 2.5):



2.1 Operating profit

Accounting policies

Recognition of income

The Company follows a process for the accounting recording of revenues derived from contracts with customers, which consists of the following stages:

1. Identify the contract with the customer, understood as an agreement between two or more parties that creates enforceable rights and obligations for them.
2. Identify the obligation or obligations to be fulfilled in the contract, representative of the commitments to transfer goods or provide services to a customer.
3. Determine the transaction price, or contract consideration to which the company expects to be entitled in exchange for the transfer of goods or provision of services committed to the customer.
4. Assign the transaction price to the obligations to be fulfilled, which must be based on the individual sales prices of each different goods or service committed to in the contract, or, if applicable, following an estimate of the sales price when this is not independently observable.
5. To recognise revenue from ordinary activities when the company fulfils a committed obligation through the transfer of a good or the rendering of a service; fulfilment that takes place when the customer obtains control of that good or service, so that the amount of revenue recognised will be the amount assigned to the fulfilled contractual obligation.

Recognition

The Company recognises revenue from a contract when control over the committed goods or services is transferred to the customer. For each identified performance obligation, the company determines at contract inception whether the obligation incurred will be settled over time or at a point in time.

Revenue from obligations that will be settled over time is recognised by reference to the stage of completion, or progress towards completion, of the contractual obligations, provided the company has reliable information to measure the stage of completion.

To determine the point at which the customer obtains control of the asset, the company considers the following indicators:

a. The customer assumes the significant risks and rewards of ownership of the asset.

b. The company transfers physical possession of the asset.

c. The customer receives the asset in accordance with the contractual specifications.

Valuation

Revenue from the sale of goods and the rendering of services is measured at the monetary amount or, where applicable, the fair value of the consideration received or expected to be received. The consideration is the agreed price for the assets to be transferred to the customer, less: the amount of any discounts, rebates or similar items that the company may grant; and interest included in the nominal amount of the receivables.

Under the accrual basis of accounting, revenue is recognised when control is transferred, regardless of the timing of collection or payment.

The Company recognises other income that does not relate to contracts with customers:

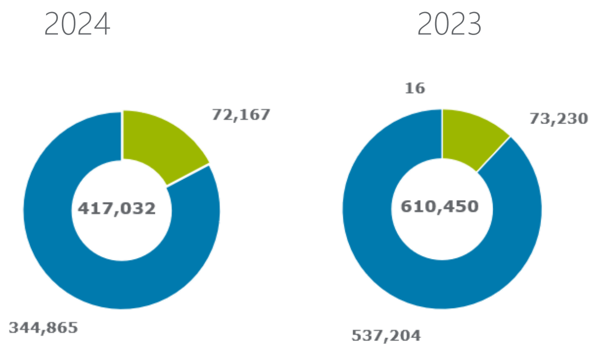
- Dividend income from investments: is recognised when the rights of the shareholders to receive payment have been established. In applying the criteria of the Spanish Accounting and Audit Institute through BOICAC 79, on the classification for accounting purposes in separate financial statements of the income and expenses of holding companies that apply the Spanish National Chart of Accounts, approved by Royal Decree 1514/2007, and on the calculation of the Company's revenue, the dividends and interest on loans received from its affiliates are included as an integral part of the Company's revenue.
- Interest income: is accrued based on a temporary financial criterion, based on the outstanding principal and the applicable effective rate, which is the rate of the estimated future cash flows over the expected life of the asset that is equal to its carrying amount.

Recognition of expenses

- Expenses are recognised in the income statement when there is a decrease in the future economic benefit related to a reduction in an asset or an increase in a liability that can be measured reliably. This means that an expense is recognised simultaneously with the recognition of the increase in the liability or the reduction of the asset.
- An expense is recognised immediately when a payment does not generate future economic benefits or when the prerequisites for capitalisation as an asset are not met.

a) Revenue

The breakdown of revenue by activity is the following:



- Services rendered: income from loans to group companies and associates
- Services rendered to group and multigroup companies
- Dividend income from group and multigroup companies

The breakdown of revenue in 2024 and 2023 by geographical markets is provided below:

	12.31.2024	12.31.2023
Spain	417,026	609,688
Latin America	6	762
Total	417,032	610,450

Dividend income

In relation to the dividend income of Enagás, S.A. as shareholder. The amount of dividends received in financial year 2024 amounting to 344,865 thousands of euros corresponds to the following distribution of dividends in the year 2024:

- Enagás Transporte, S.A.U. distributed a total of 268,748 thousands of euros in 2024 (306,400 thousands of euros in 2023):
  - A final dividend amounting to 3,748 thousands of euros.
  - An interim dividend of 265,000 thousands of euros charged to 2024 results.
- Enagás Internacional, S.L.U. distributed a total of 65,272 thousands of euros in 2024 (216,478 thousands of euros in 2023):
  - A final dividend amounting to 5,936 thousands of euros.
  - An extraordinary dividend charged to reserves in the amount of 59,336 thousands of euros.
- In 2024, Enagás Financiaciones, S.L.U. distributed a final dividend in the amount of 845 thousands of euros, as well as an interim dividend of 10,000 thousands of euros against 2024 results. (14,325 thousands of euros in 2023).

Also, as mentioned in Note 1.4 at December 31, 2024 there are dividends receivable amounting to 65,000 thousands of euros corresponding to Enagás Transporte,S.L.U. (39,700 thousands of euros at December 31, 2023).

Income for services rendered to group, multigroup companies and associates

The detail of income from services rendered is as follows:

	12.31.2024	12.31.2023
From customer contracts	72,082	72,500
Other Income	85	730
Total	72,167	73,230

Income from customer contracts corresponds to services provided by Enagás, S.A. to its group of affiliates for the rendering of corporate services.

Additionally, the “Other income” heading includes income from the investment in A.I.E. Laika Research amounting to 85 thousands of euros (Note 1.4.c).

b) Personnel expenses and social contributions

	12.31.2024	12.31.2023
Wages, salaries and similar	37,243	36,551
Wages and salaries	36,445	34,327
Termination benefits	798	2,224
Social contributions	12,235	11,622
Social security	6,059	5,765
Contributions to external pension funds (defined contribution plan)	958	870
Senior Managers’ Savings Plan Contributions	1,212	494
Other social contributions	4,006	4,493
Total	49,478	48,173

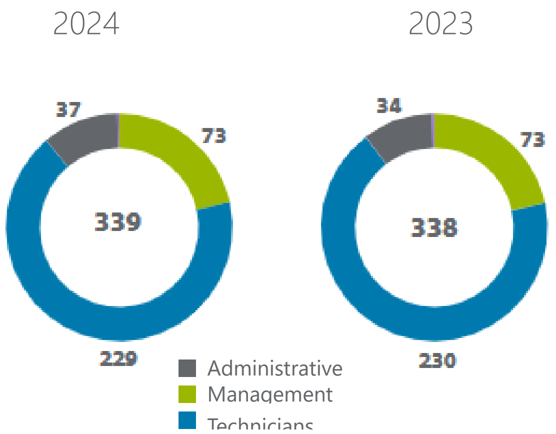
In 2024, three employees were terminated by mutual agreement. The corresponding expenditure for two of them was provisioned for in previous years.

Company contributions to the pension plan amounted to 958 thousands of euros in financial year 2024 (870 thousands of euros in 2023) and are recorded under the heading “Social contributions”, included under “Personnel Expenses” of the attached Income Statement. Furthermore, it includes the Senior Managers’ Savings Plan in the amount of 1,212 thousands of euros (494 thousands of euros in 2023).

The Company makes contributions, in accordance with the approved pension plan adapted to the provisions of the Spanish Pension Plans and Funds Act, to a defined contribution plan called “Enagás Fondo de Pensiones”, whose fund manager is Gestión de Previsión y Pensiones, S.A. and its custodian Banco Bilbao Vizcaya Argentaria, S.A., and which covers the Company’s obligations with respect to serving employees. The aforesaid plan recognises certain vested rights for past service and undertakes to make monthly contributions averaging 4.02% of eligible salary (4.04% in 2023). It is a mixed plan covering retirement benefits, disability and death. The total number of people adhered to the plan at December 31, 2024 totalled 336 participants (336 participants at December 31, 2023).

The contributions made by the Company each year in this connection are recognised under “Personnel Expenses" in the Income Statement. At year-end 2024 and 2023, there were no contributions payable in this connection. In addition, the Company has outsourced its pension commitments with its senior managers by means of a mixed group insurance policy for pension commitments, including benefits in the event of survival, death and employment disability.

The average number of employees at Enagás S.A. by professional category is as follows:



At December 31, 2024, the Company's workforce consisted of 337 employees (338 employees in 2023).

The distribution of the professional categories by gender is as follows:

Categories	2024		2023	
	Men	Women	Men	Women
Management	42	29	44	30
Technicians	102	127	106	123
Administrative workforce	5	32	5	30
Total	149	188	155	183

The "Executives" category encompasses the Senior Management of Enagás, S.A., which now comprises eight individuals (five men and three women). As of December 31, 2023, it consisted of seven individuals (five men and two women) (Note 4.4). During 2024 and 2023, the average number of staff with disabilities greater than or equal to 33% employed by the Company, broken down by categories, is as follows:

	2024	2023
Technicians	1	1
Administrative workforce	3	2
Total	4	3

c) Other operating expenses

	12.31.2024	12.31.2023
External services	38,726	38,802
Taxes	266	1,064
Others	20	130
Total	39,012	39,996

The most significant expenses under the heading "External services" correspond to repair and maintenance services necessary for the provision of services amounting to 11,832 thousands of euros at December 31, 2024 (12,536 thousands of euros at December 31, 2023) as well as for the services of independent professionals for the amount of 7,295 thousands of euros at December 31, 2024 (6,696 thousands of euros at December 31, 2023).

d) Impairment and results on equity instruments

During the 2024 financial year, a negative impairment loss of 1,628 thousands of euros was recognised on the investment in Enagás Emprende. Additionally, a partial reversal of the impairment loss on the investment in Enagás Services Solutions was recorded, totalling 3,701 thousands of euros (Note 1.4.a).

During 2023 there were no impairments or gains or losses on disposal of investments.

2.2 Trade and other receivables

Accounting policies

Contract assets

- Unconditional right to receive the consideration

When the Company has an unconditional right to the consideration, irrespective of the transfer of control of the assets, a receivable is recognised under "Trade and other receivables" in current or non-current assets, depending on its maturity based on the normal operating cycle.

- Entitlement to consideration for transfer of control

When control of a contractual asset is transferred without an unconditional right to revenue, the Company recognises a right to consideration for the transfer of control. This entitlement to consideration for the transfer of control is derecognised when an unconditional right to receive the consideration arises.

These balances, like unconditional rights, are reported under trade receivables. They are classified as current or non-current depending on their maturity.

Significant estimates and judgements

- At least at each reporting date the Company performs an impairment test on financial assets not measured at fair value (Note 1.4).

The balance recorded under "Customers, Group companies and associates" at December 31, 2024 and 2023 has the following breakdown (Note 4.3):

	12.31.2024	12.31.2023
Enagás Internacional, S.L.U.	125	628
Enagás GTS, S.A.U.	984	1,370
Enagás Transporte, S.A.U.	1,781	10,050
Enagás USA, LLC	89	—
Enagás Emprende, S.L.U.	851	708
Enagás Infraestructuras de Hidrógeno	2,897	887
Enagás Services Solutions, S.L.U.	10	131
Others	141	147
Total	6,878	13,921

These balances relate mainly to the corporate services rendered by Enagás, S.A., which mature after December 31, 2024.

2.3 Trade and other payables

Accounting policies

- Generally, Financial liabilities at amortised cost generally include trade payables ("trade payables") and non-trade payables ("other payables").
- These payables are initially recognised at the fair value of the consideration received, adjusted by directly attributable transaction costs. These liabilities are subsequently measured at their amortised cost.
- In accordance with the ICAC Resolution of January 29, 2016, the calculation of the average payment period to suppliers takes into consideration the commercial transactions corresponding to the delivery of goods or rendering of services accrued since the date of the entry into force of Law 31/2014, of December 3.
- Suppliers, for the exclusive purposes of providing the information set forth in this Resolution, are considered to be trade payables owed to suppliers of goods and services included in the items "Suppliers", "Suppliers, group companies and associates" and "Other payables" under current liabilities in the balance sheet.
- "Average payment period to suppliers" is understood to be the time that passes between the delivery of the goods or rendering of the services by the supplier and the material payment for the transaction.
- The maximum payment term applicable to the Company in 2023 under Law 3/2004, of December 29, establishing measures to combat late payments in commercial transactions, is 60 days. In order to obtain the foregoing information, payment obligations that have been the object of withholdings as a result of embargoes, enforcement orders, administrative compensation proceedings, or other similar acts handed down by legal or administrative bodies were excluded.

Trade and other payables

Trade and other payables	12.31.2024	12.31.2023
Suppliers	7,739	8,816
Suppliers, group companies and associates	34	444
Other payables	506	786
Personnel	9,817	6,998
Other debts with the Public Administrations (Note 4.2)	19,543	34,799
Customer advances	16,825	13,282
Total	54,464	65,125

The balance of the "Suppliers" heading corresponds mainly to purchases of materials and services rendered to Enagás, S.A., whose counterpart is recorded in "External services" of the income statement.

The heading "Customer advances" mainly includes the charges from Power to Green Hydrogen Mallorca S.L., which pertain to the Mallorca project and the construction of the hydrogen plant and hydrogen station.

Assets related to this project are listed under "Inventories". During the 2024 financial year, additions of 884 thousands of euros were recorded, leaving a balance as of December 31, 2024 of 16,497 thousands of euros (15,613 thousands of euros on December 31, 2023). The transfer of risks and benefits is expected during 2025, at which time inventories and customer advances relating to the project will be written off.

The "Personnel" heading includes the accrual of the variable remuneration corresponding to the current year, which will be paid during the first quarter of 2025. This section also includes 50% of the outstanding balance for the cash portion of the Long-Term Incentive Plan (Note 4.4), to be paid in 2025, as well as the three-year bonus programme based on performance for the rest of the Company's staff. Both were reclassified from long-term status in 2024. As of December 31, 2024, this amount is 2,628 thousands of euros.

Information on the average payment period

Below follows the information required by the Additional provision three of Law 15/2010 of July 5 (amended by Final provision two of Law 31/2014 of December 3) prepared in accordance with the Resolution of the ICAC of January 29, 2016, as well as by Law 18/2022, of September 28, on the creation and growth of companies, together with ICAC Consultation 1-132 of October 2022, regarding information to be included in the notes to the Annual Accounts in relation to the average payment period to suppliers in commercial operations.

Days	2024	2023
Average payment period to suppliers	19	53
Ratio of paid operations	18	54
Ratio of operations pending payment	28	32

Amount	2024	2023
Total payments made	120,164	47,039
Total pending payments	3,217	3,400

Suppliers, for the exclusive purposes of providing the information set forth in this Resolution, are considered to be trade payables owed to suppliers of goods and services included in the items "Payable to suppliers", "Payable to suppliers - Group companies and associates" and "Other payables" under current liabilities in the balance sheet.

“Average payment period to suppliers” is understood to be the time that passes between the delivery of the goods or rendering of the services by the supplier and the material payment for the transaction.

The maximum payment term applicable to the Company in 2024 and 2023 under Law 3/2004, of December 29, establishing measures to combat late payments in commercial transactions, is 60 days. In order to obtain the foregoing information, payment obligations that have been the object of withholdings as a result of embargoes, enforcement orders, administrative compensation proceedings, or other similar acts handed down by legal or administrative bodies were excluded.

The monetary volume of invoices paid within the deadline established by Law 3/2004 of December 29, 2004 amounted to 111,662 thousands of euros, representing 93% of the total monetary volume. In terms of the number of invoices paid, 4,259 invoices were paid within the deadline, representing 81% of the total number of invoices.

2.4 Property, plant, and equipment

Accounting policies

- The cost model is applied, that is, the corresponding assets are measured at acquisition or production cost less the corresponding accumulated amortisation and any impairment losses.
- Acquisition or production cost includes:
- Finance expenses relating to the financing of infrastructure projects accrued only during the construction period, when the building work lasts for more than one year.
    - Personnel expenses directly related to work in progress, lowering personnel expenses (Note 2.1).
    - The costs of renovation, extension or improvement are incorporated into the asset as the greatest value of the asset exclusively when they imply an increase in its capacity, productivity or prolongation of its useful life, with deduction of the net carrying amount of the substituted goods, if any. Conversely, the periodic expenses of maintenance, conservation and repair are charged to income for the year in which they are incurred.
- Amortisation entered on a linear basis once the assets are ready for use, in accordance with the following useful lives:

	Annual rate	Useful life (years)
Buildings	3%-2%	33.33-50
Other technical facilities and machinery	12%-5%	8.33-20
Equipment and tools	30 %	3.33
Furniture and fixtures	10 %	10
Information technology equipment	25 %	4
Transport equipment	16 %	6.25

Significant estimates and judgements

- The amortisation of assets recorded as property, plant and equipment follows the straight-line method, applying annual amortisation percentages calculated based on the years of estimated useful life of the respective goods.
- The Directors consider that the carrying amounts of the assets do not exceed the recoverable amounts which result from calculating discounted future cash flows generated by said assets based on foreseen remuneration under current regulations.

2024	Opening balance	Inputs or provisions	Increases or decreases due to transfers	Decreases, disposals or reductions	Balance at year-end
Land and buildings	35,942	—	—	–	35,942
Technical facilities and machinery	4,894	—	–	–	4,894
Other facilities, tools, and furniture	39,145	1,593	423	—	41,161
Prepayments and work in progress	1,106	720	(423)	—	1,403
Total cost	81,087	2,313	—	—	83,400
Land and buildings	(22,180)	(914)	-	-	(23,094)
Technical facilities and machinery	(4,762)	(21)	–	–	(4,783)
Other facilities, tools, and furniture	(34,345)	(1,963)	–	—	(36,308)
Prepayments and work in progress	—	–	–	–	—
Total amortisation	(61,287)	(2,898)	—	—	(64,185)
Land and buildings	13,762	(914)	—	–	12,848
Technical facilities and machinery	132	(21)	–	–	111
Other facilities, tools, and furniture	4,801	(370)	423	—	4,854
Prepayments and work in progress	1,105	720	(423)	—	1,402
Net Carrying Amount of Property, plant, and equipment	19,800	(585)	—	—	19,215

2023	Opening balance	Inputs or provisions	Increases or decreases due to transfers	Decreases disposals or reductions	Balance at year-end
Land and buildings	35,417	17	508	–	35,942
Technical facilities and machinery	4,816	78	–	–	4,894
Other facilities, tools, and furniture	37,169	1,367	727	(118)	39,145
Prepayments and work in progress	1,996	387	(1235)	(42)	1,106
Total cost	79,398	1,849	–	(160)	81,087
Land and buildings	(21,257)	(923)	—	—	(22,180)
Technical facilities and machinery	(4,743)	(19)	—	—	(4,762)
Other facilities, tools, and furniture	(32,488)	(1,886)	—	29	(34,345)
Prepayments and work in progress	—	—	—	—	—
Total amortisation	(58,488)	(2,828)	—	29	(61,287)
Land and buildings	14,160	(906)	508	–	13,762
Technical facilities and machinery	73	59	–	–	132
Other facilities, tools, and furniture	4,681	(519)	727	(89)	4,801
Prepayments and work in progress	1,996	387	(1235)	(42)	1,105
Net Carrying Amount of Property, plant, and equipment	20,910	(979)	–	(131)	19,800

The additions recorded at December 31, 2024 under the heading "Other facilities, tools and furniture" correspond to additions in information processing equipment mainly related to projects for the evolution of the corporate platform and IT infrastructure in the amount of 1,540 thousands of euros.

In relation to the transfers for the 2024 financial year, they pertain to technological advancements in hardware for transforming the LAN network at head office locations, amounting to 423 thousands of euros.

Additionally, the increases in "Prepayments and work in progress" are related mainly to updating the facilities of the Titán building for the "new Corporate University" project, as well as adapting workspaces in the headquarters building, totalling 550 thousands of euros.

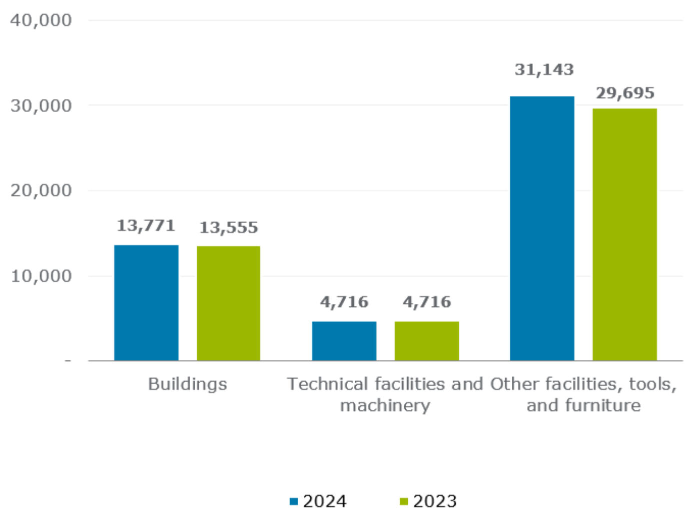
There are no mortgages or encumbrances of any type on assets recorded as property, plant, and equipment.

It is the Company policy to insure its assets to ensure that there is no significant loss of equity, based on best market practices, given the nature and characteristics of the items of Property, Plant and Equipment.

In addition, the Company has contracted the corresponding insurance policies to cover third party civil liabilities.

Fully depreciated PP&E items recognised by Enagás and still in use at 2024 and 2023 year-end are broken down as follows:

Fully amortised elements



2.5 Intangible assets

Accounting policies

- As a general rule, intangible assets are initially measured at acquisition or production cost. They are subsequently measured at cost less accumulated amortisation and impairment losses, if any.

Research and development expenses

- Research costs are activated, with 95% of the cost amortised in the first year and the rest in the following year, provided that they are specifically identified by project, their amount can be clearly established and there are well-founded reasons for trusting in the technical success and in economic-commercial profitability of the project.
- Development costs are capitalised by amortising on a straight-line basis over the corresponding useful life, provided they are specifically related to projects, their amounts can be clearly established, and technical success and economic feasibility of the project are reasonably assured.

IT applications

- Acquisition and development costs incurred with respect to basic IT systems used for management are recognised with a charge to "Intangible assets" in the balance sheet. Maintenance costs of IT systems are recognised in the income statement for the year in which they are incurred. They are measured at the amount disbursed for ownership or right-of-use of the IT programmes, as well as their production cost if they are developed by the Company. They are amortised over a period of four years.
- Intangible fixed assets amortised based on their defined service life, if any, which is equivalent to the following amortisation percentages:

	Annual rate	Useful life
Development costs	5%-50%	20-2
Other intangible assets	20 %	5
IT applications	25 %	4

2024	Opening balance	Inputs or provisions	Increases or decreases due to transfers	Decreases, disposals or reductions	Balance at year-end
Research and Development	11,962	241	—	—	12,203
IT applications	145,534	4,576	—	(126)	149,984
Other intangible assets	6,724	—	—	—	6,724
Total cost	164,220	4,817	—	(126)	168,911
Research and Development	(11,891)	(269)	—	—	(12,160)
IT applications	(121,366)	(5,229)	—	—	(126,595)
Other intangible assets	(6,724)	—	—	—	(6,724)
Total amortisation	(139,981)	(5,498)	—	—	(145,479)
Research and Development	71	(28)	—	—	43
IT applications	24,168	(653)	—	(126)	23,389
Other intangible assets	—	—	—	—	—
Net Carrying Amount Intangible Assets	24,239	(681)	—	(126)	23,432

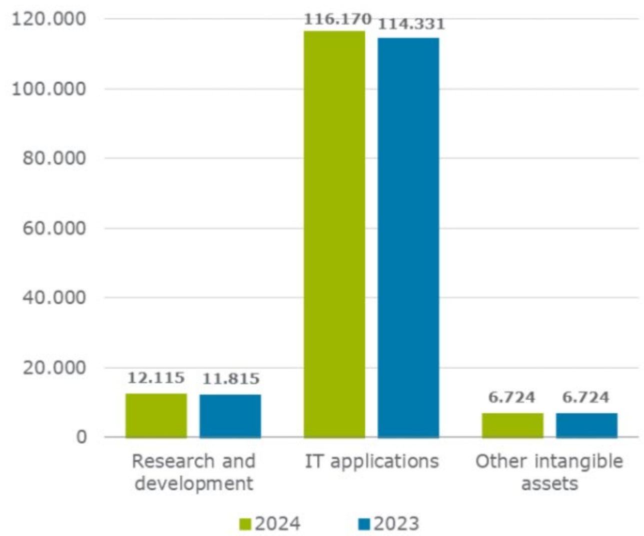
2023	Opening balance	Inputs or provisions	Increases or decreases due to transfers	Decreases, disposals or reductions	Balance at year-end
Research and Development	11,774	188	—	—	11,962
IT applications	139,981	5,553	—	—	145,534
Other intangible assets	6,724	—	—	—	6,724
Total cost	158,479	5,741	—	—	164,220
Research and Development	(11,664)	(227)	—	—	(11,891)
IT applications	(116,666)	(4,700)	—	—	(121,366)
Other intangible assets	(6,724)	—	—	—	(6,724)
Total amortisation	(135,054)	(4,927)	—	—	(139,981)
Research and Development	110	(39)	—	—	71
IT applications	23,315	853	—	—	24,168
Other intangible assets	—	—	—	—	—
Net Carrying Amount Intangible Assets	23,425	814	—	—	24,239

The additions to "IT applications" in 2024 refer mainly to the following projects:

- There has been development and updating of IT infrastructures, cybersecurity, and process automation, costing 2,104 thousands of euros.
- The development of Budget, Forecast, and projection processes totalled 1,050 thousands of euros.
- The implementation of the SCADA Monarch system amounted to 467 thousands of euros.

At December 31, 2024 and 2023, the Company had recorded fully amortised intangible assets that remained in use, based on the following detail:

Fully amortised elements



2.6 Impairment of non-financial assets

Accounting policies

- At each year-end, or when there are indications of impairment, the Group analyses the recoverable amounts to determine the possibility of impairment. This recoverable amount is the greater of the market value minus the cost necessary for its sale and the value in use, understood as the current value of the estimated future cash flows. For the calculation of the recovery value of property, plant, and equipment, the value in use is the criterion used by the Company in most cases.
- In the event that the recoverable amount is lower than the net carrying amount of the asset, the corresponding impairment provision is recorded by the difference, charged to "Impairment and gains/(losses) on disposal of assets" in the attached income statement.

Significant estimates and judgements

- Determination of impairment losses on non-current assets other than financial assets is based on fulfilment of a series of hypotheses which are described below in this note and are revised annually.
- To estimate value in use, the Company estimates projections regarding future cash flows before taxes based on the most recent budget forecasts approved by the Directors. These budgets use the best available income and costs estimates for each element, using sector forecasts, past experience and future expectations.
- These forecasts cover flows for future years, applying reasonable growth rates that, in any case, from the last year are increasing.
- To calculate the current value, these flows are discounted at a rate, before taxes, which includes the cost of business capital. For its calculation, the current value of money is taken into consideration together with the risk premiums generally used by analysts of the business in question.

At December 31, 2024 no impairments of the Company's existing assets were recorded other than those mentioned in each note to these Annual Accounts. Furthermore, there are no accumulated impairments of non-financial assets.

2.7 Leases

Accounting policies

- Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Finance leases

- At December 31, 2024 and 2023 the Company had no finance leases.

Operating leases

- In operating leases in which the Company acts as the lessee, expenses resulting therefrom are charged to income statement for the year in which they are incurred.
- Any proceeds or payments in connection with an operating lease are treated as advance proceeds or payments and recognised in the income statement over the term of the lease as the benefits of the leased asset are received or conceded.

With regard to operating leases, in its position as lessee, the amount of operating leases payments recognised as an expense in 2024 was 3,823 thousands of euros (3,741 thousands of euros in 2023).

The most significant operating leases held by the Company at the end of 2024 and 2023 are the leases on the office buildings held by the Company in Madrid, which expire in 2025 in the case of the Company's head office, for an annual amount of 2,278 thousands of euros. The remainder, in 2025 and 2027, amounts to a total annual amount of 1,202 thousands of euros.

The minimum future payments of non-cancellable lease contracts (excluding the impact of shared expenses, future CPI increases, or future contractual rent updates) at the end of the 2024 and 2023 financial years are as follows:

Operating leases	Face value	
Minimum fees to pay	2024	2023
Less than a year	3,710	3,903
Between one and five years	2,529	6,165
Total	6,239	10,068

In its position as lessor, at year-end 2024 the company maintains the lease of part of its offices which expires in 2027 and whose annual amount is 262 thousands of euros; this represents an amount of 524 thousands of euros to be collected between 1 and 5 years.

2.8 Provisions and contingent liabilities

Accounting policies

- While drawing up the Company's Annual Accounts, the Directors made a distinction between the following:
- Provisions: Credit balances covering present obligations arising from past events, the settlement of which is likely to cause an outflow of resources, but which are uncertain as to their amount and/or time of settlement.
- Contingent liabilities: Potential obligations that arise from past events and whose future settlement is dependent on the occurrence or non-occurrence of one or more future events that are beyond the control of the Company, and present obligations that arise from past events and for which it is not probable that an outflow of resources will be required to settle them or for which the amount of the obligation cannot be measured with sufficient reliability.
- Contingent assets: assets of a possible nature arising from past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the control of the entity.
- The annual accounts include all provisions for which it is considered more likely than not that the corresponding obligation will have to be settled. Contingent liabilities are not recognised in the Annual Accounts, but are disclosed in the Notes to the Annual Accounts, unless they are considered to be remote.
- Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences and any adjustments arising from the restatement of these provisions are recognised as finance cost as they are accrued.
- The compensation to be received from a third party when an obligation is settled is recognised as an asset, provided it is certain that reimbursement will be received, unless there is a legal relationship whereby a portion of risk has been externalised as a result of which the Company is not liable, in which case, reimbursement will be taken into consideration in estimating the amount of any provisions.

Significant estimates and judgements

- The compensation to be received from a third party when an obligation is settled is recognised as an asset, provided it is certain that reimbursement will be received, unless there is a legal relationship whereby a portion of risk has been externalised as a result of which the Company is not liable, in which case, reimbursement will be taken into consideration in estimating the amount of any provisions. The policy followed with respect to the recognition of provisions for risks and expenses is to recognise the estimated amount required to settle probable or certain liabilities arising from litigation underway, pending indemnities or liabilities, sureties and similar guarantees. They are recognised upon emergence of the liability or obligation determining the indemnity or payment.
- At the end of 2024, in addition to the appeal filed by the Company in relation to the assessments signed in disagreement of the Corporate Income Tax for 2012 to 2015 (Note 4.2), various legal proceedings and claims filed against the Company arising from the normal course of its activities were in progress. Both the legal advisors of the Company and its Directors judge that the conclusion of these procedures and claims will not have a significant effect on the Annual Accounts of the financial years in which they are finalised that have not been recorded or indicated in these Annual Accounts.

a) Provisions

At December 31, 2024, there are no significant contingencies that need to be disclosed in the Company's Annual Accounts.

Non-current provisions	Opening balance	Provisions	Reversals	Short-term reclassifications	Balance at year-end
2024					
Personnel remuneration	1,912	1,209	(2)	(2,627)	492
Other liabilities	5,694	204	–	–	5,898
Total non-current provisions	7,606	1,413	(2)	(2,627)	6,390
2023					
Personnel remuneration	925	1,078	(91)	–	1,912
Other liabilities	–	5,694	–	–	5,694
Total non-current provisions	925	6,772	(91)	–	7,606

The heading "Personnel remuneration" includes the cash portion of the 2022-2024 Long-Term Incentive Plan to be settled (Note 4.4), which will be paid in 2025 and 2026, as well as the three-year bonus plan for contribution to results aimed at the remaining personnel of the Company, which will be paid in 2025.

During the 2024 financial year, the part of the Incentive Plan that will be paid in 2025, along with the three-year bonus, has been reclassified as short-term.

In the 2023 financial year, a tax provision was included under "Other liabilities", which amounted to 5,898 thousands of euros (comprising tax instalment and interest for late payment) as of December 31, 2024 (5,694 thousands of euros as of December 31, 2023). This provision has its origin in the disputed tax assessments due to the non-acceptance of part of the deduction for technological innovation (TI) applied in the 2012-2015 financial years.

This risk has been considered likely due to the publication of several rulings by the National High Court, in which the High Court changes the criterion for the classification of software and therefore generally accepts the thesis of the Tax Authority 's IT team with regard to the classification of software for the purposes of applying the deduction for technological innovation.

The Directors of the Company consider that the provisions recognised in the accompanying Balance Sheet for litigation and arbitration risk as well as other risks described in this note are adequate and, in this respect, they do not expect any additional liabilities to arise other than those already recorded. Given the nature of the risks covered by these provisions, it is not possible to determine a reasonably reliable schedule of payment dates, if any.

b) Contingent assets and liabilities

At December 31, 2024, there are no significant contingencies that need to be disclosed in the Company's Annual Accounts in addition to those indicated in Note 1.4.c in relation to the GSP project in Peru.

3. CAPITAL STRUCTURE, FINANCING AND FINANCIAL RESULT

Relevant aspects

Credit rating of the Company

- On July 19, 2024, the credit rating agency Fitch Ratings upgraded Enagás to BBB+, with a stable outlook. On July 31, 2024, the credit rating agency Standard & Poor's placed Enagás' credit rating at BBB+, with a stable outlook (Note 3.5).

Equity

As at December 31, 2024, the equity of the Company amount to 2,438 million euros.

With respect to the Company's share capital, the following should be mentioned:

- The price of the Enagás, S.A. shares amounted to 11.78 euros per share at December 31, 2024.
- A maximum value of 15.88 euros per share for 2024 was reached on January 12.
- No individual or legal entity can invest directly or indirectly in a proportion in excess of 5% of the share capital of Enagás, S.A., nor exercise political rights in this company above 3% (1% for those subjects who, directly or indirectly, perform activities in the gas sector). These restrictions are not applicable to direct or indirect holdings corresponding to the public business sector (Note 3.1).

Financial debt

The average annual interest rate during 2024 for the Company's gross financial debt (considering both debt with credit institutions and Group companies) amounted to 2.6% (2.4% in 2023).

Debt with group companies has been reduced by 288 million euros, improving the company's working capital in line with the previous year.

The main operations for the year were:

- Enagás Internacional repaid loans amounting to 227 million euros.
- Enagás Financiaciones granted loans amounting to 221 million euros.

Risk management

- The Company has established a risk control and management model based on the principle of due control, aimed at ensuring the achievement of its targets in line with the Company's risk tolerance level and the risk appetite approved by the governing bodies, and with a risk profile periodically assessed for all its risks (Note 3.5).

3.1 Equity

a) Share capital

At 2024 and 2023 year-end, the share capital of Enagás S.A. amounted to 392,985 thousands of euros, represented by 261,990,074 shares with a nominal value of 1.5 euros each, fully subscribed, and paid in.

All shares of the parent company Enagás, S.A. are listed on the four official Spanish Stock Exchanges and are traded on the continuous market. At the closing of December 31, 2024 the quoted share price was 11.78 euros, having reached a maximum of 15.88 euros per share on January 12, 2024.

It is worth noting that, subsequent to publication of Additional Provision 31 of Hydrocarbon Sector Law 34/1998, in force since enactment of Law 12/2011, of May 27,"no natural or legal person can participate directly or indirectly in the shareholder structure of Enagás, S.A with a stake exceeding 5% of share capital, nor exercise political rights in said parent company exceeding 3%. These shares cannot be syndicated under any circumstances." Furthermore, "any party operating within the gas sector, including natural persons or legal entities that directly or indirectly own equity holdings in the former of more than 5%, may not exercise voting rights over 1%." These restrictions shall not apply to direct or indirect interests held by public-sector enterprises.

At December 31, 2024 and 2023 the most significant shareholdings in the share capital of Enagás, S.A. were as follows (from the information published by the National Securities Market Commission (CNMV) (1) at December 31, 2024):

	Investment in share capital (%)	
Company	12.31.2024	12.31.2023
Sociedad Estatal de Participaciones Industriales	5.000	5.000
Partler 2006 S.L.	5.000	5.000
Bank of America Corporation	3.614	3.614
BlackRock Inc.	4.800	5.422
Mubadala Investment Company PJSC	—	3.103
Millenium Group Management LLC	2.148	—

(1) The information obtained from the CNMV was based on the last notification that each entity thus obliged must send to said body, in connection with the stipulations of Royal Decree 1362/2007, of October 19 and Circular 2/2007, of December 19.

b) Issue premium

At December 31, 2024 and 2023 the Company's issue premium amounted to 465,116 thousands of euros.

The Consolidated Text of the Corporate Enterprises Act expressly permits the use of the issue premium account balance to increase capital and does not establish any specific restrictions as to its use.

c) Treasury shares

At December 31, 2024 the Company held 866,271 treasury shares, representing 0.3% of total shares of Enagás S.A. This is in line with the framework of the "Temporary Treasury Share Buy-Back Scheme", whose exclusive aim was to meet the obligations of delivering shares to the Executive Director and members of the Enagás Group management team under the current remuneration scheme according to the terms and conditions of the 2022-2024 Long-Term Incentive Plan (ILP) and the Remuneration Policy approved at the General Shareholders' Meeting held on March 31, 2022. In 2024, the "Temporary Share Buy-back Programme" was extended to meet obligations from the Parent Company's flexible remuneration plan, which involves delivering shares to employees and senior managers at Enagás, S.A. and its Group companies.

The shares were purchased in compliance with the conditions set out in Article 5 of Regulation EC/2273/2003 and subject to the terms authorised at the General Shareholders' Meeting held on March 31, 2022. Management of the Temporary Treasury Share Buy-Back Scheme was entrusted to Banco Bilbao Vizcaya Argentaria (BBVA), which carried out the transaction on behalf of Enagás, S.A. independently and without exercising influence on the process (Note 4.4).

During the period from January 1, 2024 to December 31, 2024, the following movements in treasury shares have taken place:

No. of shares as at January 1, 2024	No. of shares acquired new target	No. of shares implemented for the target	No. of shares as at December 31, 2024
723,579	416,522	(273,830)	866,271

d) Reserves

The Corporate Enterprises Act stipulates that 10% of profit for the year must be transferred to the legal reserve until it represents at least 20% of share capital. During 2024 no legal reserve has been recorded as it has been fully constituted as of December 31, 2024 for a total amount of 78,597 thousands of euros.

The legal reserve can be used to increase capital by the amount exceeding 10% of the new capital after the increase. Except for this purpose, until the legal reserve exceeds the limit of 20% of capital, it can only be used to compensate losses provided there are no other reserves available.

3.2 Financial debts

Accounting policies

The Company classifies all financial liabilities in the following category:

Financial liabilities classified in this category are initially measured at fair value, which, until proven otherwise, is assumed to be the transaction price, which is the fair value of the consideration received plus transaction costs.

The amortised cost method is used for subsequent measurement. Accrued interest is recognised in the income statement (financial expenses) using the effective interest rate method.

Derecognition of financial liabilities

The Company derecognises a previously recognised financial liability when any of the following circumstances arise:

- The obligation has been extinguished because payment has been made to the creditor to cancel the debt, or because the debtor is legally released from any responsibility for the liability.
- The Company's own financial liabilities are acquired, even when it is the intention to repositioning them in the future.
- There is an exchange of debt instruments between a lender and a borrower, provided that they have substantially different terms, and the new financial liability that arises is recognised; similarly, a substantial modification of the current terms of a financial liability is recorded, as indicated for debt restructuring.

The accounting for the derecognition of a financial liability is as follows: the difference between the carrying amount of the financial liability (or part thereof that has been derecognised) and the consideration paid, including attributable transaction costs, and which also includes any asset transferred other than cash or liability assumed, is recognised in the income statement for the year in which it occurs.

Categories	Amortised cost		Total	
Class	2024	2023	2024	2023
Other financial liabilities	65	63	65	63
Total long-term debts	**65**	**63**	**65**	**63**
Financial debts with credit institutions	–	–	–	–
Debt arrangement expenses and accrued interest payable	61	86	61	86
Creditors and other financial liabilities	4,159	5,267	4,159	5,267
Total short-term debts	**4,220**	**5,353**	**4,220**	**5,354**
Total debts	4,285	5,416	4,285	5,416

a. Long-term financial liabilities

As of December 31, 2024, the Company has a syndicated sustainable credit line of 1,550,000 thousands of euros that has not been used (Note 3.6), with its pricing linked to the reduction of CO_2 emissions. This credit line is held by 12 national and international financial institutions.

In the opinion of the Directors, this situation allows for sufficient funding to meet possible liquidity requirements in the short-term considering its current obligations.

The average rate of gross debt (considering debt with credit institutions and group companies) in 2024 was 2.6% (2.4% in 2023).

The Directors of the Company estimate that the fair value of the bank debts contracted at December 31, 2024 and December 31, 2023 does not differ significantly from their carrying amounts.

b. Short-term financial liabilities

During the year 2024 there were no significant transactions with financial liabilities under the heading "Short-term debt".

c. Debts with group companies

	Long-term		Short-term	
	2024	2023	2024	2023
Enagás Financiaciones, S.A.U.	2,513,364	2,477,917	177,309	69,490
Enagás Internacional, S.L.U.	–	245,790	–	215,169
Enagás Emprende, S.L.U.	–	–	534	2,076
Enagás Infraestructuras de Hidrógeno, S.L.U.	–	–	745	2,756
Enagás Services Solutions, S.L.U.	–	–	484	–
Musel Energy Hub, S.L.	–	–	31,024	–
Enagás Holding USA, S.L.U.	–	–	1,547	338
Scale Gas Solutions, S.L.	–	–	297	169
Other	–	–	125	51
Total	2,513,364	2,723,707	212,065	290,049

The average rate for 2024 for loans with group companies was 2.5% (2.3% for 2023).

The main changes in Debts with Group Companies included the following:

- Credit granted by Enagás Financiaciones, S.A.U., and drawn down during financial year 2024 in the amount of 221,000 thousands of euros.
- Repayment of a credit granted by Enagás Financiaciones, S.A.U. amounting to 66,276 thousands of euros.
- Following the notification on December 20, 2024 of the award that resolved the arbitration dispute with Peru, the account payable to Enagás Internacional for the recovery of the investment in GSP, totalling 260,516 thousands of euros (271,979 thousands of dollars), has been cancelled. On the same date, the loan granted by Enagás Internacional was fully paid off by offsetting it against the reimbursement of shareholder contributions. This loan amounted to 227,540 thousands of euros (237,551 thousands of dollars).
- The heading "Short-term debts from group companies and multi-group" at year-end 2024 and 2023 mainly includes:
    - The balance of interest and short-term loans granted by Enagás Financiaciones, S.A.U. to Enagás, S.A. for a total of 173,506 thousands of euros.
    - As the parent company of Tax Consolidation Group 493/12 for corporate income tax, Enagás S.A. has amounts pending payment to some group companies amounting to 38,559 thousands of euros (10,046 thousands of euros in 2023), mainly related to the amounts pending payment to Enagás Financiaciones, S.A.U., Enagás Holding USA, S.L.U. and Musel Energy Hub, S.L. in the amounts of 3,803, 1,547 and 31,024 thousands of euros, respectively (4,578, 2,755 and 2,076 thousands of euros to Enagás Financiaciones, Enagás Infraestructuras de Hidrógeno and Enagás Emprende, respectively, at December 31, 2023). Once the definitive declaration of the 2023 Corporate Tax has been presented in 2024, Enagás, S.A. paid the Corporate Tax account payable to the corresponding group companies belonging to the Tax Consolidation Group, in the amount of 13,190 thousands of euros (25,136 thousands of euros in 2023 for the 2022 Corporate Tax) (Note 4.2.a).

The Directors of the Company estimate that the fair value of the bank debts with group companies contracted at December 31, 2024 and December 31, 2023 does not differ significantly from their carrying amounts.

The breakdown by maturities for long-term loans is as follows:

2024	2026	2027	2028	2028 and later years	Total
Loans and payables	51,742	51,742	970,429	1,439,451	2,513,364
Total	51,742	51,742	970,429	1,439,451	2,513,364

2023	2025	2026	2027	2028 and later years	Total
Loans and payables	416,810	51,742	51,742	2,203,413	2,723,707
Total	416,810	51,742	51,742	2,203,413	2,723,707

3.3 Net financial gain/(loss)

	2024	2023
Financial income	3,367	2,364
Financial income	**3,367**	**2,364**
Financial expenses and similar	(279)	(1,827)
Loan interest	(74,008)	(69,040)
Financial expenses	**(74,287)**	**(70,867)**
Exchange differences	**(1,568)**	**(152)**
Impairment and gains (losses) on disposals of financial instruments (Note 1.4.c).	**(220,976)**	**—**
Net financial gain (loss)	**(293,464)**	**(68,655)**

Financial income relating to the financial year 2024 relates mainly to interest on current accounts and contracted deposits (Note 3.6).

It should be noted that expenses for interest on loans were calculated by using the effective interest rate method.

The change in the heading "Loan interest" during 2024 compared to the previous year mainly relates to:

- Increase of 6,270 thousands of euros in interest on debts with group companies due to the increase in loans granted by Enagás Financiaciones, S.A.U. to the Company.
- There was a decrease in interest with credit institutions, amounting to 645 thousands of euros, due to interest on the non-use of available funds (Note 3.6).

The "Impairment and gains or losses on disposal of financial instruments" category includes a loss related to the account receivable from GSP, resulting from the arbitration award resolution, amounting to 220,976 thousands of euros (Note 1.4.c).

3.4 Derivative financial instruments

At December 31, 2024, the Company has no derivative financial instruments. During 2024 the Company entered into five forward contracts for a nominal value of 712,833 thousands of euros (771,000 thousands of dollars), designated as fair value hedges to cover exchange rate fluctuations equalling to its investment in Enagás Internacional. These derivatives were cancelled in July 2024.

3.5 Financial and capital risk management

a) Qualitative information

The Company Enagás, S.A. is exposed to various risks intrinsic to the sector, markets in which it operates and the activities it performs, which, should they materialise, could prevent it from achieving its objectives and executing its strategies successfully.

The Company has established a risk control and management model based on the principle of due control, aimed at ensuring the achievement of its objectives in line with the Company's risk tolerance level and the risk appetite approved by the governing bodies, and with a risk profile periodically assessed for all its risks. The particularities of the model are set out in section IV. Risk management of the Company's Management Report.

The main financial risks to which the Company is exposed are as follows.

Credit risk

Credit risk relates to the possible losses arising from the non-payment of monetary or quantifiable obligations of a counterparty to which the Company has granted net credit which is pending settlement or collection.

The credit risk associated with receivables from its business activity is historically very limited since the Company operates mainly with Group companies (Note 3.2.c).

The Company is also exposed to the risk of its counterparties not complying with obligations in connection with placement of surplus cash balances. To mitigate this risk, these operations are carried out in a diversified way over highly solvent entities.

Interest rate risk

Interest rate fluctuations affect the fair value of those assets and liabilities that accrue interest at fixed rates and the future cash flows from assets and liabilities that accrue interest at floating rates.

The objective of interest rate risk management is to create a balanced debt structure that minimises finance costs over a multi-year period while also reducing volatility in the income statement.

Based on the Enagás S.A. estimates and debt structure targets, hedges are put in place using derivatives that reduce these risks.

At December 31, 2024, the Company has no derivative financial instruments (Note 3.4).

Exchange rate risk

Changes in exchange rates may affect credit positions denominated in foreign currency. The Company manages exchange rate risk through natural hedges, which consist of contracting financial instruments in the same currency in which the investment is made.(Note 4.1.b).

At December 31, 2024, the Company has no derivative financial instruments.

Liquidity risk

Liquidity risk arises as a consequence of differences in the amounts or payment and collection dates relating to the different assets and liabilities of the Company.

The liquidity policy followed by the Company is oriented towards ensuring that all short-term payment commitments acquired are fully met without having to secure funds under burdensome terms. For this purpose, different management measures are taken such as maintenance of credit facilities ensuring flexibility, sufficient amounts and sufficient maturities, diversified sourcing for financing needs via access to different markets and geographical areas, as well as the diversification of maturities in debt issued.

Tax risk

The Company is exposed to possible modifications in tax regulatory frameworks and uncertainty relating to different possible interpretations of prevailing tax legislation, potentially leading to negative effects on results.

The Company has a Board-approved tax strategy, which includes the action policies governing compliance with its tax obligations, attempting to avoid risks and tax inefficiencies.

Other risks

Enagás is exposed to cross-cutting risks which do not correspond to a single risk category but may be correlated with several of them. These are the risks related to the three pillars of sustainability: Environmental, Social and Governance (ESG). Environmental, Social and Governance - ESG.

In the context of ESG risks, Enagás is exposed to certain risks arising from climate change. These risks are managed and assessed in an integrated manner within the risk management model described in the Management Report. Risks are identified and quantified which arise from factors such as political and regulatory measures to promote the use of renewable energy, natural disasters or adverse weather conditions, the volume of CO_2 emissions and prices, and reputational risks (for more details on climate change risks, see chapter 'Climate action and energy efficiency' of the Consolidated Management Report).

The impact of climate-related risks and how management assesses these risks to incorporate them into the judgements, estimates and uncertainties that affect the Financial Statements of the Group are described in Note 4.6.a.

Finally, it is important to highlight, as detailed in the Risks Section of the Consolidated Management Report, that the Group faces operational risks related to Integrated Security in information and communication systems. This includes our ability to identify, protect, detect, respond to, and recover from physical and cyber security threats that negatively impact the company's industrial and corporate systems. Such threats include unauthorised attempts to steal, expose, alter, disable, or destroy information, and they can manifest in various forms, such as economic motives, espionage, activism, or terrorism.

Given the dynamic nature of the business and its risks, and despite having a risk control and management system that responds to the best international recommendations and practices, it is not possible to guarantee that some risk is not identified in the risk inventory of the Company.

b) Quantitative information

Interest rate risk

	12.31.2024	12.31.2023
Percentage of financial debt tracking protected rates	12%	26%

The total variable-rate financial debt corresponds to debts with group companies. The Enagás Group's fixed-rate financial debt amounts to more than 80%.

Taking into account these percentages of financial debt at fixed rates, and after performing a sensitivity analysis using a range of +0.25/-0.10% percentage points changes in market interest rates, the Company considers that, according to its estimates, the impact on results of such variations on finance costs relating to variable rate debt could change as follows:

	Interest rate change			
	2024		2023	
	25 bps	(10) bps	25 bps	(10) bps
Change in finance costs	6,145	(2,458)	5,222	(2,089)

c) Capital management

The Company carries out capital management at corporate level and its objectives are to ensure financial stability and obtain sufficient financing for investments, optimising the cost of capital in order to maximise the value created for the shareholder while maintaining its commitment to solvency.

The Company uses the level of consolidated leverage as an indicator for monitoring its financial position and managing capital, which is defined as the quotient resulting from dividing net consolidated assets (understood to be the sum of net financial debt and consolidated equity) by net consolidated financial debt.

Financial net debt and leverage of the Enagás Group at December 31, 2024 and 2023 was as follows (consolidated figures):

	2024	2023
Debts with credit institutions	341,830	1,460,774
Debentures and other marketable securities	2,971,898	2,345,387
Loans from the General Secretariat of Industry, the General Secretariat of Energy, Oman Oil and ERDF E4E	863	815
Finance leases (IFRS 16)	385,129	379,015
Others	6	(135)
Gross financial debt	**3,699,726**	**4,185,856**
Cash and cash equivalents	(1,295,668	(838,483
Net financial debt	**2,404,058**	**3,347,373**

	2024	2023
Net financial debt	2,404,05	3,347,373
Shareholders' equity	2,305,36	2,968,155
Financial leverage	**51.0%**	**53.0 %**

In this way, Enagás, S.A. has shown its financial robustness as confirmed by different rating agencies.

On July 19, 2024, the credit rating agency Fitch Ratings upgraded Enagás to BBB+, with a stable outlook. On July 31, 2024, the credit rating agency Standard & Poor's placed Enagás' credit rating at BBB+, with a stable outlook.

3.6 Cash and cash equivalents

Accounting policies

- Liquid financial assets, deposits and liquid financial investments that may be transformed into a determinable amount of cash in the short-term, and whose risk of changes in value is immaterial, are considered cash equivalents.

a) Cash and cash equivalents

	2024	2023
Treasury	110,342	66,122
Cash equivalents	201,484	227
Total	311,826	66,349

Generally, the banked cash accrues interest at rates similar to daily market rates. The deposits maturing in the short-term are easily convertible into cash, and accrue interest at the going market rates. There are no significant restrictions on the availability of cash.

The Company has recorded interest from interest-bearing current accounts that are due for collection, totalling 1,484 thousands of euros (227 thousands of euros as of December 31, 2023), under "Other cash equivalents". Additionally, during the 2024 financial year, the Company has set up 10 fixed-term deposits amounting to 200,000 thousands of euros, which will mature in 2025 but can be cancelled early.

b) Available funds

In order to guarantee liquidity, Enagás has arranged loans and credit lines which it has not drawn down. Thus, liquidity available to the Company is broken down as follows:

	2024	2023
Cash and cash equivalents	311,826	66,349
Other available funds (Note 3.2)	1,550,000	1,559,037
Total	1,861,826	1,625,386

In the opinion of the Directors of the Company, this situation allows for sufficient funding to meet possible liquidity requirements in the short-term considering its current obligations.

4. OTHER INFORMATION

Relevant aspects

Non-current assets held for sale

- Enagás, S.A. has a plot of land located at km. 18 of the A-6 in Las Rozas (Madrid) which at December 31, 2024 has been reclassified as a non-current asset held for sale due to the existence of a sale plan. The valuation of this land amounts to 17.4 million euros (Note 4.1.a) .
- On June 26, 2024, the Company agreed to sell its stake in Soto la Marina to its current partner for 15 million, leading to the reclassification of the investment as a non-current asset held for sale (Note 4.1.a).

Remuneration for Board of Directors and Senior Management

- Remuneration for the Board of Directors, without taking into account insurance premiums, amounted to 4,955 thousands of euros (Note 4.4).
- Remuneration for Senior Management, without taking into account the pension plans and insurance premiums, amounted to 4,092 thousands of euros (Note 4.4).

4.1 Information on other items on the balance sheet

Accounting policies

Non-current assets held for sale

- An entity classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered through a sale transaction rather than through continuing use.
- For the above classification, the asset (or disposal group) must be available for immediate sale in its present condition, which is expected to be completed within one year from the date of classification, with the period being extended if the delay is caused by events and circumstances beyond the company's control and there is sufficient evidence of commitment to the sale plan, subject only to the current terms customary for the sale of such assets (or disposal groups), and the sale must be highly probable.
- An entity shall measure non-current assets (or disposal groups) classified as held for sale at the lower of their carrying amount and fair value less costs to sell.

Items in foreign currency

- The Company's functional currency is the euro. Consequently, transactions in currencies other than the euro are considered to be foreign currency transactions and are recognised by applying the prevailing exchange rates at the dates of the operations.
- At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the prevailing rates. Any gains or losses arising are taken directly to the income statement for the year in which they arise.

Significant estimates and judgements

- The market appraisal was performed by the independent expert in accordance with the Governing Rules of the Royal Institution of Chartered Surveyors (RICS), set out in the so-called "Red Book" - RICS Valuation - Professional Standards. Said market valuations defined by RICS are internationally recognised by advisers and accountants providing services for investors and corporations that own investment properties, as well as by The European Group of Valuers (TEGoVA) and The International Valuation Standards Committee (IVSC).

a) Non-current assets held for sale

	Balance at December 31, 2024
Financial investments	5,147
Investment properties	17,400
Carrying amount	22,547

Land by the A-6

As of December 31, 2024, following the conditions of a sales plan, the land located at km 18 of the A-6 has been reclassified from "Investment properties" to the current section, with a net value of 17,400 thousands of euros.

During the 2024 financial year, a minor positive valuation adjustment of 20 thousands of euros was recorded, as the valuation by the independent expert Jones Lang Lasalle España S.A. increased from 17,380 as of December 31, 2023 to 17,400 thousands of euros during 2024.

It is worth noting that the report of this independent expert did not include any scope limitations with respect to the conclusions reached.

This property is not subject to mortgage or other charges of a similar nature.

It is Company policy to insure its assets to ensure that there is no significant loss of equity, based on best market practices, given the nature and characteristics of the investment properties. In addition, the Company has contracted the corresponding insurance policies to cover third party Civil Liabilities.

E.C. Soto de la Marina, S.A.P.I

On June 26, 2024, the Enagás Group agreed to sell its entire 50% investment in Estación de Compresión Soto de la Marina, S.A.P.I.to the company owning the remaining 50%, for approximately 15 million dollars.

Consequently, as of June 30, 2024, the shareholding held by Enagás S.A., valued at 5,147 thousands of euros, has been reclassified as Non-Current Assets Held for Sale, pending the completion of the transaction which is subject to the usual conditions precedent for such deals. No valuation adjustment was required in the income statement for this transaction.

b) Items in foreign currency

The detail of the most significant foreign currency balances valued at the year-end exchange rate is as follows:

	2024	2023
Long-term credits (Note 1.4.c)	—	454,275
Debts with Group Companies (Note 3.2.c)	—	460,881
Other short-term financial liabilities	4,686	4,385

The amount of exchange gains (losses) recognised in profit/(loss) for the year by financial instrument classes is as follows:

	For Transactions Settled in the Year		For Balances Pending Settlement		Total	
	2024	2023	2024	2023	2024	2023
Debts with group companies	(27,966)	9	—	17,608	(27,966)	17,617
Debts with credit institutions	—	–	—	–	—	–
Long-term loans and others (1)	27,181	(5)	(971)	(17,763)	26,210	(17,768)
Derivatives (1)	188	—	—	—	188	—
Total	(597)	4	(971)	(155)	(1,568)	(151)

(1) In 2024, the Company contracted several forward derivative financial instruments which, as noted in Note 3.4, hedge the fair value changes due to exchange rate fluctuations of part of the investment in Enagás Internacional. The cost of the derivative, amounting to 859 thousands of euros, has been recorded as part of exchange differences.

As indicated in Note 3.5, during 2024 the Company had liabilities and assets items in dollars whose variations were netted by a natural hedge, which did not cause a significant difference in the income statement.

4.2 Tax situation

Accounting policies

- The income tax payable or receivable comprises the current tax payable or receivable and the deferred tax income or expense.
- Current tax is the amount paid by the Company in settlement of income tax during a particular year. Tax credits and other tax benefits applied to the taxable profit, excluding withholdings, prepayments and carry forwards tax losses effectively offset during the year, are deducted from the current tax.
- Deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include the temporary differences measured as the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax value, as well carry-forward tax losses pending payment and credits for tax deductions not applied fiscally. These amounts are measured by applying the tax rate to the corresponding temporary differences or tax credits at which they are expected to be recovered or settled.
- Deferred tax liabilities are recognised for all taxable temporary differences, with the exception of those arising from initial recognition of goodwill or from other assets and liabilities in a transaction that does not affect taxable profit or accounting profit and is not a business combination.
- Deferred tax assets are only recognised to the extent that it is considered likely the Company will have sufficient taxable profit in the future against which the deferred tax assets can be offset.
- Deferred tax assets and liabilities arising from items directly charged or credited to equity accounts are also recognised with a charge or credit, respectively, to equity.
- The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made where there are doubts as to their future recoverability. Deferred tax assets not recognised on the balance sheet are also reassessed at the end of each reporting period and are recognised where it has become highly probable that they will be recovered through future taxable profits.

Significant estimates and judgements

- In accordance with prevailing legislation in Spain, tax returns cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period has elapsed.
- The Directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of prevailing tax legislation with respect to the treatment applied, the resulting potential tax liabilities, if any, would not have a material impact on the accompanying Annual Accounts.
- The deferred tax assets were recognised in the balance sheet as the Directors believe, based on the best estimate of future profits and reversals of deductible temporary differences, that it is probable that these assets will be recovered.

a) Balances with the Public Administrations

	2024	2023
Debit balances		
Current tax assets	41,409	10,794
Other receivables from the Public Administrations	1	1
Accounts payable by the Tax Authorities for VAT	1	1
Credit balances		
Other debts with the Public Administrations	19,543	34,799
Accounts payable to the Tax Authorities for withholdings	18,486	33,854
Accounts payable to the Tax Authorities for VAT	402	393
Social Security agencies creditors	655	552

During 2024, Enagás, S.A. paid 53,913 thousands of euros for settling 2024 Corporate Income Tax (76,210 thousands of euros in 2023), corresponding to the Tax Group of which Enagás, S.A acts as the Parent Company.

At December 31, 2024, the balance of the heading Current tax assets corresponds to the account receivable for the Corporate Income Tax Group for 2024 in the amount of 41,409 thousands of euros (10,794 thousands of euros at December 31, 2023). Following the filing of the 2023 corporate income tax, the final amount was a payable amounting to 14,643 thousands of euros, which was paid on December 13, 2024.

Additionally, Enagás, S.A. acts as the Parent Company of the Tax Group as indicated in Note 4.2.b. For these purposes, the Company has debit and credit balances for Corporate Income Tax with the different subsidiaries of the Tax Group. Accordingly, as indicated in Note 3.2.c during 2024 the Company settled the respective balances with the rest of the Tax Group companies for Corporate Tax 2023.

Specifically, it has collected the amount of 87,807 thousands of euros, an amount that was mainly part of the balance recorded at year-end 2023 under group companies and multi-group short-term loans (Note 1.4) and paid the amount of 13,190 thousands of euros, an amount that was mainly part of the balances recorded at year-end 2023 under short-term debt from group companies and multi-group (Note 3.2.c).

b) Tax returns

Enagás S.A. has been the parent company of the Tax Consolidation Group 493/12 for Corporate Income tax from January 1, 2013, comprising the following subsidiaries at December 31, 2024:

- Enagás Transporte, S.A.U.
- Enagás GTS, S.A.U.
- Enagás Internacional, S.L.U.
- Enagás Financiaciones, S.A.U.
- Enagás Emprende S.L.U.
- Scale Gas Solutions, S.L.
- Efficiency for LNG Applications, S.L.
- Infraestructuras del gas, S.A.
- Enagás Services Solutions, S.L.U.
- Enagás Holding USA, S.L.U.
- Sercomgas Solutions, S.L.
- Enagás Infraestructuras de Hidrógeno, S.L.U.
- Musel Energy Hub, S.L.
- SPV Scale Mar 1, S.L.U.

This involves the joint calculation of the Group's tax result, as well as the deductions and bonuses from the payment. Furthermore, the corporate income tax is calculated on the basis of the Group's accounting profit/loss determined by application of generally accepted accounting principles, which does not necessarily coincide with the Group's taxable profit/tax loss.

c) Reconciliation of accounting result and taxable income

	Income statement					
	2024			2023		
	Increases	Decreases	Total	Increases	Decreases	Total
Accounting profit before tax	**29,311**	**—**	**29,311**	**449,079**	**—**	**449,079**
Permanent differences:	**1,884**	**(331,323**	**(329,439**	**1,388**	**(516,489)**	**(515,101**
Donations	220	—	220	411	—	411
Dividend exemption (1)	—	(327,622)	(327,622)	—	(510,343)	(510,343)
Impairment of investments (2)	1,628	(3,701)	(2,073)	—	—	—
Others	36	—	36	977	(6,146)	(5,169)
Temporary differences:	**4,979**	**(1,564)**	**3,415**	**3,309**	**(3,984)**	**(675)**
With origin in the financial year:						
Provision for personnel remuneration	4,783	—	4,783	3,079	—	3,079
Others	149	—	149	183	(42)	141
With origin in previous financial years:						
Amortisation deduction limit R.D.L. 16/2012	—	(981)	(981)	—	(981)	(981)
Accelerated amortisation Law 4/2008, 13/2010	47	—	47	47	—	47
Provision for personnel remuneration	—	(523)	(523)	—	(2,961)	(2,961)
Others	—	(60)	(60)	—	—	—
Taxable income	36,174	(332,887)	(296,713)	453,776	(520,473)	66,697

(1) In accordance with prevailing regulations, from January 1, 2021, the tax exemption for dividends and capital gains related to shareholdings in resident and non-resident companies will be only 95% of the amount of such shareholdings.
(2) This section includes the impairment of Enagás Emprende, amounting to 1,628 thousands of euros as Additions, and the reversal of the impairment of Enagás Services, totalling 3,701 thousands of euros as Decreases (Note 2.1.d).

d) Tax recognised in equity

During the course of the financial year 2024, no taxes have been recorded in equity, with no amounts in the value adjustments as at December 31, 2024.

e) Reconciliation between the accounting result and the corporate income tax

	2024	2023
Accounting profit before tax	**29,311**	**449,079**
Rate at 25%	7,328	112,270
Impact of permanent differences	**(82,360)**	**(128,775)**
Deductions:	(163)	(2,670)
For amortisation deduction limit	(49)	(49)
For double taxation	—	(785)
For investment in R&D&I expenses	(37)	(1,692)
For donations	(77)	(144)
Adjustments to income tax rate	**(163)**	**7,220**
Total expense / (income) for tax recognised in the Income Statement	(75,358)	(11,955)

As indicated in Note 1.2.g, on December 22, 2024, the Pillar Two standard ,setting a minimum effective tax rate, came into force. Based on available estimates, this had no impact on the Company for the 2024 financial year.

f) Years to be audited

In conformity with current legislation, tax returns cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period has elapsed.

In 2021, Enagás, S.A. was notified of the rejection of the Central Economic Administrative Court (hereinafter TEAC), in relation to the claims filed in relation to the assessments signed in disagreement of the Corporate Income Tax for 2012 to 2015. During 2022, an appeal against the decisions of the Central Economic Administrative Tribunal (TEAC) was filed with the National High Court, which has not yet been decided at the time of preparing these Annual Accounts.

In accordance with what is mentioned in Note 2.8, during the 2023 financial year a provision for this concept amounting to 5,694 thousands of euros was made, which includes both fees and interest on late payment.

The Directors consider that all taxes mentioned have been duly paid so that even in the event of discrepancies in the interpretation of prevailing tax legislation with respect to the treatment applied to transactions, the resulting potential tax liabilities, if any, would not have a material impact on the accompanying Annual Accounts.

Likewise, at 2024 year-end, the years 2021 to 2024 are pending audit for the taxes applicable to the company, with the exemption of corporate income tax, which is pending audit for the years 2019 to 2024.

g) Deferred tax assets and liabilities

	2024	2023
Deferred tax assets:		
Temporary differences (prepaid taxes):	9,314	8,484
Provision for remuneration (1)	7,036	5,977
Amortisation deduction limit R.D.L. 16/2012 (2)	—	245
Other (3)	2,278	2,262
Carry-forward tax losses (4)	44,880	8,337
Deductions pending and others (5)	—	49
Total deferred tax assets	54,194	16,870
Deferred tax liabilities:		
Accelerated amortisation (6)	(149)	(160)
Engineering services margin	(890)	(918)
Other (3)	(312)	(313)
Total deferred tax liabilities	(1,351)	(1,391)

(1) These temporary differences include, inter alia, personnel expenses resulting from the Long-Term Incentive Plan, recorded in this financial year which, pursuant to Article 14 of the Corporate Income Tax Law (hereinafter "LIS"), will be deductible at the time of delivery or payment, so in 2024 they gave rise to a deferred tax asset.
(2) Arises from the limitation to tax deductible amortisation with respect to the Corporate Income Tax for the years 2013 and 2014. This amortisation is deductible from financial year 2015 following the straight method over a period of 10 years or optionally during the useful life of the asset. To this end, the Company decided to apply the deferred tax asset using the straight line method over a period of 10 years.
(3) This includes temporary differences arising from the reversal of the impairment of investment properties, which generates a deferred tax asset.
(4) This heading includes the deferred tax asset corresponding to the limitation of 50% of the tax losses not offset by Enagás S.A. in the Tax Group in 2023 and 2024, in accordance with the Nineteenth Additional Provision of the LIS. The portion of the asset related to 2023 began reversing in 2024, while the portion related to 2024 will start reversing in 2025, on a straight-line basis over ten years.
(5) In addition, it includes the deduction to be applied from 2015 in accordance with the thirty-seventh transitory provision of Law 27/2014, by virtue of which those contributors for whom limited amortisation was applicable in 2013 and 2014 will have the right to a 5% deduction of the tax base with respect to the amounts included in the taxable income for the corresponding period.
(6) Arising from application of accelerated amortisation of certain assets for tax purposes during the period 2009-2012.

The Company does not hold any deferred tax assets that are not recognised in the accompanying Balance Sheet.

4.3 Related party transactions and balances

Accounting policies

- In addition to subsidiaries, associates, and multigroup companies, the Company's "related parties" are considered to be its "key management personnel" (members of the Board of Directors and senior managers, along with their close relatives), and the entities over which key management personnel may exercise significant influence or control.
- The Company's functional currency is the euro. Consequently, transactions in currencies other than the euro are considered to be foreign currency transactions and are recognised by applying the prevailing exchange rates at the dates of the operations.
- At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the prevailing rates. Any gains or losses arising are taken directly to the income statement for the year in which they arise.
- The Company carries out all its transactions with related parties at market values and the corresponding remuneration in kind has been assigned. Transfer prices are adequately supported and consequently the Company's Directors consider that no significant risks exist in this respect from which significant liabilities could arise in the future.

Income and expenses	Significant shareholders	Directors and Senior Managers Note 4.4	Other Group companies	Multigroup and associates	Other related parties	Total
2024						
Expenses:						
Financial expenses	-	—	71,037	—	—	71,037
Services received	22	—	—	—	—	22
Other expenses	—	9,885	—	—	—	9,885
Total Expenses	22	9,885	71,037	—	—	80,944
Income (Note 2.1.a)						
Loan income	—	—	—	—	—	—
Dividends received	—	—	344,865	—	—	344,865
Rendering of services	—	—	71,692	390	85	72,167
Other income	—	—	—	—	—	—
Total income		—	416,557	390	85	417,032
2023						
Expenses:						
Financial expenses	—	—	65,424	—	—	65,424
Services received	—	—	177	—	—	177
Other expenses	—	9,615	—	—	—	9,615
Total Expenses	—	9,615	65,601	—	—	75,216
Income (Note 2.1.a)						
Loan income	—	—	—	16	—	16
Dividends received	—	—	537,204	—	—	537,204
Rendering of services	—	—	72,225	275	730	73,230
Other income	—	—	2,564	—	—	2,564
Total income	—	—	611,993	291	730	613,014

Other transactions	Significant shareholders	Other Group companies	Joint Ventures and Associates	Total
2024				
Guarantees for related parties debt (Note 1.6.a).	—	3,278,561	593,081	3,871,642
Guarantees and sureties granted - Other (Note 1.6.b)	—	50,426	9,461	59,887
Investment commitments (Note 1.6.c)	—	—	4,000	4,000
Dividends and other earnings distributed	67,491	—	—	67,491
2023				
Guarantees for related parties debt (Note 1.6.a).	—	3,812,900	645,000	4,457,900
Guarantees and sureties granted - Other (Note 1.6.b)	—	38,739	5,450	44,189
Investment commitments (Note 1.6.c)	—	—	5,000	5,000
Dividends and other earnings distributed	100,613	—	—	100,613

The balances with related-parties on the balance sheet is as follows:

	Other Group companies	Joint Ventures and Associates	Other related parties	Total
Balances 2024				
Long-term equity instruments (Note 1.4)	4,547,853	30,467	–	4,578,320
Other financial assets (Note 1.4)	—	–	—	—
Credit for short-term corporate income tax of Tax Consolidation Group (Note 1.4)	89,428	–	–	89,428
Dividends receivable (Note 1.4)	65,000	–	–	65,000
Trade receivables (Note 2.2)	6,878	–	–	6,878
Long-term debts (Note 3.2)	2,513,364	–	–	2,513,364
Short-term debts (Note 3.2)	173,506	–	–	173,506
Debt for short-term corporate income tax of Tax Consolidation Group (Note 3.2)	38,559	–	–	38,559
Trade payables (Note 2.3)	14	20	–	34
Balances 2023				
Long-term equity instruments (Note 1.4)	5,009,826	24,837	–	5,034,663
Other financial assets (Note 1.4)	–	–	454,275	454,275
Credit for short-term corporate income tax of Tax Consolidation Group (Note 1.4)	86,864	–	–	86,864
Dividends receivable (Note 1.4)	39,700	–	–	39,700
Trade receivables (Note 2.2)	13,921	–	–	13,921
Long-term debts (Note 3.2)	2,723,707	–	–	2,723,707
Short-term debts (Note 3.2)	280,003	–	–	280,003
Debt for short-term corporate income tax of Tax Consolidation Group (Note 3.2)	10,046	–	–	10,046
Trade payables (Note 2.3)	358	86	–	444

4.4 Remuneration to the members of the Board of Directors and Senior Management

Accounting policies

Share-based payments

- The Company classifies the share-based payments according to the manner of settling the transaction:
- With Company shares: Personnel expense is determined based on the fair value of the shares to be delivered at the grant date, taking into account the degree to which the objectives relating to said plan have been fulfilled. This expense is recognised over the stipulated period during which employee services are rendered with a credit to "Other equity instruments" in the accompanying balance sheet.
- In cash: Personnel expense is determined based on the fair value of the liability at the date recognition requirements are met. Personnel expenses are registered as the services rendered in the period stipulated and are entered in "Long-term provisions", until it is estimated that they will be settled within less than one year, at which time the associated provision is reclassified to the Personnel heading under "Trade and other payables" of the liability of the accompanying Balance Sheet. The liability is subsequently measured at fair value at each balance sheet date, up to and including the settlement date, with changes in fair value recognised in the Income Statement.
- The Company used the Monte-Carlo model to evaluate this programme. The fair value of the equity instruments at the granting date is adjusted to include the market conditions relating to this plan. Likewise, the Company takes into account the fact that the dividends accrued during the plan period are not paid to the beneficiaries as they do not become shareholders of the Company until the plan has effectively been settled.

Significant estimates and judgements

- The Regulation establishes a period of time required for the consolidation of the remuneration, which has been considered a condition of service, and therefore taken into account together with the target measurement period (January 1, 2022 to December 31, 2024) when estimating the fair value of the equity instruments granted, as well as an additional deferral period. In this regard, the aforementioned service condition is based on the obligation for the beneficiaries to continue providing their services to the Company until the first payment date (set at four months from the end of the target measurement period to receive 50% of the incentive), and an additional period of one year from that last date to receive the remaining 50%).
- In the case of the share-based payment plan component, the Company accrues the estimated fair value of the cash-settled amount over the term of the plan (January 1, 2022 to December 31, 2024) and the service conditions established for the period of time required for the consolidation of the remuneration.

Remunerations	Salaries	Per diems	Other items	Pension plans	Insurance premiums	Termination benefits
2024						
Board of Directors	2,491	2,400	64	—	10	—
Senior Management	3,812	—	280	62	25	—
Total	6,303	2,400	344	62	35	—
2023						
Board of Directors	2,533	2,400	89	—	73	—
Senior Management	3,380	—	194	45	57	—
Total	5,913	2,400	283	45	130	—

The remuneration of the members of the Board of Directors for their Board membership and those corresponding to the Chairman and the Chief Executive Officer for the exercise of their non-executive and executive functions, respectively, during 2024 have been approved in detail by the General Shareholders' Meeting held on May 27, 2021 as part of the "Directors' Remuneration Policy for 2022, 2023 and 2024", approved as Item 10 of the Agenda and amended by the General Shareholders' Meeting held on March 31, 2022, as Item 8 of the Agenda.

The Company has outsourced its pension commitments with its Directors by means of a mixed group insurance policy for pension commitments, including benefits in the event of survival, death and employment disability.

The Director does not have a pension commitment instrument, as he does not have an employment relationship with the company, but rather a commercial relationship. The Chief Executive Officer maintains an assimilated individual savings insurance amounting to 214 thousands of euros.

The members of the Senior Management also form part of the group insured under the mixed group insurance policy for pension commitments. The total premium paid for the same during the financial year amounts to 527 thousands of euros.

The Chief Executive Officer is beneficiary of the 2022-2024 Long-Term Incentive Plan approved by the General Shareholders' Meeting on March 31, 2022 as Item 9 of the Agenda. In said meeting, a total of 96,970 rights relating to shares were assigned to him. These rights do not entail the acquisition of shares for the time being, since the termination of the programme and the right to accrue the final incentive, which depends on the degree of achievement of the programme's objectives, will be generated within thirty days following the approval of the 2024 annual accounts by the General Shareholders' Meeting to be held in 2025.

Members of Senior Management (members of the Executive Committee) are beneficiaries of the 2022-2024 Long-Term Incentive Plan. As approved at the General Shareholders' Meeting, the Board has assigned them a total of 122,143 rights relating to shares as well as an incentive in cash amounting to approximately 590 thousands of euros. These rights do not entail the acquisition of shares for the time being, since the termination of the programme and the right to accrue the final incentive, which depends on the degree of achievement of the programme's objectives, will be generated within thirty days following the approval of the 2024 annual accounts by the General Shareholders' Meeting to be held in 2025.

The aforementioned remuneration, broken down for each member of the Board of Directors, without taking into account insurance premiums, is as follows:

Board members	2024	2023
Mr Antonio Llardén Carratalá (Executive Chairman) (1)	730	730
Mr Arturo Gonzalo Aizpiri (Chief Executive Officer) (2)	2,085	2,152
Sociedad Estatal de Participaciones Industriales (Proprietary Director) (3)	160	160
Mr José Blanco López (Independent Director) (3)	160	160
Ms Ana Palacio Vallelersundi (Independent Leading Director) (3)	190	190
Mr José Montilla Aguilera (Independent Director) (3)	175	175
Mr Cristóbal José Gallego Castillo (Independent Director) (3)	160	160
Ms Eva Patricia Úrbez Sanz (Independent Director) (3)	160	160
Mr Santiago Ferrer Costa (Proprietary Director) (3)	160	160
Ms Natalia Fabra Portela (Independent Director) (3)	160	160
Ms María Teresa Arcos Sánchez (Independent Director) (3)	175	175
Mr David Sandalow (Independent Director) (3)	160	160
Ms Clara García Fernández-Muro (Independent Director) (3)	160	160
Ms María Teresa Costa Campi (Independent Director) (3)	160	160
Mr Manuel Gabriel González Ramos (Independent Director) (3)	160	160
Total	4,955	5,022

(1) The remuneration of the Executive Chairman for the exercise of his executive duties during 2024 was approved in detail by the General Shareholders' Meeting held on May 27, 2021 as part of the "Directors' Remuneration Policy for 2022, 2023 and 2024", approved as Item 10 of the Agenda and amended by the General Shareholders' Meeting held on March 31, 2022 under Item 8 of the Agenda to cover his remuneration as non-executive Chairman as from that date. In 2024, the Chairman received a fixed remuneration of 600 thousands of euros. He also received remuneration for Board membership amounting to 130 thousands of euros, totalling 730 thousands of euros.

(2) The remuneration of the Chief Executive Officer for the 2024 financial year was approved in detail by the General Shareholders' Meeting held on May 27, 2021 as part of the "Directors' Remuneration Policy for 2022, 2023 and 2024", approved as Item 10 of the Agenda and modified by the General Shareholders' Meeting held on March 31, 2022, as Item 8 of the Agenda. During financial year 2024, he received fixed remuneration of 1,000 thousands of euros and accrued variable remuneration of 505 thousands of euros. In addition, he received remuneration in the amount of 130 thousands of euros for Board membership, as well as other remuneration in kind amounting to 64 thousands of euros (the changes in remuneration in kind with respect to previous years are exclusively a result of measurement differences without there having been any additional items included in the remuneration). The Group has also implemented a 2022-2024 ILP of which the current Chief Executive Officer is a beneficiary and whose settlement will take place as of 2025, under the terms explained in this report. In 2024, the CEO accrued 386 thousands of euros in this regard, bringing the total to 2,085 thousands of euros. Additionally, a life insurance policy was available, with a premium of 10 thousands of euros for the year. The Chief Executive Officer is a beneficiary of the 2022-2024 Long-Term Incentive Plan approved at the General Shareholders' Meeting held on March 31, 2022. Item 9 of its Agenda states that the meeting assigned him a total of 96,970 performance shares or rights relating to shares. These rights do not entail the acquisition of shares for the time being, since the right to accrue the final incentive, which depends on the degree of achievement of the programme's targets will be generated within thirty (30) days following the approval of the 2024 annual accounts by the General Shareholders' Meeting to be held in 2025. In addition, the CEO maintains an individual savings insurance amounting to 214 thousands of euros.

(3) The remuneration for these Directors relating to Board and committee membership was approved in detail by the General Shareholders' Meeting on March 31, 2022 as part of the proposal to modify the "Directors' Remuneration Policy for the 2022, 2023, and 2024 financial years".

On March 31, 2022, the Enagás, S.A. General Shareholders' Meeting approved the 2022-2024 Long-Term Incentive Plan (ILP) aimed at the Executive Director, and at the members of the Executive Committee and the senior management of the Company and its Group. The objective of the Plan is to (i) encourage the sustainable achievement of the objectives of the Company's Strategic Plan, (ii) give the opportunity to share the creation of value with participants, (iii) foster a sense of belonging to the Company and shared destiny, (iv) be competitive, and (v) align with the requirements of institutional investors, proxy advisors, and best Good Corporate Governance practices and, especially, those resulting from the recommendations of the CNMV's new Good Governance Code.

The Plan consists of an extraordinary mixed multi-year incentive which will permit the beneficiaries to receive, after a certain period of time, a bonus payable in (i) Enagás, S.A. shares and (ii) cash, provided that certain strategic objectives of the Company are met.

With respect to the portion payable in shares, a maximum of 679,907 shares are deliverable, all of which will come from the Company's treasury shares. Furthermore, the beneficiaries of the plan are not guaranteed any minimum value for the assigned shares. The cash part of the Plan is limited to an estimated payment of approximately 3.3 million euros should all the objectives be fully met.

This plan is aimed at persons who, due to their level of responsibility on their position in the Enagás Group, contribute decisively to achieving the Company's objectives. The Plan initially designated 53 beneficiaries, notwithstanding the possibility that new recruitments due to mobility or professional level changes may include new beneficiaries during the measurement period.

The targets determined to evaluate the achievement of the Enagás S.A. Long-Term Incentive Plan are as follows:

- Accumulated results corresponding to the Funds for Operations ("FFO") of the Enagás Group. This metric shows the financial soundness and net profit growth, which are the cornerstones of the Strategic Plan. This takes into account both the EBITDA of the regulated business and the dividends received from the subsidiaries that are not controlled by Enagás. It is a benchmark indicator for investors. Fulfilling this objective will satisfy the Company forecasts for the distribution of Group, investment and debt amortisation dividends. It accounts for 20% of the total targets.
- Accumulated cash flows received from international affiliates and other businesses ("Dividend"). This shows the focus on international growth and a realistic and profitable investment plan as the cornerstones of the Strategic Plan. It measures the profitability of the international business compared with the annual remuneration objective which measures the year's international investment volume. It accounts for 20% of the total targets.
- Total shareholder return ("TSR"). To ensure appropriate, competitive shareholder remuneration. It takes into account share performance and the dividend policy. This objective comprises two components, each with a relative importance of 12.5% of the total objectives:
  (1) Absolute TSR: measured as acquisition of a target share price in 2024. The target price has been established by investing estimated share dividends and is based on profitability and market parameters.
  a) Relative TSR: this is measured with respect to the Peer Group of fifteen companies.
- The Company's commitment to long-term sustainable value creation ("Sustainability"). The target will have five indicators:
  - *Decarbonisation*
    - Reduction of CO_2 emissions in line with the decarbonisation pathway (emissions 2024 vs. emissions 2021). It accounts for 6% of the total objectives.
    - Investment in renewable gases: 2022-2024 investment associated with the adaptation of infrastructure for the transmission of renewable gases and the development of infrastructure dedicated to the transmission and storage of renewable gases. It accounts for 6% of the total objectives.
  - *Diversity and inclusion:*
    - Percentage of female members on the Board of Directors. It accounts for 2% of the total objectives.
    - Percentage of women in managerial and pre-managerial positions. It accounts for 3% of the total objectives.
    - Percentage of promotions which involve women in managerial and pre-managerial positions. It accounts for 3% of the total objectives.
- *Digitalisation of the company.* The target will consist of 2 indicators:
  - Implementation of the Digital Transformation Strategy and improvement of the associated indicators.
  - Strengthening the positioning of Enagás' digital assets in the company's strategic areas.

  It accounts for 15% of the total objectives (7.5% for each indicator respectively).

Regarding the measurement period, although it will occur during the period from January 1, 2022 to December 31, 2024, its settlement will take place on the following dates:

a. The beneficiary will receive 50% of the incentive within thirty (30) days following approval of the 2024 annual accounts by the General Shareholders' Meeting. This 50% will apply to the assets part of the incentive as well as the cash part of the incentive;

a. The beneficiary will receive the remaining 50% of the incentive once a period of one year has elapsed from the first payment date.

In this regard, and since the Enagás S.A. ILP Regulation establishes the obligation for the beneficiaries to continue to provide their services to the Company until the first payment date in order to receive 50% of the incentive, and until the second payment date in order to receive the remaining 50%, the Company accrues the estimated fair value of the equity instruments granted taking account both of the target measurement period (January 1, 2022 to December 31, 2024) and the service conditions established for the period required to consolidate the remuneration.

As established in BOICAC No. 75/2008, query No. 7, the part settled through shares of Enagás, S.A. is considered a share-based payment transaction that can be settled in equity instruments, and, accordingly, the fair value of the services received, as consideration for the equity instruments granted, is included in the Income Statement at December 31, 2024, under the heading "Personnel Expenses", in the amount of 1,526 thousands of euros (1,204 thousands of euros at December 31, 2023), with a credit to "Other Equity Instruments" of the Balance Sheet net equity.

The breakdown and fair value of the shares at the granting date of the ILP of the Enagás Group are as follows:

	ILP 2022-2024
Total shares at the concession date (1)	679,907
Fair value of the equity instruments at the granting date (EUR)	20.15
Dividend yield	7.94%
Expected volatility	26.15
Discount rate	0.48%

(1) This number of shares reflects the maximum number of shares to be delivered under the plan, and includes both the possibility of achieving the maximum degree of fulfilment of objectives established in the plan (125%), as well as the possibility that new hiring, staff mobility, or changes in professional levels, lead to the inclusion of new beneficiaries during the measurement period.

For the cash portion of the incentive, the Company has recorded the related service provision as a personnel expense amounting to 449 thousands of euros (359 thousands of euros as of December 31, 2023). This is credited to "Provisions" under non-current liabilities and "Personnel" under current liabilities, in line with the payment schedule set out in the Plan (50% of which will be paid in the 2025 financial year and the remainder in 2026). As in the case of the share-based payment plan component, the Company accrues the estimated fair value of the cash-settled amount over the term of the plan (from January 1, 2022 to December 31, 2024) and the service conditions established for the period of time required for the consolidation of the remuneration.

As for the measurement period, although it will take place during the period from January 1, 2022 to December 31, 2024, it will be settled on the basis of the payment dates set out in the Regulation.

4.5 Other information concerning the Board of Directors

The information included below as required by Article 229 and subsequent of the Spanish Corporate Enterprises Act was prepared considering that they are companies with similar or complementary activities to those carried out by Enagás, that is, natural gas transmission, regasification, distribution, and commercialisation activities regulated by Law 31/1198 of the Hydrocarbons Sector.

At December 31, 2024 and December 31, 2023, there were no holdings in the share capital of companies with the same, similar or complementary type of activity reported to the Company by the Directors.

The positions or functions of the Company's Board members in other companies with the same, similar or complementary activities, as communicated to Enagás, S.A. at December 31, 2024 and 2023, are the following:

Director	Company	Positions
2024		
Arturo Gonzalo Aizpiri	Enagás Transporte del Norte, S.L.	Chairman

Director	Company	Positions
2023		
Arturo Gonzalo Aizpiri	Enagás Transporte del Norte, S.L.	Chairman
Arturo Gonzalo Aizpiri	Tallgrass Energy G.P.	Director

There are no activities of the same, similar or complementary nature to those carried out by Enagás which are performed by its Board members, on their own behalf or on behalf of third parties, not included in the above section.

At 2024 year-end, neither the members of the Board of Directors of the Company nor any parties related to them had notified the remaining Board members of any conflicts of interest, direct or indirect, with those of the Company.

4.6 Other information

a) Environmental information

The Company Enagás S.A., as head of the Enagás Group, carries out the activities for protection of the environment and biodiversity, energy efficiency, reduction in emissions, and the responsible consumption of resources as part of its environmental management in order to mitigate the impact of its activities.

The Company has integrated protection of the environment into its policy and strategic programmes by implementing an Environmental Management System developed and certified in accordance with the requisites of standard UNE EN ISO 14001, which guarantees compliance with applicable environmental legislation and continuous improvement of its environmental behaviour.

In 2024, the certifying company AENOR'S issued the corresponding audit report on the environmental management system with favourable results, concluding that the system's maturity and degree of development ensure continuous improvement for the company in this field.

The Company Enagás S.A. makes ongoing efforts to identify, characterise, and minimise the environmental impact of its activities and facilities, evaluating the related risks and strengthening eco-efficiency, responsible management of waste and discharges, minimising the impact in terms of emissions and climate change.

The Company incorporates environmental criteria in its relationship with suppliers and contractors, as well as in connection with decision-making with respect to the awarding of contracts for the provision of services and products.

During 2024, Enagás S.A. did not carry out environmental actions recognised as investments under assets in the balance sheet. The same situation occurred during the financial year 2024. The Company also assumed environmental expenses amounting to 355 thousands of euros in 2024, recognised under "Other operating expenses" (381 thousands of euros in 2023).

The company has arranged sufficient civil liability insurance to meet any possible contingencies, compensation and other risks of an environmental nature which it might incur.

Enagás S.A. did not receive any subsidy or additional income in 2024 or 2023 as a result of its activities relating to the environment.

b) Audit fees

"Other operating expenses" include the fees for audit and non-audit services provided by the auditor of the Company, Ernst & Young, S.L., or by a company belonging to the same group or related to the auditor, broken down as follows:

	2024	2023
Categories	Services rendered by the accounts auditor and related companies	Services rendered by the accounts auditor and related companies
Audit services (1)	767	795
Other assurance services (2)	197	153
Total audit and related services	964	948
Total professional services	964	948

(1) Audit services: This heading includes services rendered for the performance of statutory audits of the Enagás, S.A. Annual Accounts and the limited review work performed with respect to the Interim and Quarterly Financial Statements as well as the Certification of the Internal Control over Financial Reporting (ICFR) System.
(2) Other audit-related assurance services: This heading includes the engagements relating to the Annual Corporate Governance Report, and the review of non-financial information included in the Management Report, and also the report on agreed ICSR procedures.

4.7 Subsequent events

On January 30, 2025, the European Commission granted the full amount of funds requested by Enagás for studies related to the Projects of Common Interest (PCI) for the H2med corridor. This corridor includes a connection between Celorico da Beira in Portugal and Zamora in Spain (CelZa), as well as a maritime link between Barcelona and Marseille (BarMar). It also covers the initial sections of the Spanish Hydrogen Backbone Network, including the Vía de la Plata Axis with its link to the Puertollano Hydrogen Valley, and the Axis that incorporates the Cornisa Cantábrica, Ebro Valley, and Levante corridors.

These funds, totalling 75.8 million euros, originate from the Connecting Europe Facility (CEF) of the European Climate, Infrastructure and Environment Executive Agency (CINEA). They also cover studies for underground storage associated with the Spanish Hydrogen Backbone Network.

On February 3 and 4, 2025, the Company repaid its debt with Enagás Financiaciones in the amount of 290,277 thousands of euros.

No other events have occurred that significantly affect the results of the Company or its equity.

5. Explanation added for translation to English

These Financial Statements are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (see Note 1.2). Certain accounting practises applied by the Company that conform to other generally accepted accounting principles and rules.

These Financial Statements are a translation of financial statements originally issued in Spanish and prepared in accordance with accounting principles generally accepted in Spain. In the event of a discrepancy, the Spanish-language version prevails.

MANAGEMENT REPORT OF ENAGÁS, S.A.

The wording provided by Law 11/2018, of December 28, to Article 262.5 of the consolidated text of the Corporate Enterprises Act, relating to the management report, indicates that a company dependent on a group will be exempt from the obligation established in this section if the company and its dependents, if any, are included in the consolidated management report of another company, prepared in accordance with the content established in this article.

Based on the above, Enagás, S.A. makes use of this exemption, including non-financial information in the consolidated management report of Enagás, S.A. and Dependent Companies prepared in accordance with said regulations and which will be filed with the Commercial Registry of Madrid.

I.- Enagás S.A. situation

Business model

Enagás, S.A., a midstream company with more than 50 years of experience and independent European TSO (Transmission System Operator) through Enagás GTS, S.A.U., is an international reference in the development and maintenance of gas infrastructure and in the operation and management of gas networks. As the main transmission company, Enagás has developed the main infrastructure facilities of the Spanish Gas System, making it a leader in security and diversification of supply.

Energy infrastructures are a core element in the energy transition towards decarbonisation. In addition, natural gas and renewable gases are of great importance in the medium to long term, as they allow to introduce efficient industrial technologies that improve the intensity of energy use and industry competitiveness, generating direct and indirect employment.

The Company's strategy has a clear purpose: to contribute to security of supply and decarbonisation, creating value, working towards sustainable and profitable growth and focusing on Spain and Europe.

Enagás wants to actively contribute to the energy transition process, promoting the integration of renewable gases in the Spanish and European Gas System.

Government structure

General Shareholders' Meeting

The General Shareholders' Meeting is the highest body representing shareholders.

Enagás S.A. has a free float of 90%, one of the highest on the Spanish continuous market.

Enagás S.A. applies a proprietary separation model, which establishes the maximum limit of ownership by any shareholder at 5%, with a limitation on the voting rights of 1% for agents in the gas sector and 3% for the rest of shareholders. These limitations do not apply to direct or indirect interest held by the public corporate sector.

Board of Directors

The Board of Directors of Enagás, S.A. is made up of 15 members with a percentage of independence of 73.3%.

In 2024, and in line with its commitment to promote gender diversity and the recommendations of the National Securities Market Commission (CNMV), 40% of the Enagás' Board are women, thus meeting the target of having 40% women on the Board by 2024 included in the 2022-2024 Long-Term Incentive Plan.

Operation and probable evolution

Enagás, S.A., as head of the Enagás Group, will guarantee the proper functioning of the Spanish Gas System, and will ensure security of supply by facilitating competition in a transparent and non-discriminatory manner. Likewise, it will optimise the operation of the Spanish Gas System by coordinating the different agents and proposing measures to improve its operation. It will continue to develop the transmission network and manage its infrastructures in a safe, efficient, profitable way with a commitment to protecting the environment. All this will be achieved in collaboration with the regulators, thus providing service quality to its customers, creating value for its shareholders and contributing to the sustainable development of the Company.

In 2024, very significant regulatory actions were taken to accelerate the energy transition and highlight the key role of Enagás' infrastructures for Europe's energy security, which will serve to maintain regulatory stability and anticipate the new energy model:

In the 2023 financial year, Enagás was appointed as the Provisional Manager of the Hydrogen Backbone Network (HTNO). Royal Decree-Law 8/2023, of December 27, adopting measures to address the economic and social consequences of the conflicts in Ukraine and the Middle East, as well as to alleviate the effects of the drought, making it possible for the natural gas transmission network managers to exercise development functions of the hydrogen backbone network manager on a provisional basis until the final designation occurs.

Under Royal Decree-Law 8/2023, the managers of the natural gas transmission network are required to submit a non-binding proposal for the development of hydrogen backbone infrastructure, covering a ten-year period.

In April, the Official Journal of the EU (OJEU) published the list of Projects of Common Interest (PCI) and Projects of Mutual Interest (PMI), which, for the first time, included projects aimed at developing a trans-European hydrogen infrastructure. This list featured the H2 Portugal-Spain-France-Germany corridor (H2Med) and the Spanish Hydrogen Backbone Network, alongside two hydrogen storage projects. In the same month, CINEA opened the call for applications under the CEF-E Programme to fund PCI/PMI projects. The first list of Projects of Common Interest (PCI) and Projects of Mutual Interest (PMI) was published in the Official Journal of the European Union, under Delegated Regulation (EU) 2024/1041 of the Commission, dated November 28, 2023.

Enagás applied for funding for their studies. As noted in Note 4.7, the resolution of the CEF-E funding call was announced on January 30, 2025, with Enagás receiving the full amount requested for studies on the H2med corridor and the initial sections of the Spanish Hydrogen Backbone Network.

By the end of April, the outcome of the first European Hydrogen Bank auction and the announcement of a second auction represented a significant step towards establishing a European hydrogen market. Out of the seven selected renewable hydrogen production projects, three were located in Spain, with the Catalina project, which involves Enagás Renovable, being particularly noteworthy.

In June, Enagás, GRTgaz, and Teréga, in collaboration with OGE, signed an agreement to jointly develop BarMar, a crucial infrastructure for transporting hydrogen between the Iberian Peninsula and France.

In July, the hydrogen and decarbonised gas package was published in the OJEU. This package includes a Regulation and a Directive that set the framework for integrating these gases into the EU energy system, supporting decarbonisation and ensuring supply security. It also establishes the European Network of Network Operators for Hydrogen (ENNOH). This European package establishes the groundwork for creating a hydrogen system across Europe and developing a model for third-party access to hydrogen networks, with a two-year timeframe to incorporate these measures into the national legal framework. The Ministry for Ecological Transition and the Demographic Challenge has already begun this process by launching a preliminary public consultation in September 2024 to gather input from various stakeholders.

In addition, the Regulation for reducing methane emissions in the energy sector has been published.

Following this, on August 14, 2024, the Spanish Secretary of State for Energy issued a Resolution that published the Council of Ministers' Agreement from July 30, 2024. This agreement authorises Enagás to provisionally carry out the development of Projects of Common European Interest in Hydrogen Networks. Developing these PCI infrastructure projects includes applying for authorisation, constructing, commissioning, operating, monitoring, and maintaining hydrogen pipelines and underground storage facilities.

Royal Decree 986/2024, of September 24, approving the update of the National Integrated Energy and Climate Plan (PNIEC) 2023-2030, was published on September. This Regulation incorporates the EU's heightened climate ambitions, the ecological transition efforts from the Recovery, Transformation, and Resilience Plan (PRTR), and other national advancements, alongside the geopolitical shifts resulting from the war in Ukraine (REPowerEU). There is also a stronger focus on renewable hydrogen and its network infrastructures to achieve these goals.

In November, the H2Med Call for Interest was launched, with the results to be published in February 2025. During the same month, submissions for candidate projects for the second PCI/PMI list opened.

In November, the H2Med Call for Interest was launched, with the results to be published in February 2025. Also in November, submissions for candidate projects for the second PCI/PMI list opened.

Meanwhile, on September 24, the Council of Ministers approved the Draft Bill to re-establish the National Energy Committee (CNE), which was sent to the Congress of Deputies to continue its legislative process as a Bill. The aim of re-establishing the CNE is to enhance the regulator's institutional capacity at a critical time for the energy transition. This move addresses the increasing demand for specialisation and efficiency due to the new energy and regulatory landscape. It also supports decarbonisation and the creation of new markets, such as hydrogen, thereby boosting economic competitiveness. Consequently, the National Energy Commission (CNE) has been assigned new responsibilities for developing hydrogen infrastructure. This enhancement of the regulator's role is crucial for the development of hydrogen. As a result, the draft bill assigns it significant responsibilities, such as developing the remuneration and tariff frameworks.

In 2024, the procedures to establish the remuneration framework for the 2027-2032 period have commenced, including revising the following circulars. In 2025, the following circulars will be processed:

- Proposed Circular amending Circular 9/2019 of December 12, establishing the methodology for determining the remuneration of natural gas transmission and liquefied natural gas plants.
- Proposed Circular to establish the financial remuneration rate for regasification, transportation, technical system management, and activities related to natural gas distribution for the 2027-2032 regulatory period, in line with Circular 2/2019.
- Proposed Circular to amend Circular 4/2020, of March 31, which sets out the remuneration methodology for natural gas distribution.
- Proposed Circular establishing the methodology for the calculation of tolls for transmission, local networks and regasification of natural gas.

Also, in 2024, the revision process for the electricity framework began with preliminary public consultations to gather stakeholders' initial input on updating remuneration methodologies for electricity transmission and distribution, as well as the rate of financial return. In 2025, the proposals for electricity remuneration will be processed for approval before the year ends.

In 2024, gas demand reached 311.7 TWh, a 4.2% decrease from 2023, mainly due to reduced gas consumption for electricity generation. Specifically, gas demand for electricity generation fell to 74.7 TWh, marking a 22.0% drop.

Spain also contributed to Europe's security of supply by supplying a total of 34.5 TWh of natural gas, both through interconnections and by reloading liquefied natural gas (LNG) vessels. These reloading activities complied with the European Union's 14th sanctions package against Russia for the invasion of Ukraine. Spain was the first EU country to define detailed rules and procedures for the monitoring, control, and authorisation of LNG reloading operations within the Spanish Gas System to ensure that the LNG reloaded does not originate from Russia.

In 2024, the Spanish Gas System received supplies from 14 different sources, which enhanced supply diversification and established Spain as a strategic entry point for liquefied natural gas (LNG) into Europe. The terminals more than doubled their LNG bunkering operations in 2024, reaching 3.8 TWh compared to 1.5 TWh in 2023, thus advancing the decarbonisation of the maritime sector.

Natural gas levels in underground storage facilities ended the year above 80%, having reached full capacity in August.

Amidst a European energy landscape affected by conflicts in Ukraine and the Middle East, the Spanish Gas System demonstrated remarkable robustness and flexibility, operating with 100% availability around the clock, every day of the year.

II. Evolution and results

Economic and governance dimension

Good Governance

Enagás, S.A. has a Sustainability and Good Governance policy which reflects the importance of good governance for the generation of value by the company.

Financial excellence

Main Economic Results

The Company's net profit amounted to 104.6 million euros, 77% lower than 2023. In 2024, investments worth 281.2 million euros were made.

The 2024 dividend per share reached 1.00 euro per share. Enagás, S.A. closed 2024 at 11.78 euros per share.

The share capital of Enagás, S.A. at December 31, 2024 was 392.9 million euros, with 261.9 million shares.

On July 19, 2024, the credit rating agency Fitch Ratings upgraded Enagás to BBB+, with a stable outlook. On July 31, 2024, the credit rating agency Standard & Poor's placed Enagás' credit rating at BBB+, with a stable outlook (Note 3.5).

Enagás S.A. has been listed on the Dow Jones Best-in-Class Index since 2008, with a rating of 87 points in 2024. In 2024, it was also placed on the CDP 'A List' of leading companies in climate change management.

Social dimension

People

Enagás, S.A., as a certified Top Employer company, offers stable and quality employment with high percentages of permanent and full-time employment contracts, totalling (100%) and (95.5%), respectively. In addition, the commitments acquired by Enagás, S.A. in its Human Capital Management Policy, together with the measures and actions implemented, translate into high levels of employee satisfaction and motivation, as reflected in low staff turnover (3.3% voluntary turnover) and the results obtained in the workplace climate survey.

Enagás S.A. has an integrated Talent Management Model to promote the achievement of the Company's strategic targets and support its Strategic Plan through four principles: To attract the best talent to Enagás, to know our internal talent, to continuously train our professionals and to develop and retain internal talent.

Enagás promotes a culture that ensures a diverse and inclusive environment, and fosters a working environment in which trust and mutual respect prevail and where integration and recognition of individual merit are hallmarks of the Company, placing its Diversity and Inclusion Master Plan as the basis for its strategy To achieve this commitment, Enagás, S.A. has continued to implement different initiatives in 2024 in the different areas of its diversity and inclusion strategy: gender, functional, generational, cultural, thought and LGTBI.

As part of the Global Listening Strategy, Enagás conducted its workplace climate survey in 2024, with results consistent with recent years. In 2025, it plans to outline an action plan based on these results to maintain high levels of satisfaction and commitment.

The global security approach of Enagás S.A. is based on the integration of the safety and health culture into the environment, people, facilities and information, through the involvement of leaders and the development of a model of health and security behaviours. The Enagás Occupational Risk Prevention Management System, certified according to ISO 45001 (100% of activities), has procedures and standards for the identification and evaluation of risks, as well as for the notification of accidents.

Ethical compliance and Human Rights

Enagás, S.A. has established a set of policies, standards and procedures which are integral to the company's ethics and integrity system. The Code of Ethics is the framework that sets out the principles of action necessary to promote ethics and integrity, as well as a culture of compliance.

The Enagás S.A. Ethics Channel is a platform for consulting doubts and notifying irregularities or breaches of the Code of Ethics and is managed by the company's Ethical Compliance Committee.

The Enagás, S.A. Compliance Model is the main tool for ensuring ethics and integrity in the performance of Enagás S.A. activities. This Model is structured around the Compliance Policy and its associated standards and procedures. Furthermore, within the framework of the Compliance Model, Enagás, S.A. has a Corporate Defence Programme that is the essential core of the company's criminal compliance. It also has a Corruption Prevention Programme and an Antitrust Programme.

In 2024, Enagás, S.A. certified its Corruption Prevention Programme, based on ISO 37001.

Community outreach

Relations with local communities are of importance to the company, since our activities impact the areas in which we operate. They encourage competitiveness in the industry, enhance energy supply security, contribute to decarbonisation and create direct and indirect employment.

The target of Enagás, S.A.'s social investment is to contribute to security of supply and decarbonisation, promoting a just energy transition through socio-economic development projects and initiatives throughout the country, minimising their impact. Through dialogue and collaboration with stakeholders, the positive social impact of the Company's initiatives is maximised, whether through the creation of direct or indirect jobs, volunteering, sponsorships, patronage or donations.

Supply chain

Supply chain management still represents a critical sustainability issue in the company's management. An adequate management of the supply chain allows us to identify and manage regulatory, operational, and reputational and sustainability risks, as well as take advantage of opportunities for collaboration and the creation of shared value.

In order to work with Enagás S.A., the suppliers must go through a rigorous approval process. They must meet, among others, the following approval requirements:

- Have the capacity and resources to meet technical, quality, environmental and safety requirements, and upholding thereof over an extended period of time.
- Respect the principles of the United Nations Global Compact and the Universal Declaration of Human Rights.
- Acceptance of the Enagás Code of Ethics.
- Hold certifications relating to quality, environmental matters, and occupational risk prevention for suppliers of certain product or service families.

The Company's average payment period to its suppliers is 19 days.

Environmental aspects

Activities to reduce greenhouse gas emissions, improve energy efficiency, protect the environment and biodiversity and the responsible consumption of resources are essential elements of Enagás, S.A.'s environmental management to mitigate the impact of its activities on the environment.

Climate action and energy efficiency

Improved energy efficiency and lower greenhouse gas emissions are major factors in reinforcing the vital role that natural gas will play in a low-carbon economy.

Enagás, S.A. is increasing its commitment to the fight against climate change every year through its management and continuous improvement model, based on public commitment and target setting, emission reduction and compensation measures as well as the reporting of our performance and results, following TCFD recommendations (Task Force on Climate-related Financial Disclosures).

Enagás has pledged to achieve net zero carbon emissions by 2040 for its Scope 1 and 2 emissions, and by 2050 for Scope 3. To this end, it has outlined a decarbonisation pathway with emission reduction targets aligned with the 1.5ºC temperature increase scenario of the Paris Agreement.

Natural capital and biodiversity management

Managing natural capital and biodiversity is a key aspect for Enagás. The control and minimisation of our impacts on the environment also produces direct internal benefits by improving the use of resources, ensuring the sustainability of our business and generating confidence in our stakeholders.

Enagás S.A. undertakes its environmental commitments (as reflected in the Health & Safety, Environment and Quality Policy) through the Environmental Management System and 100% of its activity is certified in accordance with ISO 14001 standard.

III. Liquidity and capital resources

The Group's net debt at December 31, 2024 amounted to 2,404,058 thousands of euros.

IV. Risk management

The Company Enagás, S.A. is exposed to various risks intrinsic to the sector, markets in which it operates and the activities it performs, which, should they materialise, could prevent it from achieving its objectives and executing its strategies successfully.

The Company has established a risk control and management model based on the principle of due control. The model aims to ensure the achievement of its objectives in line with the Company's risk tolerance level and the risk appetite approved by the governing bodies, and with a risk profile periodically assessed for all its risks. This model allows it to adapt to the complexity of its business activity in a globalised competitive environment, in a complex economic context, where the materialisation of a risk is more rapid and with an evident contagion effect.

This model is based on the following aspects:

- The establishment of a risk appetite framework, which sets out the levels of risk that the company considers acceptable. These risk levels are consistent with the Strategic Plan, with the business targets established, with the market context in which the company's activities are carried out, with the risk indicators identified and with the thresholds and tolerance limits associated with each type of risk.
- The general consideration of certain types of risks (financial and non-financial) to which the Enagás Group is exposed.
- The segregation and independence of the functions of risk control and management at the company, aligned with the "three lines of defence" model.
- The assignment to the Governing Bodies in matters of risk management (the Audit and Compliance Committee of the Board of Directors and the Executive Committee) of overseeing the level of risk of the company, ensuring that it remains within the levels that can be assumed.
- The development of the Risk Control and Management Policy through the General Risk Control and Management

Regulations, procedures and methodological manuals with operational instructions, as well as other general regulations.

- The transparency of information supplied to third parties, to guarantee its reliability and accuracy.

The integral analysis of all risks allows the appropriate control and management thereof, an understanding of the relationships between them and facilitates their joint assessment. This is accomplished by taking into account the differences of each type of risk in terms of its nature, handling capacity, risk measurement tools, etc.

The risk control and management function is articulated around three lines of defence, with differentiated roles and responsibilities, as follows:

- First line of defence: made up from the organisational units which assume the risks in the ordinary course of their activities. They are the owners of the risks and are responsible for identifying and measuring their respective risk exposure.
- Second line of defence: the Risk Department, in charge mainly of ensuring that the risk control and management system works correctly, defining the regulatory framework and approach, and performing periodic monitoring and overall control of the company's risks.
- Third line of defence: the Internal Audit Department, in charge of supervising the efficiency of the risk controls in place.

The Governing Bodies responsible for risk control and management are the following:

- Board of Directors: responsible for approving the risk control and management policy. Other responsibilities with respect to risks are delegated in the Audit and Compliance Committee.
- Audit and Compliance Committee: the main function is to ensure the independence of the risk control and management function, supervise the efficacy of the risk control and management systems as well as evaluating the Group's risk exposure (identification, measurement, and establishment of management measures).
- Executive committee: responsible for approving the general risk framework, defining the company's strategy and risk appetite, and monitoring the company's risk level.

The main risks associated with the business activities of Enagás S.A. are classified as follows:

1. Strategic and business risks

These are risks which are inherent to the gas sector and are linked to potential losses of value or results derived from external factors, strategic uncertainties, economic cycles, changes to the environment (inflation), changes to patterns of demand, competition and market structure or changes to the regulatory framework, as well as those derived from taking the incorrect decisions in relation to business plans and company strategies.

The activities carried out by the Company are notably affected by current regulations (local, regional, national and supranational). Any change in that legislation could negatively affect profits and the value of the company.

Of particular importance in this type of risk is the regulatory risk related to the remuneration framework and, therefore, to the regulated income from operations, as well as other risks related to the change of certain market factors that are not included in the aforementioned regulation. Also, there are uncertainties related to the deployment of renewable gases in the company and its future role in the energy sector. Regarding this last point, the delay or failure to develop the growth projects envisaged in the company's Strategic Plan for the medium and long term could have a negative impact on the company's results and its obligations to shareholders (mainly those projects related to hydrogen development).

The Company's results may also be affected by legal risk, which arises from uncertainties arising from differing interpretations of contracts, laws or regulations between the Company and third parties, as well as the outcome of ongoing legal or arbitration proceedings that may be decided in favour of or against the Company.

The Company Enagás S.A. has implemented measures to control and manage its strategic and business risk within acceptable risk levels, consisting in the continuous supervision of risks in connection with regulatory changes, market conditions, competition, business plans, strategic decision-making, etc. as well as management measures to contain risk at acceptable levels.

2. Operational and technological risks

Operation of the Enagás S.A. infrastructures may give rise to losses of value or earnings resulting from inadequate processes, failures of physical equipment and computer systems, human error or other external factors. This type of risk can in turn be classified as an industrial infrastructure risk (related to the nature of the fluids under management), risks associated with infrastructure maintenance, logistical and commercial processes, as well as other risks associated with corporate processes. As well as the risks related to the guarantee of supply to the Spanish Gas System due to the unavailability of gas at source.

The main operational and technological risks to which the Company is exposed are:

- Industrial risks, referring to potential incidents that may occur during the operation of transmission infrastructures, regasification plants, and underground storage facilities. These incidents can result in deviations from projected forecasts or, in some cases, significant damages. They are very often conditioned by the nature of the fluid under management. But in others, they may arise from technical failures or natural disasters or adverse weather conditions, sabotage or terrorist acts, to a lesser extent.
- Comprehensive security risks in information and communications systems, which include physical and logical security threats with a negative impact on the company's industrial and corporate systems (unwanted attempts to steal, expose, alter, disable or destroy information through unauthorised access to these systems), in the different forms in which they may occur (economic, espionage, activism or terrorism, for example).

- Unavailability of gas at source: Interruption of supply in the Spanish Gas System due to unavailability of gas at source (sabotage, geopolitical decisions, among others).

The Company Enagás S.A. identifies the activities relating to management and control which can provide an adequate and appropriate response to these risks. Among the control activities thus defined there are emergency plans, maintenance plans, control and alerting systems, training and skill upgrading for staff, application of certain internal policies and procedures, defining quality indicators, establishing limits, and quality certifications and audits, prevention and environment, etc. which allow the Group to minimise the probability of these risks occurring. To mitigate the negative economic impact that the materialisation of any of these risks may have on Enagás S.A., a series of insurance policies have been arranged.

Some of these risks could affect the reliability of the financial information prepared and reported by Enagás, S.A. An Internal Control over Financial Reporting (ICFR) system was implemented to control these types of risk, the details of which can be consulted in the Corporate Governance Report.

3. Credit and counterparty risks

Credit and counterparty risk relates to the possible losses arising from the non-compliance of monetary or quantifiable obligations of a counterparty to which the Company has granted net credit which is pending settlement or collection.

The counterparty risk includes the potential breach of obligations acquired by a counterparty in commercial agreements that are generally established in the long-term.

Enagás, S.A. monitors in detail this type of risk, which is particularly relevant in the current economic context. The activities carried out include analysing the risk level and monitoring the credit quality of counterparties, regulatory proposals to compensate Enagás S.A. for any possible failure to comply with payment obligations on the part of shippers (an activity that takes place in a regulated environment), request for guarantees, etc.

However, regulations have been developed establishing standards for managing guarantees in the Spanish gas system and which oblige shippers to provide guarantees for: (i) contracting capacity in infrastructure with regulated third-party access and international connections, (ii) settlement of imbalances; and (iii) participation in the organised gas market.

The measures for managing credit risk involving financial assets include the placement of cash at highly-solvent entities, based on the credit ratings provided by the agencies with the highest international prestige. Likewise, interest rate and exchange rate derivatives are contracted with financial entities with the same credit profile.

The regulated nature of Enagás S.A. business activity does not allow an active customer concentration risk management policy to be established.

Information concerning counterparty risk management is disclosed in Note 3.5 of the Annual Accounts.

4. Financial and fiscal risks

Enagás S.A. is subject to the risks deriving from the volatility of interest and exchange rates, as well as movements in other financial variables that could affect the Company's liquidity.

Interest rate fluctuations affect the fair value of assets and liabilities that accrue interest at fixed rates, and the future cash flows from assets and liabilities that accrue interest at floating rates. The objective of interest rate risk management is to achieve a balanced debt structure that minimises the cost of debt over a multi-year horizon with low volatility in the income statement. The Enagás Group, of which the Company is the parent company, maintains a fixed or protected debt structure of more than 80% to limit this risk. Changes in exchange rates may affect debt positions denominated in foreign currency. Enagás, S.A.'s exchange rate risk management is designed to balance the cash flows of assets and liabilities denominated in foreign currency in each of its subsidiaries.

Enagás S.A. maintains a liquidity policy that is consistent in terms of contracting credit facilities that are unconditionally available and temporary financial investments in an amount sufficient to cover the projected needs over a given period of time.

It should also be noted that the promotion of sustainable finance by regulators and investors (EU Taxonomy, EIB investment policy, Green Deal, among others) could affect the company's financing conditions in the medium and long term, which could in turn affect the Company's credit rating. The company monitors sustainable finance regulations, maintains contact with investment entities, financing and rating agencies, among other measures, to mitigate the possible impact.

With respect to tax risk, the Company is exposed to possible modifications in tax regulatory frameworks and uncertainty relating to different possible interpretations of prevailing tax legislation, potentially leading to negative effects on results.

The financial risk management policy is described in Note 3.5 of the Annual Accounts.

5. Reputational risks

Reputational risk refers to any action, event or circumstance that could have a harmful effect on the Company's reputation among its stakeholders.

Enagás, S.A. has implemented a self-assessment reputational risk procedure which uses qualitative measurement techniques. This process considers the potential reputational impact of any of the risks listed in the current inventory, as well as those strictly reputational events arising from the action, interest or judgement of a third party.

6. Compliance and Model Risks

The Company is exposed to compliance risks, which includes the cost associated with potential penalties (financial or otherwise) for breaches of laws and legislation, or penalties resulting from the materialisation of operational events, the use of improper business practices or the breach of internal company policies and procedures.

The Company may also be affected by risks of corruption, antitrust and internal and/or external fraud.

The Company may also be affected by risks associated with the improper use of assessment models and/or risk measurement, and hypotheses that are outdated or do not have the necessary precisions to be able to correctly evaluate their results.

7. Criminal liability risks

This includes the offences that give rise to criminal liability of the company (as a legal entity) for acts or omissions committed by its directors, officers or employees in the exercise of their functions and for the direct or indirect benefit of the company, as established by the applicable criminal law.

The reforms of the criminal codes of some of the countries in which the company operates (including Spain) establish the criminal liability of legal persons only for certain types of criminal offences, known as "catalogue of offences".

To prevent this risk from materialising, the Enagás Group has developed a Corporate Defence Programme in accordance with the requirements established in the Spanish Criminal Code, implementing the measures necessary to prevent the commission of crimes in its business environment and thus exempt the company from criminal liability.

8. Environmental, Social and Governance Risks (ESG)

The types of risks detailed above can also be classified according to each of the three pillars of sustainability (Environmental, Social and Governance). This is a category of risks transversal to the others previously identified, which groups together the different types of risks according to their ESG dimension identified by the company from the sustainability point of view.

Among the different ESG dimensions or topics that have been identified and, therefore, to which risk typologies can be associated, are: Climate Action and Energy Efficiency, Pollution, Water and Marine Resources Management, Biodiversity, Circular Economy, impact on People, Human Rights, Local Communities and Consumers and End-users, Sustainable Management of the Value Chain, Good Corporate Governance, Ethics and Integrity and, finally, Operational Excellence.

With regard to climate change risks, the Company manages and assesses these risks in an integrated manner in the risk control and management model described in the Management Report.

Risks are identified and quantified which arise from factors such as political and regulatory measures to promote the use of renewable energy, natural disasters or adverse weather conditions, compliance with CO_2 emission reduction targets and reputational risks, among others.

The impact of climate-related risks and how management assesses these risks to incorporate them into the judgements, estimates and uncertainties that affect the financial statements of the Group are described in Note 4.6.a. Regarding climate change risk, further details are included in the Group's Management Report chapter on Climate action and energy efficiency.

9. Other risks

Given the dynamic nature of the business and its risks, and despite having a risk control and management system that responds to the best international recommendations and practices, it is not possible to guarantee that some risk is not identified in the risk inventory of the Company.

V. Subsequent events

On January 30, 2025, the European Commission granted the full amount of funds requested by Enagás for studies related to the Projects of Common Interest (PCI) for the H2med corridor. This corridor includes a connection between Celorico da Beira in Portugal and Zamora in Spain (CelZa), as well as a maritime link between Barcelona and Marseille (BarMar). It also covers the initial sections of the Spanish Hydrogen Backbone Network, including the Vía de la Plata Axis with its link to the Puertollano Hydrogen Valley, and the Axis that incorporates the Cornisa Cantábrica, Ebro Valley, and Levante corridors.

These funds, totalling 75.8 million euros, originate from the Connecting Europe Facility (CEF) of the European Climate, Infrastructure and Environment Executive Agency (CINEA). They also cover studies for underground storage associated with the Spanish Hydrogen Backbone Network.

On February 3 and 4, 2025, the Company repaid its debt with Enagás Financiaciones in the amount of 290,277 thousands of euros.

No other events have occurred that significantly affect the results of the Company or its equity.

VI. Research and development activities

The technological innovation actions carried out by Enagás, S.A. and its Group in 2024 were mainly aimed at the technological development in the field of energy transformation towards the use of renewable gases, mainly green hydrogen as an energy carrier, as well as energy efficiency at our facilities.

1. Evolution of gas infrastructure

Enagás is aware of the wide diversity of scenarios and solutions that the energy sector could develop in the future in a broad sense. It thus assists with the actions carried out in different areas of the holding company to anticipate events and adapt to the far-reaching changes that are bound to arrive in the future.

In the field of R&D&I, the different complementary and/or alternative technologies to natural gas are analysed, which could also make use of part or all of the gas infrastructure for their potential development and implementation. Green hydrogen and its carriers, such as ammonia (NH_3), are considered the most significant technologies, followed by carbon capture, utilisation, and storage (CCUS) technologies. Other renewable gases, like biomethane and synthetic natural gas, also show clear synergies with existing infrastructures.

Enagás leads the GreenH2Pipes project consortium, which includes seven companies (H2Greem, Neklar, Rovalma, Ames, Nano4Energy, Exolum, and H2Site) and five research centres (CNH2, Tekniker, Itecam, Ceit, and URV). The project aims to gain first-hand knowledge and advance research into new materials and processes for hydrogen generation, including developing a new electrolyser, improving storage processes for liquid organic hydrogen carriers (LOHC), and facilitating hydrogen transmission within existing infrastructures through the design of an injection point.

Enagás is specifically working on designing a facility to inject hydrogen into the current natural gas network. For this purpose, CFD simulation tools are used to ensure the correct behaviour of the gas in the facility and to develop the necessary procedures for its standardisation in gas transmission infrastructures.

Furthermore, the project includes activities to:

- Analyse the potential presence of impurities in the hydrogen produced by the electrolyser and their impact on pipeline transmission.
- Assess the suitability of natural gas network materials for hydrogen transmission.
- Investigate the process of separating hydrogen from the natural gas flow.
- Explore the integration between the electricity sector (using renewable electricity for hydrogen production) and the gas sector (injecting and transporting hydrogen within the natural gas network).

Underground storage facilities have also been the subject of R&D&I projects to analyse their suitability for future hydrogen storage, assessing the associated risk as a preliminary phase to determine the necessary corrective/mitigation actions. In 2024, Enagás is involved in two hydrogen storage projects, leading one of them as part of a consortium: FrHyGe and PUREH2.

The FrHyGe project, backed by the Clean Hydrogen Partnership programme, focuses on storing hydrogen in saline cavities, a type of infrastructure not yet managed by Enagás but planned for the future hydrogen backbone network. It has also been recognised as a Project of Common Interest by the European Commission. The project started in January and will be the first in Europe to demonstrate hydrogen injection and extraction operations in a saline cavity. In 2024, significant progress was made on all preparatory work needed to install the equipment required for this demonstration, as well as on parallel safety studies to meet the requirements of the relevant authorities.

The PUREH2 project, led by Enagás and funded by the IDAE's innovative renewable hydrogen value chain aid programme, aims to optimise purification systems for storing green hydrogen in saline cavities using various membrane technologies.

On the other hand, the HYSTORENEW project also works along these lines, and, in collaboration with other Spanish companies, the study of the application of new satellite surveillance technologies for application to new infrastructures continues, as well as the developments needed to build and/or adapt infrastructures to hydrogen transmission. A first prototype for satellite surveillance of gas pipelines against geological risks was completed in collaboration with the University of Salamanca and will be refined in 2024. Another work package is examining the infrastructures necessary for hydrogen storage and transmission. Finally, also in partnership with the University of Salamanca, the project is focused on selecting the best organic compounds to serve as hydrogen carriers from a techno-economic perspective.

Also along these lines, work is being carried out on the European SHIMMER project, financed by the Clean Hydrogen Partnership programme. This project integrates all the knowledge developed in recent years in relation to the transmission of hydrogen and natural gas mixtures. Information has been gathered from the various Transmission and Distribution operators involved in the project, and a database of materials and components from current infrastructures is being developed to assess their compatibility with hydrogen. Regarding integrity and safety management, progress has been made in reviewing existing knowledge and procedures for qualifying, testing, and ensuring the compatibility of materials in the current gas network for hydrogen blending. This also includes evaluating monitoring technologies for leak detection and assessing the condition of gas pipelines. The development of simulation models for gas pipeline networks is ongoing. These models will be validated against real data provided by operators (for natural gas) to develop guidelines on optimal blending strategies.

In April 2024, the University of Oviedo and Enagás signed a business collaboration agreement to establish the Chair of Sustainable Energy Carrier Development. This agreement sets up a joint framework for collaboration, enabling a techno-economic study to adapt the liquefied natural gas (LNG) terminal at El Musel in Gijón as a multi-molecule plant.

2. Measurement and analysis of natural gas and hydrogen

Enagás, S.A. and its whole Group continues to equip itself with the best available techniques to reduce the level of uncertainty in the measurement of the energy contained in natural gas, both in the liquid state (LNG) and in the gaseous state (NG), at the points at which it is received or delivered to third parties, as well as in facilities and experience for the measurement of hydrogen. During 2024, this innovative effort has led to different studies and actions.

Line 1 of the project, developed in partnership with TheNextPangea, focuses on creating a platform to integrate and monitor operational variables such as pressure, temperature, flow rate, and density in existing gas and future hydrogen transmission infrastructures. The aim is to identify potential network anomalies and detect any leaks. In 2024, a new contract was signed with TNP to continue this work and develop loss detection software with a commercial Technology Readiness Level (TRL).

This year also marked the conclusion of the DECARB project, funded by the European Metrology Programme for Innovation and Research (EMPIR). The project tackled key industrial measurement challenges associated with transitioning to a decarbonised gas network. This includes flow measurement, quality analysis, physical property assessment, and detection of leaks in both pure hydrogen and hydrogen mixed with natural gas and biomethane. Enagás' activities have focused on testing leak detection instruments (8) on the test bench of the Metrology and Innovation Centre (CMI).

Within the scope of the GreenH2Pipes project, Enagás acquired analysis equipment to measure the quality of hydrogen produced by electrolysis. The aim is to identify impurities in hydrogen produced by a new electrolyser developed with national technology within the project. The equipment will be integrated into the infrastructure of the CMI's Gas Analysis and Quality Laboratory, enabling it to be fully compatible with hydrogen and support new hydrogen infrastructures.

Enagás, together with 12 European partners, continue the works on the project THOTH2, founded by the Clean Hydrogen Partnership. This will develop new validated methodologies, protocols and facilities for testing the metrological performance and durability of existing measuring instruments in the gas network when operating with pure hydrogen as well as $NG:H_2$ mixtures.

The H2FlowTrace project is set to commence in September 2024. Its goal is to enhance the traceability of hydrogen flow measurement using new metrological infrastructure. Funded by the METPART (European Metrology on Partnership) programme, this project involves 17 partners.

The HYLOOP+ project, an initiative led by Enagás and funded internally, aims to expand the facilities of the Enagás Metrology and Innovation Centre (CMI) to serve the future hydrogen network and its value chain. This involves designing, constructing, and commissioning a new laboratory for the calibration of hydrogen meters. In 2024, the detailed engineering design and construction project were completed, alongside the procurement process for awarding equipment and services. Construction is expected to finish by the end of 2025, with laboratory operations starting in the first half of 2026. The project also involves constructing a primary reference system, the HPPP, which represents the most advanced and innovative technological aspect of the entire initiative. The HPPP is a standard piston system designed to bring the level of measurement accuracy at the Enagás laboratory in line with the leading facilities in Europe.

3. Operational safety

Throughout 2024, the line of research into the safety of Enagás' gas pipelines and other facilities continued. To this end, participation in different international joint projects has been maintained, which has also confirmed that the level of security of the Enagás facilities is adequate and is in line with that of other foreign companies with similar characteristics.

In 2024, work will continue on Line 3, which focuses on integrity monitoring, in collaboration with TheNextPangea. This effort aims to integrate advanced sensors, backed by AI and IoT systems, to monitor the integrity and safety of pipelines. It may also involve work on coatings, paints, and supplementary coating systems for hydrogen transmission pipelines and related facilities, such as fibre optic and radio transmission systems.

4. Materials and equipment

Based on the experience and knowledge gained through participation in various technical works of European bodies and major research and technology associations (European Standardisation Technical Committees CEN, GERG, EPRG, MARCOGAZ, H2GAR, etc.), Enagás has developed and/or updated a series of important specifications and technical requirements applicable to the materials and equipment with which it designs, builds and operates its facilities, reflecting the state of the art and ensuring that the best alternatives are chosen to optimise the total cost (CaPex + OpEx) without compromising the level of safety.

Throughout 2024, fatigue crack growth rate (FCGR) tests on typical materials used in the Enagás transmission network have been ongoing. This has been carried out in collaboration with the Polytechnic University of Madrid (UPM), providing essential information to assess the suitability of the existing network for conversion to hydrogen transmission. The results obtained so far will be presented in the first half of 2025.

In 2024, as part of the GreenH2Pipes project, material testing began at the Aragon Hydrogen Foundation (FHa) facilities. These tests involve subjecting a section of pipe, similar to those used in natural gas networks, to pressure cycles with hydrogen. The goal is to gain a deeper understanding of how the material behaves when used for hydrogen transmission. Once the material has undergone accelerated ageing, its properties will be evaluated through fatigue and toughness tests to assess its development and potential suitability for hydrogen networks. The results will be compared with those from the Polytechnic University of Madrid (UPM), which will analyse the material using different methodologies.

The PilgrHYm project, which started in January 2024 and is funded by the Clean Hydrogen Partnership, aims to develop a European roadmap. Enagás, along with 11 other partners, will assess the feasibility of safely and efficiently integrating hydrogen into the existing natural gas transmission network.

By the end of this year, a collaboration agreement will be signed with the University of Burgos (UBU) to conduct mechanical characterisation tests on sections of the existing Backbone Network that could potentially be converted for hydrogen transmission. The tests, which are already in progress, include slow strain rate testing (SSRT), fracture toughness, and microhardness assessments. These will be performed on the line pipe itself—covering the weld, heat-affected zone, and base metal—as well as on the girth weld, again examining the same three areas. The results will provide a comprehensive evaluation in line with relevant regulations and standards, helping to determine the feasibility of converting the network to hydrogen service or identifying any limitations that might apply.

5. Efficiency

Energy efficiency:

During 2024 Enagás, S.A., as the parent company of the Enagás Group, has continued its efforts, on the one hand, to reduce the energy consumption of its facilities and, on the other hand, to raise the level of energy it produces for self-consumption or export.

The objectives of reducing energy consumption and emissions have been achieved through the PEERE (Energy Efficiency and Emissions Reduction Plan). Firstly, through the reduction of primary energy consumption for the company's own operations, secondly, the reduction of emissions derived from the operation and, finally, the improvement in the management of fugitive emissions.

In 2024, efforts continued to reduce primary energy consumption and emissions from operations by replacing turbochargers powered by natural gas with electrically powered motor compressors. One such compressor was commissioned at the Almendralejo station in 2023 and at the Coreses station in 2024. The initiative to replace compressors in the wells of the Aurín field at the Serrablo underground storage facility also progressed.

In 2024, the Electrification Plan for Enagás Transporte, S.A.U. was updated. This revision considered factors such as future emissions projections from using natural gas as turbine fuel and the critical nature of facilities in meeting future demand. This analysis led to prioritising work at four stations, with commissioning expected between 2029 and 2030, potentially reducing the carbon footprint by approximately 81,500 tonnes of CO_2. Two of these sites had already been identified as priorities due to their significant impact on the company's carbon footprint, and necessary environmental and engineering studies for their replacement projects were already underway.

Solar energy production plants for self-consumption have been commissioned at several Enagás facilities, including a 1 MWp plant at the Huelva Terminal. This plant was constructed by E4efficiency, a company that emerged from the Enagás intrapreneurship programme and is fully owned by Enagás Emprende.

In terms of energy consumption reduction, E4efficiency has used its patent for the "System and process for recovering cold from LNG in regasification plants" to complete the ecological cooling facility (ECSBox) at the Barcelona Terminal, with a capacity of 15 MW. Testing of the cooling supply has commenced. A similar facility based on the same patented technology has begun construction at Enagás's Huelva Terminal, with a 3 MW capacity. This project will continue its development into 2025.

In the area of methane emissions quantification, Enagás has spearheaded an innovation project on the use of various novel technologies and their implementation to improve the accuracy of methane emissions quantification at its facilities.

The project has been developed in the framework of the European partnership GERG (European Gas Research Group) and the results of this project will contribute to achieving the objective of the Global Methane Pledge and obtaining the "Gold standard" of OGMP 2.0, a voluntary initiative coordinated by the United Nations Environment Programme. The project is coordinated by Enagás, with the participation of 13 other European gas infrastructure operators and gas associations. In 2023, various measurements were conducted at an operational compressor station, allowing for the evaluation of methodologies for data reconciliation and verification. By 2024, the project was completed, providing general recommendations for the reconciliation process in transmission, storage, and regasification facilities.

The association also took part in a project focused on methane emissions from the operation of analytical equipment. Specifically, a benchmarking exercise was carried out to identify the emissions produced by the different analysis systems installed in the infrastructures. In this way, emissions and some practises to eliminate/reduce them could be identified. It is being investigated how the project can be extended to test the effectiveness of new technologies to eliminate emissions.

Work on the OPTHYCS project, funded by the Clean Hydrogen Partnership and led by Enagás, is ongoing in 2024. The project focuses on developing fibre optic sensors to detect emissions, provide continuous monitoring, and ensure the safe operation of hydrogen facilities, as well as natural gas facilities that can be converted to hydrogen. This contributes to the safe and economically viable implementation of hydrogen production, transmission, and storage processes. Throughout 2024, various sensor coatings have been tested, software development has progressed, and initial tests have been conducted to integrate the technologies that will comprise the detection system. Preparations for validation campaigns, scheduled for 2025, have also commenced.

The NHYRA project is set to start in January 2024. This initiative, part of a consortium of 15 partners including Enagás and funded by the Clean Hydrogen Partnership, aims to develop reliable methods for measuring and quantifying hydrogen emissions across its value chain. It seeks to provide new data and rigorous calculation-based models to assess the potential climate impact of these emissions and evaluate the most effective mitigation measures.

Another strategic project is the collaboration with SATLANTIS in the development of innovative technology for the detection and quantification of GHG emissions and surveillance of Enagás infrastructures by satellite. In 2024, tests were carried out at Enagás Transporte facilities; technical and business support has been provided and the second satellite, Horacio, (part of a constellation under development), with functions similar to the previous GEISAT-p, specifically developed for detection and quantification of methane emissions and high-precision Earth observation, was launched.

Technical efficiency

The production of renewable hydrogen and its integration into the gas network involves the interconnection of the gas and electricity sectors. Operational, regulatory, and market conditions impact these plants, complicating their operation and making it difficult to optimise their profitability. As part of the GreenH2Pipes project, the focus is on analysing the dynamics of the various subsystems within these plants to achieve real-time optimisation, addressing a complex non-linear multivariable challenge. Harnessing the power of artificial intelligence (AI) and mathematical modelling, it has established the basis (proof of concept) for the development of digital twins to accurately predict the generation, storage and transmission of green hydrogen by pipeline.

In addition, Titech is a project focused on improving the maintenance efficiency of underwater infrastructures by preventing biological fouling (such as mussels and algae) on regasification terminal structures that are exposed to seawater, including pipes, intake ponds, spill ponds, ship hulls, docks, and vaporisers. This project has been developed with the startup Titanium Technology, incorporating their technology that uses titanium electrodes in sheet form. A trial has been underway throughout 2024 at the Barcelona Plant, with monthly evaluations to assess its effectiveness. This trial will conclude in the first quarter of 2025, at which point its efficiency and potential for larger-scale application in the facilities will be evaluated.

6. Renewable gases

In the field of renewable gases, in addition to the aforementioned technological tests for the transformation of our networks to hydrogen, Enagás has continued to work on various projects aimed at developing innovative technologies for hydrogen production, other than water electrolysis technology, which will make it possible to recover waste or take advantage of the direct source of solar energy with the potential to reduce the production costs expected to be obtained in large-scale projects.

The HacDos project is a Spanish consortium aimed at developing photocatalytic technology to produce green hydrogen from wastewater. Its aim is to demonstrate both the technical feasibility of photocatalysis for the production of hydrogen from wastewater and solar energy and the maximum hydrogen production through a techno-economic and market analysis aimed at the possible establishment of a spin-off. Throughout 2024, development has continued as planned, with completion expected by the end of 2025.

Hyeld is a European project consisting of 12 companies for the conversion of waste into green hydrogen. It includes several innovative technologies: Process design for waste heat utilisation, a Water-Gas-Shift (WGS) membrane reactor, low pressure metal hydride storage technology and a digital twin to develop new digital optimisation tools and models for waste to hydrogen plants. The project has stayed on track with the proposed timeline in 2024.

7.Digitalización

Sercomgas, a subsidiary of Enagás Emprende, was created in 2018 with the aim of providing operational back-office services to shippers, traders and qualified gas consumers, facilitating access to new customers and the development of the Spanish gas hub concept in accordance with Enagás' strategy. Also aligned with our sustainability targets, in 2024, in addition to facilitating the obtaining and management of Guarantees of Origin (GoO) and Proof of Sustainability (PoS) of gas from renewable sources for the agents participating in these systems, it has evolved its back-office logistics management software called Mercurio, which has been tested in more than 50 customers. This software enables gas shippers to operate their service end-to-end, offering a flexible, scalable and immediately deployable cloud solution.

8. Hydrogen Technology Observatory

In April 2024, Enagás launched the Hydrogen Technology Observatory (HTO), aiming to catalyse the exchange of technical knowledge across the hydrogen value chain and drive technological advancements that speed up the deployment of this energy carrier.

The HTO's main functions include: (i) Monitoring the current state of technologies. (ii) Identifying emerging trends and forecasting technological developments in the sector. (iii) Sharing best practices in technology and innovation to facilitate their implementation.

Since its inception, the HTO has organised two in-person events: the "Enagás Technical Day" and the second annual event on the "Technological Challenges of Large-Scale Hydrogen Infrastructures". It has also hosted two technical workshops on key topics like "Hydrogen Storage" and "Hydrogen-Based Land Mobility", alongside publishing various important reports and publications by leading national and international organisations and stakeholders, which are available on its website.

VII. Acquisition and sale of treasury shares

At December 31, 2024 the Company held 866,271 treasury shares, representing 0.3% of total shares of Enagás S.A. This is in line with the framework of the "Temporary Treasury Share Buy-Back Scheme", whose exclusive aim was to meet the obligations of delivering shares to the Executive Director and members of the Enagás Group management team under the current remuneration scheme according to the terms and conditions of the 2022-2024 Long-Term Incentive Plan (ILP) and the Remuneration Policy approved at the General Shareholders' Meeting held on March 31, 2022. In 2024, the "Temporary Share Buy-back Programme" was extended to meet obligations from the Parent Company's flexible remuneration plan, which involves delivering shares to employees and senior managers at Enagás, S.A. and its Group companies.

The shares were purchased in compliance with the conditions set out in Article 5 of Regulation EC/2273/2003 and subject to the terms authorised at the General Shareholders' Meeting held on March 31, 2022. Management of the Temporary Treasury Share Buy-Back Scheme was entrusted to Banco Bilbao Vizcaya Argentaria (BBVA), which carried out the transaction on behalf of Enagás, S.A. independently and without exercising influence on the process (Note 4.4).

During the period from January 1, 2024 to December 31, 2024, the following movements in treasury shares have taken place:

No. of shares as at January 1, 2024	No. of shares acquired new target	No. of shares implemented for the target	No. of shares as at December 31, 2024
723,579	416,522	(273,830)	866,271

VIII. Annual Corporate Governance Report

The Annual Corporate Governance Report for the 2024 financial year forms part of the Consolidated Management Report in accordance with article 49.4 of the Commercial Code. This document can be consulted from the publication of these accounts on the company's corporate website www.enagas.es and on the CNMV website www.cnmv.es.

On February 17, 2025, the Board of Directors of Enagás, S.A. prepared the Annual Accounts and Management Report for the year ended December 31, 2024, consisting of the accompanying documents attached hereto, in accordance with the provisions of Article 253 of the Corporate Enterprises Act and Article 37 of the Code of Commerce, and remaining applicable standards.

In accordance with the provisions of Article 262.5 of the Consolidated Text of the Corporate Enterprises Act and the reference contained in the Management Report of the individual company Enagás, S.A. corresponding to the year ended December 31, 2024, Enagás, S.A., as the parent company of the Enagás Group, includes the Non-Financial Information Statement (and Sustainability Information) in the Consolidated Management Report of Enagás, pursuant to the provisions of Law 11/2018 governing non-financial and diversity reporting.

DECLARATION OF RESPONSIBILITY: For the purposes of Article 99.2 of Law 6/2023, of March 17, on Securities Market and Investment Services, and Article 8.1.b of Royal Decree 1362/2007, of October 19, the Directors state that, to the best of their knowledge the Annual Accounts, prepared in accordance with applicable accounting principles, provide a true and fair view of the equity, financial position and results of the Company and that the Management Report includes a fair analysis of the performance and results of the businesses and the situation of the Company, together with the description of the main risks and uncertainties faced. They additionally state that, to the best of their knowledge, the directors not signing below did not express dissent with respect to the Annual Accounts or the Management Report.

Chairman:

Mr Antonio Llardén Carratalá (Signed the original in Spanish)

Chief Executive Officer:

Mr Arturo Gonzalo Aizpiri (Signed the original in Spanish)

Directors:

Sociedad Estatal de Participaciones Industriales-SEPI
(Represented by Mr Bartolomé Lora Toro)
(Signed the original in Spanish)

Mr José Montilla Aguilera
(Signed the original in Spanish)

Ms Ana Palacio Vallelersundi
(Signed the original in Spanish)

Ms María Teresa Arcos Sánchez.
(Signed the original in Spanish)

Ms Eva Patricia Úrbez Sanz
(Signed the original in Spanish)

Ms Natalia Fabra Portela
(Signed the original in Spanish)

Mr Santiago Ferrer Costa
(Signed the original in Spanish)

Ms Clara Belén García Fernández-Muro.
(Signed the original in Spanish)

Mr David Sandalow
(Signed the original in Spanish)

Mr José Blanco Lopez
(Signed the original in Spanish)

Ms María Teresa Costa Campi
(Signed the original in Spanish)

Mr Manuel Gabriel González Ramos
(Signed the original in Spanish)

Mr Cristóbal José Gallego Castillo
(Signed the original in Spanish)

DILIGENCE to record that, in accordance with the call of the Board of Directors, having been held at the registered office, allowing the Directors to participate telematically, the Annual Accounts and Management Report of Enagás, S. A. for the 2024 financial year have been drawn up with the agreement of all members of the Board of Directors, which is certified by the Secretary of the Board with his signature below, and with the signatures of those Directors who have physically participated in the Board of Directors.

Electronic signature of the Secretary to the Board:

Mr Diego Trillo Ruiz
(Signed the original in Spanish)