



NORTEGAS ENERGÍA GRUPO, S.A.U.
(incorporated with limited liability under the laws of the Kingdom of Spain)

€2,000,000,000
Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the “**Programme**”), Nortegas Energía Grupo, S.A.U. (the “**Issuer**” or “**NEG**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed €2,000,000,000 (or the equivalent in other currencies).

This Offering Circular constitutes a base listing particulars and has been approved by The Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) as listing particulars and application has been made to Euronext Dublin for the Notes to be admitted to the Official List of Euronext Dublin (the “**Official List**”) and to trading on the Global Exchange Market of Euronext Dublin (the “**Global Exchange Market**”), which is the exchange-regulated market of Euronext Dublin. This Offering Circular constitutes listing particulars in respect of the admission of the Notes to the Official List and to trading on the Global Exchange Market. This Offering Memorandum and any supplements hereto that may be published from time to time will be available on the website of Euronext Dublin (<https://live.euronext.com>). The Global Exchange Market is not a regulated market for purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, “**MiFID II**”). This Offering Circular does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”) and in accordance with the Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes. References in this Offering Circular to the Notes being “**listed**” (and all related references) shall mean that the Notes have been admitted to the Official List and admitted to trading on the Global Exchange Market. Application may be made to Euronext Dublin for a period of 12 months from the date of this Offering Memorandum for Notes issued under the Program to be admitted on the Official List and trading on the Global Exchange Market. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

This Offering Circular does not comprise (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) (the “FSMA”) or (ii) a base prospectus for the purposes of the Prospectus Regulation. This Offering Circular has been prepared solely with regard to Notes that are (i) not to be admitted to listing or trading on any regulated market for the purposes of MiFID II or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“UK MiFIR”) and (ii) not to be offered to the public in a Relevant State (as defined herein) (other than pursuant to one or more of the exemptions set out in the Prospectus Regulation or an exemption from the obligation to prepare a prospectus under section 85 of the FSMA).

Each Tranche of Notes in bearer form (“**Bearer Notes**”) will initially be in the form of either a temporary global note in bearer form (the “**Temporary Global Note**”) or a permanent global note in bearer form (the “**Permanent Global Note**”) in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each, a “**Global Note**”) which is not intended to be issued in new global note (“**NGN**”) form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Tranche of Notes in registered form (“**Registered Notes**”) will initially be represented by a global registered note (the “**Global Registered Notes**”) and will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure (the “**NSS**”), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary; or (b) in the case of a Note to be held under the NSS, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

The Programme is expected to be rated BBB- by S&P Global Ratings Europe Limited (“**S&P**”). S&P is established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to the Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation or established in the United Kingdom and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”), or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or which is not established in the United Kingdom but will be endorsed by a credit rating agency which is established in the United Kingdom and registered under the UK CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation or which is not established in the United Kingdom but which is certified under the UK CRA Regulation will be disclosed in the Pricing Supplement.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under “Risk Factors” below.

Arranger

BBVA

Dealers

CaixaBank

IMI - Intesa Sanpaolo

Rabobank

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IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Offering Circular and the Pricing Supplement (as defined below) for each Tranche of Notes issued under the Programme and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular and the Pricing Supplement for each Tranche of Notes issued under the Programme is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Issuers on Global Exchange Market, a multilateral trading facility (MTF), are not subject to the same rules as issuers on a regulated market. The risk in investing in debt securities on Global Exchange Market may therefore be higher than investing in debt securities listed on a regulated market. Investors should take this into account when making investment decisions.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” (the “**Conditions**”) as completed by a document specific to such Tranche called the pricing supplement (the “**Pricing Supplement**”) or in a separate offering circular specific to such Tranche (the “**Drawdown Offering Circular**”).

This Offering Circular must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of a Pricing Supplement, must be read and construed together with the relevant Pricing Supplement. In the case of a Tranche of Notes which is the subject of a Drawdown Offering Circular, each reference in this Offering Circular to information being specified or identified in the relevant Pricing Supplement shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Offering Circular unless the context requires otherwise.

The Issuer has confirmed to the Dealers named under “*Subscription and Sale*” below that this Offering Circular contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material (including all such information as is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and rights attaching to the Notes); that such information is true and accurate in all material respects and is not misleading in any material respect in light of the circumstances then subsisting; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect in light of the circumstances under which they were made; that this Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Except for the Issuer, no other party has separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Offering Circular and none of them makes any representation or warranty, express or implied, or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Circular or for any other statement, made or purported to be made by a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. None of the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular or any Pricing Supplement comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of this Offering Circular or any Pricing Supplement and other offering material relating to the Notes, see “*Subscription and Sale*”. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or to U.S. persons.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Offering Circular or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €2,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under “*Subscription and Sale*”.

In this Offering Circular, unless otherwise specified, references to a “**Member State**” are references to a Member State of the European Economic Area and references to “**€**” or “**euro**” are to the single currency of the participating member states in the Third Stage of the European Economic and Monetary Union of the Treaty Establishing the European Union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Offering Circular has been prepared on the basis that any offer of the Notes in any Member State of the European Economic Area (the “**EEA**”) and the United Kingdom (“**UK**”) (each, a “**Relevant State**”) will be made pursuant to an exemption under the Prospectus Regulation, the FSMA and/or the UK Prospectus Regulation (as applicable) from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant State of the Notes which are the subject of an offering contemplated in this Offering Circular as completed by a Pricing Supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or the UK Prospectus Regulation, in each case, in relation to such offer. None of the Issuer or any Dealer has authorised, nor do they authorise, the making of any offer of the Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129, as amended. The expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”).

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which will determine if the channels for distribution of the Notes are appropriate. Any person subsequently selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID II Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET – The Pricing Supplement in respect of any Notes may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS - If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

SINGAPORE SFA PRODUCT CLASSIFICATION: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

STABILISATION: In connection with the issue of any Tranche of Notes, a Dealer or Dealers (if any) acting as the stabilisation manager(s) (the “**Stabilisation Manager(s)**”) (or any person acting on behalf of any Stabilisation Manager(s)) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the relevant Tranche of Notes and 60 calendar days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of the Stabilisation Manager(s)) in accordance with all applicable laws and rules.

ROUNDING: Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

ALTERNATIVE PERFORMANCE MEASURES: Certain alternative performance measures (as defined in the ESMA Guidelines on Alternative Performance Measures) (“**Alternative Performance Measures**” or “**APMs**”) are included in this Offering Circular (which reference includes any information incorporated by reference herein). Such APMs, which are not required by, and have not been prepared in accordance with, International Financial Reporting Standards as adopted by the European Union (“**IFRS-EU**”), have been extracted or derived from the accounting records of the Issuer and its Subsidiaries (as defined in section “*Description of the Issuer*”) (the “**Issuer Group**”), Nature Investments S.à r.l (the “**Parent**”), and the Top HoldCos (as defined in section “*Description of the Issuer*”) (together the Issuer Group, the Parent and the Top HoldCos, the “**Parent Group**”).

The Issuer believes these measures will assist securities analysts, investors and other interested parties in the understanding of the Issuer Group’s results of operations and financial position. These APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS-EU. Such APMs have not been audited or subject to a pro forma review by the independent auditors, and are not recognised measures of financial performance or liquidity under IFRS-EU but are used by management to monitor the underlying performance of the business, operations and financial condition of the Issuer Group.

These APMs may not be indicative of the Issuer Group’s historical results, nor are such measures meant to be predictive of its future results. The Issuer has presented these APMs in this Offering Circular because it considers them to be important supplemental measures of the Issuer Group’s performance or liquidity, because these and similar measures are seen to be used widely in the sector in which it operates as a means of evaluating a company’s operating performance and liquidity. However, not all companies calculate such APMs in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names, and they should not be considered as a substitute for financial measures computed in accordance with IFRS-EU.

Accordingly, undue reliance should not be placed on such APMs contained in this Offering Circular. For the definitions and reconciliations of such APMs, please refer to “*Description of the Issuer*”.

OFFERING CIRCULAR SUPPLEMENT

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Offering Circular which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Offering Circular is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare a supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description of the Programme does not purport to be complete and is taken from, and is in its entirety qualified by, the remainder of this Offering Circular and, in relation to the Conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Offering Circular have the same meanings in this general description of the Programme.

Issuer:	Nortegas Energía Grupo, S.A.U.
Legal Entity Identifier (“LEI”) of the Issuer:	959800BV22XY8K22ZD24
Risk Factors:	Investing in the Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under “ <i>Risk Factors</i> ” below.
Arranger:	Banco Bilbao Vizcaya Argentaria, S.A.
Dealers:	Banco Bilbao Vizcaya Argentaria, S.A., CaixaBank, S.A., Coöperatieve Rabobank U.A., Intesa Sanpaolo S.p.A. and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes only.
Fiscal Agent and Paying Agent:	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent:	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Listing Agent:	Maples and Calder (Ireland) LLP.
Listing and Trading:	<p>Application will be made for the Notes issued under the Programme to be admitted to the Official List of Euronext Dublin and to trading on the Global Exchange Market.</p> <p>The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.</p>
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer and as specified in the relevant Pricing Supplement.
Initial Programme Amount:	Up to €2,000,000,000 (or its equivalent in other currencies) aggregate principal amount of the Notes outstanding at any one time. The Issuer may increase the initial Programme amount in accordance with the terms of the Dealer Agreement.
Issuance in Series:	The Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Forms of Notes:	<p>The Notes may be issued in bearer form or in registered form.</p> <p>Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note which is</p>

not intended to be issued in new global note form (a “**Classic Global Note**” or “**CGN**”), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a “**New Global Note**” or “**NGN**”), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes.

If TEFRA D (as defined below) is specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Notes represented by a Global Registered Note will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure (the “**NSS**”), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary; or (b) in the case of a Note to be held under the NSS, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Currencies:	The Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Status of the Notes:	The Notes will constitute direct, general, unconditional, unsubordinated and (without prejudice to Condition 5 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Issue Price:	The Notes may be issued at any price as specified in the relevant Pricing Supplement. The price and amount of the Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions. In the case of Zero Coupon Notes the amount to be paid up by investors will be at least €100,000 (or its equivalent in other currencies).
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuers or the relevant currency.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer.

No money market instruments having a maturity at the date of issue of less than 12 months will be offered to the public or admitted to trading on a regulated market under this Offering Circular.

Redemption:	The Notes may be redeemable at par or at such other Redemption Amount as may be specified in the Conditions or relevant Pricing Supplement provided that such amount shall be at least 100% of the nominal value of the Notes.
Optional Redemption:	If so specified in the Pricing Supplement, the Notes may be redeemed prior to their stated maturity at the option of the Issuer in accordance with Condition 9(c) (<i>Redemption at the option of the Issuer</i>), Condition 9(h) (<i>Clean-up call option</i>) or Condition 9(i) (<i>Pre-maturity call option</i>) and/or the Noteholders in accordance with Condition 9(e) (<i>Redemption on sale of assets</i>), Condition 9(f) (<i>Redemption on loss of licence</i>) or Condition 9(g) (<i>Redemption on change of control</i>).
Tax Redemption:	Except as described above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (<i>Redemption for tax reasons</i>).
Interest:	The Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Fixed Rate Notes:	Fixed rate interest will bear interest in accordance with Condition 6 (<i>Fixed Rate Note Provisions</i>).
Floating Rate Notes:	Floating Rate Notes will bear interest in accordance with Condition 7 (<i>Floating Rate Note Provisions</i>).
Zero Coupon Notes:	Zero Coupon Notes will be payable in accordance with Condition 8 (<i>Zero Coupon Note Provisions</i>).
Denominations:	No Notes may be issued under the Programme which (a) have a minimum denomination of less than €100,000 (or the equivalent in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. Subject thereto, the Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 5 (<i>Negative Pledge</i>).

Cross Default:	The Notes will have the benefit of a cross default as described in Condition 13(c) (<i>Cross Default</i>).
Taxation:	All payments in respect of the Notes will be made free and clear of withholding taxes, unless the withholding is required by law (or applicable regulations or Royal Decrees). In the event that any such withholding or deduction is made, additional amounts will be payable by the Issuer or, as the case may be, subject to certain exceptions as are more fully described in Condition 12 (<i>Taxation</i>).
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, English law, save that Condition 4 (<i>Status</i>) shall be governed by, and shall be construed, in accordance with Spanish law.
Enforcement of Notes in Global Form:	In the case of Notes represented by the Global Notes, individual investors' rights against the Issuer will be governed by a Deed of Covenant dated on or around 9 January 2026, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Ratings:	<p>Upon issuance, the Notes are expected to be rated BBB- by S&P Global Ratings Europe Limited. S&P Global Ratings Europe Limited is established in the EEA and registered under the CRA Regulation.</p> <p>Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to the Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation or established in the United Kingdom and registered under the UK CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or which is not established in the United Kingdom but will be endorsed by a credit rating agency which is established in the United Kingdom and registered under the UK CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation or which is not established in the United Kingdom but which is certified under the UK CRA Regulation will be disclosed in the Pricing Supplement.</p>
Selling Restrictions:	<p>For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, the Kingdom of Spain, Italy, Japan and Singapore see "<i>Subscription and Sale</i>" below.</p> <p>The Issuer is Category 2 for the purposes of Regulation S ("Regulation S") under the Securities Act, as amended.</p> <p>The Notes will be issued in compliance with U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the United States Internal Revenue Code of 1986, as amended (the "Code")) ("TEFRA D") unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("TEFRA C") or (ii) the Notes are issued other than in compliance with TEFRA D or</p>

TEFRA C but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Risks related to the Issuer Group

Risks relating to changes in regulation

The Issuer Group is engaged in the distribution of natural gas and the supply and distribution of liquefied petroleum gas (“LPG”), which are regulated activities in Spain.

Spanish, European and regional regulations determine the scope of the business undertaken by the Issuer Group, the remuneration scheme applicable to the distribution of natural gas and LPG tariffs and the necessary requirements to be met in order to carry out its activities. Consequently, the Issuer Group’s business, prospects, financial position and operating results could be materially adversely affected by changes in laws, regulations or regulatory policies that apply to its business. Such changes include, but are not limited to: (i) modifications to the current remuneration scheme for the distribution of natural gas and LPG, or amendments to the parameters, methodologies or assumptions used to calculate such remuneration (as described in section “*Overview of the Spanish Natural Gas and LPG sectors*”); (ii) liberalisation measures relating to the distribution of natural gas and LPG markets in Spain or their associated services; (iii) amendments to, or removal of, the exclusivity rights currently granted in favour of respective distributors of natural gas with respect to specific activities within specific geographical zones, which also gives them, in certain cases, preferential treatment with respect to the neighbouring geographical zones; (iv) refusal to grant or renew, or delays in granting or renewing, licences, approvals, registrations, concessions or operating agreements (together, “**Approvals**”), or determinations that the Issuer Group has breached the terms and conditions of existing Approvals; (v) the imposition of additional obligations to carry out its activities; (vi) the introduction of new taxes, levies or charges applicable to natural gas and LPG, or increases to existing fiscal burdens, which may increase end-user prices and adversely affect demand; (vii) the implementation of additional climate-related regulatory requirements, including net zero commitments, decarbonisation targets, carbon pricing mechanisms, and associated conditions, obligations and operational limitations, particularly those arising from new or amended European Union, Spanish national or regional climate and environmental legislation and policy frameworks; and (viii) other regulatory decisions relating to the impact of general economic conditions, public support to natural gas and LPG, climate change and levels of permitted revenues or leverage conditions for its business in relation to proposed business development activities, among others (as described in section “*Overview of the Spanish Natural Gas and LPG sectors*”).

In addition, the Issuer Group’s activity is subject to it being able to obtain the relevant Approvals. Further, it should be noted that many of the Issuer Group’s Approvals are subject to the fulfilment of certain commitments which, if not met, can lead to sanctions or penalties, reductions in remuneration, the suspension, revocation or non-renewal of Approvals, the enforcement of performance bonds, guarantees or other security provided in connection with Approvals; and reputational damage affecting the Issuer Group’s relationships with regulatory authorities, customers and other stakeholders, which could have a material adverse effect on the Issuer Group’s business, financial position, results of operations and prospects.

Risks relating to changes in the regulated remuneration scheme applicable to the Issuer Group

In Spain, the main source of income for a company engaged in the distribution of natural gas is the regulated remuneration scheme as defined and settled by the regulator (i.e. the Comisión Nacional de los Mercados y la Competencia) (the “CNMC”). Regulated revenues (as defined in “*Selected financial information*”) constituted 95.8% of the Issuer Group’s total revenue for the nine-month period ended 30 September 2025. According to the

current regulatory framework the purpose of this remuneration is to enable distributors of natural gas to recover their investment, pay the costs of running and maintaining the distribution network and earn a reasonable return. The annual amounts to be paid to each such distribution company are set out in accordance with the rules laid down, inter alia, in the Law 34/1998, of 7 October, on the Hydrocarbon Sector (the “**Hydrocarbon Sector Law**”), as amended from time to time; Law 18/2014, of 15 October, approving urgent measures for growth, competitiveness and efficiency, Royal Decree 949/2001, of 3 August; Circular 4/2020, of the CNMC and related and implementing regulations.

The regulated remuneration is currently determined by the CNMC. A parametric formula, which is stipulated in the regulations, is used to determine the regulated remuneration applying fixed parameters. Remuneration is calculated each year based on the previous year’s regulated remuneration adjusted for the variation on the number of supply points and natural gas demand based on the parametric formula. Circular 4/2020 approved by the CNMC on 31 March 2020, entails a gradual reduction in remuneration reaching approximately €239 million per year for the whole gas distribution sector in 2026. One of the main goals of such Circular is to remove the alleged excess remuneration that natural gas distributors receive, according to the CNMC. Such a reduction results in an adjustment to the regulated revenue for the Issuer Group of approximately €30 million in 2026.

Further, the prices applicable to the LPG supply through pipelines are also regulated and calculated according to a formula approved by Ministerial Order of 16 July 1998, as amended by Order ITC/3292/2008 and Order IET/389/2015. The maximum price of LPG is established by monthly resolutions issued by the Directorate General of Energy Policy and Mining. The price is determined based on the evolution of the LPG price, applying a fixed regulated margin which was established on 18 November 2005 in Law 24/2005, of 18 November, on reforms to boost productivity (Article 12.1).

The Issuer Group also receives income from ancillary services. The prices of some of these services are also regulated by the national or regional governments. For example, the activation and maintenance of connection points, the rental of meters and the inspection and construction of new supply pipelines or connection points are all sources of other regulated revenues. These ancillary services represented 11.8% of the Issuer Group’s total revenues for the nine-month period ended 30 September 2025.

In addition, according to Order ICT/155/2020 of 7 February 2020, regulating the State metrological control of certain measuring instruments and published by the Industry, Commerce and Tourism Ministry (as subsequently amended by Order ITU/1475/2024 of 17 December and Order ITU/1072/2025), all gas meters with a maximum flow rate (*caudal*) equal to or less than 25 m³/h over 20 years of useful life might be required to be replaced within a specified timeframe (certain aspects of the implementation, such as the final calendar, are being reviewed and final provisions might be revised). Moreover, Royal Decree-Law 18/2022 of 18 October 2022 authorised natural gas smart meter deployment (article 14). In April 2024, the CNMC published a resolution establishing the temporary rental cost of natural gas smart meters for a flow rate of 6 m³/h or less for customers connected to networks with pressure of < 4 bars and annual consumption below 50,000 kWh. This price may be further reviewed by the CNMC, either increasing or decreasing it following the approval of the ministerial order with the corresponding development plan for smart meter deployment. The provisional price is subject to an eventual regularisation once the CNMC establishes the final prices, with adjustments (upwards or onwards) to be made in the next available financial year to account for any difference between the provisional and final prices. The final calendar for meter replacement and the definitive rental prices for smart meters could have a negative impact on the Issuer Group’s capital expenditure requirements, operating costs, and revenues from meter rental services.

Out of the €144,192,529 revenues of the Issuer Group for the nine-month period ended 30 September 2025, 95.8% were of a regulated nature. Although the current regulation provides a high degree of revenue visibility for the Issuer Group until 2026 any change in the regulated remuneration scheme, LPG tariffs or in the prices for ancillary services, as described above or otherwise, could have a material adverse effect on the Issuer Group’s business, financial position, results of operations and prospects.

Please refer to section “*Overview of the Spanish Natural Gas and LPG sectors*” for further information.

Risks relating to changes in the parameters used for the current regulated remuneration formula

As from 1 January 2020, the regulated remuneration of gas distribution is determined by the CNMC according to a parametric formula established by Law 18/2014 and Circular 4/2020 using the relevant parameters approved by the Spanish Government and the CNMC, respectively, for regulatory periods of six years.

Factors taken into account when calculating the regulated remuneration include, increases or reductions in (i) the number of connection points (and whether these are located in recently gasified areas) and (ii) the volume of gas distributed compared to the preceding year for each segment.

The Circular 4/2020 only gives visibility for the regulatory period 2021-2026, but not beyond. Therefore, it cannot be ruled out that as from 1 January 2027 the remuneration of the activity could be recalculated, especially if the way in which the CNMC intends to calculate the alleged reasonable return is changed. In any case, any of the parameters approved by the CNMC are expected to be proportionate and comply with the rest of the principles applicable to regulated remuneration.

If the current parameters are reviewed downwards, distributors of natural gas, like the Issuer Group, could see smaller-than-expected increases or even decreases in their revenues which could have a material adverse effect on the Issuer Group's business, financial position, results of operations and prospects.

Please refer to section "*Overview of the Spanish Natural Gas and LPG sectors*" for further information.

Risks associated with changes in gas demand and connection points

Achieving growth in the Issuer Group's business is closely linked to growth in the actual number of connection points and growth of gas demand in the Issuer Group's designated territory. Demand for gas, compared with other forms of energy, in particular for heating domestic and other properties, is a driver for new connection points as well as for retention of existing connection points in the Issuer Group's designated territory. Additionally, growth in the number of connection points and in demand for natural gas is a direct component of the parametric formula determining the Issuer Group's regulated remuneration (see "*Remuneration scheme and other regulated revenues*"). Growth in connection points and trends in gas demand depend on a series of factors beyond the Issuer Group's control. These factors include, among others, the development of the electricity sector, the development of alternative energies, the price of natural gas in comparison to other energies, the general economic situation in Spain, international crisis, pandemics, climate change, the availability of capacity for international imports of natural gas and energy policies and environmental legislation.

Also, the demand for natural gas is closely related to climate. In peninsular Spain, both the electricity and gas systems are winter peak systems, which means that, generally, demand is higher during the cold weather months and lower during the warm weather months. A significant portion of the demand for natural gas in the cold weather months is related to the production of heating. The Issuer Group's revenues and operating results from natural gas distribution could be negatively affected by unseasonably warm weather during the winter months, due to reduced demand and lower distribution volumes.

In addition, significant climatic changes, including a gradual, steady increase in global temperatures, could affect consumer behaviour and global or regional demand for energy products such as natural gas. There can be no assurance that the Issuer Group will be able to adapt its business model and strategy successfully to the evolving physical and environmental effects of climate change. Any failure to do so could have a material adverse effect on the Issuer Group's business, prospects, financial condition, and results of operations.

The Issuer Group's sustainable growth depends primarily on the evolution of gas demand within its distribution areas rather than on increases in connection points, which grow only marginally given the already large installed customer base, and even small variations in underlying demand due to climatic conditions, energy prices or macroeconomic trends could have a material impact on the Issuer Group's gas distribution volumes and regulated remuneration.

The Issuer Group's remuneration is determined by the gas year (from 1 October to 30 September), by the CNMC based, among other factors, on the number of connection points and the growth in demand for natural gas. Therefore, if the connection points or demand for natural gas in the area where the Issuer Group operates do not increase at the foreseen rate, the Issuer Group's revenues and strategic plan could be affected, which could have a material adverse effect on the Issuer Group's business, financial position, results of operations and prospects.

A breach of the Issuer Group's authorisations could expose the Issuer Group to the risk of losing such authorisations

If a distribution company does not comply with its commitments described in its Approvals, they may be left without effect. This means that if the Issuer Group does not make an investment included in its Approval application, it will not be under any obligation to carry it out, but the Approval may be revoked (so that another

company could be authorised to construct distribution facilities in the area). Furthermore, the Issuer Group posts a performance bond calculated as a percentage of the budget of the proposed project, and the relevant public administrative body may retain such bond pursuant to the terms of the Approval. The Issuer Group is currently in compliance with the obligations and conditions imposed for all of the Issuer Group's preliminary Approval, and no administrative procedures have been commenced to revoke or to declare null and void any of the Issuer Group's Approval due to breaches of the obligations and conditions imposed. Should any Approval be revoked or declared null and void, the loss of such Approval may have a material adverse effect on the Issuer Group's business, financial position, results of operations and prospects.

The Issuer Group has been in the past and could in the future be required to partially finance a tariff imbalance in the Spanish natural gas system

The regulated remuneration is paid to distributors through a settlement process that takes into consideration revenues and costs in the Spanish natural gas system. If there are no sufficient revenues to cover the remuneration of regulated activities (and the other regulated costs), a tariff deficit in the gas system appears.

As a consequence of costs exceeding revenues, tariff deficits have been generated in the Spanish natural gas system. This has in the past created situations in which the Issuer Group has not received its full regulated remuneration for the relevant calendar year, although deficits were in each case paid in the subsequent year or postponed to following years.

The accumulated deficit up to and including 31 December 2014 was officially quantified as €1,025,052,945.66 by means of the 2014 final settlement resolution adopted by the CNMC on 24 November 2016.

Law 18/2014 has expressly recognised the right of those companies which funded this aggregated deficit (until the end of 2014) to recover the portion that they "financed", plus an interest rate, through the different annual settlements over the following 15 year (ending on 24 November 2031); and Order ETU/1977/2016 approved the amount to be paid each year to the relevant company, plus the applicable interest rate.

All the aforementioned tariff deficits have been securitised and therefore there is no outstanding amount to be received by the Issuer Group.

Since 2015, two kinds of deficits may arise: (i) a short-term deficit resulting from monthly settlements (i.e. a deficit resulting from an imbalance between costs and revenues shown in a given monthly settlement); and (ii) a deficit resulting from the annual settlement (i.e. if the short-term deficit is not solved prior to the end of a given year, the annual deficit would appear).

Law 18/2014 also includes measures to prevent another structural deficit from being generated. These are: (a) if in a single year the deficit exceeds 10% of the revenues generated by the gas system, tolls and charges will be increased automatically in the following year to recover the amount by which the limit was exceeded; and (b) if the accumulated deficit exceeds 15% of revenues, tolls and duties will also be increased automatically in the following year to the extent by which the limit was exceeded.

Despite those rules having been designed with the aim of reducing imbalances, there remains a risk that imbalances will be generated. Indeed, if the imbalances are generated below these thresholds, all regulated participants in the Spanish natural gas system (including the Issuer Group) shall contribute (in proportion to the regulated remuneration to which they are entitled) to temporarily fund such imbalance. These contributions are credited in favour of the relevant companies to be paid over the following five years.

Since 1 October 2021, the settlement system has been split into several blocks following the entry into force of Circular 6/2020 of 22 July and Order TED/1022/2021 of 27 September. Distribution is included in the local network system. The final settlement for the 2024 gas year, approved in 2025, shows a deficit of €152,441,471.20 in the local network system, of which € 15,863,014.77 correspond to the Issuer Group.

Please refer to section "*Overview of the Spanish Natural Gas and LPG sectors*" for further information.

Moreover, in case of a new imbalance, the regulator could choose to adversely change regulations governing remuneration that the Issuer Group receives, and such adverse change in regulations could reduce the remuneration that the Issuer Group receives. As such, if a new development regulating tariff causing imbalances in the Spanish natural gas system is approved, it could have a material adverse effect on the Issuer Group's business, financial position, results of operations and prospects.

Risk due to geographic concentration of the distribution activity

The Issuer Group distributes natural gas exclusively in the autonomous regions of Asturias, Cantabria and the Basque Country. Therefore, all sources of revenue come from operations in a limited geographic area. Thus, due to the fact that the increase of revenues of the Issuer Group depends, among other factors, on the increase in the number of connection points and on the demand for natural gas, the Issuer Group is concentrating its risk in the economic, demographic and urban development growth of three regions. Moreover, in the event of a catastrophe, natural disaster, adverse weather conditions, criminal or terrorist acts or other events or conditions affecting the regions, the Issuer Group could be severely impacted as we do not benefit from geographic diversity. If the regions do not experience growth, or if they suffer from any such event or condition, it could result in a material adverse effect on the Issuer Group's business, financial position, results of operations and prospects.

Risks resulting from the operation of the gas distribution network

The Issuer Group's operations are subject to certain inherent risks, including pipeline breaks, explosions, pollution, release of toxic substances, fires, adverse weather conditions, sabotage, terrorism, accidental damage to its gas distribution network and other hazards and *force majeure* events, any of which could result in personal injury and/or damage to, or the destruction of, the Issuer Group's facilities and other properties or an interruption in gas distribution. The Issuer Group is not generally able to predict the occurrence of these or similar events and they may cause unanticipated interruptions in its gas distribution activities. While the Issuer Group seeks to obtain, and does obtain, insurance coverage for these risks resulting in damages and loss of profit, its financial position and operating results may be adversely affected to the extent any losses are uninsured, exceed the applicable limitations under its insurance policies, are subject to the payment of an excess towards the insured amount or to the extent the premiums payable in respect of such policies are increased as a result of insurance claims. In addition, these operating risks could materially adversely affect the Issuer Group's reputation.

In the course of all of the Issuer Group's business activities, direct or indirect losses may also be caused by inadequate internal processes including inaccurate meter readings. For example, differences between the reported incoming gas in the Issuer Group's network and the gas that the Issuer Group has allocated to suppliers according to its meter readings, above the 1% maximum permitted leakages <4bar ("*mermas*"), could lead to a negative settlement. Such negative settlement could require the Issuer Group to compensate the supplier for the gas that it has introduced into the Issuer Group's network and that has not been allocated to such supplier, which in turn would have a material adverse effect on the Issuer Group's business, financial position, results of operations and prospects.

Furthermore, the Issuer Group may suffer a major network failure or interruption due to import restrictions, pipeline breaks, lack of international supply or otherwise, or may not be able to carry out critical non-network operations. Operational performance could be materially adversely affected by a failure to maintain the health of the system or network, inadequate forecasting of demand or inadequate record keeping or failure of information systems and supporting technology.

This could cause the Issuer Group to fail to meet agreed standards of service or incentive and reliability targets or be in breach of its Approvals or any other regulatory requirement or contractual obligation. Further, even incidents that do not amount to a breach could result in adverse regulatory and financial consequences and affect the Issuer Group's financial position and operating results or harm the Issuer Group's reputation.

Risks assumed by a distribution company in case of non-payment by a natural gas supplier

The main source of revenue for a company that distributes natural gas (such as the Issuer Group) is the regulated remuneration that, from 1 January 2020, is defined and settled by the CNMC at monthly settlements between the different parties acting in the gas system (of which the Issuer Group is one).

Distribution companies' regulated remuneration is defined through operation of this monthly settlement. Every month, the CNMC settles the regulated revenues and regulated costs of all agents which carry out activities in the gas system. In the monthly settlement process, the CNMC determines the proportional share of the annual payment for that month and will compare that amount with the monthly amount already invoiced by the relevant distribution company for tolls charged to the suppliers of natural gas who have a regulated third party access ("*TPA*") contract to access the distribution network.

If the tolls and charges invoiced by a distribution company are higher than its regulated remuneration for that month, the distribution company must pay the difference to the gas system, and the CNMC will instruct how such

excess amount shall be paid to other companies engaged in regulated activities. Conversely, if the monthly regulated remuneration is higher than the amounts invoiced to natural gas suppliers as tolls and charges, the distribution company must receive the difference from the gas system through the instructions issued by the CNMC to other companies engaged in regulated activities (provided that the revenues of the gas system are sufficient to cover all costs for that month, including the regulated remuneration; otherwise, a short-term deficit will arise).

The gas system and the regulations consider the amounts invoiced to suppliers of natural gas as revenue for the distribution company regardless of whether or not such amounts have been collected. Therefore, the risk of non-payment of the amounts invoiced as tolls to suppliers of natural gas is borne by the distribution company (and the suppliers of natural gas bear the risk of non-payment from end customers that are invoiced by such suppliers).

Moreover, because the Issuer Group invoices TPA mainly to four natural gas suppliers, non-payment by even one supply company could have a material adverse effect on the Issuer Group's business, financial position, results of operations and prospects. To avoid this risk, the Royal Decree 984/2015 developed a guarantee system that covers part of the non-payments. In case of non-payment a distribution company may request the suspension of the TPA contract of the relevant supplier. This means that during a certain period of time, the risk of non-payment is borne by the distribution companies. However, the Circular 2/2025 also provided that in the event of default, the guarantees deposited may be called upon. Any such non-payment could have a material adverse effect on the Issuer Group's business, financial position, results of operations and prospects.

Please refer to section “*Overview of the Spanish Natural Gas and LPG sectors*” for further information.

Risks associated with LPG business

As at 30 September 2025, the Issuer Group has 89,193 LPG piped connection points and 513 km of LPG distribution network within the Issuer Group's distribution area. The Issuer Group's investment in LPG infrastructure has decreased from €8,200,000 as at 31 December 2021 to €1,019,011 as at 30 September 2025, reflecting a shift toward renewable gases such as biomethane and hydrogen. Risks associated with these investments include:

- (i) technological improvements in other energy sources;
- (ii) changes in LPG regulation, and in particular the regulated formula for the maximum price calculation for purchases and sales of LPG;
- (iii) customer conversion (as it requires authorisation from official organisations and city councils as well as the legal analysis of current LPG supply contracts);
- (iv) risks resulting from the operation of the LPG distribution network;
- (v) risk arising from non-payment by any customer; and
- (vi) reliance on a main supplier for LPG, including periodical renegotiation of supply terms, and any failure to renew such arrangements on favourable terms, or at all, could result in price increases or supply disruptions that could adversely affect the Issuer Group's business and results of operations.

Any increase in the costs of, cancellation of and/or delay in the completion of, the Issuer Group's LPG businesses, projects under development and projects proposed for development could have a material adverse effect on the Issuer Group's business, financial position, results of operations and prospects.

Risks related to potential unregulated activities

A subsidiary of the Issuer, Nortegas Green Energy Solutions, S.L.U. (“NGES”), is investing and pursuing several opportunities in new businesses adjacent to its current activities, contributing to the decarbonisation process and enhancing growth and the long-term value of the core business of the Issuer Group. NGES is involved in the transformation, renewal and maintenance of gas-fuelled central heating systems for buildings and the development and operation of gas charging stations for natural gas propelled vehicles (“NGV”). These are unregulated activities that have been developed in recent years, although they are currently non-material from a revenue perspective,

representing 2.0% of the Issuer's Group revenues as of 30 September 2025. At the moment, they are subject to liberalised activities risks such as demand risk or default risk by consumers as well as project execution risk.

Risks related to biomethane and hydrogen investment

Given the increasing strategic relevance of investments in green gases infrastructure such as biomethane and hydrogen to the Issuer Group's operations in the medium-long term, there can be no assurance that the broader biomethane and hydrogen industries will develop as currently anticipated. The Issuer Group's decarbonisation strategy assumes a gradual penetration of green gases into Spain's gas system. However, the biomethane and hydrogen sectors remain at an early stage of maturity, characterised by a limited number of operational generation projects in Spain, lengthy administrative approval processes and ongoing regulatory developments. Any slower-than-expected development of the market could adversely affect the Issuer Group's growth prospects and financial performance.

Furthermore, the successful expansion of the Issuer Group's biomethane activities, to be developed by a liberalised entity outside the regulated perimeter (i.e., Norbiogas), is dependent on third-party infrastructure and operational factors beyond its control. The integration of biomethane connection points into the distribution network is subject to various technical and operational requirements, including technical feasibility assessments, connection points capacity constraints, pressure compatibility, gas quality compliance standards and metering infrastructure. Any delay, technical failures or cost overruns in the development or operation of these investments and related infrastructure could have an adverse impact on the Issuer Group's business, financial condition and results of operations.

The Issuer Group holds and may hold additional minority stakes in certain biomethane and hydrogen projects and companies. As a minority stakeholder, the Issuer Group does not have full operational or strategic control over these entities and is reliant on the cooperation of majority shareholders and management. The controlling shareholders' interests may differ from ours, and the Issuer Group's ability to influence key business decisions, project development, capital allocation and operational matters may be limited. In the event of shareholder disagreements, changes in ownership structure or adverse actions by majority stakeholders, the Issuer Group may lose effective control or influence over these projects, which could result in project delays, misalignment with strategic objectives, inability to prevent value-destructive decisions, impairment of investment values and loss of anticipated revenues.

In addition, as green gases are expected to play a key role in the decarbonisation of the energy sector, the regulatory framework governing the sector remains subject to ongoing developments and potential change. Under EU and Spanish energy legislation, gas distribution activities are subject to strict unbundling requirements designed to ensure regulatory separation between different parts of the energy value chain, although the Issuer Group has established a separate liberalised entity to participate in certain segments of the biomethane value chain. Unbundling obligations described above may restrict the Issuer Group's ability to integrate such activities more broadly within its operations, thereby limiting the scope for vertical integration and potentially constraining revenue opportunities. Any further tightening of unbundling rules could further limit the Issuer Group's strategic flexibility in renewable gas development.

Moreover, changes to the regulatory framework governing biomethane and hydrogen production, distribution or connection points, including modifications to support schemes, tariff structures or guarantee of origin mechanisms, could materially affect the economic viability of biomethane projects. The absence of a comprehensive long-term national biomethane or hydrogen strategy could also limit investor appetite and slow the pace of development of green gases. Any such adverse developments could have a material adverse effect on the Issuer Group's business, financial condition, results of operations and prospects.

Risks relating to new investment opportunities for the Issuer Group's distribution activity

Any new investment that natural gas distribution companies may wish to make outside their distribution area will be subject to regulatory approval. Therefore, all investment projects in new distribution areas are overseen by the regulator and bound by its decisions. In addition, any investment, in current distribution areas or new areas into which they are given permission to expand natural gas distribution, may also be subject to environmental or planning permissions. If one of these approvals was refused or granted subject to unfavourable conditions, investment may not ultimately be made. In particular, the construction and development of natural gas distribution infrastructure can be time-consuming and highly complex.

Any increase in the costs of cancellation of and/or delay in the completion of the Issuer Group's projects under development and projects proposed for development could have a material adverse effect on its business, financial position, results of operations and prospects. In particular, if the Issuer Group was unable to complete projects under development, these may never be put into operation and therefore it may not be able to recover the costs incurred and its profitability could be adversely affected. These risks could lead the Issuer Group to deviate from its investment plan, which could have a material adverse effect on the Issuer Group's business, financial position, results of operations and prospects.

Other material increases in construction, labour or equipment costs, could require the Issuer Group to reprioritise or rescope investment projects, which may delay or reduce the scope of planned infrastructure improvements and affect the Issuer Group's ability to meet regulatory obligations or operational targets.

Furthermore, in the Basque Country, the competent authority has approved Decree 76/2020, which updated the procedure for granting administrative authorisations for new installations within the Autonomous Community of the Basque Country. In particular, no exclusivity shall be granted in favour of the distribution company that has been authorised or operates facilities in adjacent territories to those in relation to which a new authorisation shall be requested. A competitive process shall be followed in order to grant new authorisation for distribution companies and proximity of other installations will only be considered as a positive factor to grant the relevant administrative authorisation in such competitive process.

Risk of making investments not contemplated in the investment plan

Spanish regulation of the natural gas sector provides that in order to satisfy demand for natural gas, if there is a request from a consumer in a specific area covered by an authorisation, the distribution company holding such authorisation is obliged to expand its gas network to satisfy such demand under the "connection point regime". In such cases, distribution companies assume all the costs involved in tendering the first six metres of extension in the service line from the distribution network and the remainder of the service line length may be, subject to the discretion of the distribution company, paid by the <4bar customer at a unit price per metre set by regulation. For >4bar customers, there is not a regulated price.

If the Issuer Group is required to develop a project in the circumstances set out above, such investment might not be as profitable as others available to the Issuer Group and could have a material adverse effect on the Issuer Group's business, financial position, results of operations and prospects.

Risks resulting from the implementation of the Issuer Group's strategic plan

Given the risks to which the Issuer Group is exposed and the uncertainties inherent in its business activities, the Issuer Group may not be able to implement its strategic plan successfully. Were the Issuer Group to fail to achieve its strategic objectives, or if those objectives, once attained, did not generate the benefits initially anticipated, its business, financial position, results of operations and prospects may be materially adversely affected. The Issuer Group's ability to achieve its strategic objectives is subject to a variety of risks, including, but not limited to, the following:

- (i) the possibility of an adverse economic environment, which would negatively affect the performance of the Issuer Group's businesses. Industrial end customers account for a significant portion of the Issuer Group's gas distribution volumes and any deterioration in the activity level of such industries, closure of facilities, changes in fuel choice or reduction of operational hours could lead to lower-than-expected gas demand;
- (i) an inability to successfully manage the requirements of regulatory frameworks if stricter than expected regulatory measures were to be imposed in relation to the distribution of gas;
- (ii) delay to obtain regulatory approval or licences necessary for expansion of the business;
- (iii) volatility in the demand for natural gas or the failure to correctly estimate projected natural gas demand over coming years;
- (iv) failure or delay in successfully executing network saturation and connection-point growth initiatives, which are key elements of the Issuer Group's strategy, could adversely affect the Issuer Group's growth prospects and financial performance;

- (v) natural gas price evolution compared to other energy sources (LPG, gasoil, electricity);
- (vi) failure to implement the Issuer Group's strategic plan, including successfully executing any investments in green gases infrastructure, such as biomethane or hydrogen;
- (vii) technological improvements in other energy sources, as well as regulatory changes in favour of other energy sources; and
- (viii) loss of market share in respect of periodical inspections of gas delivery facilities following the removal of the exclusivity previously held by gas distribution companies in respect of these inspection services ("**Loss of Inspection Services Exclusivity**") (see further below).

Law 8/2015 of 21 May, amending the Hydrocarbon Sector Law and certain tax and non-tax measures in connection with the exploration, research and exploitation of hydrocarbons was enacted in May 2015 ("**Law 8/2015**"). Law 8/2015 modifies several provisions of the Hydrocarbon Sector Law, including, *inter alia*, certain provisions affecting the gas distribution business. None of these provisions are expected to have a direct impact on the Issuer Group's activity or performance, save for the Loss of Inspection Services Exclusivity. Going forward other licensed entities (natural gas installation companies) shall also be entitled to render such services. The income derived from the aforementioned inspection services represented 4.9% of the Issuer Group's aggregate revenue for the nine-month period ended 30 September 2025.

Please refer to section "*Overview of the Spanish Natural Gas and LPG sectors*" for further information.

Although the Issuer Group considers that it is, in all material respects, in compliance with the laws governing its activities, it is subject to a complex set of laws. If the competent public or private sector bodies were to interpret or apply such laws in a manner contrary to the Issuer Group's interpretation of them, such compliance could be questioned or challenged and, if any non-compliance were to be alleged or proven, it could have a material adverse effect on the Issuer Group's subsidies, business, financial position, results of operations and prospects.

Risks related to taxation in Spain and the Bizkaia territory

The Issuer Group is subject to many different forms of national, regional and local taxation, both direct and indirect, including, but not limited to, income tax, withholding tax, value added tax, sales tax and other payroll taxes. Tax laws and administration criteria are not a clear-cut area, are subject to changes and often require the Issuer Group to make subjective interpretations. If the judgement, estimates and assumptions the Issuer Group uses in preparing its tax returns are subsequently found to be incorrect, there could be a material adverse effect on Issuer Group's results of operations. In this respect, as a result of any future tax inspection, additional taxes could be identified, which could lead to a substantial increase in the Issuer Group's tax obligations (including any accrued interest and penalties), either as a result of the relevant tax payment being levied directly on the Issuer Group or as a result of the Issuer Group becoming liable for tax as a secondary obligor due to a primary obligor's failure to pay.

The legislatures and tax authorities in the locations in which the Issuer Group operates (both in the common territory and the Bizkaia territory) regularly enact reforms to the tax and other assessment regimes to which it and its customers are subject to. Such reforms include changes in tax rates and, occasionally, enactment of temporary taxes, the proceeds of which are generally earmarked for designated governmental purposes.

The effects of these changes and any other changes that result from enactment of additional tax reforms cannot be quantified and there can be no assurance that any such reforms would not have an adverse effect upon the business of the Issuer Group.

Uncertain macroeconomic climate could affect the Issuer Group's financial position

The global economy and the global financial system have experienced significant turbulence and uncertainty over recent years, including a decline in GDP, a disruption of the financial markets and stress to the sovereign debt and economies of certain EU countries. This disruption restricted general levels of liquidity and the availability of credit and the terms on which credit is available. It also increased the financial burden on the companies engaged in the supply of natural gas and LPG in Spain, downgrading their credit quality, reducing their spending capacity and negatively impacting their access to credit. The financial volatility also negatively impacted on the Issuer Group's customers and their ability to make payment for gas supplies. This crisis in the financial system led the governments of many developed economies (including Spain) to inject liquidity into the financial system and also

required the recapitalisation of the financial sector to reduce the risk of failure of certain large institutions, in an attempt to safeguard the flow of credit to businesses and to seek to return confidence to the market.

Following this intervention, the financial sector showed signs of stabilisation and conditions and trends were improving in Spain. However, adverse economic conditions have been further accentuated in the markets where the Issuer Group operates due to the full-scale invasion of Ukraine launched by Russia on 24 February 2022 and the unrest and political instability in the Middle East. The uncertain nature, magnitude and duration of Russia's invasion of Ukraine and potential effects of it and of actions taken by the EU, Western and other states and multinational organisations in response thereto (including Russian retaliatory actions) together with the ongoing tensions in the Middle East, have contributed to increased market volatility and uncertainty. These conflicts have also led to increased volatility in the prices of energy, oil and other commodities disrupting supply chains and resulting in higher costs that put pressure on business margins and ultimately affect investment evolution.

Inflation rates in the Eurozone and in many other countries have generally declined, aligning closely with central banks' price targets and supporting interest rate cuts. In the Eurozone, inflation rates have decreased from 3.1% in January 2024 to 2.1% in November 2025, while the inflation rate in Spain went from 3.5% in January 2024 to 3.1% in November 2025 (*source: Eurostat – November 2025*). Inflation rates in Spain are expected to remain around the current levels, with inflation expected to reach a level of 2.7% at the end of the year 2025 and 2.1% and 1.9% at the end of the years 2026 and 2027, respectively (*source: Informe trimestral y proyecciones macroeconómicas de la economía española. Diciembre de 2025, Bank of Spain*).

The decrease in the rate of inflation derives from the tightening of monetary policy which was conducted by the European Central Bank (“ECB”) in the past years through a progressive increase in interest rates levels. Given the new inflation trend, since June 2024, the ECB has lowered its rates on the main refinancing operations, the marginal lending facility and the deposit facility from 4.5%, 4.75% and 4.0%, respectively, to 2.15%, 2.4% and 2.0%, respectively, as at the date of this Offering Circular.

Notwithstanding the above, inflationary pressures may increase if the Russian invasion of Ukraine is prolonged or escalates, if additional economic sanctions or other measures are imposed, if the tensions in the Middle East escalate or if volatility in commodity prices or disruptions to supply chains worsen again.

In addition to these events, the current U.S. administration's foreign trade policies and imposition of tariffs on imports from a number of countries has led to substantial volatility in global financial and commodity markets. The imposition of such tariffs, coupled with any potential future actions by governments in response to such tariffs, could significantly reshape international trade relations and could lead, as applicable, to further disruptions in supply chains, higher oil and gas prices, the imposition of sanctions, travel and import/export restrictions, increased inflationary pressures and market volatility, among other potential consequences. Events such as the above or other geopolitical or macroeconomic events could severely affect macroeconomic conditions and financial markets and exacerbate the risk of regional or global recessions or “stagflation” (i.e. recession or reduced rates of economic growth coupled with high inflation rates).

A continuation of, volatile and disrupted market conditions could affect many areas including GDP evolution in certain EU countries (including Spain), business and consumer confidence, unemployment trends, the state of the housing market, the commercial real estate sector, the state of the equity, bond and foreign exchange markets, counterparty risk, inflation, the availability and cost of credit, transaction volumes in key markets and the liquidity of the global financial markets. In periods of recession, the demand for services provided by the Issuer Group tends to decline, especially in the industrial sector which is more correlated to GDP evolution, adversely affecting the Issuer Group's results of operations. Any such developments could negatively impact the Issuer Group's customers and their ability to make payment for gas supplies, could increase the Issuer Group's financing costs, could restrict its access to capital markets and could have a material adverse effect on the Issuer Group's business, prospects, financial position and operating results.

As a consequence of the foregoing, the Issuer Group cannot assure that its results of operations will not abruptly change as a result of the effects of adverse economic and/or political conditions, in particular those deriving from the Russian invasion of Ukraine, the ongoing military conflict in Middle East or the foreign policies applied by the current U.S. administration. Consequently, the Issuer Group's inability to reduce the impact of the foregoing could have a material and adverse effect on its business, results of operations, financial condition and prospects.

Risks related to potential cybersecurity attacks may result in business interruption, data breaches and financial losses

The Issuer Group is exposed to the risk of suffering a cyberattack that could result in the failure or delay in the supply of gas services. Cybersecurity breaches, failures of the Issuer Group's information technology systems and other disruptions or security breaches could result in key infrastructure becoming unavailable, leading to potential delays or even failures in the availability of gas, as well as compromise of information held by the Issuer Group, exposing it to liability and financial losses, which could cause its business and reputation to suffer.

In the ordinary course of its business, the Issuer Group collects and stores sensitive data, its own business information and that of its customers and suppliers. The Issuer Group is also highly dependent on financial, accounting and other data processing systems and other communications and information systems. Despite the Issuer Group's security measures, its information technology and infrastructure may be vulnerable to attacks by hackers or may be breached due to employee error, malfeasance or other disruptions.

Nevertheless, if a key system were to fail or experience unscheduled downtime for any reason, the Issuer Group's operations and financial results could be adversely affected. Any such breach or malfunction could compromise the Issuer Group's networks and the information stored therein could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption of the Issuer Group's operations, damage to its reputation, and a loss of confidence in the Issuer Group's services, which could adversely affect its business, financial position, results of operations and prospects.

Environmental and health and safety risks

Aspects of the Issuer Group's activities are potentially dangerous, such as the construction, operation and maintenance of gas distribution networks and ancillary installations or the LPG tanks. In addition, there may be other aspects of its operations that are not currently regarded or proven to have adverse effects but that could become so, such as contaminated land, gas emissions (for example, effects on cloud formations with consequences for wild species and habitats) or problems relating to the pipes used to transport natural gas (for example, the discovery of asbestos). The Issuer Group is also increasingly subject to regulation in relation to climate change and to laws and regulations relating to pollution, the protection of the environment and the use and disposal of hazardous substances and waste materials. This exposes the Issuer Group to costs and liabilities relating to its operations and properties, including those inherited from predecessor bodies or bodies formerly owned by it and sites used for the disposal of its waste. The cost of any future environmental remediation obligation is often inherently difficult to estimate and uncertainties can include the extent of contamination, the appropriate corrective actions and the Issuer Group's share of the liability.

The Issuer Group is also subject to laws and regulations governing health and safety matters protecting the public and its employees. The Issuer Group commits expenditure towards complying with these laws and regulations. While the Issuer Group seeks to obtain, and does obtain, insurance coverage for these risks resulting in damages and loss of profit, should additional requirements be imposed or if its ability to recover these costs under the relevant regulatory framework changes, or if the resulting damages or loss of profit exceed the coverage provided by the Issuer Group's insurance policies, the Issuer Group's business, financial position, results of operations and prospects could be materially adversely affected. Furthermore, any breach of these regulatory or contractual obligations or even incidents that do not amount to a breach, could materially adversely affect the Issuer Group's reputation and, subsequently, operating results.

Insurance

The Issuer Group seeks to maintain insurance coverage on all its key property and liability exposures in the international insurance market. No assurance can be given that the insurance coverage acquired by the Issuer Group provides adequate or sufficient coverage for all events or incidents. The international insurance market is volatile and therefore there can be no guarantee that existing coverage will remain available or will be available at commercially acceptable rates.

Interest rate risk

Although the Issuer Group takes a proactive approach to the management of interest rate risk in order to minimise its impact on its revenues, in some cases the policies it implements may not be effective in mitigating the adverse effects caused by interest rate and could have an adverse impact on the Issuer Group's business, financial condition and results of operations.

Liquidity and availability of funding risks

The Issuer's business and investment plans are mainly financed through cash generated from ongoing operations, with the support of external funding and revolving credit facilities.

The Issuer intends to access the long-term capital markets to refinance the Issuer Group's €750,000,000 2.065 per cent. notes due 2027 issued on 28 September 2017 (of which €575,000,000 in aggregate principal amount remains outstanding), through one or more issues of Notes under this Programme.

The Issuer Group's refinancing strategy also includes (i) a €200,000,000 unsecured, sustainable bank term loan facility maturing in May 2030, of which €120,000,000 have already been utilised and €80,000,000 remains committed but undrawn as of the date of this Offering Circular, (ii) €80,000,000 in principal amount committed but undrawn by the European Investment Bank to support investments in biomethane as at 9 December 2025, and (iii) €100,000,000 undrawn sustainable revolving credit facility signed on 23 December 2025 to facilitate the Issuer Group's access to liquidity.

The capital markets debt the Issuer issues may be rated by credit rating agencies and changes to these ratings may affect both its borrowing capacity and the cost of those borrowings. Also, as evidenced during recent periods, financial markets can be subject to periods of volatility and shortages of liquidity. If the Issuer were unable to access the capital markets or the Issuer Group were unable to access other sources of finance at competitive rates for a prolonged period, the Issuer Group's cost of financing may increase, the additional loan facilities that the Issuer Group incurs might not be able to be refinanced at competitive rates, or not be in line with the Issuer Group's financial strategy, and the manner in which the Issuer Group implements its business and financial strategy may need to be reassessed. The occurrence of any such events could have a material adverse impact on the Issuer Group's business, financial condition and operating results.

Litigation

The Issuer Group is, from time to time, involved in legal proceedings. Any adverse result in relation to any such proceedings may have an adverse effect on the Issuer Group's financial position, reputation and profitability.

As of the date of this Offering Circular there are no pending or threatened governmental, legal or arbitration proceedings against or affecting the Issuer Group which may have, or have had during the 12 months prior to the date hereof, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer Group and, to the best knowledge of the Issuer Group, no such actions, suits or proceedings are threatened or contemplated.

Employees of the Issuer Group could in the future strike or participate in industrial action

While the ability of employees, contractors or trade unions to strike is limited by regulation and agreements and is subject to the maintenance of minimum service levels, the Issuer Group can give no assurance that there will not be labour-related actions in the future, including strikes or threats of strikes. The Issuer Group has only experienced two general labour stoppages since its incorporation. The first was a strike on 29 March 2012, and the second was a strike on 14 November 2012. Both were country-wide. As of the date of this Offering Circular, there have not been any strikes affecting the Issuer Group specifically, and the Issuer Group is not aware of any material labour dispute, other than disputes within the normal course of business. Nonetheless, the threat of strikes or work stoppages can result and could result in disruptions and increased costs. Such disputes and resulting disruption and costs could have a material adverse effect on the Issuer Group's business and results of operations.

Risks related to climate change and Net Zero Policies

The EU has established a legally enforceable objective to reach climate neutrality by 2050, as mandated by Regulation (EU) 2021/1119 of the European Parliament and of the Council dated 30 June 2021, which creates the framework for attaining climate neutrality. Furthermore, Spain has completed the EU's climate neutrality objective through Law 7/2021, of 20 May ("**Law 7/2021**"), on climate change and energy transition, which binding minimum national objectives for 2030: (a) reduce greenhouse gas emissions of the entire Spanish economy by at least 23% in 2030 compared to 1990; (b) achieve penetration of renewable energy sources in final energy consumption of at least 42%; (c) achieve an electrical system with at least 74% generation from renewable energy sources; and (d) improve energy efficiency by decreasing primary energy consumption by at least 39.5%. Before 2050, Spain must achieve climate neutrality and the electrical system must be based exclusively on renewable generation sources (Article 3.2).

In this context, the relevant measures introduced by Law include the following, among others:

- (i) Article 9.1 of Law 7/2021 prohibits, from its entry into force, the granting of new exploration authorisations, hydrocarbon research permits or exploitation concessions for hydrocarbons in the national territory, including territorial sea, exclusive economic zone and continental shelf. Article 9.1 also prohibits the granting of new authorisations to carry out any activity for hydrocarbon exploitation in which high-volume hydraulic fracturing is planned. Transitional Provision Second establishes that research permits and exploitation concessions for hydrocarbon deposits already in force that are located in the territorial sea, exclusive economic zone and continental shelf may not be extended, in any case, beyond 31 December 2042.
- (ii) Article 11 of Law 7/2021 establishes that from the law's entry into force, the application of new tax benefits to fossil fuel energy products must be duly justified for social or economic reasons or due to the absence of technological alternatives.
- (iii) Article 12 of Law 7/2021 establishes that the Spanish Government will promote, through approval of specific plans, the penetration of renewable gases including biogas, biomethane, hydrogen and other fuels whose manufacture has used exclusively raw materials and energy of renewable origin. To meet the objectives established in the National Integrated Energy and Climate Plans, the promotion plans may provide: (a) annual penetration objectives for renewable gases in sale or consumption of natural gas, indicating product types and obligated subjects; (b) a certification system allowing supervision and control of obligations and flexibility mechanisms; and (c) regulations favouring direct industrial use of gases or their use for mobility solutions, as well as injection of renewable gases into the natural gas network. The exact composition of renewable gases that will substitute natural gas remains undetermined, and there is uncertainty regarding the future utilisation of gas infrastructure networks and the capital expenditure required to adapt infrastructure for renewable gas transport.
- (iv) Article 14 of Law 7/2021 establishes that measures will be adopted to achieve by 2050 a fleet of passenger cars and light commercial vehicles with zero direct CO₂ emissions. In developing the 2050 decarbonisation strategy, necessary measures will be adopted so that no later than 2040, new passenger cars and light commercial vehicles must be vehicles with 0 g CO₂/km emissions in accordance with EU regulations. Municipalities with more than 50,000 inhabitants and island territories must adopt before 2023 sustainable urban mobility plans that introduce mitigation measures to reduce emissions from mobility, including establishment of low emission zones before 2023. These measures are expected to progressively reduce demand for natural gas in residential, commercial and transport sectors.

In December 2023, the European Council and European Parliament achieved preliminary political agreement on legislation establishing unified internal market regulations for renewable and natural gases and hydrogen (subsequently adopted as Regulation (EU) 2024/1789 and Directive (EU) 2024/1788). This legislation aims to promote integration of renewable and low-carbon gases into the energy system and includes provisions enabling Member States to implement restrictions, conditions and limitations on natural gas supply. Spain must transpose Directive (EU) 2024/1788 by 5 August 2026 and may introduce further constraints on natural gas transmission or distribution operators.

Please refer to section “*Overview of the Spanish Natural Gas and LPG sectors*” for further information.

The regulatory framework described creates multiple pathways through which gas network usage may decline in the medium to long term, which might negatively impact on the business of the Issuer Group.

The Issuer Group collaborates actively with interested parties and other gas sector companies to demonstrate how renewable gases can address the energy trilemma of cost-effectiveness, supply reliability and carbon reduction. However, the exact composition of renewable gases that will substitute natural gas, the timeline for such

substitution, the technical and economic feasibility of adapting existing infrastructure, and the regulatory framework that will govern such transition are subject to significant uncertainty.

Risks relating to the Notes

Risks relating to Spanish withholding tax in Notes issued by NEG

NEG considers that, subject to the provisions of Foral Decree 205/2008, of 22 December (“**Foral Decree 205/2008**”) and Royal Decree 1065/2007, of 27 July (“**Royal Decree 1065/2007**”) as amended by Royal Decree 1145/2011, of 29 July (“**Royal Decree 1145/2011**”), it is not obliged to withhold taxes in Spain on any interest income paid under the Notes to any Noteholder, irrespective of whether such Noteholder is tax resident in Spain or not. The foregoing is subject to the fulfilment of certain information procedures described in “*Taxation in Spain – Disclosure of Information in Connection with the Notes*” below.

The Issuer will be entitled to make payments on income free from Spanish withholding tax, provided that the securities (i) can be regarded as listed debt securities issued under Law 10/2014, of 26 June, on organisation, supervision and solvency of credit institutions (“**Law 10/2014**”) and (ii) are initially registered at a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state, and so long as the relevant paying agent fulfils the information procedures described in “*Taxation in Spain – Disclosure of Information in Connection with the Notes*” below.

For these purposes, “income” means interest and the difference, if any, between the aggregate amount payable on the redemption of the Notes and the issue price of the Notes issued at a discount (such as Zero Coupon Notes) for a period equal or less than twelve months. On this basis, the procedures apply to income deriving from preferred shares and debt instruments to which Law 10/2014 refers, including debt instruments issued at a discount for a period equal to or less than twelve months.

NEG considers that, as of the date of this Offering Circular, the Notes meet the requirements referred to in (i) and (ii) above and that, consequently, income payments made by NEG to Noteholders should be paid free of Spanish withholding tax (subject to the fulfilment of the aforementioned information procedures).

In this regard, the Issuer and the Paying Agent have entered into an agreement pursuant to which the Paying Agent will follow certain procedures to facilitate the timely provision to the Issuer of a duly executed and completed payment statement along the same lines as the attached in Annex B to this Offering Circular (the “**Payment Statement**”) in connection with each payment of income under the Notes. The procedures may be modified, amended or supplemented to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof.

Please note that according to Foral Decree 205/2008 and Royal Decree 1065/2007, as amended, it is not necessary to provide an issuer with individualized information regarding the identity and the tax residence of each investor or the amount of interest income paid to such investor. However, there is a risk that the Spanish tax authorities (also including the Bizkaia Tax Administration) take the view that withholding tax should be applicable to payments made to Spanish tax residents (individuals and entities subject to Spanish Corporate Income Tax).

If the Spanish Tax Authorities (also including the Bizkaia Tax Administration) maintain a different approach as to the application by NEG, of withholding tax to payments made to Spanish tax residents (individuals and entities subject to Corporate Income Tax), NEG, will be bound by the opinion and, with immediate effect, will make the appropriate withholding. If this is the case, identification of Noteholders may be required and the procedures, if any, for the collection of relevant information will be applied by the Issuer (to the extent required) so that it can comply with its obligations under the applicable legislation as interpreted by the Spanish Tax Authorities (also including the Bizkaia Tax Administration). If procedures for the collection of Noteholders’ information are to apply, the Noteholders will be informed of such new procedures and their implications.

Noteholders must seek their own advice to ensure that they comply with all procedures to ensure the correct tax treatment of their Notes. None of Issuer or any Dealer, or the Agent assume any responsibility thereof.

Additionally, if the information procedures described in “*Taxation in Spain – Disclosure of Information in Connection with the Notes*” below are not followed, the Issuer will make the relevant Spanish withholding tax at the applicable rate (currently 19%) from any income payment in respect of the Notes. Such procedures may be

revised from time to time in accordance with changes in the applicable Spanish laws and regulations or administrative interpretations thereof.

Prospective investors should note that none of the Issuer nor the Paying Agent will be liable for any damage or loss suffered by any Noteholder who would otherwise be entitled to an exemption from Spanish withholding tax because these procedures prove ineffective. Moreover, the Issuer will not pay any additional amounts with respect to any such Spanish withholding tax. Therefore, to the extent a payment of income in respect of the Notes is not exempt from Spanish withholding tax, including due to any failure by the Paying Agent to deliver a duly executed and completed Payment Statement, beneficial owners may have to apply directly to the Spanish tax authorities (also including the Bizkaia Tax Administration) for any refund to which they may be entitled.

Notwithstanding the above, in the case of Notes held by Spanish tax resident individuals (and, under certain circumstances, by Spanish entities subject to Corporate Income Tax) and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian at the rate of 19%.

The Notes may be redeemed prior to maturity

In the event that Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes, the relevant Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. This Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on the other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Calculation Agent

The Issuer may appoint a Dealer as Calculation Agent in respect of an issue of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The regulation and reform of “benchmarks” may adversely affect the value of Floating Rate Notes linked to or referencing such “benchmarks”

Reference rates such as the Euro Interbank Offered Rate (“**EURIBOR**”) and other interest rate or other types of rates and indices which are used to determine the amounts payable under financial instruments or the value of such financial instruments (each a “**Benchmark**” and together, the “**Benchmarks**”) are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Notes referencing or linked to such Benchmark.

In particular, the Regulation (EU) No. 2016/1011 (the “**EU Benchmarks Regulation**”) and Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the “**UK Benchmark Regulation**”) apply to “contributors”, “administrators” and “users” of “benchmarks” in the EU and the UK, and, among other things, (i) require Benchmark administrators to be authorised or registered (or, if non-EU or non-UK based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of “benchmarks” (or, if non-EU or non-UK based, to be subject to equivalent requirements) and (ii) prevent certain uses by EU or UK supervised entities of “benchmarks” of unauthorised administrators. The Benchmark Regulation could have a material impact on any Notes linked an interbank offered rate (“**IBOR**”) or another “benchmark” or index rate or index, in particular, if the methodology or other terms of a “benchmark” are changed in order to comply with the requirements of the EU Benchmarks Regulation or the UK Benchmark Regulation. Such changes could, among other things, have the effect of reducing or increasing the rate or level, or the volatility or published rate of, the benchmark. They may also have the effect of discouraging market participants from continuing to administer or contribute to certain “benchmarks”, trigger changes in the rules or methodologies used in certain “benchmarks”, or lead to the discontinuance or unavailability of quotes of certain “benchmarks”.

Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with the Euro Short Term Rate or an alternative benchmark. The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark and could require an adjustment to the Conditions of the Notes, or result in other consequences in respect of any Notes linked to such Benchmarks.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the rate of interest is calculated in respect of any Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Notes linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market are being developed, outstanding Notes linked to or referencing an IBOR may transition away from such IBOR in accordance with the particular fallback arrangements set out in their terms and conditions. The operation of these fallback arrangements could result in a different return for Noteholders and Couponholders (which may include payment of a lower rate of interest) than they might receive under other similar securities which contain different or no fallback arrangements (including which they may otherwise receive in the event that legislative measures or other initiatives (if any) are introduced to transition from any given IBOR to an alternative rate).

Risks related to Notes generally

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Investors will have to rely on the procedures of Euroclear and Clearstream, Luxembourg

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depositary or a common safekeeper, as applicable, for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or a common safekeeper, as applicable, for Euroclear and Clearstream, Luxembourg for distribution to their accountholders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the Notes but will have to rely upon their rights under the Deed of Covenant.

Modification, waiver and substitution

The Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including such Holders who did not attend and vote at the relevant meeting and the Holders who voted in a manner contrary to the majority.

Denominations

In relation to any issue of Notes which have a denomination consisting of the minimum specified denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum specified denomination that are not integral multiples of the minimum specified denomination (or its equivalent). In such a case a Holder of Notes who, as a result of trading such amounts, holds a principal amount of less than the minimum specified denomination may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and may need to purchase a principal amount of Notes such that its holding amounts to the minimum specified denomination.

If definitive Notes are issued, Holders of Notes should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks relating to the Insolvency Law

The restated text of the Insolvency Law approved by Royal Legislative Decree 1/2020, of 5 May (*Texto refundido de la Ley Concursal*) (“**Insolvency Law**”) (which has been recently amended to implement the restructuring framework required by Directive (EU) 2019/1023 of the European Parliament and of the Council and other important changes to the insolvency proceedings in Spain) regulates pre-insolvency and court insolvency proceedings, as opposed to out-of-court liquidation, which is only available when the debtor has sufficient assets to meet its liabilities.

The Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency in the Spanish Official Gazette, (ii) provisions in a contract granting one party the right to suspend, modify or terminate by reason only of the other's insolvency or the filing of a pre-insolvency communication (as stated in Article 585 of the Insolvency Law) will not be enforceable, and (iii) accrual of unsecured interest (whether ordinary or default interest) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date shall become subordinated. In the case of secured ordinary interests, (i) these shall be deemed as specially privileged up to the value effectively covered by the relevant security, and (ii) interests shall keep accruing after the declaration of insolvency up to the lower of the limit of the secured amount and the value effectively covered by the relevant security, and only if a contingent credit for secured ordinary interests that may accrue after the declaration of insolvency is included in the statement of claim to be sent to the insolvency administrator (as per the Supreme Court judgment dated 20 February 2019). In the case of secured default interests, (i) those accrued prior to the insolvency declaration shall be deemed as specially privileged up to the value effectively covered by the relevant security, and (ii) they shall not accrue after the declaration of insolvency, in accordance with Article 152.2 of the Insolvency Law.

The Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may, among others, be written down or stayed, converted into a different financial instrument or equity of the refinanced or insolvent debtor as well as any other company, converted into participating loans (*préstamos participativos*), exchanged for assets or rights of the insolvent or refinanced debtor not only once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), but also as a result of a restructuring plan that has been judicially sanctioned (*homologado*) without insolvency proceedings having been previously opened (e.g., restructuring plans which satisfy certain requirements and are validated by the judge), in both scenarios (i) to the extent that certain qualified majorities are achieved and (ii) unless some exceptions in relation to the kind of claims or creditor apply (which would not be the case for the Notes). Any payments of interest in respect of debt securities will be subject to the subordination provisions of Article 281.1 of the Insolvency Law.

The majorities regime envisaged for a creditors' arrangement depends on (i) the type of the specific measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.), and (ii) on the part of claims to be affected (i.e. secured or unsecured, depending on the value of the collateral as calculated pursuant to the rules established in the Insolvency Law). In no case shall subordinated creditors be entitled to vote upon a creditors' agreement during the insolvency proceedings, and accordingly, shall be always subject to the measures contained therein, if passed by the relevant majorities. For these purposes, liabilities held by those creditors considered specially related persons (*personas especialmente relacionadas*) with the insolvent debtor would not be taken into account for the purposes of calculating the majorities required for the approval of a composition agreement.

On the other hand, all creditors that could be affected by a restructuring plan would be entitled to vote it, grouped in classes of creditors and subject to the fact cross-class cram-down is now available under the Insolvency Law.

As such, certain provisions of the Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Spanish Issuer or in case of approval of a restructuring plan.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk and interest rate risk:

There may not be an active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there may not be an active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications may be made for the Notes to be admitted to the Official List of Euronext Dublin and traded on Euronext Dublin's Global Exchange Market, there is no assurance that such applications will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in a specified currency (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than the Specified Currency. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Fixed Rate Notes are subject to interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors which may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risks relating to ESG Ratings

ESG ratings may vary amongst ESG ratings agencies as the methodologies used to determine ESG ratings may differ. The Issuer's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued. ESG ratings shall not be deemed to be a recommendation to buy, sell or hold the Notes. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. Prospective investors must determine for themselves the relevance of any such ESG rating information contained in this Offering Circular or elsewhere in making an investment decision.

PRESENTATION OF FINANCIAL INFORMATION AND DOCUMENTS INCORPORATED BY REFERENCE

Presentation of Financial Information

As of the date of this Offering Circular, the Issuer Group is indirectly 100% owned by the Nature Investments S.à r.l. (the “**Parent**”), which owns 100% of Nature Investments Holding I S.à r.l. (“**NH I**”). NH I, in turn, owns 100% of Nature Investments Holding II S.à r.l. (“**NH II**” and, together with NHI, the “**Top HoldCos**”), which owns 100% of the Issuer (for more information, refer to the corporate structure chart of the Parent Group in section “*Description of the Issuer – General Information*”). The Parent has prepared the Parent Consolidated Financial Statements (as defined below) comprising the Parent itself, the Top HoldCos and the Issuer Group (together, the “**Parent Group**”). The Spanish translation of such audited annual consolidated financial statements of the Parent Group has been filed by the Issuer at the Vizcaya Companies Registry.

Based on the waiver set forth in the applicable legislation, the Issuer has not prepared consolidated annual accounts of the Issuer Group prior to 1 January 2025. The Issuer has prepared unaudited condensed consolidated interim financial statements for the nine-month period ended 30 September 2025, which include within its consolidation perimeter the Issuer itself and the Issuer Group (for more information, refer to the diagram in section “*Description of the Issuer – General Information*”). The Issuer expects to prepare audited consolidated annual financial statements going forwards as from and including the as of and for year ended 31 December 2025.

The Parent Consolidated Financial Statements as of and for the years ended 31 December 2023 and 31 December 2024 are a fair representation of the financial position of the Issuer Group in relation to the Recurring EBITDA and Total Net Debt for the same periods with the following non-material differences: (i) legal and administrative costs related to the administration and operation of the Parent and the Top HoldCos, which amounted to €975,737 as of and for year ended 31 December 2024; (ii) the notes issued by NH II by way of private placement in an aggregate principal amount of €65,000,000, which were redeemed in full in cash on 6 May 2025; and (iii) the term loan facility entered into on 23 May 2019 between the NH II, as borrower, and certain financial entities, as lenders, for an aggregate principal amount of €135,000,000 (the “**NH II Facility**”), which was repaid on 28 May 2025 using proceeds from the Facility Agreement Utilisation (as defined below) and existing cash from the Issuer Group's balance sheet distributed by way of reimbursement of shareholders' contributions. As a result, the Issuer Group's consolidated Total Net Debt and Recurring EBITDA represented 84% and 101%, respectively, of the Parent Group's consolidated Total Net Debt and Recurring EBITDA as of and for year ended 31 December 2024. Despite these minor differences, the Issuer Group's consolidated total assets and revenues each represented 100% of the Parent Group's consolidated total assets and revenues as of and for year ended 31 December 2024.

The Issuer, therefore, believes that the Parent Consolidated Financial Statements for the years ended 31 December 2023 and 31 December 2024 (i) provide investors with historical financial information that is necessary to make an informed assessment of the business undertaking of the Issuer Group and to make an informed decision with respect to a purchase of the Notes, and (ii) are more useful for such purposes than the Issuer Standalone Annual Financial Statements (as defined below) for the years ended 31 December 2023 and 31 December 2024. Consequently, in addition to the Issuer Standalone Annual Financial Statements, the Parent Consolidated Financial Statements are incorporated by reference to this Offering Circular and the financial information included throughout the body of this Offering Circular for the years ended 31 December 2023 and 31 December 2024 is derived primarily from the Parent Consolidated Financial Statements for those periods.

Documents Incorporated by Reference

The following information shall be deemed to be incorporated by reference in, and to form part of, this Offering Circular:

1. the English translation of the unaudited condensed consolidated interim financial statements (including the notes thereto and the English translation of the auditor's limited review report thereon) of the Issuer Group as of and for the nine-month period ended 30 September 2025 (the “**Issuer 2025 Interim Consolidated Financial Statements**”) and the consolidated directors' report of the Issuer Group as of and for the nine-month period ended 30 September 2025 (the “**Issuer 2025 Q3 Interim Report**”);
2. the English translation of the audited standalone financial statements (including the notes thereto and the English translation of the auditor's report thereon) of the Issuer as of and for the year ended 31 December 2024 (the “**Issuer 2024 Standalone Financial Statements**”);

3. the English translation of the audited standalone financial statements (including the notes thereto and the English translation of the auditor's report thereon) of the Issuer as of and for the year ended 31 December 2023 (the “**Issuer 2023 Standalone Financial Statements**” and, together with the Issuer 2024 Standalone Financial Statements, the “**Issuer Standalone Annual Financial Statements**”);
4. the audited consolidated financial statements (including the notes thereto and the English translation of the auditor's report thereon) of the Parent Group as of and for the year ended 31 December 2024 (the “**Parent 2024 Consolidated Financial Statements**”); and
5. the audited consolidated financial statements (including the notes thereto and the English translation of the auditor's report thereon) of the Parent Group as of and for the year ended 31 December 2023 (the “**Parent 2023 Consolidated Financial Statements**” and, together with the Parent 2024 Consolidated Financial Statements, the “**Parent Consolidated Financial Statements**”).

The English versions of items (1) to (3) above are for information purposes only. In the event of discrepancy, the original Spanish-language versions prevail.

The Parent Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union in accordance with EC Regulation No. 1606/2002 of the European Parliament and of the Council (“**IFRS-EU**”). The Issuer Standalone Annual Financial Statements have been prepared in accordance with prevailing legislation and the Spanish General Chart of Accounts. The Issuer 2025 Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34, Interim Financial Reporting.

Copies of the documents specified above as containing information incorporated by reference in this Offering Circular may be inspected, free of charge, at the registered office of the Issuer at Plaza Euskadi nº 5, Planta 23 – 48009 Bilbao (Vizcaya) Spain, and at the specified office of the Paying Agent. Any information contained in any of the documents specified above which is not incorporated by reference in this Offering Circular is either not relevant to investors or is covered elsewhere in this Offering Circular.

Those parts of the documents incorporated by reference in this Offering Circular which are not specifically incorporated by reference in this Offering Circular are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Offering Circular.

PRICING SUPPLEMENT AND DRAWDOWN OFFERING CIRCULAR

In the following paragraphs, the expression “necessary information” means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer has endeavoured to include in this Offering Circular all of the necessary information except for information relating to the Notes which is not known at the date of this Offering Circular and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Offering Circular and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained in the relevant Pricing Supplement or in a Drawdown Offering Circular.

For a Tranche of Notes which is the subject of Pricing Supplement, that Pricing Supplement will, for the purposes of that Tranche only, complete this Offering Circular and must be read in conjunction with this Offering Circular. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Pricing Supplement are the Conditions described in the relevant Pricing Supplement as supplemented to the extent described in the relevant Pricing Supplement.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Offering Circular will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Offering Circular. In the case of a Tranche of Notes which is the subject of a Drawdown Offering Circular, each reference in this Offering Circular to information being specified or identified in the relevant Pricing Supplement shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Offering Circular unless the context requires otherwise.

Each Drawdown Offering Circular will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) by a registration document containing the necessary information relating to the Issuer, a securities note containing the necessary information relating to the relevant Notes and, if necessary, a summary note.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Bearer Notes will initially be either a Temporary Global Note, without interest coupons, or a Permanent Global Note, without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) which is not intended to be issued in NGN form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Pricing Supplement will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether TEFRA C or TEFRA D is applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither TEFRA C nor TEFRA D is applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership *provided, however*, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form (“**Definitive Notes**”):

- (a) on the expiry of such period of notice as may be specified in the Pricing Supplement; or
- (b) at any time, if so specified in the Pricing Supplement; or
- (c) if the Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Note”, then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that TEFRA C is applicable or that neither TEFRA C nor TEFRA D is applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that TEFRA D is applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial

ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (b) at any time, if so specified in the relevant Pricing Supplement; or
- (c) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Note”, then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been

made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

In relation to any issue of Notes which are specified in the Pricing Supplement as Global Notes exchangeable for Definitive Notes in circumstances other than in the limited circumstances specified in the relevant Global Note, such Notes may only be issued in denominations equal to, or greater than, EUR100,000 (or equivalent) and multiples thereof.

Rights under Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to the Notes

The Conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Pricing Supplement which complete those Conditions.

The Conditions applicable to any Note in global form will differ from those Conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form (“**Individual Note Certificates**”) or a global Note in registered form (a “**Global Registered Note**”), in each case as specified in the relevant Pricing Supplement.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the NSS, registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depository and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the NSS, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Pricing Supplement specifies the form of Notes as being “Individual Note Certificates”, then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Pricing Supplement specifies the form of Notes as being “Global Registered Note exchangeable for Individual Note Certificates”, then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (b) at any time, if so specified in the relevant Pricing Supplement; or
- (c) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Global Registered Note”, then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 13(*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person’s holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

In relation to any issue of Notes which are specified in the Pricing Supplement as Global Registered Note Certificates exchangeable for individual Note Certificates in circumstances other than in the limited circumstances specified in the relevant Global Registered Note Certificate, such Notes may only be issued in denominations equal to, or greater than, EUR100,000 (or equivalent) and multiples thereof.

Conditions applicable to the Notes

The Conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the Conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Pricing Supplement which complete those terms and conditions.

The Conditions applicable to any Global Registered Note will differ from those Conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.

1. INTRODUCTION

(a) Programme

Nortegas Energía Grupo, S.A.U. (the “**Issuer**”) has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to €2,000,000,000 in aggregate principal amount of notes (the “**Notes**”).

(b) Pricing Supplement

Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of a pricing supplement (the “**Pricing Supplement**”) which completes these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

(c) Agency Agreement

The Notes are the subject of an amended and restated fiscal agency agreement dated on or around 9 January 2026, as amended, supplemented and/or restated from time to time (the “**Agency Agreement**”) between the Issuer, The Bank of New York Mellon, London Branch as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the “**Transfer Agents**”, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the “**Agents**” are to the Paying Agents and the Transfer Agents and any reference to an “**Agent**” is to any one of them.

(d) Deed of Covenant

The Notes may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), each with the benefit of a deed of covenant dated on or around 9 January 2026, as amended, supplemented and/or restated from time to time (the “**Deed of Covenant**”) entered into by the Issuer.

(e) The Notes

All subsequent references in these Conditions to “Notes” are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for viewing at the registered office of the Issuer (Plaza Euskadi nº 5, Planta 23 – 48009 Bilbao (Vizcaya) Spain) and copies may be obtained from the website of The Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”) (<https://live.euronext.com/>).

(f) Public Deed of Issuance

The Issuer will execute a public deed (*escritura pública*) (the “**Public Deed of Issuance**”) before a Spanish Notary Public in relation to the Notes on or prior to the Issue Date of the Notes. The Public Deed of Issuance will contain, among other information, the terms and conditions of the Notes.

(g) **Summaries**

Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders (the “**Couponholders**”) of the related interest coupons (the “**Coupons**”), if any, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. INTERPRETATION

(a) **Definitions**

From (and including) the Publication Date references to the “Parent” and the “Parent Group” in the following Conditions shall instead be deemed to be references to the “Issuer” and the “Issuer Group”, respectively:

(i) the following definitions in Condition 2(a): “*Accountants’ Report*”; “*Adjusted EBITDA*”; “*Material Subsidiary*”; “*Relevant Accounts*”; “*Reporting Accountants*”; “*Total Assets*”;

(ii) the definition of a “*Restructuring Event*” in Condition 9(e) (*Redemption on sale of assets*); and

(iii) the definition of a “*Material Licence Event*” in Condition 9(f) (*Redemption on loss of licence*).

In these Conditions the following expressions have the following meanings:

“**Accountants’ Report**” means a report of the Reporting Accountants stating whether the amounts included in the calculation of the Adjusted EBITDA and the amount as included in the Directors’ Report have been accurately extracted from the accounting records of the Issuer and whether the Disposal Percentage or, as the case may be, the Loss of Relevant Licence Percentage included in the Directors’ Report has been correctly calculated pursuant to an engagement letter to be entered into by the Reporting Accountants and the Parent at the relevant time. The Parent shall use reasonable endeavours to procure that there shall at the relevant time be Reporting Accountants who have entered into an engagement letter with the Parent;

“**Accounting Principles**” means generally accepted accounting principles in the Kingdom of Spain;

“**Accrual Yield**” has the meaning given in the relevant Pricing Supplement;

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Pricing Supplement;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Pricing Supplement;

“**Adjusted EBITDA**”, means the operating profit before amortisation and depreciation and any items the Parent Group considers not related to the business of the Parent Group, in accordance with the Accounting Principles by reference to the Relevant Accounts;

“**Adjustment Spread**” means either a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (b) the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the

Independent Adviser determines that no such spread is customarily applied);

- (c) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 7(j)(ii) (*Successor Rate or Alternative Rate*) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

“Benchmark Amendments” has the meaning given to it in Condition 7(j)(iv) (*Benchmark Amendments*);

“Benchmark Event” means:

- (a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (e) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is (or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (f) it has or will prior to the next Interest Determination Date become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (i) in the case of sub-paragraphs (b) and (c) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (ii) in the case of sub-paragraph (d) above, on the date of the prohibition of use of the Original Reference Rate and (iii) in the case of sub-paragraph (e) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Fiscal Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, none of the Fiscal Agent, the Calculation Agent or the Paying Agents shall have any responsibility for making such determination;

“Business Day” means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given to it in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“**Calculation Agent**” means the Fiscal Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

“**Calculation Amount**” has the meaning given in the relevant Pricing Supplement;

“**Coupon Sheet**” means, in respect of a Note, a coupon sheet relating to the Note;

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (ii) where the Calculation Period is longer than one Regular Period, the sum of:
- (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (f) if “**30E/360**” or “**Eurobond Basis**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (g) if “**30E/360 (ISDA)**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

“**Directors’ Report**” means a report prepared and signed by two directors of the Parent and made available to Noteholders in accordance with Condition 19 (*Notices*) setting out the Adjusted EBITDA and the Disposal Percentage (in each case in relation to the relevant Disposed Assets) or, as the case may be, the Loss of Relevant Licence Percentage (in each case in relation to the Loss of Relevant Licence) and stating any assumptions which the directors of the Issuer have employed in determining the Adjusted EBITDA, the Disposal Percentage or the Loss of Relevant Licence Percentage;

“Early Redemption Amount (Tax)” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“Early Termination Amount” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

“Extraordinary Resolution” has the meaning given in the Agency Agreement;

“Final Redemption Amount” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“First Interest Payment Date” means the date specified in the relevant Pricing Supplement;

“Fixed Coupon Amount” has the meaning given in the relevant Pricing Supplement;

“Holder”, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

“Indebtedness” means (without double counting) any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Accounting Principles, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) classified as borrowings under the Accounting Principles;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account to the extent such amount has become due but unpaid);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution, in each case in respect of indebtedness of a type referred to in sub-paragraphs (a) to (g) above; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in sub-paragraphs (a) to (h) above,

but excluding in each case:

- (i) any such amounts constituting obligations owed to any other member of the Issuer Group; and
- (ii) any such amounts constituting subordinated debt.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 7(j)(i) (*Independent Adviser*);

“Interest Amount” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“Interest Commencement Date” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

“Interest Determination Date” has the meaning given in the relevant Pricing Supplement;

“Interest Payment Date” means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“Interest Period” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“ISDA Definitions” means the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified in the relevant Pricing Supplement;

“2006 ISDA Definitions” means, in relation to a Series of Notes, the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (copies of which may be obtained at www.isda.org), as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement);

“2021 ISDA Definitions” means, in relation to a Series of Notes, the 2021 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (copies of which may be obtained at www.isda.org), as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement);

“Issue Date” has the meaning given in the relevant Pricing Supplement;

“Issuer Group” means the Issuer and its Subsidiaries;

“Law 10/2014” means Law 10/2014, of 26 June, on regulation, supervision and solvency of credit entities (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*), as amended;

“Margin” has the meaning given in the relevant Pricing Supplement;

“Material Subsidiary” means any direct or indirect Subsidiary of the Parent that, together with its subsidiaries (i) for the most recent financial year of the Parent, accounted for more than 10 per cent. of the consolidated revenues of the Parent, (ii) as of the end of such financial year, was owner of either more than 10 per cent. of the consolidated assets of the Parent or (iii) is the owner of any asset or assets that are material to the Parent and its Subsidiaries, taken as a whole;

“Maturity Date” has the meaning given in the relevant Pricing Supplement;

“Maximum Redemption Amount” has the meaning given in the relevant Pricing Supplement;

“Minimum Redemption Amount” has the meaning given in the relevant Pricing Supplement;

“Noteholder”, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

“NED” means Nortegas Energía Distribución, S.A.U., a company incorporated with limited liability under the laws of the Kingdom of Spain with its head office at Plaza Euskadi nº 5, Planta 23 – 48009 Bilbao (Vizcaya) Spain;

“NED España” means NED España Distribución Gas, S.A.U., a company incorporated with limited liability under the laws of the Kingdom of Spain with its head office at Plaza Euskadi nº 5, Planta 23 – 48009 Bilbao (Vizcaya) Spain;

“NED GLP” means NED Suministro GLP, S.A.U., a company incorporated with limited liability under the laws of the Kingdom of Spain with its head office at Plaza Euskadi nº 5, Planta 23 – 48009 Bilbao (Vizcaya) Spain;

“Optional Redemption Amount” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“Optional Redemption Date” has the meaning given in the relevant Pricing Supplement;

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

“Parent” means Nature Investments SARL, a private company with limited liability (*société à responsabilité limitée*), incorporated under the laws of Luxembourg on 10 March 2017;

“Parent Group” means the Parent and its Subsidiaries;

“Payment Business Day” means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a TARGET Settlement Day and a day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
 - (i) a day on which banks in the relevant place for presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each Additional Financial Centre (if any);

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency **provided, however, that** in relation to euro, it means a city in which banks have access to T2;

“Public Announcement” means an announcement by the Issuer of the occurrence of a Restructuring Event, or as the case may be, a Loss of Relevant Licence or a Change of Control Event, published in accordance with Condition 19 (*Notices*);

“Publication Date” means the date of publication of the Issuer’s first annual audited consolidated financial accounts;

“Put Option Notice” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Put Option Receipt” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

“Rated Securities” means the Notes, if and for so long as they shall have an effective rating from a Rating Agency and otherwise any Rateable Debt which is rated by a Rating Agency;

“Rating Agency” means any of (i) Fitch Ratings Limited (ii) Moody’s Investors Service Limited (iii) S&P Global Ratings Europe Limited or (iv) any other rating agency of international standing and (in each case) their respective affiliates and successors and **“Rating Agencies”** shall be construed accordingly;

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount, or the Early Termination Amount, or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

“Reference Banks” has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Issuer (or an independent investment bank, commercial bank or stockbroker appointed by the Issuer) in the market that is most closely connected with the Reference Rate;

“Reference Price” has the meaning given in the relevant Pricing Supplement;

“Reference Rate” means EURIBOR or, if one or more of the aforementioned reference rates are not available, such generally-accepted floating rate benchmark for the relevant currency as may be specified in the relevant Pricing Supplement;

“Regular Period” means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“Relevant Accounts” means the most recent annual audited consolidated financial accounts of the Parent;

“Relevant Date” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date,

the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

“Relevant Financial Centre” has the meaning given in the relevant Pricing Supplement;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof;

“Relevant Screen Page” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“Relevant Time” has the meaning given in the relevant Pricing Supplement;

“Reporting Accountants” means the auditors of the Parent (but not acting in their capacity as auditors) or such other firm of accountants as may be nominated by the Parent;

“Reserved Matter” means any proposal (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating any Redemption Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution;

“Security Interest” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

“Specified Currency” has the meaning given in the relevant Pricing Supplement;

“Specified Denomination(s)” has the meaning given in the relevant Pricing Supplement;

“Specified Office” has the meaning given in the Agency Agreement;

“Specified Period” has the meaning given in the relevant Pricing Supplement;

“Subsidiary” means, at any particular time, a company which is then directly or indirectly controlled, or more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned, by the Issuer and/or one or more of its Subsidiaries. For a company to be “controlled” by another means that the other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company;

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

“**Talon**” means a talon for further Coupons;

“**TARGET Settlement Day**” means any day on which T2 is open for the settlement of payments in euro;

“**T2**” means the real time gross settlement system operated by the Eurosystem, or any successor system;

“**Total Assets**” means the Parent Group’s total assets as measured by the Parent’s most recent audited consolidated annual accounts; and

“**Zero Coupon Note**” means a Note specified as such in the relevant Pricing Supplement.

(b) **Interpretation**

In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement or the Deed of Covenant shall be construed as a reference to the Agency Agreement or the Deed of Covenant, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. FORM, DENOMINATION, TITLE AND TRANSFER

(a) **Bearer Notes**

Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination. The minimum Specified Denomination shall be €100,000 (or its equivalent in another currency as at the date of issue of the relevant Bearer Notes).

(b) **Title to Bearer Notes**

Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, “**Holder**” means the holder of such Bearer Note and “**Noteholder**” and “**Couponholder**” shall be construed accordingly.

(c) **Registered Notes**

Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement. The minimum Specified Denomination shall be €100,000 (or its equivalent in another currency as at the date of issue of the relevant Registered Notes).

(d) **Title to Registered Notes**

The Registrar will maintain the register (the “**Register**”) in accordance with the provisions of the Agency Agreement. A certificate (each, a “**Note Certificate**”) will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, “**Holder**” means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly.

(e) **Ownership**

The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) **Transfers of Registered Notes**

Subject to Conditions 3(i) (*Closed periods*) and 3(j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) **Registration and delivery of Note Certificate**

Within three business days of the surrender of a Note Certificate in accordance with Condition 3(f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business day**” means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) **No charge**

The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) **Closed periods**

Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) **Regulations concerning transfers and registration**

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. STATUS

(a) **Status of the Notes**

The Notes constitute direct, general, unconditional, unsubordinated and (without prejudice to Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and in the event of insolvency (*concurso*) of the Issuer (unless they qualify as subordinated debts under Article 281 of the restated text of the Spanish Insolvency Law approved by the of Royal Legislative Decree 1/2020, of 5 May (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto Refundido de la Ley Concursal*)) (the “**Spanish Insolvency Law**”) or equivalent legal provision which replaces it in the future) will rank (i) *pari passu* without any preference among themselves and with all other outstanding unsecured and unsubordinated claims against the Issuer, present and future; (ii) below claims against the insolvency estate (*créditos contra la masa*) and claims with special privilege (*créditos con privilegio especial*) or general privilege (*créditos con privilegio general*); and (iii) above subordinated claims (*créditos subordinados*) and the rights of shareholders.

5. NEGATIVE PLEDGE AND SUBSIDIARY INDEBTEDNESS

- (a) So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement), the Issuer will not, and the Issuer will ensure that none of its Consolidated Subsidiaries will, create or permit to subsist any mortgage, charge, lien, pledge or other Security Interest, upon the whole or any part of their present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without, at the same time or prior thereto, according to the Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purposes of this provision:

“**Consolidated Subsidiary**” means from and including the Publication Date, any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer or, for the period up to but excluding the Publication Date, any entity whose financial statements at any time would be so required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer were the Issuer to have already prepared consolidated financial statements in accordance with such law or generally accepted accounting principles; and

“**Relevant Indebtedness**” means any Indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

- (b) So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement), the Issuer will ensure that NED or any of its Subsidiaries will not incur or have outstanding any Subsidiary Indebtedness (or any guarantee of Subsidiary Indebtedness of any other Person) other than Permitted Subsidiary Indebtedness.

For the purposes of this provision:

“Permitted Subsidiary Indebtedness” means:

- (i) any Subsidiary Indebtedness incurred in the ordinary course of its business with clients, suppliers and/or deriving from its participation in the Spanish gas system;
- (ii) any Subsidiary Indebtedness deriving from any financial leases incurred in the ordinary course of its business;
- (iii) any Subsidiary Indebtedness incurred for working capital purposes or capital expenditure needs;
- (iv) any Subsidiary Indebtedness incurred in respect of any guarantee, including, without limitation, a *fianza*, performance bond (*aval*) and an on demand guarantee (*garantía a primer requerimiento*), counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution, other than to the extent issued in respect of indebtedness falling under paragraphs (a), (b) and (c) of the definition of “Subsidiary Indebtedness”;
- (v) any Subsidiary Indebtedness owed to NED or any of its Subsidiaries (including, without limitation, any cash pooling with NED or any of its Subsidiaries);
- (vi) Subsidiary Indebtedness outstanding on the Issue Date and any extension, renewal, replacement, refinancing or refunding of any Subsidiary Indebtedness existing on the Issue Date or referred to in paragraphs (iii) and (v) above; provided that any Subsidiary Indebtedness incurred to so extend, renew, replace, refinance or refund shall be incurred within 360 days of the maturity, retirement or other repayment or prepayment of the Subsidiary Indebtedness referred to in this paragraph or paragraphs (iii) and (v) above and the principal amount of the Subsidiary Indebtedness to so extend, renew, replace, refinance or refund shall not exceed the principal amount of Subsidiary Indebtedness being extended, renewed, replaced, refinanced or refunded plus any premium or fee (including tender premiums) or other reasonable amounts payable, plus the amount of fees, expenses and other costs incurred, in connection with any such extension, renewal, replacement, refinancing or refunding;
- (vii) any Limited Recourse Financial Indebtedness incurred by NED or any of its Subsidiaries;
- (viii) any Subsidiary Indebtedness not permitted by paragraphs (i) to (vii) above the principal amount of which does not, at any time exceed €100,000,000 (or its equivalent in any other currency or currencies); and
- (ix) such other Subsidiary Indebtedness or guarantee as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

"Subsidiary Indebtedness" means, in respect of any Subsidiary of the Issuer, (without double counting) any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Accounting Principles, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with Accounting Principles in force immediately before the adoption of IFRS 16 (Leases), have been treated as an operating lease);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing required by Accounting Principles to be treated as a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account to the extent such amount has become due but unpaid);

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution, in each case in respect of indebtedness of a type referred to in paragraphs (a) to (g) above; and

(i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above,

but excluding in each case:

(a) any such amounts constituting obligations owed to NED or any of its Subsidiaries; and

(b) any such amounts constituting subordinated debt.

“Limited Recourse Financial Indebtedness” means Subsidiary Indebtedness incurred by a Project Company in connection with the financing of the acquisition of an asset and/or the increase of capital expenditure and the paying of any related costs and expenses of that financing (or the refinancing by a Project Company of such Subsidiary Indebtedness) and any other Subsidiary Indebtedness incurred by a Project Company required in relation to that asset provided that, in each case, no guarantee, loan, security, collateral or any other form of recourse whether financial or otherwise contingent or actual is given by the Issuer or any other member of the Issuer Group (other than any equity commitment provided by any member of the Issuer Group to that Project Company).

“Project Company” means any entity incorporated or acquired as the Issuer’s Subsidiary and (1) the sole corporate purpose of which is to construct, design, operate or maintain an infrastructure or energy project (and any ancillary, related or connected activities), and (2) in respect of which the other members of the Issuer Group do not have any liability whatsoever for the financial debts or other obligations of that Project Company (save for any equity commitment provided by any member of the Issuer Group to that Project Company).

6. FIXED RATE NOTE PROVISIONS

(a) Application

This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after that on which the Fiscal Agent has notified the Noteholders that, upon further presentation of the Note (or relative Note Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

(c) Fixed Coupon Amount

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) **Calculation of interest amount**

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. FLOATING RATE NOTE PROVISIONS

(a) **Application**

This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Accrual of interest**

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (*Floating Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after that on which the Fiscal Agent has notified the Noteholders that, upon further presentation of the Note (or relative Note Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

(c) **Screen Rate Determination**

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will, subject to Condition 7(j) (*Benchmark Discontinuation*), be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable:
 - (A) the Issuer (or an independent investment bank, commercial bank or stockbroker appointed by the Issuer) will request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) the Calculation Agent will determine the arithmetic mean of such quotations; and

- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer (or an independent investment bank, commercial bank or stockbroker appointed by the Issuer), at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) **ISDA Determination**

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) unless otherwise specified in the relevant Pricing Supplement, has the meaning given to it in the ISDA Definitions.

(e) **Maximum Rate of Interest or Minimum Rate of Interest**

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(f) **Calculation of Interest Amount**

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(g) **Calculation of other amounts**

If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

(h) **Publication**

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(i) **Notifications etc.**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(j) **Benchmark Discontinuation**

(i) *Independent Adviser*

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(j)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 7(j)(iv) (*Benchmark Amendments*)).

In making such determination, an Independent Adviser appointed pursuant to this Condition 7(j) (*Benchmark Discontinuation*) shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 7(j) (*Benchmark Discontinuation*).

If (A) the Issuer is unable to appoint an Independent Adviser; or (B) the Independent Adviser appointed by the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(j) (*Benchmark Discontinuation*) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 7(j) (*Benchmark Discontinuation*). For the purposes of this Condition 7(j)(i) (*Independent Adviser*) and Condition 7(j)(v) (*Notices, etc.*) only, “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the Specified Office of the Calculation Agent.

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 7(j) (*Benchmark Discontinuation*)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 7(j) (*Benchmark Discontinuation*)).

(iii) *Adjustment Spread*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 7(j) (*Benchmark Discontinuation*) and the Independent Adviser determines (A) that amendments to the Agency Agreement and/or these Conditions, including, but not limited to amendments to the Day Count Fraction, the Relevant Screen Page, the Business Day Convention, the Interest Determination Date, the definition of Business Days, and/or the definition of Reference Rate applicable to the Notes, are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 7(j)(v) (*Notices, etc.*), without any requirement for the consent or approval of Noteholders, vary the Agency Agreement and/or these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 7(j) (*Benchmark Discontinuation*), none of the Calculation Agent or any Paying Agent are obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 7(j) (*Benchmark Discontinuation*) which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 7(j)(iv) (*Benchmark Amendments*), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined in accordance with this Condition 7(j) (*Benchmark Discontinuation*) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Fiscal Agent, the Calculation Agent and the Paying Agents. In accordance with Condition 19 (*Notices*), notice shall be provided to the Noteholders promptly thereafter. Such notice shall be irrevocable and shall specify the effective date of the

Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Fiscal Agent, the Calculation Agent and the Paying Agents a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate, (3) the applicable Adjustment Spread and (4) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 7(j) (*Benchmark Discontinuation*);
- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread; and
- (C) certifying that (1) the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above or, if that is not the case, (2) explaining, in reasonable detail, why the Issuer has not done so.

The Fiscal Agent shall display such certificate at its Specified Office, for inspection by the Noteholders at all reasonable times during normal business hours.

Each of the Fiscal Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or the Alternative Rate, the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or the Alternative Rate, the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's, the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 7(j) (*Benchmark Discontinuation*), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 7(j) (*Benchmark Discontinuation*), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Conditions 7(j)(i) (*Independent Adviser*) to 7(j)(iv) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Conditions 7(c) (*Screen Rate Determination*) and 7(d) (*ISDA Determination*) will continue to apply unless and until a Benchmark Event has occurred.

(k) **Linear Interpolation**

Where Linear Interpolation is specified in the relevant Pricing Supplement as applicable in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified in the relevant Pricing Supplement as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified in the relevant Pricing Supplement as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period; **provided, however, that**, if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer shall determine appropriate.

“Applicable Maturity” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

8. ZERO COUPON NOTE PROVISIONS

(a) Application

This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Late payment on Zero Coupon Notes

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. REDEMPTION AND PURCHASE

(a) Scheduled redemption

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount (which may be par or such other fixed amount as specified in the relevant Pricing Supplement) on the Maturity Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*), as applicable.

(b) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part:

- (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Pricing Supplement as being applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or

regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; **provided, however, that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall procure that there is made available to Noteholders (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts or has or will become obliged to make such withholding or deduction as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b) (*Redemption for tax reasons*).

(c) **Redemption at the option of the Issuer**

If Call Option is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Pricing Supplement to the Noteholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

If Make-Whole Amount is specified in the applicable Pricing Supplement as the Optional Redemption Amount, the Optional Redemption Amount shall be an amount calculated by the Calculation Agent or a Financial Adviser equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed or (ii) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin.

In this Condition 9(c) (*Redemption at the option of the Issuer*):

“FA Selected Bond” means a government security or securities selected by the Financial Adviser (as defined below) as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes (provided that if the remaining term is less than one year, a maturity of one year shall be used);

“Financial Adviser” means a financial adviser selected by the Issuer;

“Redemption Margin” shall be as set out in the applicable Pricing Supplement;

“Reference Bond” shall be as set out in the applicable Pricing Supplement or the FA Selected Bond;

“Reference Bond Price” means, with respect to any date of redemption, (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if the Calculation Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

“Reference Bond Rate” means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the

relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

“**Reference Date**” will be set out in the relevant notice of redemption;

“**Reference Government Bond Dealer**” means each of five banks selected by the Issuer, or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

“**Reference Government Bond Dealer Quotations**” means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Pricing Supplement on the Reference Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer; and

“**Remaining Term Interest**” means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 9(c) (*Redemption at the option of the Issuer*).

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 9(c) (*Redemption at the option of the Issuer*) by the Calculation Agent, the Issuer or a Financial Adviser, shall (in the absence of negligence, wilful default or bad faith) be binding on the Issuer, the Agents and all Noteholders and Couponholders.

(d) **Partial redemption**

If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount shall in no event be greater than the maximum or be less than the minimum so specified.

(e) **Redemption on sale of assets**

If so specified in the relevant Pricing Supplement, if at any time while the Notes remain outstanding, a Restructuring Event occurs, the Issuer shall make a Public Announcement as soon as reasonably practicable and if, within the Restructuring Period, either:

- (i) (if at the time that the Restructuring Event occurs there are Rated Securities outstanding) a Rating Downgrade in respect of the Restructuring Event occurs; or
- (ii) (if at the time that the Restructuring Event occurs there are no Rated Securities outstanding) a Negative Rating Event in respect of the Restructuring Event occurs,

(the Restructuring Event and the Rating Downgrade or the Restructuring Event and the Negative Rating Event, as the case may be, occurring within the Restructuring Period, together called a “**Restructuring Put Event**”),

then, unless the Issuer shall have previously given a notice under Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*) in respect of a redemption in whole, but not in part, Condition 9(f) (*Redemption on loss of licence*) or Condition 9(g) (*Redemption on change of control*), the holder of each Note will have the option upon the giving of a Put Option Notice (as defined below) to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the

purchase of) such Note on the date which is seven days after the expiry of the Restructuring Put Period (as defined below) (the “**Restructuring Put Date**”) at its principal amount together with accrued interest to the Restructuring Put Date.

Promptly upon the Issuer becoming aware that a Restructuring Put Event has occurred, the Issuer shall give notice (a “**Restructuring Put Event Notice**”) to the Noteholders in accordance with Condition 19 (*Notices*) specifying the nature of the Restructuring Put Event and the procedure as set out below for exercising the option in this Condition 10(e) (*Redemption on sale of assets*).

The Issuer shall, forthwith upon becoming aware of the occurrence of the Restructuring Event provide Noteholders with (i) the relevant Directors’ Report and (ii) to the extent permitted by the terms of the engagement letter between the Issuer and/or the Parent as appropriate and the Reporting Accountants, the Accountants’ Report in accordance with Condition 19 (*Notices*). The Directors’ Report and the Accountants’ Report shall, in the absence of manifest error, be conclusive and binding on the Issuer and the Noteholders.

For the purposes of this Condition 9(e) (Redemption on sale of assets):

“**Disposal Percentage**” means, in relation to a sale, transfer, lease or other disposal or dispossession of any Disposed Assets, the ratio of (i) the aggregate Adjusted EBITDA associated with such Disposed Assets to (ii) the Adjusted EBITDA, expressed as a percentage;

“**Disposed Assets**” means, where any member of the Issuer Group sells, transfers, leases or otherwise disposes of or is dispossessed of by any means (but excluding sales, transfers, leases, disposals or dispossessions which, when taken together with any related lease back or similar arrangements entered into in the ordinary course of business, have the result that Adjusted EBITDA directly attributable to any such undertaking, property or assets continues to accrue to a wholly-owned member of the Issuer Group), otherwise than to a wholly-owned member of the Issuer Group, the whole or any part (whether by a single transaction or by a number of transactions whether related or not) of its undertaking or property or assets, the undertaking, property or assets sold, transferred, leased or otherwise disposed of or of which it is so dispossessed;

a “**Negative Rating Event**” shall be deemed to have occurred if either (i) the Issuer does not, either prior to or not later than 21 days after the relevant Restructuring Event, seek, and thereafter throughout the Restructuring Period use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more (“**Rateable Debt**”) from a Rating Agency or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of the Notes of at least BBB- or Baa3 (or their respective equivalents for the time being) within 21 days after the relevant Restructuring Event;

a “**Rating Downgrade**” shall be deemed to have occurred in respect of the Restructuring Event if the then current rating assigned at the invitation of, or in cooperation with, the Issuer to the Rated Securities by any Rating Agency is withdrawn or reduced from at least BBB- or Baa3 (or their respective equivalents for the time being) to a rating below BBB- or Baa3 (or their respective equivalents for the time being) or, if a Rating Agency shall already have rated the Rated Securities below BBB- or Baa3 (or their respective equivalents for the time being), the rating is lowered one full rating category; provided that a Rating Downgrade otherwise arising by virtue of a particular withdrawal or reduction in rating shall not be deemed to have occurred in respect of a particular Restructuring Event unless the Rating Agency making the withdrawal or reduction in rating announces or publicly confirms within the Restructuring Period that the withdrawal or reduction was the result of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the applicable Restructuring Event shall have occurred at the time of the Rating Downgrade);

a “**Restructuring Event**” shall be deemed to have occurred at any time (whether or not approved by the board of directors of any member of the Parent Group) that the sum of all (if any) Disposal Percentages for the Parent Group within any period of 36 consecutive months is greater than 35 per cent.;

and

“**Restructuring Period**” means:

- (i) if at the time a Restructuring Event occurs there are Rated Securities, the period of 90 days beginning on and including the date of the relevant Public Announcement; or
- (ii) if at the time the Restructuring Event occurs there are no Rated Securities, the period beginning on and including the date on which the relevant Restructuring Event occurs and ending on the day falling 90 days after the later of (A) the date on which the Issuer seeks to obtain a rating as contemplated in the definition of Negative Rating Event prior to the expiry of the 21 days referred to in that definition, and (B) the date of the relevant Public Announcement;

(or, in the case of either (i) or (ii) above, such longer period in which the Rated Securities (or Notes, if there are no Rated Securities) are under consideration (such consideration having been announced publicly within the first mentioned 90 day period) for rating review or, as the case may be, rating by a Rating Agency).

In order to exercise the option contained in this Condition 9(e) (*Redemption on sale of assets*), the Holder of a Note must, not more than 30 days after a Restructuring Put Event Notice is delivered by the Issuer (the “**Restructuring Put Period**”) deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e) (*Redemption on sale of assets*), may be withdrawn; provided, however, that if, prior to the end of the Restructuring Put Period any such Note becomes immediately due and payable or, upon due presentation of any such Note in accordance with this Condition 9(e) (*Redemption on sale of assets*), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e) (*Redemption on sale of assets*), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(f) **Redemption on loss of licence**

If so specified in the relevant Pricing Supplement, if at any time whilst any of the Notes remain outstanding, a Material Licence Event occurs, the Issuer shall make a Public Announcement as soon as reasonably practicable and if, within the Material Licence Period, either:

- (i) (if at the time that the Material Licence Event occurs there are Rated Securities outstanding) a Rating Downgrade in respect of the Material Licence Event occurs; or
- (ii) (if at the time that the Material Licence Event occurs there are no Rated Securities outstanding) a Negative Rating Event in respect of the Material Licence Event occurs,

(the Material Licence Event and the Rating Downgrade or the Material Licence Event and the Negative Rating Event, as the case may be, occurring within the Material Licence Period, together called a “**Material Licence Put Event**”),

then, unless the Issuer shall have previously given a notice under Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*) in respect of a redemption in whole, but not in part, Condition 9(e) (*Redemption on sale of assets*) or Condition 9(g) (*Redemption on change of control*), the holder of each Note will have the option upon the giving of a Put Option Notice (as defined below) to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) such Note on the date which is seven days after the expiry of the Material Licence Put Period (as defined below) (the “**Material Licence Put Date**”) at its principal amount together with accrued interest to the Material Licence Put Date.

Promptly upon the Issuer becoming aware that a Material Licence Put Event has occurred, the Issuer shall give notice (a “**Material Licence Put Event Notice**”) to the Noteholders in accordance with Condition 19 (*Notices*) specifying the nature of the Material Licence Put Event and the procedure as set out below for exercising the option in this Condition 9(f) (*Redemption on loss of licence*).

The Issuer shall, forthwith upon becoming aware of the occurrence of the Material Licence Event provide Noteholders with (i) the relevant Directors' Report and (ii) to the extent permitted by the terms of the engagement letter between the Issuer and/or the Parent as appropriate and the Reporting Accountants, the Accountants' Report in accordance with Condition 19 (*Notices*). The Directors' Report and the Accountants' Report shall, in the absence of manifest error, be conclusive and binding on the Issuer and the Noteholders.

For the purposes of this Condition 9(f) (Redemption on loss of licence):

"Loss of Relevant Licence" means:

- (i) the revocation or termination of any Relevant Licence as a result of a final decision from the relevant administration that cannot be appealed in an administrative proceeding provided that the enforceability of such final decision is not preventatively suspended within a judicial proceeding, without such Relevant Licence being replaced, renewed or extended; or
- (ii) the withdrawal or surrender of any Relevant Licence without such Relevant Licence being replaced, renewed or extended;

"Loss of Relevant Licence Percentage" means, in relation to a Loss of Relevant Licence, the ratio of (i) the aggregate Adjusted EBITDA associated with such Relevant Licence to (ii) the Adjusted EBITDA, expressed as a percentage;

a **"Material Licence Event"** shall be deemed to have occurred at any time (whether or not approved by the board of directors of any member of the Parent Group) that the sum of all (if any) Loss of Relevant Licence Percentages for the Parent Group within any period of 36 consecutive months, is greater than 35 per cent.;

"Material Licence Period" means:

- (i) if at the time a Material Licence Event occurs there are Rated Securities, the period of 90 days beginning on and including the date of the relevant Public Announcement; or
- (ii) if at the time the Material Licence Event occurs there are no Rated Securities, the period beginning on and including the date on which the relevant Material Licence Event occurs and ending on the day falling 90 days after the later of (A) the date on which the Issuer seeks to obtain a rating as contemplated in the definition of Negative Rating Event prior to the expiry of the 21 days referred to in that definition, and (B) the date of the relevant Public Announcement;

(or, in the case of either (i) or (ii) above, such longer period in which the Rated Securities (or Notes, if there are no Rated Securities) are under consideration (such consideration having been announced publicly within the first mentioned 90 day period) for rating review or, as the case may be, rating by a Rating Agency);

a **"Negative Rating Event"** shall be deemed to have occurred if either (i) the Issuer does not, either prior to or not later than 21 days after the relevant Material Licence Event, seek, and thereafter throughout the Material Licence Period use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more (**"Rateable Debt"**) from a Rating Agency or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of the Notes of at least BBB- or Baa3 (or their respective equivalents for the time being) within 21 days after the relevant Material Licence Event;

"Rating Downgrade" shall be deemed to have occurred in respect of the Material Licence Event if the then current rating assigned at the invitation of, or in cooperation with, the Issuer to the Rated Securities by any Rating Agency is withdrawn or reduced from at least BBB- or Baa3 (or their respective equivalents for the time being) to a rating below BBB- or Baa3 (or their respective equivalents for the time being) or, if a Rating Agency shall already have rated the Rated Securities below BBB- or Baa3 (or their respective equivalents for the time being), the rating is lowered one full rating category; provided that a Rating Downgrade otherwise arising by virtue of a particular withdrawal or reduction in rating shall not be deemed to have occurred in respect of a particular Material Licence Event unless the Rating Agency making the withdrawal or reduction in rating announces or publicly confirms within the Material Licence Period that the withdrawal or reduction was the result of any event or circumstance comprised

in or arising as a result of, or in respect of, the applicable Material Licence Event (whether or not the applicable Material Licence Event shall have occurred at the time of the Rating Downgrade); and

“Relevant Licence” means, from time to time, any licence(s) or other authorisation(s) granted to the Issuer, NED, NED España or NED GLP which means that the activity of natural gas distribution cannot be carried on by the Issuer, NED, NED España or NED GLP without such licence, exemption, permission or other authorisation.

In order to exercise the option contained in this Condition 9(f) (*Redemption on loss of licence*), the Holder of a Note must, not more than 30 days after a Material Licence Put Event Notice is delivered by the Issuer (the **“Material Licence Put Period”**) deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(f) (*Redemption on loss of licence*), may be withdrawn; provided, however, that if, prior to the end of the Material Licence Put Period any such Note becomes immediately due and payable or, upon due presentation of any such Note in accordance with this Condition 9(f) (*Redemption on loss of licence*), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(f) (*Redemption on loss of licence*), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(g) **Redemption on change of control**

If so specified in the relevant Pricing Supplement, at any time whilst any of the Notes remain outstanding, a Change of Control Event occurs, the Issuer shall make a Public Announcement as soon as reasonably practicable and if, within the Change of Control Period, either:

- (i) (if at the time that the Change of Control Event occurs there are Rated Securities outstanding) a Rating Downgrade in respect of the Change of Control Event occurs; or
- (ii) (if at the time that the Change of Control Event occurs there are no Rated Securities outstanding) a Negative Rating Event in respect of the Change of Control Event occurs,

(the Change of Control Event and the Rating Downgrade or the Change of Control Event and the Negative Rating Event, as the case may be, occurring within the Change of Control Period, together called a **“Change of Control Put Event”**), then, unless the Issuer shall have previously given a notice under Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*) in respect of a redemption in whole, but not in part, Condition 9(e) (*Redemption on Sale of Assets*) or Condition 9(f) (*Redemption on loss of licence*), the holder of each Note will have the option upon the giving of a Put Option Notice (as defined below) to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) such Note on the date which is seven days after the expiry of the Change of Control Put Period (as defined below) (the **“Change of Control Put Date”**) at its principal amount together with accrued interest to the Change of Control Put Date.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall give notice (a **“Change of Control Put Event Notice”**) to the Noteholders in accordance with Condition 19 (*Notices*) specifying the nature of the Change of Control Put Event and the procedure as set out below for exercising the option in this Condition 9(g) (*Redemption on change of control*).

For the purposes of this Condition 9(g) (Redemption on change of control):

“Affiliated Fund” means, in relation to any person, any Fund which is advised by, or the assets of which are managed (either solely or predominantly) from time to time by, that person, that person’s Sponsor Affiliates, or the general partner, trustee, nominee, manager or investment adviser of any of them, or any other person who directly or indirectly controls, is controlled by or is under common control with such manager or investment adviser;

“Change of Control Event” means (i) the Sponsors or the Permitted Transferees (individually or collectively or in any combination) cease to control the Issuer or (ii) the Issuer (directly or indirectly) ceases to control NED España or NED GLP.

“Change of Control Period” means:

- (i) if at the time a Change of Control Event occurs there are Rated Securities, the period of 90 days beginning on and including the date of the relevant Public Announcement; or
- (ii) if at the time the Change of Control Event occurs there are no Rated Securities, the period beginning on and including the date on which the relevant Change of Control Event occurs and ending on the day falling 90 days after the later of (A) the date on which the Issuer seeks to obtain a rating as contemplated in the definition of Negative Rating Event prior to the expiry of the 21 days referred to in that definition, and (B) the date of the relevant Public Announcement,

(or, in the case of either (i) or (ii) above, such longer period in which the Rated Securities (or Notes, if there are no Rated Securities) are under consideration (such consideration having been announced publicly within the first mentioned 90 day period) for rating review or, as the case may be, rating by a Rating Agency);

“collectively” means, in respect of the Sponsors or the Permitted Transferees, any collection of Sponsors (or any Sponsor individually) and any collection of Permitted Transferees (or any Permitted Transferee individually) from time to time, which may or may not include all persons which are Sponsors or Permitted Transferees;

“control” means where a person (or persons acting in concert) has direct or indirect control of:

- (i) the affairs of the entity in issue by giving direction with respect to the management, operation and policies of the entity in issue with which the directors (or other equivalent officers of the entity in issue) are obliged to comply; or
- (ii) the power to cast, or control the casting of, 50 per cent. or more of the total voting rights conferred by all the issued shares in the capital of the entity in issue which are ordinarily exercisable at a general meeting; or
- (iii) the power to appoint or remove all, or the majority of, the board of directors (or other equivalent officers) of the entity in issue (in each case whether pursuant to relevant constitutional documents, contracts or otherwise);

“Fund” means any co-investment vehicle, unit trust, investment trust, investment company, limited partnership, general partnership or other collective investment scheme, investment professional (as defined in Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005), high net worth company, unincorporated association or high value trust (as defined in Article 49(2)(a) to (c) of the Financial Services and Markets Act (Financial Promotion) Order 2005), pension fund, insurance company, authorised person under the Financial Services and Markets Act 2000, as amended, or any body corporate or other entity, in each case the assets of which are managed professionally for investment purposes;

a **“Negative Rating Event”** shall be deemed to have occurred if either (i) the Issuer does not, either prior to or not later than 21 days after the relevant Change of Control Event, seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more (**“Rateable Debt”**) from a Rating Agency or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of the Notes of at least BBB- or Baa3 (or their respective equivalents for the time being) within 21 days after the relevant Change of Control Event;

“Permitted Transferee” means:

- (i) a Sponsor Affiliate or any investment vehicle sponsored, managed or advised by the investment adviser which sponsors, manages or advises the Sponsor or a Sponsor Affiliate (but excluding

any portfolio company in which the Sponsors or such Sponsor Affiliates hold an investment or interest); and

- (ii) any funds (including pension funds), collective investment vehicle, separate accounts or pooled or co-mingled fund, other investor or limited partnerships (or any person directly controlled by any of the foregoing) for whom a Sponsor or a Sponsor Affiliate or the investment adviser which sponsors, manages or advises the Sponsor or a Sponsor Affiliate acts as a *bona fide* trustee, agent, general partner, investment adviser, manager, responsible entity or principal;

“Proprietary Interest” means any legal, beneficial or other proprietary interest of any kind whatsoever held by a Sponsor in or to any Shareholder Instrument or any right to control the voting or other rights attributable to any Shareholder Instrument, disregarding any conditions or restrictions to which the exercise of any right attributed to such interest may be subject. For the avoidance of doubt, a Proprietary Interest will not include any indirect interest in a Shareholder Instrument (i.e. an interest in an entity or partnership that holds Shareholder Instruments);

a **“Rating Downgrade”** shall be deemed to have occurred in respect of the Change of Control Event if the then current rating assigned at the invitation of, or in cooperation with, the Issuer to the Rated Securities by any Rating Agency is withdrawn or reduced from at least BBB- or Baa3 (or their respective equivalents for the time being) to a rating below BBB- or Baa3 (or their respective equivalents for the time being) or, if a Rating Agency shall already have rated the Rated Securities below BBB- or Baa3 (or their respective equivalents for the time being), the rating is lowered one full rating category; provided that a Rating Downgrade otherwise arising by virtue of a particular withdrawal or reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control Event unless the Rating Agency making the withdrawal or reduction in rating announces or publicly confirms within the Change of Control Period that the withdrawal or reduction was due to the identity of the person or group of persons acting in concert that control, or would control (as the case may be), the Issuer following the applicable Change of Control Event (whether or not the applicable Change of Control Event shall have occurred at the time of the Rating Downgrade);

“Shareholder Instrument” means:

- (i) any instrument, document or security granting a right of subscription for, or conversion into, any share capital of (A) any member of the Issuer Group or (B) any Subsidiaries of any member of the Issuer Group; and
- (ii) any instrument evidencing indebtedness (whether or not interest bearing) issued by any (A) any member of the Issuer Group or (B) any Subsidiaries of any member of the Issuer Group, in conjunction with and/or stapled to, any issue of share capital of (1) any member of the Issuer Group or (2) any Subsidiaries of any member of the Issuer Group, or an instrument carrying rights to subscribe for or convert into the share capital of (x) any member of the Issuer Group or (y) any Subsidiaries of any member of the Issuer Group, but excludes any debt instrument or warrants issued to investors or lenders who are not Sponsors;

“Sponsor Affiliate” means with respect to any person from time to time:

- (i) any other person (a **“Relevant Party”**) who or which, directly or indirectly, controls or is controlled by, or is under common control with, the first noted person, which shall include, for the avoidance of doubt:
 - (A) any person in which the first noted person holds, directly or indirectly, 100 per cent. of the participating equity or any person which, together with its Sponsor Affiliates, holds, 100 per cent. of the participating equity of the first noted person; and
 - (B) any other person who holds a Proprietary Interest in a Shareholder Instrument(s) to the extent that it became a holder of such a Proprietary Interest by virtue of an *in specie* distribution on a solvent winding up of the first person (and to the extent that this Relevant Party directly or indirectly controls or is controlled by, or is under common control with, the first noted person as a result of its holding of such Proprietary Interest);

- (ii) any Affiliated Fund or any Subsidiary of such Affiliated Fund; and
- (iii) a trustee of the beneficial interest:
 - (A) of such person; or
 - (B) of any Relevant Party or Affiliated Fund or any Subsidiary of such Affiliated Fund; and

“Sponsors” means:

- (i) IIF Int’l Nature Investments S.à r.l.;
- (ii) Swiss Life GIO II Nature S.à r.l.; and
- (iii) WSC Helvetic Infrastructure Partners I S.à r.l.,

and, in each case, their Sponsor Affiliates from time to time.

In order to exercise the option contained in this Condition 9(g) (*Redemption on change of control*), the Holder of a Note must, not more than 30 days after a Change of Control Put Event Notice is delivered by the Issuer (the “**Change of Control Put Period**”) deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(g) (*Redemption on change of control*), may be withdrawn; provided, however, that if, prior to the end of the Change of Control Put Period any such Note becomes immediately due and payable or, upon due presentation of any such Note in accordance with this Condition 9(g) (*Redemption on change of control*), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(g) (*Redemption on change of control*), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(h) **Clean-up call option**

If Clean-up Call Option is specified as being applicable in the applicable Pricing Supplement, where the aggregate principal amount of the outstanding Notes is equal to or less than 20 per cent. of the Aggregate Nominal Amount of the Notes (as specified in the relevant Pricing Supplement) (following redemption(s) and/or purchases by or on behalf of the Issuer or any of its Subsidiaries pursuant to this Condition 9 (*Redemption and purchase*), or otherwise), the Issuer may at any time, having given not less than 15 nor more than 30 days’ notice to the Noteholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not part) of the Notes then outstanding on the date specified in such notice at 100 per cent. of the principal amount outstanding of the Notes, together, if appropriate, with interest accrued to (but excluding) the specified date for redemption.

(i) **Pre-maturity call option**

If Pre-Maturity Call Option is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than 15 nor more than 30 days’ notice to the Noteholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption, which shall be no earlier than the date falling three months prior to the Maturity Date), redeem all (but not part) of the Notes then outstanding on the date specified in such notice at 100 per cent. of the principal amount outstanding of the Notes, together, if appropriate, with interest accrued to (but excluding) the specified date for redemption.

(j) **No other redemption**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 9(a) (*Scheduled redemption*) to 9(i) (*Pre-maturity call option*) above.

(k) **Early redemption of Zero Coupon Notes**

Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(k) (*Early redemption of Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

(l) **Purchase**

The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.

(m) **Cancellation**

All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10. PAYMENTS - BEARER NOTES

This Condition 10 (*Payments – Bearer Notes*) is only applicable to Bearer Notes.

(a) **Principal**

Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

(b) **Interest**

Payments of interest shall, subject to Condition 10(h) (*Partial payments*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 10(a) (*Principal*) above.

(c) **Payments in New York City**

Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is permitted by applicable United States law without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Deductions for unmatured Coupons**

If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment; and
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 10(a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(e) **Unmatured Coupons void**

If the relevant Pricing Supplement specifies that this Condition 10(e) (*Unmatured Coupons void*) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*), Condition 9(e) (*Redemption on Sale of Assets*) Condition 9(f) (*Redemption on loss of licence*), Condition 9(g) (*Redemption on change of control*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(f) **Payments on business days**

If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(g) **Payments other than in respect of matured Coupons**

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 10(c) (*Payments in New York City*) above).

(h) **Partial payments**

If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(i) **Exchange of Talons**

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

(j) **Payments subject to laws**

Save as provided in Condition 12 (*Taxation*), payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer or its Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

11. PAYMENTS - REGISTERED NOTES

This Condition 11 (*Payments – Registered Notes*) is only applicable to Registered Notes.

(a) **Principal**

Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) **Interest**

Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) **Payments on business days**

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with Condition 12(*Taxation*) arriving after the due date for payment or being lost in the mail.

(d) **Partial payments**

If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(e) **Record date**

Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

(f) **Payments subject to fiscal laws**

Save as provided in Condition 12 (*Taxation*), payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer or its Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commission or expenses shall be charged to the Noteholders in respect of such payments.

12. TAXATION

(a) **Gross up**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain, or any political subdivision or authority thereof or therein having the power to tax unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law (or applicable regulations or Royal Decrees). In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (i) held by, or on behalf of, a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
- (ii) any taxes that would not have been so imposed if the Noteholder or the Couponholder of a Note or Coupon had made a declaration of non-residence or any other claim or filing for exemption to which it is entitled (provided that (A) such declaration of non-residence or other claim or filing for exemption is required by applicable law, regulation, administrative practice or treaty of the Kingdom of Spain as a precondition to exemption from the requirement to deduct or withhold all or a part of such taxes and (B) at least 30 days prior to the first payment date with respect to which such declaration of non-residence or other claim or filing for exemption is required under the applicable law of the Kingdom of Spain, the relevant Noteholder or Couponholder at that time has been notified by the Issuer or any other person through whom payment may be made that a declaration of non-residence or other claim or filing for exemption is required to be made), but, in each case, only to the extent the Noteholder or Couponholder is legally eligible to make such declaration or other claim or filing; or
- (iii) if the Issuer does not receive in a timely manner certain information required by the applicable Spanish Tax laws and regulations, including a duly executed and completed certificate from the Paying Agent, pursuant to Law 10/2014, and Royal Decree 1065/2007 of July 27, as amended by Royal Decree 1145/2011 of July 29, and any implementing legislation or regulation or if any such applicable procedures prove ineffective; or

- (iv) to, or to a third party on behalf of, a Spanish resident holder of a Zero Coupon Note with a maturity of more than 12 months; or
- (v) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of a FATCA Withholding.

(b) Taxing jurisdiction

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Kingdom of Spain, references in these Conditions to the Kingdom of Spain shall be construed as references to the Kingdom of Spain and/or such other jurisdiction.

13. EVENTS OF DEFAULT

If any of the following events occurs (each an “**Event of Default**”):

(a) Non-Payment

default is made for more than 14 days (in the case of interest) or seven days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes;

(b) Breach of other obligations

the Issuer does not perform or comply with any one or more of its other obligations under the Notes which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder;

(c) Cross default

- (i) any Indebtedness of the Issuer is not paid when due or, as the case may be, within any applicable grace period;
- (ii) any Indebtedness of the Issuer is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of non-payment or an event of default (however described); and
- (iii) any commitment for any Indebtedness of the Issuer is cancelled or suspended by a creditor of the Issuer as a result of an event of default (however described).

No Event of Default will occur under this provision if the aggregate amount of Indebtedness falling within sub-paragraphs (i) to (iii) above is not greater than the higher of €25,000,000 or 1.5 per cent. of the Total Assets (or its equivalent in any other currency or currencies);

(d) Enforcement proceedings

a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not discharged or stayed within 90 days;

(e) Unsatisfied judgment

one or more judgment(s) or order(s) for the payment of any amount in an amount in excess of €25,000,000 is rendered against the Issuer or any of its Material Subsidiaries (if any) and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment;

(f) **Security enforced**

a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any material part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries;

(g) **Insolvency etc.**

(i) the Issuer or any of its Material Subsidiaries (if any) becomes insolvent, is adjudicated bankrupt (or applies for an order of bankruptcy) or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or any of its Material Subsidiaries (if any) or of the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries (if any) is appointed (or application for any such appointment is made and not dismissed within 90 days), (iii) the Issuer or any of its Material Subsidiaries (if any) takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or (iv) the Issuer or any of its Material Subsidiaries (if any) ceases or through a formal decision of its board of directors (or other equivalent officers) (including, without limitation, by way of public announcement of such decision) threatens to cease to carry on all or substantially all of its business (otherwise than, in the case of NED, NED España or NED GLP, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent);

(h) **Winding up etc.**

an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (if any);

(i) **Unlawfulness**

it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under or in respect of the Notes;

(j) **Failure to Take Action etc.**

any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of England and the Kingdom of Spain is not taken, fulfilled or done;

(k) **Analogous Event**

any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 13(d) (*Enforcement proceedings*) to 13(g) (*Insolvency etc.*) above;

(l) **Nationalisation**

any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or the or any of its Material Subsidiaries,

then any Note may, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality; or

(m) **Control of NED**

the Issuer ceases to control NED. For the purpose of this Condition 13(m), “control” shall have the meaning ascribed to it in Condition 9(g).

14. PRESCRIPTION

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15. REPLACEMENT OF NOTES AND COUPONS

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. AGENTS

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or calculation agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a paying agent, a fiscal agent and a registrar;
- (b) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER

- (a) **Meetings of Noteholders**

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum at any meeting convened to consider an Extraordinary Resolution will be two or more Persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of a Reserved Matter, in which case the necessary quorum will be two or more Persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders (whether present or not).

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the nominal amount of the Notes outstanding shall for all purposes be valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification of Agency Agreement**

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of, or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

18. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

19. NOTICES

(a) **Bearer Notes**

Notices to the Holders of Bearer Notes shall be valid if published on the website of Euronext Dublin (<https://live.euronext.com/>) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) **Registered Notes**

Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, notices to Noteholders will be published on the website of Euronext Dublin (<https://live.euronext.com/>) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

20. CURRENCY INDEMNITY

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second**

currency”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. **ROUNDING**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), and (c) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **PROVISION OF INFORMATION WHILST THE NOTES ARE HELD IN DEFINITIVE FORM**

Whilst the Notes are held in definitive form, within thirty Business Days of receipt of a written request by the Issuer (or its duly authorised agent or delegate), Noteholders and Couponholders shall supply to the Issuer such forms, documentation and other information relating to its status under any applicable Information Reporting Regime as the Issuer (or its duly authorised agent or delegate) reasonably requests for the purposes of the Issuer’s compliance with such Information Reporting Regime; provided, however, that no Noteholder or Couponholder shall be required to provide any forms, documentation or other information pursuant to this Condition 22 (*Provision of information whilst the Notes are held in definitive form*) to the extent that: (a) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such Noteholder or Couponholder and cannot be obtained by such Noteholder or Couponholder using reasonable efforts, or (b) doing so would or might in the reasonable opinion of such Noteholder or Couponholder constitute a breach of any applicable (i) law or regulation; (ii) fiduciary duty; or (iii) duty of confidentiality. The Issuer (and its duly authorised agents and delegates) shall be permitted to disclose the forms, documentation and other information to any taxation or other governmental authority.

For the purposes of this Condition 22 (*Provision of information whilst the Notes are held in definitive form*):

“Common Reporting Standard” means the common standard on reporting and due diligence for financial account information developed by the Organisation for Economic Co-operation and Development, bilateral and multilateral competent authority agreements, and treaties facilitating the implementation thereof, and any law implementing any such common standard, competent authority agreement, intergovernmental agreement, or treaty, in each case, as amended from time to time;

“Directive on Administrative Cooperation” means Council Directive 2011/16/EU on administrative cooperation in the field of taxation and any law implementing such Council Directive, as amended from time to time, as amended;

“FATCA” means Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, any law implementing an intergovernmental approach thereto, in each case, as amended from time to time, and an agreement described in Section 1471(b) of the Code; and

“Information Reporting Regime” means the Common Reporting Standard, the Directive on Administrative Cooperation and FATCA.

23. GOVERNING LAW AND JURISDICTION

(a) Governing law

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, English law, save that Condition 4 (*Status*) shall be governed, and shall be construed, in accordance with Spanish law.

(b) English courts

The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).

(c) Appropriate forum

The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) Rights of the Noteholders to take proceedings outside England

Condition 23(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 23 (*Governing law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts of European Member States or States that are parties to the Lugano II Convention, which have jurisdiction pursuant to Brussels Ia Regulation and/or the Lugano II Convention. To the extent allowed by law, Noteholders may take concurrent Proceedings in one or more of such jurisdictions (whether concurrently or not).

In this Condition 23:

“**Brussels Ia Regulation**” means Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, as amended; and

“**Lugano II Convention**” means the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, signed on 30 October 2007, as amended.

(e) Service of process

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to IIF Int'l Holding SCSp (c/o 60 Victoria Embankment, London EC4Y 0JP), or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of Notes will be in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]¹

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the [Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the SFA) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has

¹ Include where item 28 of Part A of the Pricing Supplement specifies “Applicable”.

determined, and hereby notifies all relevant persons (as defined in Section 309(1) of the SFA), that the Notes [are] [are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and are [Excluded]/[Specified] Investment Products (as defined in the Monetary Authority of Singapore (the **MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]²

Pricing Supplement dated [●]

NORTEGAS ENERGÍA GRUPO, S.A.U.
(LEI: 959800BV22XY8K22ZD24)
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the

€[●]
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the offering circular dated [●] [and the supplement(s) to the Offering Circular dated [●]] which [together] constitute[s] an offering circular (the “**Offering Circular**”). This document constitutes the Pricing Supplement of the Notes described herein for the purposes of the Global Exchange Market Listing and Admission to Trading Rules for Debt Securities and must be read in conjunction with the Offering Circular [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular [as so supplemented]. The Offering Circular [and the supplement(s) to the Offering Circular] [is] [are] available for viewing [at [●]] [and] during normal business hours at [●] [and copies may be obtained from [●]]. The Offering Circular [and the supplement(s) to the Offering Circular] [has/have] been published on the website of Euronext Dublin at <https://live.euronext.com/>.]

- | | | | |
|----|-------|--|--|
| 1. | (i) | Issuer: | Nortegas Energía Grupo, S.A.U. |
| | (ii) | Series: | [●] |
| | (iii) | Tranche: | [●] |
| | (iv) | [Date on which the Notes will be consolidated and form a single Series:] | [The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [currency] [aggregate nominal amount] [interest basis] Notes due [maturity date] issued on [issue date] on [●]/the Issue Date/the exchange of the Temporary Global Note for the Permanent Global Note, as referred to in paragraph [●] below [which is expected to occur on or about [●]]/[Not applicable] |
| 2. | | Specified Currency or Currencies: | [●] |
| 3. | | Aggregate Nominal Amount: | [●] |
| | (i) | Series: | [●] |
| | (ii) | Tranche: | [●] |

² For any Notes to be offered to Singapore investors, the Issuer is to consider whether it needs to reclassify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
5. (i) Specified Denominations: [●]
(ii) Calculation Amount: [●]
6. (i) Issue Date: [●]
(ii) Interest Commencement Date: [[●]]/Issue Date/Not Applicable]
7. Maturity Date: [[●]]/(for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
8. Interest Basis: [[●] per cent. Fixed Rate]
(As referred to under Conditions 6 or 7) [EURIBOR][●] +/- [●] per cent. Floating Rate]
[Zero Coupon]
(See paragraph [12/13/14] below)
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount
(further particulars specified below)
10. Put/Call Options: [Call Option]
(As referred to under Condition 9) [Redemption on sale of assets Put]
[Redemption on loss of licence Put]
[Redemption on change of control Put]
[Clean-up Call Option]
[Pre-Maturity Call Option]
(further particulars specified below)
11. [Date of Board approval for issuance of Notes:] [●]/[Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Note Provisions** [Applicable]/[Not Applicable]
(As referred to under Condition 6) *(If not applicable, delete the remaining subparagraphs of this paragraph)*
 - (i) Rate(s) of Interest: [●] per cent. per annum payable [annually]/[semi-annually]/[quarterly] in arrear
 - (ii) Interest Payment Date(s): [●] in each year
 - (iii) Fixed Coupon Amount(s): [●] per Calculation Amount

	(iv)	Broken Amount(s):	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]
	(v)	Day Count Fraction: (As referred to under Condition 2(a))	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [30E/360] [Eurobond basis] [30E/360 (ISDA)]
	(vi)	Interest Determination Dates:	[[●] in each year]/[Not Applicable]
13.		Floating Rate Note Provisions	[Applicable]/[Not Applicable]
		(As referred to under Condition 7)	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i)	Interest Period(s):	[●]
	(ii)	Specified Period:	[●]
	(iii)	Specified Interest Payment Dates:	[●]/[Not Applicable]
	(iv)	First Interest Payment Date:	[●]
	(v)	Business Day Convention: (As referred to under Condition 2(a))	[Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]
	(vi)	Additional Business Centre(s): (As referred to under Condition 2(a))	[●] / [Not Applicable]
	(vii)	Manner in which the Rate(s) of Interest is/are to be determined: (As referred to under Conditions 7(c) or 7(d))	[Screen Rate Determination]/[ISDA Determination]
	(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent):	[●] / [Not Applicable]
	(ix)	Screen Rate Determination: (As referred to under Condition 7(c))	
	•	Reference Rate:	[[[●]-month][EURIBOR]. [EURIBOR] is provided by [administrator legal name] [repeat as necessary].] [As at the date hereof, [administrator legal name] [appears]/[does not appear] [repeat as necessary] in the register of administrators and

benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of Regulation (EU) 2016/1011, as amended]/[As far as the Issuer is aware, as at the date hereof, the [*specify benchmark*] does not fall within the scope of Regulation (EU) 2016/1011, as amended]/[Not Applicable]

- Interest Determination Date(s): [●]
- Relevant Screen Page: [●]
- Relevant Time: [●]
- Relevant Financial Centre: [●]
- Reference Bank(s): [●]/[Not Applicable]
- (x) ISDA Determination: [Applicable]/[Not Applicable]
- (As referred to under Condition 7(d))
- ISDA Definitions: [2006 ISDA Definitions] / [2021 ISDA Definitions]
- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]
- (xi) Linear Interpolation: [Not applicable/Applicable – the Rate of Interest for the [long/short][first/last] Interest Period shall be calculated using linear interpolation (*specify for each short or long Interest Period*)]
- (xii) Margin(s): [+/-][●] per cent. per annum
- (xiii) Minimum Rate of Interest: [●] per cent. per annum
- (xiv) Maximum Rate of Interest: [●] per cent. per annum
- (xv) Day Count Fraction: [Actual/Actual (ICMA)]
[Actual/Actual (ISDA)]
(As referred to under Condition 2(a)) [Actual/365 (Fixed)]
[Actual/360]
[30/360]
[30E/360] [Eurobond basis]
[30E/360 (ISDA)]
- 14. **Zero Coupon Note Provisions** [Applicable]/[Not Applicable]
- (As referred to under Condition 8) (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Accrual Yield: [●] per cent. per annum

- | | | |
|-------|---|--|
| (ii) | Reference Price: | [●] |
| (iii) | Day Count Fraction:

(As referred to under
Condition 2(a)) | [Actual/Actual (ICMA)]
[Actual/Actual (ISDA)]
[Actual/365 (Fixed)]
[Actual/360]
[30/360]
[30E/360] [Eurobond basis]
[30E/360 (ISDA)] |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-------|--|---|
| 15. | Call Option | [Applicable]/[Not Applicable]

<i>(If not applicable, delete the remaining
subparagraphs of this paragraph)</i> |
| (i) | Optional Redemption
Date(s): | [●] |
| (ii) | Optional Redemption
Amount(s) of each Note: | [[●] per Calculation Amount]/[Make-Whole
Amount] |
| (iii) | If redeemable in part: | |
| (a) | Minimum Redemption
Amount: | [[●] per Calculation Amount]/[Not Applicable] |
| (b) | Maximum Redemption
Amount: | [[●] per Calculation Amount]/[Not Applicable] |
| (iv) | Notice periods: | |
| (a) | Minimum notice period: | [[●] days] |
| (b) | Maximum notice period: | [[●] days] |
| (v) | Redemption Margin: | [●] |
| (vi) | Reference Bond: | [●]/[Not Applicable] |
| (vii) | Quotation Time: | [●]/[Not Applicable] |
| 16. | Final Redemption Amount of each
Note | [●] per Calculation Amount |
| 17. | Early Redemption Amount

Early Redemption Amount(s) per
Calculation Amount payable on
redemption for taxation reasons or on
event of default or other early
redemption and/or the method of
calculating the same (if required or if
different from that set out in the
Conditions) | [●] per Calculation Amount |
| 18. | Early Termination Amount | [[●] per Calculation Amount]/[Not Applicable] |

19. **Redemption Amount** (if different from the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount, or the Early Termination Amount) [[●] per Calculation Amount]/[Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. **Form of Notes** **[Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]]
- [Registered Notes:**
- [Global Registered Note exchangeable for Individual Note Certificates on [●] days' notice/at any time/in the limited circumstances described in the Global Registered Note]
- [Global Registered Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg]/[a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS)).]]]
21. New Global Note: [Yes]/[No]
22. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable]/[●]
23. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made]/[No]
24. Consolidation provisions: [Not Applicable]/[The provisions in Condition 18 apply]

DISTRIBUTION

25. Total commission and concession: [●] per cent. of the Aggregate Nominal Amount
26. TEFRA: [TEFRA C]/[TEFRA D]/[TEFRA not applicable]
27. Stabilisation Manager(s) (if any): [●]/[Not Applicable]

- | | | |
|-----|---|---|
| 28. | Prohibition of Sales to EEA Retail Investors: | <p>[Applicable]/[Not Applicable]</p> <p><i>(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document (a “KID”) will be prepared, “Not Applicable” should be specified. If the Notes constitute or potentially constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)</i></p> |
| 29. | Prohibition of Sales to UK Retail Investors: | <p>[Applicable]/[Not Applicable]</p> <p><i>(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)</i></p> |

Signed on behalf of Nortegas Energía Grupo, S.A.U.:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext Dublin]/[Other]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Global Exchange Market of Euronext Dublin]/[●] with effect from [●]/[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Global Exchange Market of Euronext Dublin]/[●] with effect from [●]/[Not Applicable].
- (iii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

Ratings: [[The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:

[S&P Global Ratings Europe Limited:[●]]

[Other Rating Agencies:[●]]

[[Each of][●][and [●]] is established in the [EEA/UK] and is registered under [Regulation (EC) No 1060/2009 (as amended) [(the “**CRA Regulation**”)] / Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018]. [As such, [each of][●][and [●]] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]]

[[●] is not established in the [EEA/UK] and is not registered under [Regulation (EC) No 1060/2009 (as amended) (the “**CRA Regulation**”) / Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”)], but the rating it has given to the Notes has been endorsed by [●], which is established in the [EEA/UK] and is registered under the [CRA Regulation / UK CRA Regulation].]

[[●] is not established in the [EEA/UK] and is not registered under [Regulation (EC) No 1060/2009 (as amended) (the “**CRA**

Regulation”) / Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation”**)] and the rating it has given to the Notes is not endorsed by a credit rating agency established in the [EEA/UK] and registered under the [CRA Regulation / UK CRA Regulation].]

[●]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Save for any fees payable to the [Managers]/[Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. **YIELD**

Indication of yield: [●]/[Not Applicable]

5. **OPERATIONAL INFORMATION**

ISIN: [●]

Common Code: [●]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [●]/[Not Applicable]

[Name(s), numbers and address(es)]

Delivery: Delivery [against]/[free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

Name of Calculation Agent, if different from the Fiscal Agent: [●]/[Not Applicable]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No][Not Applicable]

[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)][include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper).][include this text for registered notes] note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Conditions to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Conditions to “Noteholder” are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or a Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

Conditions applicable to Global Notes

Each Global Note and Global Registered Note will contain provisions which modify the Conditions as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Conditions, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the (i) Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg and (ii) global Registered Note, the Issuer shall procure that if such Note is held under the NSS, the payment is entered into *pro rata* in the records of Euroclear and Clearstream Luxembourg.

Payment Business Day: In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Exercise of put option: In order to exercise the option contained in Condition 9(e) (*Redemption on sale of assets*), Condition 9(f) (*Redemption on loss of licence*) or Condition 9(g) (*Redemption on change of control*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal

Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Global Exchange Market and it is a requirement of applicable law or regulations, such notices shall also be published on the website of Euronext Dublin (<https://live.euronext.com/>).

Provision of Information: While all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, Condition 22 (*Provision of Information whilst the Notes are held in definitive form*) shall not apply to such Notes.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes are expected to be used for general corporate purposes, of the Issuer and its subsidiaries, including refinancing of outstanding debt and any particular identified use of proceeds as may be specified in the applicable Pricing Supplement.

DESCRIPTION OF THE ISSUER

The financial data presented in this Offering Circular, in addition to the financial performance measures established by IFRS-EU, contains certain alternative performance measures (such as EBITDA³, Recurring EBITDA⁴ or Total Net Debt⁵ as defined below⁶) (“APMs”) that are presented for the purposes of a better understanding of the Issuer Group and the Parent Group’s financial performance as these are used by the Issuer Group when making operational or strategic decisions. These APMs are not required by, and are not presented in accordance with, IFRS-EU. Such measures should not be considered in isolation or as a substitute for Profit for the year or Results from Operating Activities as determined in accordance with IFRS-EU. In addition, APMs may not be comparable to similarly titled measures used by other companies.

General Information

The Issuer was incorporated under the name of Naturned Gas S.L.U. with limited liability under Spanish Companies Law (*Ley de Sociedades de Capital*) in Vizcaya on 31 March 2017 for an indefinite period, changing its name to Nortegas Energía Grupo, S.L.U., in 2018. The Issuer was converted from a limited liability company (*sociedad de responsabilidad limitada*) to a public limited company (*sociedad anónima*) on 17 July 2025. It is registered with the Mercantile Registry (*Registro Mercantil*) of Vizcaya at volume 5689, folio 49 and page number BI-69655, and its tax registration number is A95878856 and its LEI code is 959800BV22XY8K22ZD24. The registered address of the Issuer is at Plaza de Euskadi, 5, 48009, Bilbao, Spain.

As of the date of this Offering Circular, the Issuer Group is 100% indirectly owned by the Parent, a limited liability company (*société à responsabilité limitée*) incorporated in Luxembourg. The Parent, which is the ultimate holding company of the Parent Group, owns 100% of NH I. NH I, in turn, owns 100% of NH II, which owns 100% of the Issuer.

The Issuer's principal operating subsidiary is Nortegas Energía Distribución, S.A.U. (“**NED**”), which operates the Issuer Group's gas distribution business. The Issuer also holds 100% of Nortegas Green Energy Solutions, S.L.U. (“**NGES**”) and Norbiogas Renovables, S.L.U. (“**Norbiogas**”, and together with NED and NGES, the “**Subsidiaries**”). NED also holds 100% of NED España Distribución Gas, S.A.U. (“**NED España**”) and NED Suministro GLP, S.A.U. (“**NED GLP**”), as well as minority interests in Tolosa Gasa, S.A. and Inkolan Información y Coordinación de Obras, A.I.E.

³ EBITDA, as defined in the annual accounts of the Parent 2024 Consolidated Financial Statements and Parent 2023 Consolidated Financial Statements and Issuer 2025 Q3 Interim Report, is calculated as the operating profit plus depreciation and amortisation and impairment for the period. EBITDA is included in this Offering Circular because the Issuer Group believes that this and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. EBITDA may not be comparable to other similarly titled measures of other companies and has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Issuer Group's operating results as reported under IFRS-EU. EBITDA is not a measure of performance or liquidity under IFRS-EU and should not be considered as a substitute for results from operating activities or profit for the year or any other performance measure derived in accordance with IFRS-EU or as a substitute for cash flow from operating, investing or financing activities.

⁴ Recurring EBITDA, as defined in the annual accounts of the Parent 2024 Consolidated Financial Statements and Parent 2023 Consolidated Financial Statements and Issuer 2025 Q3 Interim Report, is calculated as the operating profit plus depreciation and amortisation and impairment, excluding non-recurring costs for the period. Recurring EBITDA is included in this Offering Circular because the Issuer Group believes that this and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. Recurring EBITDA may not be comparable to other similarly titled measures of other companies and has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Issuer Group's operating results as reported under IFRS-EU. Recurring EBITDA is not a measure of performance or liquidity under IFRS-EU and should not be considered as a substitute for results from operating activities or profit for the year or any other performance measure derived in accordance with IFRS-EU or as a substitute for cash flow from operating, investing or financing activities.

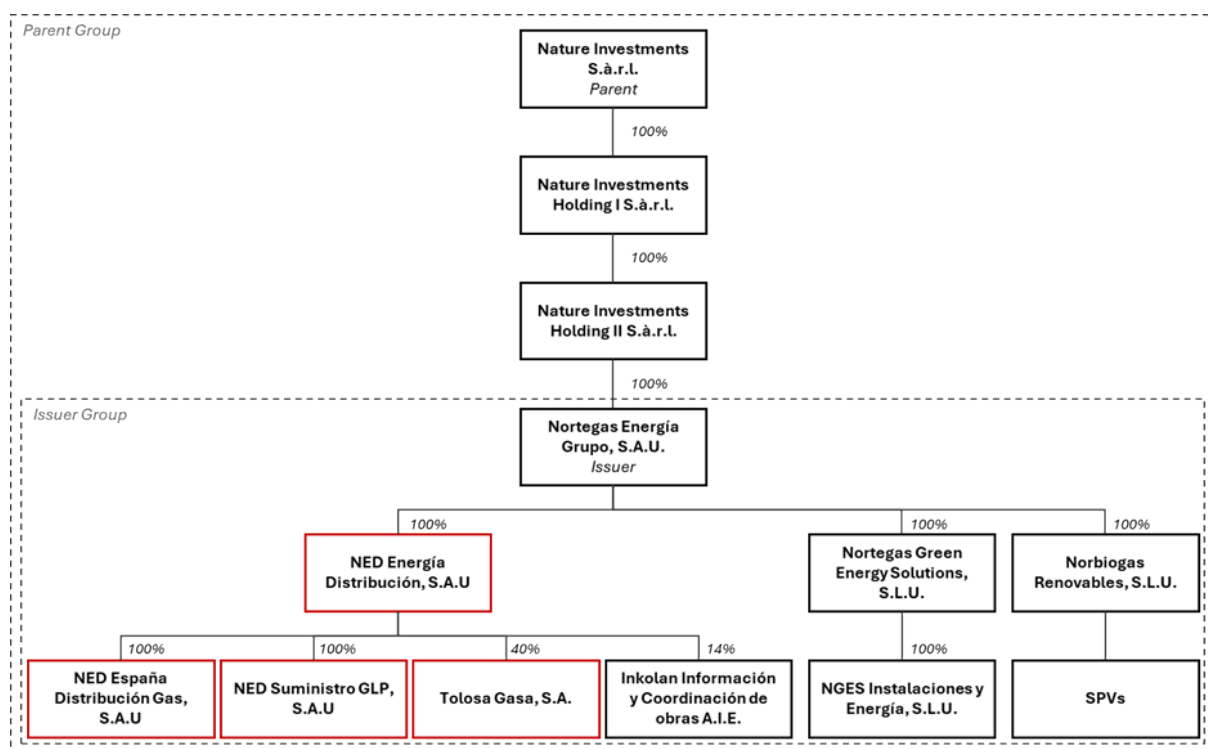
⁵ Total Net Debt, as defined in the annual accounts of the Parent 2024 Consolidated Financial Statements and Parent 2023 Consolidated Financial Statements and Issuer 2025 Q3 Interim Report, is calculated as the sum of third party financial debts less cash and cash equivalents. Total Net Debt is included in this Offering Circular because the Issuer Group believes that this and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. Total Net Debt may not be comparable to other similarly titled measures of other companies and has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Issuer Group's operating results as reported under IFRS-EU. Total Net Debt is not a measure of performance or liquidity under IFRS-EU and should not be considered as a substitute for results from operating activities or profit for the year or any other performance measure derived in accordance with IFRS-EU or as a substitute for cash flow from operating, investing or financing activities.

⁶ For further information on these and the rest of APMs, please see “*Selected financial information*”.

References to the “**Issuer Group**” in this document refer to the Issuer and its Subsidiaries, whilst the “**Parent Group**” refers to the Parent, the Top HoldCos and the Issuer Group.

The Parent Consolidated Financial Statements as of and for the years ended 31 December 2023 and 31 December 2024 are a fair representation of the financial position of the Issuer Group in relation to the Recurring EBITDA and Total Net Debt for the same periods with the following non-material differences: (i) legal and administrative costs related to the administration and operation of the Parent and the Top HoldCos, which amounted to €975,737 as of and for year ended 31 December 2024; (ii) the notes issued by NH II by way of private placement in an aggregate principal amount of €65,000,000, which were redeemed in full in cash on 6 May 2025; and (iii) the term loan facility entered into on 23 May 2019 between the NH II, as borrower, and certain financial entities, as lenders, for an aggregate principal amount of €135,000,000, which was repaid on 28 May 2025 using proceeds from the Facility Agreement Utilisation (as defined below) and existing cash from the Issuer Group’s balance sheet distributed by way of dividend. As a result, the Issuer Group’s consolidated Total Net Debt and Recurring EBITDA represented 84% and 101%, respectively, of the Parent Group’s consolidated Total Net Debt and Recurring EBITDA as of and for year ended 31 December 2024. Despite these minor differences, the Issuer Group’s consolidated total assets and revenues each represented 100% of the Parent Group’s consolidated total assets and revenues as of and for year ended 31 December 2024.

The chart below includes a high-level and simplified representation of the corporate structure of the Parent Group as of the date of this Offering Circular:



¹ The companies marked in red are those engaged in regulated business activities

The Issuer and its Subsidiaries, summary of their corresponding businesses as the date of this Offering Circular, are listed below:

- The Issuer is a holding company and carries out customary holding company activities for the Issuer Group, such as, consulting activities and managing, acquiring or disposing of shares of other companies, providing services or carrying out activities in the energy sector.
- NED is the main operating subsidiary of the Issuer Group and carries out natural gas distribution activities in the Basque Country, including the construction, operation and maintenance of distribution facilities used to distribute natural gas from the transmission networks to consumption points and the provision of ancillary services such as the activation and maintenance of connection points, rental of meters and the inspection and construction of new distribution pipelines or connection points, among others.

- NED España carries out natural gas distribution activities in Asturias and Cantabria.
- NED GLP carries out the retail sale and supply of liquified petroleum gas (“LPG”).

These entities represent the regulated perimeter of the Issuer Group, and its activities described above represent 98.0% of the total revenues of the Issuer Group for the nine-month period ended 30 September 2025.

- NGES carries out the transformation, renewal and maintenance of gas-fueled central heating systems for buildings and development and operation of gas charging stations for natural gas propelled vehicles. NGES is also the owner of 100% of NGES Instalaciones y Energía, S.L.U.
- Norbiogas carries out the promotion of and investment in green gas infrastructure related mainly to organic waste, biogas and biomethane. These projects are developed by special purpose vehicles in which Norbiogas holds a direct stake which varies on a project-by-project basis.

Share capital and shareholders

As of the date of this Offering Circular, the current share capital of the Issuer is €3,540,100 divided into 3,540,100 standard registered shares, each having a par value of €1 forming a single class. The share capital is fully paid up, issued and 100% owned by NH II.

The Parent was incorporated with limited liability company (*société à responsabilité limitée*) on 10 March 2017 under the Luxembourg law of 10 August 1915 on commercial companies, as amended, for an indefinite period. The Parent is registered with the Luxembourg Trade Register (*Registre de Commerce et des Sociétés*) of Luxembourg under the number B213384 and has its registered address at 15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411 Luxembourg. The Parent is indirectly controlled by a consortium of investors formed by IIF Int'l Nature Investment S.à r.l., Swiss Life GIO II Nature S.à r.l. and WSC Helvetic Infrastructure Partners I (the “**Consortium**”).

History

NED, the Issuer’s main operating subsidiary, was incorporated as a public limited company (*sociedad anónima*) pursuant to Spanish law on 31 December 2003 under the corporate name Naturcorp Redes, S.A.U., changing its name to Naturgas Energía Distribución, S.A.U. in 2005. The company is the result of the integration of various local gas distribution companies, including Gas de Euskadi, Bilbogas, Gasnalsa, Donostigas, Gas Pasaia, Gas Hernani, Gas de Asturias and the Cantabria network.

The Issuer was incorporated in Spain on 31 March 2017 under the corporate name Naturned Gas, S.L.U. as a limited liability company pursuant to Spanish law. The incorporation of the Issuer forms part of the strategic acquisition of NED by the Consortium, an international consortium of infrastructure investors. For this purpose, the Consortium incorporated the Parent in Luxembourg in 2017, which in turn incorporated the Issuer. Simultaneously, the Issuer incorporated Nature Gasned XXI, S.L.U. (“**Nature Gasned**”) on 31 March 2017 in Spain as an acquisition vehicle.

On 27 July 2017, the Consortium, through Nature Gasned, completed the acquisition of NED from the EDP group, acquiring 100% of its natural gas and LPG distribution business in Spain. Following the acquisition, a reverse merger was carried out between NED and Nature Gasned, resulting in the liquidation of the latter.

Following the corporate reorganisation, the Issuer Group is the leading gas distributor in northern Spain and the second largest nationwide, with more than 1,000,000 connection points and 8,567 kilometers of gas pipelines distributed across the autonomous regions of Asturias, Cantabria and the Basque Country, consolidating the second largest gas distribution networks in the country by connection points (*Source: CNMC*).

Recent developments

On 16 July 2025, the Issuer sought the consent of the holders of its outstanding €750,000,000 2.065 per cent. notes due 2027 and €550,000,000 0.905 per cent. notes due 2031 to (i) replace NED as issuer and principal debtor and (ii) remove NED España Distribución Gas, S.A.U. and NED Suministro GLP, S.A.U. as guarantors, and therefore released them from all their obligations under such series of notes. The purpose of this transaction was to simplify the capital structure of the Issuer Group by centralising the Issuer Group's debt at the Issuer level, which is in line

with the structure of certain other Spanish gas distribution and regulated utilities companies, whilst removing debt from the Issuer Group's regulated perimeter to comply with the CNMC financial prudence ratios.

The Issuer Group has recently undertaken several refinancings of certain of the Issuer Group's debt to consolidate such indebtedness within the Issuer in line with the above-mentioned strategy to simplify and centralise debt at the Issuer level, as follows:

- On 6 May 2025, the notes issued by NH II by way of private placement in an aggregate principal amount of €65,000,000, were redeemed in full in cash.
- On 12 May 2025, the Issuer entered into a €200,000,000 unsecured, sustainable bank term loan facility agreement (the “**Facility Agreement**”). The purposes of the Facility Agreement include, among others, financing, pre-funding and/or refinancing general corporate purposes of the Issuer Group (excluding certain ring-fenced subsidiaries) as well as refinancing the existing indebtedness at NH II level as set out further below.
- On 27 May 2025, the first utilisation under the Facility Agreement took place (the “**Facility Agreement Utilisation**”). The Facility Agreement Utilisation amounted to a total of €120,000,000, with €80,000,000 remaining committed but undrawn under the Facility Agreement as of the date of this Offering Circular.
- On 28 May 2025, the NH II Facility was repaid on 28 May 2025 using proceeds from the Facility Agreement Utilisation and existing cash from the Issuer Group's balance sheet.
- On 9 December 2025, an €80,000,000 facility for the development of renewable gases was transferred from NH II to NEG pursuant to an amendment agreement with the European Investment Bank (undrawn as of the date of this Offering Circular).
- On 23 December 2025, a €100,000,000 revolving facility agreement was entered into by the Issuer to facilitate the Issuer Group's access to liquidity, with an initial maturity date of 23 December 2028, with the possibility to extend it until 23 December 2030 (undrawn as of the date of this Offering Circular).

Business

Overview

The Issuer Group is engaged in the construction, operation and maintenance of natural gas distribution networks, the distribution and supply of LPG, the provision of ancillary services related to natural gas and the promotion of and investment in green gases infrastructure such as biomethane and hydrogen.

Most of the Issuer Group's revenues are from regulated activities which represent 95.8% of the total revenues for the nine-month period ended 30 September 2025, whereas non-regulated activities represent 4.2% of the total revenues for the nine-month period ended 30 September 2025.

The main business of the Issuer Group comprises the distribution of natural gas and the distribution and supply of LPG to customers in 398 municipalities (of which 228 are supplied with natural gas and the remainder with LPG) in the autonomous regions of Asturias, Cantabria and the Basque Country. The Issuer Group owns the corresponding gas distribution network assets reaching its customers. The Issuer Group is responsible, amongst other things, for the development, ownership, maintenance and operation of the distribution network and for installations. As at 30 September 2025, the Issuer Group's network consists of 8,567 km of pipelines (of which 8,054 km is natural gas and 513 km is LPG), representing approximately a 10% share of the industry in Spain (*Source: Issuer's internal data*). 99% of the Issuer Group's pipelines are made of polyethylene and steel and have an estimated technical life of over 50 years, with the remaining 1% of the pipelines made of grey iron or ductile cast iron.

The Issuer Group's existing distribution network is ready to distribute green gases without requiring any significant modification or refurbishment investment, including biomethane, which is the same molecule as natural gas although with a biological origin, or hydrogen blended with natural gas. This feature of the Issuer Group's network allows leveraging on the existing infrastructure to accelerate the energy transition by replacing fossil fuels with no significant investment in networks required. As an example, in April 2025, the first biomethane generation plant developed by a third party was connected and started to inject biomethane to the network of the Issuer Group in Asturias.

With 1,077,879 connection points as at 30 September 2025, the Issuer Group is the second largest natural gas distribution company in Spain and the primary distributor in the north of the country (by number of connection points) (*Source: CNMC*).

In June 2025, the Issuer connected to the network a power generation facility in Asturias (Aboño), a thermal power plant previously coal-based and transformed into natural gas, translating into a significant reduction in emissions. This connection point will contribute to increased demand and remuneration in the short term, with an estimated demand of 4.4 TWh per year.

For further information regarding the Spanish natural gas supply chain, see the section “*Overview of the Spanish Natural Gas and LPG Sector*” below.

Distribution and LPG activities

The Issuer Group’s principal activity is the distribution of natural gas and the distribution and supply of natural gas and LPG to end customers. The Issuer Group manages regulated gas distribution assets, including the promotion, development and construction of new infrastructure, operation, maintenance and optimisation services, and supplies LPG fuel. In order to carry out its activities, the Issuer Group has to obtain operating licences for each geographical area in which it aims to distribute natural gas and LPG.

The Issuer Group has 1,077,879 natural gas and LPG supply points as at 30 September 2025 and currently operates in 398 municipalities in the autonomous regions of Asturias, Cantabria and the Basque Country, and has obtained the relevant authorisation for each of them. The Issuer Group's connection points grew at a CAGR of 0.5% from 2022 to 2024.

The Issuer Group’s distribution network is shown in the following table:

	As at 30 September 2025¹
Asturias.....	
<i>Municipalities Served</i>	69
<i>Distribution Network</i>	2,021 kms ²
<i>Connection Points</i>	248 k
Basque Country	
<i>Municipalities Served</i>	244
<i>Distribution Network</i>	4,178 kms ²
<i>Connection Points</i>	607 k
Cantabria	
<i>Municipalities Served</i>	85
<i>Distribution Network</i>	1,856 kms ²
<i>Connection Points</i>	223 k

¹ The municipalities served, distribution network and connection points by regions are obtained from the Issuer 2025 Q3 Interim Report and Issuer’s internal data.

² Natural gas distribution networks (excluding LPG).

As well as the distribution of natural gas to end customers as described above, the Issuer Group is also responsible for a series of other related services such as the rental of metering equipment and internal service pipe work and gas risers (which connect the service line to each individual units within a building (*instalaciones receptoras comunes*) (“IRC”)), the construction of connections, service lines and IRCs, inspections and installation maintenance.

For the nine-month period ended 30 September 2025, 95.8% of the Issuer Group’s revenues are of regulated nature and 4.2% are of non-regulated nature. The table below provides a brief explanation of the Issuer Group’s services and a breakdown of the percentage of the Issuer Group’s revenues that each of the services provided represents for the nine-month period ended 30 September 2025.

Services	Description	Percentage of revenues for the nine-month period ended 30 September 2025 ¹
Regulated		
Remuneration	Remuneration based on the parametric formula	71.5%
Inspections and installation maintenance	<p>According to Royal Decree 919/2006 (as amended from time to time), all natural gas delivery installation facilities must be inspected every 5 years.</p> <p>According to the Law 8/2015 this activity was opened to competition, so that a customer can request a third party to inspect their installation facilities. The distributors remain as a subsidiary inspector in case the customer does not assume their inspection obligations under the free regime. The distributors also assume the inspection management services at a regulated price which is currently under review.</p> <p>The inspection maximum tariffs depend on the type of recipient facilities, i.e. supply keys (IRI) for individual recipient facilities, or IRC (internal service pipe work or gas riser, which connects the service line to each supply key of a building) for mutual recipient facilities. The inspection tariffs are set by regional governments.</p>	4.9%
Meter Rents	Generally, distributors rent meter equipment out to consumers (alternatively meter equipment can be owned by the customer or by a third party agent) Tariffs depend on the type of meter equipment rented.	5.2%
Connection points (<i>acometidas</i>)	According to Royal Decree 1434/2002 (as amended from time to time), distributors have the right to charge an activation royalty for each new connection point or for extensions of an existing connection point.	0.4%
Activation of connection points (<i>derechos de alta, derechos de enganche, verificaciones y reinicios</i>),	According to Royal Decree 1434/2002 (as amended from time to time), distributors have the right to charge a service line royalty for each connection point connected to a service line at the moment the connection point is activated.	1.2%
LPG Revenues	According to a formula approved by a Ministerial Order of 16 th July 1998, as amended by order ITC/3292/2008 and by Order IET/389/2015.	12.4%
Non-regulated		
IRC Rents	According to the Hydrocarbon Sector Law and Royal Decree 1434/2002, (as amended from time to time) distributors have the right (but not the obligation) to encourage the construction of IRCs, in order to facilitate the end consumers' access to gas. For the IRCs owned by the distribution company, rental prices are based on a non-regulated tariff set by the company, in accordance with bilateral agreements.	0.2%
Others	Fee received by the distributor for services provided in-house (e.g. change of a gas meter) and activity developed by NGES or Norbiogas.	4.0%

¹ Breakdowns of revenues for regulated and non-regulated activities are obtained from the Issuer's unaudited internal data.

For further detail on what these activities entail and the remuneration thereunder see section “Overview of the Spanish Natural and LPG Gas Sector – Other regulated revenues”.

Selected operational information

The table below is a summary of selected operational information of the Issuer Group as at 30 September 2025 .

	As at 30 September 2025¹
Total Connection Points	1,077,879
<i>Natural Gas</i>	988,686
<i>LPG</i>	89,193
Distribution of Gas (GWh).....	17,073
<i>Natural Gas</i>	16,828
<i>LPG</i>	245
Distribution Network (km)	8,567
<i>Natural Gas</i>	8,054
<i>LPG</i>	513
Municipalities	398
<i>Natural Gas</i>	228
<i>LPG</i>	170

¹ The operational information and the splits in natural gas and LPG and in non-industrial customers and industrial customers are obtained from the Issuer’s internal data.

99.9% of the Issuer Group’s natural gas connection points are with non-industrial customers which receive 33.2% of the gas that the Issuer Group distributes. The remainder of the Issuer Group’s connection points are with industrial customers, which receive 66.8% of the gas that the Issuer Group distributes. The proportion of industrial gas volume as of 31 December 2024 was distributed by sectors as follows:

Volumes (TWh)	Proportion distributed as a percentage¹
Industrial	67%
Commercial.....	16%
Residencial.....	16%
LPG	2%

¹ The proportion of the gas volume distributed for each consumption category is obtained from Issuer’s internal data as at 31 December 2024.

Industrial sector	Proportion of gas volume distributed¹
Paper	12%
Chemical.....	5%
Steel, metal	34%
Power plants	12%
Glass	4%
Food industry.....	6%
Other	27%

¹ The proportion of the gas volume distributed for each industrial sector is obtained from Issuer’s internal data as at 30 September 2025.

Selected financial information

This section contains certain APMs (such as EBITDA, Recurring EBITDA or Total Net Debt) that are presented for the purposes of a better understanding of the Issuer Group and the Parent Group’s financial performance as these are used by the Issuer Group when making operational or strategic decisions. Please refer to “Description of the Issuer - General Information” above for further information.

The table below is a summary of selected financial information of the each of: (i) the Parent 2024 Consolidated Financial Statements, (ii) the Parent 2023 Consolidated Financial Statements and (iii) the Issuer 2025 Q3 Interim Report (for comparative purposes).

	As of and for the year ended 31 December ¹	As of and for the year ended 31 December ²	As of and for the nine- month period ended 30 September 2025 ³
	2023	2024	
	<i>(millions of euro)</i>		
Revenues	208.1	208.0	144.2
Recurring EBITDA	145.4	140.0	99.8
Total Assets	2,433.0	2,419.4	2,344.3
Total Net Debt	1,261.8	1,221.1	1,174.1
Total Equity	61.2	39.9	390.2

¹ 2023 figures are obtained from the Parent 2023 Consolidated Financial Statements, excluding Recurring EBITDA and Total Net Debt, which are APMs and are unaudited internal data.

² 2024 figures are obtained from the Parent 2024 Consolidated Financial Statements, excluding Recurring EBITDA and Total Net Debt, which are APMs and are unaudited internal data.

³ 2025 figures are obtained from the Issuer 2025 Q3 Interim Report, excluding Recurring EBITDA and Total Net Debt, which are APMs and are unaudited internal data.

The table below is a summary of selected financial information of each company of the Issuer Group.

Key Financials		As of and for the year ended 31 December	
		2023	2024
		<i>(millions of euro)</i>	
NED ¹ (Activity: Gas distribution)	Revenues	201.0	198.0
	Recurring EBITDA	147.7	146.4
	Total Assets	2,412.8	2,381.1
	Total Net Debt	1,078.8	1,038.6
	Total Equity	964.5	933.4
Norbiogas ² (Activity: promotion of renewable energy projects, mainly related to biomethane)	Revenues	0.1	1.0
	Recurring EBITDA	-2.1	-3.8
	Total Assets	3.4	15.0
	Total Net Debt	-0.3	-6.4
	Total Equity	1.5	13.5
NGES ³ (Activity: Energy facilities development and maintenance)	Revenues	6.1	9.2
	Recurring EBITDA	-0.6	0.4
	Total Assets	22.9	19.0
	Total Net Debt	0.0	0.0
	Total Equity	20.5	15.9

¹ 2023 and 2024 figures are obtained from the 2023 and 2024 NED consolidated financial statements, respectively, excluding Recurring EBITDA and Total Net Debt, which are APMs and are unaudited internal data.

² 2023 and 2024 figures are obtained from the 2024 Norbiogas standalone unaudited financial statements, respectively, excluding Recurring EBITDA and Total Net Debt, which are APMs and are unaudited internal data.

³ 2023 and 2024 figures are obtained from the 2024 NGES standalone unaudited financial statements, respectively, excluding Recurring EBITDA and Total Net Debt, which are APMs and are unaudited internal data.

The table below is a summary of selected financial information of each of: (i) the Parent 2024 Consolidated Financial Statements, (ii) Parent 2023 Consolidated Financial Statements and (iii) Issuer 2025 Q3 Interim Report (for comparative purposes).

For the year ended 31 December ¹		For the nine- month period ended 30 September 2025 ²
2023	2024	

	<i>(millions of euro)</i>		
Regulated revenues.....	198.3	192.9	138.1
Other unregulated revenue ³	9.8	15.1	6.1
Total revenues	208.1	208.0	144.2
EBITDA	145.2	125.5	99.5
Operating profit	60.1	40.1	35.7

¹ 2023 and 2024 figures are obtained from the Parent 2024 Consolidated Financial Statements and Parent 2023 Consolidated Financial Statements excluding Regulated revenues and EBITDA which are APMs and are unaudited internal data.

² 2025 figures are obtained from the Issuer 2025 Q3 Interim Report excluding Regulated revenues and EBITDA which are APMs and are unaudited internal data.

³ Other unregulated revenue derived from services such as IRC rents and gas meter replacements.

The reconciliation of operating profit to EBITDA and Recurring EBITDA for the periods set out below is as follows:

	For the year ended 31 December¹		For the nine-month period ended 30 September 2025²
	2023	2024	
	<i>(millions of euro)</i>		
Operating profit.....	60.1	40.1	35.7
Amortisation and depreciation	85.1	85.4	63.8
EBITDA	145.2	125.5	99.5
Non-Recurrent Costs ³	0.2	14.5	0.3
Recurring EBITDA.....	145.4	140.0	99.8

¹ 2023 and 2024 figures are obtained from the Parent 2024 Consolidated Financial Statements and Parent 2023 Consolidated Financial Statements excluding EBITDA and Recurring EBITDA which are APMs and are unaudited internal data.

² 2025 figures are obtained from the Issuer 2025 Q3 Interim Report and excluding EBITDA and Recurring EBITDA which are APMs and are unaudited internal data.

³ 2023 and 2024 figures include non-recurring costs derived from restructuring personnel expenses, termination contract expenses and other non-recurring costs. 2025 figures include non-recurring costs derived from termination benefits.

The reconciliation of operating profit to EBITDA and Recurring EBITDA of the Issuer Group and the Parent Group for year ended 31 December 2024 is as follows:

	For the year ended 31 December 2024¹		
	Issuer Group	Parent Group	% of Issuer Group over Parent Group
	<i>(millions of euro, except %)</i>		
Operating profit	41.1	40.1	-
Amortisation and depreciation	85.4	85.4	-
EBITDA.....	126.5	125.5	101%
Non-Recurrent Costs ²	14.4	14.5	-
Recurring EBITDA	140.9	140.0	101%

¹ Figures are obtained from the Parent 2024 Consolidated Financial Statements excluding EBITDA and Recurring EBITDA which are APMs and are unaudited internal data. Figures of the Issuer Group are also unaudited internal data.

² Figures include non-recurring costs derived from restructuring personnel expenses, termination contract expenses and other non-recurring costs.

The reconciliation of total financial indebtedness to Total Net Debt for the periods set out below is as follows:

	As of 31 December¹		As of 30 September 2025²
	2023	2024	
	<i>(millions of euro)</i>		
Financial liabilities on bonds issue.....	1,194.3	1,195.1	1,123.0
Leases (current and non-current)	3.1	2.5	3.7
Other financial liabilities (current and non-current)	1.4	2.0	5.5
Debts with credit institutions.....	133.5	134.2	119.5

Derivative financial instruments.....	-	0.9	-
Total financial indebtedness	1,332.1	1,334.7	1,251.6
Less: Cash and cash equivalents.....	-70.6	-113.6	-77.5
Total Net Debt.....	1,261.8	1,221.1	1,174.1

¹ 2023 and 2024 figures are obtained from the Parent 2024 Consolidated Financial Statements and Parent 2023 Consolidated Financial Statements excluding Total Net Debt which is an APM and is unaudited internal data.

² 2025 figures are obtained from the Issuer 2025 Q3 Interim Report excluding Total Net Debt which is an APM and is unaudited internal data.

The reconciliation total financial indebtedness to Total Net Debt of the Issuer Group and the Parent Group for year ended 31 December 2024 is as follows:

For the year ended 31 December 2024¹			
	Issuer Group	Parent Group	% of Issuer Group over Parent Group
	<i>(millions of euro, except %)</i>		
Financial liabilities on bonds issue.....	1,130.1	1,195.1	-
Leases (current and non-current)	2.5	2.5	-
Other financial liabilities (current and non-current)	2.0	2.0	-
Debts with credit institutions.....	0.1	134.2	-
Derivative financial instruments	0.0	0.9	-
Total financial indebtedness	1,134.7	1,334.7	85%
Less: Cash and cash equivalents	-113.2	-113.6	-
Total Net Debt.....	1,021.5	1,221.1	84%

¹ 2024 figures are obtained from the Parent 2024 Consolidated Financial Statements excluding Total Net Debt which is an APM and is unaudited internal data. Figures of the Issuer Group are also unaudited internal data.

The APMs set out below have been selected to provide a more comprehensive overview of the Group's financial performance:

Total revenues: Regulated Revenue (defined as Revenue from regulated propane gas activities (+) Revenue from regulated natural gas activities (+) Other regulated revenue) (+) Other unregulated revenue.

For the year ended 31 December¹		For the nine-month period ended 30 September 2025²
2023	2024	
<i>(millions of euro)</i>		
Revenue from regulated propane gas activities	25.2	17.4
Revenue from regulated natural gas activities..	150.5	103.1
Other regulated revenue	22.7	17.5
Regulated revenues.....	198.3	138.1
Other unregulated revenue ³	9.8	6.1
Total revenues	208.1	144.2

¹ 2023 and 2024 figures are obtained from the Parent 2024 Consolidated Financial Statements and Parent 2023 Consolidated Financial Statements excluding Regulated revenues which is an APM and is unaudited internal data.

² 2025 figures are obtained from the Issuer 2025 Q3 Interim Report excluding Regulated revenues which is an APM and is unaudited internal data.

³ Other unregulated revenue derived from services such as IRC rents and gas meter replacements.

Cash Flow before Discretionary Capex: Recurring EBITDA (-) Non-Recurrent Costs (+/-) Changes in working capital (-) Income tax paid (+/-) Maintenance capex. This metric measures the internal cash flow available for growth initiatives and discretionary investment.

	As of and for the year ended 31 December ¹	
	2023	2024
	<i>(millions of euro)</i>	
Recurring EBITDA²	145.4	140.0
Non-Recurrent Costs ³	-0.2	-14.5
Changes in Working Capital	-15.0	4.7
Income tax paid	-7.4	-3.2
Maintenance Capex ⁴	-7.1	-6.8
Cash Flow before Discretionary Capex	115.7	120.2
¹ 2023 and 2024 figures are obtained from the Parent 2024 Consolidated Financial Statements and Parent 2023 Consolidated Financial Statements excluding Recurring EBITDA and Cash Flow before Discretionary Capex which are APMs and are unaudited internal data.		
² For the definition and reconciliation of Recurring EBITDA please see “Recurring EBITDA” above: Operating profit (+) Amortisation and depreciation (+) Non-Recurrent Costs.		
³ 2023 and 2024 figures include non-recurring costs derived from restructuring personnel expenses, termination contract expenses and other non-recurring costs.		
⁴ Maintenance Capex corresponds to the costs incurred on existing Property, Plant and Equipment and Intangible Assets that extend the useful life of the assets.		

As a result of dividing Cash Flow before Discretionary Capex by EBITDA, the cash conversion rate stood at 80% in 2023 and 96% in 2024, indicating the efficiency with which the Issuer Group's operating profit is converted into available cash.

Funds from operations: Recurring EBITDA (-) Cash interest (-) Income tax paid. This metric evaluates the Issuer Group's ability to generate cash from operations after servicing debt and tax obligations.

	As of and for the year ended 31 December ¹	
	2023	2024
	<i>(millions of euro)</i>	
Recurring EBITDA²	145.4	140.0
Cash interest ³	-24.0	-23.1
Income tax paid	-7.4	-3.2
Funds from operations	114.0	113.7
¹ 2023 and 2024 figures are obtained from the Parent 2024 Consolidated Financial Statements and Parent 2023 Consolidated Financial Statements excluding Recurring EBITDA and Funds from operations which are APMs and are unaudited internal data.		
² For the definition and reconciliation of Recurring EBITDA please see “Recurring EBITDA” above: Operating profit (+) Amortisation and depreciation (+) Non-Recurrent Costs.		
³ Cash interest is derived from Interest paid but excluding payment of interest from shareholders loans.		

Net Capex: Payments for investments in intangible assets (+) Costs incurred in property, plant and equipment (-) Additions in contract liabilities and grants. This metric reflects the net capital investment funded by the Issuer Group after accounting for external support.

	As of and for the year ended 31 December ¹		As of and for the nine- month period ended 30 September 2025 ²
	2023	2024	
	<i>(millions of euro)</i>		
Payments for investments in intangible assets.....	1.7	2.6	2.1
Costs incurred in property, plant and equipment	23.3	24.4	18.3
Gross Capex	25.0	27.0	20.4
Additions in contract liabilities and grants ³	-3.2	-4.2	-3.7

Net Capex	21.8	22.8	16.7
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¹2023 and 2024 figures are obtained from the Parent 2024 Consolidated Financial Statements and Parent 2023 Consolidated Financial Statements excluding Gross Capex and Net Capex which are APMs and are unaudited internal data.

²2025 figures are obtained from the Issuer 2025 Q3 Interim Report excluding Gross Capex and Net Capex which are APMs and are unaudited internal data.

³2025 figures are calculated as the sum of Addition in contract liabilities (€3.3 million) and grants (€0.4 million) obtained from the Issuer 2025 Q3 Interim Report.

The table below is a further breakdown of the activities of the Issuer Group for the nine-month period ended 30 September 2025.

For the nine-month period ended 30 September 2025¹				
	Segment Natural Gas	Segment LPG	Other	Total
	<i>(millions of euro)</i>			
Revenues.....	120.8	20.6	2.8	144.2
EBITDA	98.3	5.0	-3.8	99.5
Operating profit	41.0	-0.5	-4.9	35.7

¹2025 figures are obtained from the Issuer 2025 Q3 Interim Report excluding EBITDA which is an APM and is unaudited internal data.

The reconciliation of operating profit to Recurring EBITDA and EBITDA of the breakdown of the activities of the Issuer Group set out below is as follows:

For the nine-month period ended 30 September 2025¹				
	Segment Natural Gas	Segment LPG	Other	Total
	<i>(millions of euro)</i>			
Operating profit.....	41.0	-0.5	-4.9	35.7
Amortisation and depreciation	57.2	5.5	1.0	63.8
EBITDA	98.3	5.0	-3.8	99.5
Non-Recurrent Costs ²	0.4	0	-0.1	0.3
Recurring EBITDA	98.6	5.0	-3.9	99.8

¹2025 figures are obtained from the Issuer 2025 Q3 Interim Report and Issuer's unaudited internal data.

²2025 figures include non-recurring costs derived from termination benefits.

Environmental Matters

The Issuer Group's operations are subject to the environmental protection laws and regulations of the European Union, Spain and any other countries in which the Issuer Group operates or is located. The Issuer Group has been rated by Global Real Estate Sustainability Benchmark (GRESB), achieving a 5-star rating and an overall score of 98 in 2024, compared to 95 in 2023 and compared to the peer average of 90.

Employees

As at 30 September 2025, the Issuer Group workforce totaled 229 persons.

Litigation

There are no pending or threatened governmental, legal or arbitration proceedings against or affecting the Issuer Group which may have, or have had during the 12 months prior to the date hereof, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer Group and, to the best of the knowledge of the Issuer Group, no such actions, suits or proceedings are threatened or contemplated.

Management – Joint Directors

As at the date of this Offering Circular, the Issuer is managed by two Joint Directors and their principal activities outside the Issuer Group, where these are significant, are the following:

Name of Director	Date of first appointment	Principal activities outside the Issuer Group
Mark William Mathieson	1 January 2026	Mr. Mathieson has 37 years of experience in the utility and renewable energy sector. Prior to joining the Issuer, he served as Chief Executive Officer of Green Highlands Renewables Ltd, a developer, owner and operator of run-of-river hydro-electric schemes. Previously, he spent 26 years at SSE, where he held the position of Managing Director Networks for the final 10 years, with responsibility for the electricity transmission and distribution networks. He has held numerous non-executive positions and currently serves on the boards of Cadent Gas, National Gas Transmission and Last Mile Infrastructure, all based in the UK.
Juan Ignacio Villar Marcelino	1 January 2026	Mr. Villar is subject to an exclusivity arrangement with the Issuer. He does not engage in any professional activities outside the Issuer Group.

There are no potential conflicts of interest between any duties owed by the two Joint Directors and their respective private interests or duties.

The business address of the two Joint Directors of the Issuer is at Plaza de Euskadi 5, Planta 23, 48009 Bilbao, Spain.

OVERVIEW OF THE SPANISH NATURAL GAS AND LPG SECTORS

Overview

The natural gas sector in Spain is comprised of a number of activities and assets involved in bringing natural gas from its points of entry in the Spanish gas system to end customers.

According to the 2024 System Operator (Enagás GTS, S.A.U. – “ENAGAS”) report (*i.e.*, “*Informe Sistema Gasista 2024*”), Spain received natural gas from 14 different countries in 2024. By the sixth consecutive year, supplies in the form of LNG exceeded those of natural gas, with LNG representing 60% of gas supply for the Spanish Gas System. Gas supply in the form of natural gas totaled 134,808 GWh, whilst LNG supply reached 205,662 GWh. Of the imported gas in 2024, Algeria constituted the main supplier at 39.5% (comprising both natural gas and LNG), followed by Russia at 21.8%, the United States at 17.0%, and Nigeria at 13.6%. Other suppliers included France (5.0%), Portugal (3.9%), Qatar (3.3%), and Trinidad and Tobago (0.8%).

According to ENAGAS’ report, conventional natural gas consumption in Spain (including industrial, commercial and households’ consumption) increased by 3.2% in 2024 compared to 2023, reaching 237.1 TWh, driven mainly by greater industrial consumption, which increased by 4.2%. Non-conventional natural gas consumption (including electricity production) in 2024 was 21.9% lower than in 2023, totaling 74.7 TWh. Total natural gas demand in Spain in 2024 was 311.9 TWh (4.2% lower than the 2023 figure of 325.5 TWh), driven by the lower non-conventional natural gas consumption.

On the other hand, the LPG sector in Spain is comprised of a number of activities and assets involved in supplying LPG through various channels of distribution/supply to other suppliers or directly to end consumers. In principal, LPG activities can be freely carried out by any third party. However, the LPG sector continues to be heavily regulated in some aspects, as further explained below.

According to the 2024 Spanish Corporation of Strategic Oil Product Reserves (“CORES”) Report, Spain imported 64.6 million tons of crude oil in 2024. Moreover, Spain is a net importer of natural gas, with approximately 60.4% of the 339,153 GWh imported in 2024 arriving in liquefied form (LNG), sourced from multiple countries, prominently from Algeria (c. 38.7%), Russia (c. 21.3%), and the United States (c. 16.8%). Total consumption of LPG in Spain in 2024 was 2,135 thousand tons.

Likewise, there are a number of entities involved in the Spanish LPG sector. In the last years, several acquisition transactions have taken place in the Spanish market involving LPG assets/businesses. As a consequence, the number of participants in the LPG sector has increased in recent years.

The Issuer Group comprises of a natural gas and LPG distribution business in the autonomous regions of Asturias, Cantabria and the Basque Country. Thus, the following sections refer to the natural gas and LPG sector, focusing on the main regulatory aspects of the Issuer Group businesses.

Natural gas system

In Spain, the gas system is structured around two types of activities:

- (i) Regulated activities, which include:
 - (a) Transmission through primary networks: high pressure pipelines with a pressure of 60 bar or over. It includes the operation of international gas pipelines connections;
 - (b) Transmission through secondary networks: high pressure pipelines with a pressure of between 16 and 60 bar;
 - (c) Regasification plants: at regasification plants the liquefied natural gas is converted into gas and introduced into the gas system;
 - (d) Primary storage facilities: used for the storage of natural gas which will be poured directly into the gas system. These can be depleted reservoirs of oil and/or gas fields, aquifers or salt cavern formations. Natural gas is stored to modulate and adjust differences in supply and demand. Thereby variations due to interruptions in supply, or seasonal variations can be balanced and the transmission

of natural gas optimised. The storage of gas also aims to maintain strategic reserves and enable the supply of gas in cases of unforeseen interruption in the supply chain; and

- (e) Distribution networks: they are comprised of: (i) gas pipelines with a pressure of 16 or less bar and its ancillary installations, through which natural gas is delivered from the primary and secondary transmission network to end customers; and (ii) irrespective of their pressure, all pipelines distributing gas directly to single customers from the primary and secondary transmission networks.

In the Spanish gas sector, the following concepts shall also be considered, as they are relevant when analysing the rights and obligations of a company carrying out regulated activities (especially regarding the unbundling regime):

- (a) the backbone network (*red troncal*), which is comprised by pipelines for primary transportation (above 60 bar pressure) and is essential for the system to work and for ensuring the security of the gas supply, especially including international connections, connections with gas storage and with regasification plants, and any ancillary component necessary for the network to function;
 - (b) the primary network (*red básica*), which includes all primary transmission assets, regasification plants and primary storage, as explained above (i.e. therefore excluding only the regulated activities of secondary transmission and distribution, as well as non-primary storage, which is not deemed to be a regulated activity).
- (ii) Non-regulated activities, which include the production, liquefaction and supply of natural gas, as well as non-primary storage.

The most relevant non-regulated activity carried out in Spain is the supply of natural gas, as most of the natural gas is imported from other countries and therefore poured into the system through the regasification plants or through international pipelines (both regulated activities).

The gas supply activity consists of acquiring natural gas with the aim of selling it to end customers or other gas supply companies, or to carry out international transits (i.e. sales and purchases of the gas dispatched through international pipelines).

As a non-regulated activity, it is conducted on the free market; therefore, the market is open to all economic agents and prices can be set freely (with the exception of the so-called supply of “last resort”). The government’s role is limited in these cases to monitoring the industry, which involves the introduction of legislation to protect end customers.

- (iii) Unbundling regime

Regulated activities such as transmission and distribution are subject to certain requirements aimed at unbundling each activity within a group. These limitations are set forth in articles 62 and 63 of the Hydrocarbon Sector Law, which are in line with EU Directive 2009/73/EC and EU Directive 2019/692/EC amending Directive 2009/73/EC concerning common rules for the internal market in natural gas.

A company carrying out gas transmission or distribution activities, shall have that activity as its exclusive corporate purpose, not being able to carry out simultaneously gas production or supply activities (among others) whether directly or indirectly through subsidiaries.

In this regard, the CNMC has issued a report⁷ and several resolutions⁸ in which it concludes that the obligation imposed on all distribution companies to have an exclusive corporate purpose shall be

⁷ Report dated 1 September 2011 on a consultation by the General Directorate on Energy and Mines (*Dirección General de Política Energética y Minas*) of an autonomous region (confidential) on the compatibility between the gas distribution activity and the commercialisation of LPG in bulk to end consumers.

⁸ All of them are related with the acquisition of LPG assets (from Repsol Butano, S.A.) by other gas distribution companies. E.g.: resolutions dated 17 December 2015, 15 September 2016, 3 November 2016 and 13 December 2016 (in each case, in respect of the acquisition of LPG assets by different

interpreted broadly and therefore prohibits a gas distribution company from also holding and operating LPG assets. However, the CNMC accepts that a gas distribution company may temporarily hold and operate LPG assets: (i) if the final goal is to convert them into gas distribution assets; and (ii) only for a reasonable period of time, in light of the requirements to be fulfilled to effectively convert the relevant LPG assets to gas distribution. In a resolution dated 17 November 2016, the CNMC stated for the first time that the term during which LPG activities could be conducted by a gas distribution company should not, in any event, exceed three years.

Following the acquisition of LPG assets from Repsol Butano, S.A. in 2016, NED transferred during the second half of 2016 and the first quarter of 2017 all LPG assets to its wholly-owned subsidiary NED Suministro GLP, S.A.U., in order to comply with this unbundling rule.

The CNMC is in charge of monitoring compliance with the unbundling regime. In addition to such unbundling obligations, companies carrying out regulated activities in the natural gas sector are also required to comply with certain audit obligations, including having separate accounts for each activity.

Regulation of the Spanish natural gas sector

The regulation of the natural gas industry in Spain is primarily set forth in the Hydrocarbon Sector Law (as amended). The Hydrocarbon Sector Law is complemented by a large number of regulation, including, *inter alia*:

- Regulation (EU) 2021/1119 of the European Parliament and of the Council dated 30 June 2021, creating the framework for attaining climate neutrality;
- Regulation (EU) 2024/1789 and Directive (EU) 2024/1788 establishing unified internal market regulations for renewable and natural gases and hydrogen; and
- Law 12/2007 of 2 July 2007, amending the Hydrocarbon Sector Law conforming it to Directive 2003/55/ concerning common rules for the internal market in natural gas;
- Law 15/2012, of 27 December 2012, on tax measures for energy sustainability;
- Law 18/2014, of 15 October, ratifying RDL 8/2014 (“**Law 18/2014**”);
- Law 8/2015, of 21 May 2015, amending the Hydrocarbon Sector Law and certain tax and non-tax measures in connection with the exploration, research and exploitation of hydrocarbons;
- Law 7/2021, of 20 May, on climate change and energy transition;
- Royal Decree-law 6/2000 of 23 June 2000, introducing urgent measures for the increase in competition in the goods and services;
- Royal Decree-law 13/2012, of 30 March 2012, transposing measures concerning the domestic electricity and gas markets and electronic communications, and adopting measures to remedy diversions due to gaps between the costs and revenues of the electricity and gas industries;
- Royal Decree-law 8/2014, of 4 July 2014, which approves urgent measures to encourage growth, competitiveness and efficiency;
- Royal Decree-law 13/2014, of 3 October 2014 which approves urgent measures in relation to the natural gas sector and ownership of nuclear plants (“**RD 13/2014**”);
- Royal Decree-law 34/2020, of 17 November, on urgent measures to support the economic solvency and on the energy sector and on tax issues.
- Royal Decree 949/2001 of 3 August 2001, regulating third-party access and establishing an integrated economic system for the natural gas sector (“**RD 949/2001**”);

distribution companies of the Gas Natural group), 17 November 2016 (*Madrileña Red de Gas, S.A.*) and 17 November 2016 (*Distribución y Comercialización de Gas Extremadura, S.A.*).

- Royal Decree 1434/2002 of 27 December 2002 regulating the transmission, distribution, wholesaling and supply activities of natural gas and natural gas facility authorisation procedures (“**RD 1434/2002**”);
- Royal Decree 919/2006 of 28 July 2006 approving the technical regulations for the distribution and use of gaseous fuels and their supplementary technical instructions;
- Royal Decree 984/2015, of 30 October 2015, regulating the organised gas market and third-party access to natural gas installations (“**RD 984/2015**”); Royal Decree-Law 18/2022, of 18 October 2022, by which measures to reinforce the protection of energy consumers and to contribute to the reduction of natural gas consumption in application of the "Plan + security for your energy (+SE)", as well as measures regarding the remuneration of personnel serving the public sector and the protection of temporary agricultural workers affected by drought, are approved;
- Order TED/1022/2021, of 27 September, regulating the procedures for settling remuneration for regulated activities, positions and specific-purpose quotas in the gas sector. Ministerial Order ECO/31/2004 of 15 January 2004, establishing the methods for determining the remuneration for regulated activities in the natural gas sector;
- Royal Decree-Law 1/2019, of 11 January 2019, on urgent measures to adapt the competences of the CNMC to the requirements deriving from EU law in relation to Directives 2009/72/EC and 2009/73/EC of the European Parliament and of the Council, of 13 July 2009, on common rules for the internal market in electricity and natural gas (“**RDL 1/2019**”);
- Ministerial Order TEC/406/2019, of 5 April 2019, establishing energy policy guidelines for the CNMC;
- Ministerial Order TED/1022/2021, of September 27, regulating the settlement procedures for remuneration of regulated activities, charges and fees with specific destinations in the gas sector;
- Ministerial Order ICT/155/2020 of 7 February 2020, regulating the State metrological control of certain measuring instruments, as subsequently amended by Order ITU/1475/2024 of 17 December;
- Ministerial Order ITU/1072/2025, of 26 September, amending Order ICT/155/2020, of 7 February, regulating the State metrological control of certain measuring instruments.;
- Ministerial Orden TED/181/2025, de 13 de febrero, por la que se aprueban las Normas de Gestión Técnica del Sistema Gasista de competencia ministerial (“**Order TED/181/2025**”).
- Ministerial Order TED/1193/2024, of 30 October, establishing energy policy orientations to the CNMC in relation to the proposed modification of Circular 2/2019;
- Circular 2/2019, of 12 November 2019, establishing the methodology of calculation of the financial remuneration rate for activities of transmission and distribution of electric energy, natural gas regasification, transmission and distribution (“**Circular 2/2019**”);
- Circular 8/2019, of 12 December 2019, establishing the methodology and access conditions and the capacity assignation in the natural gas system (“**Circular 8/2019**”);
- Decree 76/2020, of 9 June, on administrative authorisation procedures for installation of the distribution and transport of combustible gases by pipeline in Basque Country (“**Decree 76/2020**”);
- Circular 2/2020, of 9 January 2020, by which the CNMC established the balance rules for natural gas to provide more flexibility and ensure a more efficient use of gas infrastructure (“**Circular 2/2020**”);
- Circular 4/2020, of 31 March 2020, by which the CNMC has set out the remuneration methodology for gas distribution activities (“**Circular 4/2020**”);
- Circular 6/2020, of 22 July, establishing the tariff structure and the price methodology to set up transmission, regional network and regasification tariffs of Natural Gas (“**Circular 6/2020**”);
- CNMC Resolution, of 22 September 2020, establishing the tariffs for access to transmission, regional network and regasification installations from October 2020 until September 2021; and

- Circular 5/2025, of 18 June, from the CNMC, on regulatory information regarding the costs of natural gas distribution activities;
- Circular 2/2025, of 9 April, of the CNMC, establishing the methodology and conditions for access and allocation of capacity in the natural gas system;
- Quarterly Resolutions of the General Directorate for Energy Policy and Mining establishing the last resort tariff of natural gas;
- Yearly CNMC's Resolution establishing the remuneration for the gas year for companies carrying out regulated activities in liquefied natural gas plants, natural gas transport and distribution (from 2021 until 2025); and,
- Yearly CNMC's Resolution establishing the value of the overall ratio index and the penalty relating to financial prudence for companies engaged in the transmission and distribution of electricity and the transmission, regasification, underground storage and distribution of natural gas (from 2021 until 2025).

Regulators

The main gas sector regulators are the MITERD and the CNMC. The latter was created by Law 3/2013, of 4 June 2013 ("**Law 3/2013**") and started its operations on 7 October 2013. The National Regulatory Authority was previously named *Spanish Energy Commission (Comisión Nacional de Energía, CNE)*.

RDL 1/2019 transferred some of the MITERD competences related to natural gas regulation to the CNMC. According to this Royal Decree-Law, the CNMC promoted new regulation related to tariffs and regulated remuneration since 2019. Regional governments are also important as they are responsible for regulating many of the distribution ancillary services and prices.

Gas System Operator

The major owner and operator of the gas transmission system, ENAGAS was appointed as the technical manager of the Gas System ("GTS") by the Hydrocarbon Sector Law. In accordance with Directive 2009/73/EC, ENAGAS created separate subsidiaries. One of those subsidiaries is Enagas GTS, S.A.U. (Enagas GTS), which undertakes the role and functions of the GTS and as such is in charge of the technical management of the gas system and implements a set of rules to ensure a continuous and secure supply of gas and proper co-ordination among access points, storage facilities, transportation and distribution activities. All gas agents involved in the gas sector are required to comply with the Gas System's technical rules (*Normas de Gestión Técnica del Sistema*), released by the Order TED/181/2025 (as amended from time to time).

Approvals: main authorisations regime

As anticipated, the natural gas distribution activity is a regulated activity under Spanish law consisting of the construction, operation and expansion of gas facilities dedicated to deliver the gas to points of consumption for end consumers. Under the current regulation, distribution companies may also construct and operate certain secondary transmission assets.

As a regulated activity, the distribution activity requires certain administrative Approvals. Both the Hydrocarbon Sector Law and, specifically, the RD 1434/2002 set forth the main Approvals required in the gas sector.

For the construction and operation of a gas distribution network in a specific area, (i) four main regional authorisations shall be obtained (to be granted by the relevant public authority on energy affairs of the corresponding autonomous region); and (ii) local licences are also required (to be granted by the Town Councils where the gas distribution facilities are located):

(i) Prior and general administrative authorisation

This authorisation refers to a given geographical area (normally, a municipality) but does not allow yet for the construction of specific distribution facilities. It is granted for an indefinite period, so that it will remain effective provided that all the conditions under which it is granted remain duly fulfilled at all times by the distributors.

In order to obtain the preliminary administrative authorisation, the relevant distribution company must prove its legal, technical and economic capacity:

- (a) Legal capacity: it shall be a Spanish or European Union public limited company (*sociedad anónima*).
- (b) Technical capacity: it may be proven by any means, but distribution companies are deemed to meet this requirement when one of the following points is satisfied: (i) they have at least three years' experience operating distribution networks, directly or through a subsidiary; or (ii) one of its shareholders with a 25% or greater stake meets the requirements in (i) above.
- (c) Financial capacity: it may be proven by any means, but distribution companies are deemed to have sufficient financial capacity when they have shareholders' equity allocated to the distribution activity of at least: (i) €1,000,000; or (ii) 50% of the budget for the new distribution facilities intended to be constructed.

Exclusivity issue

Although the Issuer Group currently holds 100% of the market share in the Autonomous Regions where it operates (i.e. Asturias, Cantabria and the Basque Country), it may be the case that several distribution companies are simultaneously interested in an area where no distribution company operates. In such circumstances, all the companies will compete to develop their gas distribution facilities within this area.

The Issuer Group is granted a preferential right but there is no clear exclusivity right resulting from the granting of a prior administrative authorisation to a distribution company covering a specific municipality (therefore other distribution companies may be granted with prior administrative authorisations to cover a specific municipality, even if only partially).

Despite this, the distribution company whose specific construction project has already been built or authorised has exclusivity over the area to which this project refers to and no new projects or another distribution company shall be authorised in the same area (as the regulation considers that it is not reasonable to authorise two networks in the same place).

Moreover, the existing distribution company has also "preference" regarding the approval of construction projects in adjacent areas to its existing network also covered by its prior administrative authorisations (*ex* article 73.7 of the Hydrocarbon Sector Law, as interpreted by the Spanish courts).

It should be noted that each Autonomous Region, as the authority in charge of granting the prior administrative authorisations, may have more detailed regulations on the exclusivity/preference rights.

This is the case of one of the Autonomous Regions where the Issuer Group operates. The Government of the Basque Country has approved the Decree 76/2020, which modifies the general regime abovementioned in relation to exclusivity/preference rights. No exclusivity/preferential right shall be deemed to be granted for new distribution pipeline facilities and the preference of a distribution company with an existing distribution network in adjacent areas will only be considered a valuation criteria in a competitive process for the authorisation of such new projects.

Nonetheless, as of the date hereof, the remaining Autonomous Regions where the Issuer Group operates (i.e. Asturias and Cantabria) have not further regulated this matter. Therefore, general rules on exclusivity and preference -as explained above - should apply in these regions.

(ii) **Environmental impact assessment**

From an environmental perspective, natural gas distribution facilities are subject to a strict environmental control and are required, in most of the cases, to obtain an environmental impact assessment (*declaración de impacto ambiental*) from the relevant regional authorities on environmental affairs, before the construction work starts.

Moreover, in case of being required, the environmental impact assessment shall be carried out by the relevant regional authorities and take place (as an additional step) during the procedure for granting the prior and general administrative authorisation.

(iii) **Approval of the construction project**

These approvals refer to the construction project of each facility forming part of the network, i.e. allowing the beginning of the construction works related to a specific facility projected (thus, the project corresponding to each installation or set of installations forming part of a network shall be authorised separately).

A distribution company may simultaneously make, if necessary, a request for the declaration of public utility of such installation. This declaration will allow the expropriation of the affected plots of land and/or the use of the public domain needed for the construction of the relevant distribution installations.

(iv) **Commissioning authorisation**

This authorisation allows the start of operations of each specific facility constructed in accordance with the approved project (as in the case of the construction project, each facility shall obtain a separate commissioning authorisation). In order to obtain this commissioning authorisation, it is necessary to submit the relevant final works certificate.

(v) **Local licences**

The construction and commissioning of each distribution facility comprising a given network requires also the granting of local licences by the relevant authorities of the affected municipalities. By means of the local licences, the relevant Town Councils check whether the facilities, the construction works and the activities carried out within their municipalities are compatible with local requirements in terms of urban planning and environmental matters.

In short, the licences normally granted at a local level are as follows (although we note that minor discrepancies may result from the application of each local regulation):

- (a) Works licence: the local authority verifies that the project complies with the urban planning; the licence allows the performance of the specific construction works in respect of the facilities to be located within the relevant municipality.
- (b) Activity and/or environmental licence: it is normally key to checking whether the project complies with local requirements (including environmental requirements) for the activity to be allowed in the corresponding municipality.
- (c) First occupancy licence: its main goal is to check that the actual works were carried out in compliance with all the requirements and conditions imposed by the prior works licences.
- (d) Opening licence: similarly to the first occupancy licence, its main goal is to check that the project, once completed, complies with all the requirements and conditions imposed by the prior activity (and/or environmental) licences.

Access to the transmission network by distribution companies

The Hydrocarbon Sector Law states, regarding transmission and distribution networks, that “*when the authorised installations must be connected to already existing installations owned by another party, the latter must permit the connection in the conditions established in the legislation*”.

Article 12 of RD 1434/2002 indicates that “*the distribution networks must preferentially be supplied from a transmission network, and may also be supplied from another maximum pressure distribution network with a design greater than 4 bar, provided that this means sufficient supply capacity, according to criteria of technical and economic rationality*”. Additionally, Article 12 sets that “*The actual investment costs incurred for the connection facilities will be borne by the requesting distributor, as will the cost of the derivation position*”, this costs include the regulation and metering installation.

Third party access

Distribution companies must allow TPA to their distribution network by direct market consumers and gas suppliers complying with the conditions stipulated in the regulation, based on the principles of non-discrimination, transparency and objectivity.

Since Royal Decree-Law 1/2019, the CNMC has the competence to set up the methodology and approve the TPA tariffs for regasification, transmission and regional network (which includes distribution) installations on a non-discriminatory and transparent basis.

The relevant user needs to execute a TPA contract with the owner of the gas distribution network. That contract needs to be supplemented through the execution of an annex for each of the delivery or entry and exit points, gas volume and technical specifications such as pressure and gas quality connecting the end consumer.

The distribution companies may only refuse access to the network if they lack the necessary capacity, in case of non-payment of tolls, fees or charges due to imbalance, insufficient guarantees deposited or manifest inability to act in the gas system, which has resulted or may result in significant technical or economic damage to the gas system.

Distribution companies must invoice and charge gas suppliers and direct market consumers the TPA tolls, as established. They may also invoice and charge for other services related to supply, under the conditions established in regulatory development.

The TPA tolls that the distribution companies charge for allowing third parties to use their facilities are not direct remuneration for them. On the contrary, they are part of the gas economic system's revenues, as explained below.

TPA to distribution gas facilities is regulated (not negotiated) and according to RDL 1/2019 the regulation of TPA is further developed by circulars and resolutions approved by the CNMC, in particular:

- (a) Resolution of the CNMC dated 15 April 2020, which approved the framework agreement for the access to the installations of the gas system. The implementation of such Resolution implies that the parties needed to update their agreements within three months from 23 April 2020. The lack of update of the framework agreements will prevent participation in the capacity assignment procedures.

Circular 2/2025 (entered into force on 1 July 2025, with Articles 36 and 38 entering into force on 1 August 2025 and 1 November 2025 respectively), which established the methodology and access conditions and the capacity allocation in the natural gas system and by which the CNMC has set out the TPA conditions pursuant to its competences under Articles 70.2 and 76.3 of Law 34/1998 on the Hydrocarbons Sector, taking into account the new regulatory framework derived from Regulation (EU) 2024/1789 and Directive (EU) 2024/1788 on renewable and low-carbon gases, and updating the framework to facilitate the connection and access of production facilities for such gases to the natural gas network. Circular 2/2025 replaced Circular 8/2019, which regulated the methodology and conditions of access and capacity allocation in the natural gas system, which became inapplicable, with certain transitional provisions of Circular 8/2019 (Articles 30 and 32) remaining temporarily applicable until 1 August 2025 and 1 November 2025 respectively. The remaining provisions contained in regulations prior to Circular 2/2025 not regulated in such circular are still applicable.

Criteria to determine TPA tolls

Following EU requirements set forth in the electricity and gas European Directives 2009/72/CE and 2009/73/CE, RDL 1/2019 transferred from the Spanish Government to the CNMC some powers related to the electric and natural gas sectors. The CNMC is entitled to establish, by means of a circular, the structure and methodology for the calculation of tolls and fees for basic access services to gas facilities. On this basis, the CNMC passed Circular 6/2020 establishing the methodology for tariffs and tolls related to natural gas transmission, local networks and regasification plants.

The tolls are calculated in line with the criteria established in article 92 of the Hydrocarbon Sector Law and on the basis of the following elements: (i) gas demand forecast; (ii) remuneration of regulated activities; (iii) forecast for the use of regasification, storage and transmission and distribution installations; and (iv) variation resulting from the application of the settlement arrangements from the previous year.

According to Circular 6/2020, of 22 July, transmission and distribution tolls are divided into:

- Transmission Backbone Network Tariffs: divided into Transmission Entry tariff and Transmission Exit tariff.
- Local Network Tariffs: Entry and Exit from regional network tariffs (includes the access to primary and secondary regional transmission networks and distribution networks).

Both Backbone Transmission and Local Network Tariffs are made up of two components: (i) a fixed term by means of capacity or client; and (ii) a variable term, both of them depending on the level of a consumer's annual consumption.

The entry tariff for the Backbone Transmission network tariff is applicable to the daily flow of each system user with an access contract and is billed by the transmission company owning the installations where the entry point of gas into the national transmission system is.

The exit tariff from the Backbone Transmission network and the Local network access is billed to the system user with an access contract by the distribution company owning the installations where the delivery point of gas to the end user is located.

Dispute Resolution in relation to TPA rights

The CNMC is entrusted with the role of resolving disputes in relation to the exercise of TPA rights. The time conferred to the CNMC to issue a resolution in relation to these matters is three months. CNMC resolutions may be appealed before the National High Court (*Audiencia Nacional*).

Remuneration scheme and other regulated revenues

Main sources of revenues of a gas distribution company in Spain

In Spain, the main source of income for natural gas distributors is the regulated remuneration, which: (i) is expressly recognised by law; (ii) was determined annually by the MITERD until 2019 and from 2020 onwards is determined by the CNMC; and (iii) settled by the CNMC through the so-called "settlement system of the gas sector" (by means of which all its regulated costs and revenues are settled).

In addition, natural gas distribution companies in Spain might also obtain revenues from the provision of other services related to their core business of gas distribution. The price of some of these services is also regulated at a national or regional level. For example, the construction of connection points, activation of connection points, the rental of metering equipment to consumers and the inspection services are other regulated revenues. Nonetheless, these services are invoiced directly by the distribution company to the supplier through the TPA invoices and thus the revenues deriving therefrom are not included in the settlement system of the gas sector.

Conversely, the price of certain ancillary services is freely set by the distribution company (and also directly invoiced to the supplier as it is not part of the referred settlement system either). This is the case, for instance, for works carried out at the pipelines supplying gas to buildings (*instalaciones receptoras comunitarias, IRC*), or certain home services, like the replacement of a gas meter.

General principles and purpose of the regulated remuneration scheme

In general terms, the gas system is based on the principles of economic sustainability and long-term equilibrium, taking into consideration the fluctuations in demand, the costs development, the improvement in efficiencies and the degree of development of the existing gas infrastructures without impairing an adequate remuneration of the investments in regulated assets or the security of supply.

The general principles of the current remuneration regime of gas regulated activities are set forth in: (i) articles 91 and 92 of the Hydrocarbon Sector Law, as implemented by articles 15 to 24 of RD 949/2001; and (ii) articles 57 to 66 of Act 18/2014.

As further detailed below, the gas settlement system works, in general terms, as a common deposit scheme, in which all relevant revenues generated within the system are (exclusively) applied to satisfy all of its costs (including the payment of the regulated remuneration to transmission and distribution companies).

The purpose of the distribution activity compensation scheme is to enable "efficient and well-managed" distributors of natural gas to recover their investment, as well as the operational and maintenance-related costs of their distribution network during their operational life, and to obtain a reasonable rate of return while encouraging at the same time, efficient management and improvement in productivity.

As opposed to other regulated activities (such as gas transmission), the methodology to determine the remuneration of the gas distribution activities is not based on a RAB model. This methodology is linked to the demand (number of supply points and gas circulated). This is because gas distribution is not considered a

universal service, thus enlarging gas distribution infrastructure is only justified by an increase in demand (and the gas distribution companies bear that demand risk).

Methodology, parameters and “regulatory periods”

As a result of the RDL 1/2019, the methodology to determine the remuneration of the gas distribution companies for the period 2021-2026 was approved by the CNMC in the Circular 4/2020.

The Circular 4/2020 only gives visibility for the regulatory period 2021-2026, but not beyond. Therefore, as from January 2027, the remuneration of the activity will be recalculated.

(i) Remuneration regime as from 1 January 2021

As stated Circular 4/2020 entered into force on 1 January 2021, following the same structure and providing continuity to the 2014-2020 regulatory period.

Basically, the remuneration in any given gas year of a distribution company for the use of its gas network as well for carry out the distribution activities is calculated as the sum of the existing base remuneration as of 31 December 2020, the remuneration corresponding to acquiring a new market in such year compared to 2020, plus the transitory distribution remuneration (as further described below) plus the incentive (positive or negative) for the losses settlement.

The main features of the remuneration scheme are as follows:

- The remuneration base adjustment is calculated over year 2000 connection points and demand figures of the entities in the sector. However, this base remuneration includes an adjustment of the remuneration activity that will be implemented during the whole regulatory period (i.e. 31 December 2026). Such adjustment will have an impact of €239 million remuneration adjustment at the end of the regulatory period (2026).
- Growth parameters have been increased by 0.9% based on the evolution of price indexes from 2014 (a combination of indexes relating to industrial prices and consumer prices) and applying an efficiency coefficient of 0.5. The year for which the remuneration is determined runs from 1 October of one year to 30 September of the following year (i.e. a gas year in line with European regulations).
- The Circular promotes new industrial consumption (additional 0.50 €/MWh for 5 years) and natural gas supplied in refuelling stations (additional 0.50 €/MWh).
- The Circular incentivises financial prudence, setting a penalty of up to 1% of the regulated revenues from 2024 in case of non-compliance with a set of ratios defined by the CNMC – see “Financial prudence measures” below for more specific details.
- An adjustment for the sharing of regulated assets for the benefit of other related activities (*actividades conexas*) carried out by a group of companies is included.

a) Methodology

According to the CNMC Circular 4/2020, the remuneration of a natural gas distribution company “e” for the costs incurred in one year “a” in (i) its activity, excluding connections or other installations with regulated prices, and in (ii) carrying out the functions assigned to distribution, which are financed from the income from tolls and fees established for the use of the installations (RDE^e_a), will be that calculated with the following formula:

$$RDE^e_a = RDE^e_{2020} + RDM^e_a + RTD^e_a + IM^e_a$$

It corresponds to the sum of the following elements:

- Base remuneration (*retribución base* – “ RDE^e_{2020} ”). It results from subtracting the remuneration determined pursuant to Annex X of Law 18/2014, for the infrastructure and points of supply existing in 2020 ($RDE^e_{\text{annex X}}$), the specific adjustment for the regulatory period 2021-2026 (AAD^e_{2000}):

$$RDE_{2020}^e = RDE_{\text{annex X}}^e - AAD_{2000}^e$$

- Remuneration for market development (*retribución por desarrollo de mercado* – “ RDM_a^e ”). It is linked to the new supply points established in 2020 and the gas consumed, calculated pursuant to certain parameters:

$$RDM_a^e = RPS_{p \leq 4b}^{mg} \times \Delta PS_{p \leq 4b}^{mg,e} + RPS_{p \leq 4b}^{mgr} \times \Delta PS_{p \leq 4b}^{mgr,e} + RGS_{p \leq 4b}^{50MWh} \times \Delta GSF_{p \leq 4b}^{50MWh,e} + RGS_{p \leq 4b}^{8GWh} \times \Delta GSF_{p \leq 4b}^{8GWh,e} + RGS_{p < 60b}^{Resto} \times \Delta GSF_{p < 60b}^{Resto,e} + RGS_{4 < p < 60b}^{NPS} \times GSF_{4 < p < 60b}^{NPS,e} + RGS_{EES} \times GSF_{EES}^e$$

Where:

$RPS_{p \leq 4b}^{mg}$: is the remuneration unit per supply point (PS) connected to distribution networks with a maximum design pressure of 4 bar or less in gasified municipalities. Its value will be defined by a resolution of the CNMC.

$\Delta PS_{p \leq 4b}^{mg,e}$: is the variation in the number of supply points connected to distribution networks of company “e” with a maximum design pressure of less than or equal to 4 bar in gasified municipalities, calculated as the difference between the number of supply points in service on 30 September of gas year “a” and on 31 December 2020.

$RPS_{p \leq 4b}^{mgr}$: is the remuneration unit per supply point (PS) connected to distribution networks with a maximum design pressure of 4 bar or less in newly gasified municipalities. Its value will be defined by a resolution of the CNMC.

$\Delta PS_{p \leq 4b}^{mgr,e}$: is the variation in number of supply points connected to distribution networks of company “e” with a maximum design pressure of less than or equal to 4 bar in municipalities with recent gasification, calculated as the difference between the number of supply points in service on 30 September of gas year “a” and on 31 December 2020.

$RGS_{p \leq 4b}^{50MWh}$: is the remuneration unit for natural gas supplied and invoiced to supply points connected to distribution networks with a maximum design pressure of 4 bar or less and an annual consumption of 50 MWh or less. Its value will be defined by a resolution of the CNMC.

$\Delta GSF_{p \leq 4b}^{R50MWh}$: is the variation in the quantity of natural gas supplied and invoiced by the company “e” to supply points connected to distribution networks with a maximum design pressure of 4 bar or less with an annual consumption of 50 MWh or less, calculated as the difference between the quantities of gas invoiced in gas year “a” and in the calendar year 2020 for this type of supply point.

$RGS_{p \leq 4b}^{8GWh}$: is the remuneration unit for the natural gas supplied and invoiced to supply points connected to distribution networks with a maximum design pressure of 4 bar or less with an annual consumption greater than 50 MWh and less than or equal to 8 GWh. Its value will be defined by a resolution of the CNMC.

$\Delta GSF_{p \leq 4b}^{8GWh,e}$: is the variation in the quantity of natural gas supplied and invoiced by the company “e” to supply points connected to distribution networks with a maximum design pressure of 4 bar or less with annual consumption exceeding 50 MWh and not exceeding 8 GWh, calculated as the difference between the quantities of gas invoiced in gas year “a” and in the calendar year 2020 for this type of supply point.

$RGS_{p < 60b}^{Resto}$: is the remuneration unit for natural gas supplied and invoiced to supply points connected to distribution networks with a maximum design pressure between 4 and 60 bar and to those connected to distribution networks with a pressure equal to or

less than 4 bar and with annual consumption greater than 8 GWh. Its value will be defined by a resolution of the CNMC.

$\Delta GSF_{p<60b}^{Resto,e}$: is the variation in the quantity of natural gas supplied and invoiced by the company “e” to the other supply points connected to distribution networks with a maximum design pressure between 4 and 60 bar and to those connected to distribution networks with a pressure equal to or less than 4 bar with an annual consumption greater than 8 GWh, calculated as the difference between the quantities of gas invoiced in gas year “a” and in the calendar year 2020 for this type of supply point.

$RGS_{4<p<60b}^{NPS}$: is the additional remuneration unit for natural gas supplied and invoiced to new supply points connected to new distribution networks with a maximum design pressure between 4 and 60 bar put into service after 31 December 2020, for the first 5 years of gas since the supply point began consumption. Its value will be defined by a resolution of the CNMC.

$GSF_{4<p<60b}^{NPS,e}$: is the amount of natural gas supplied and invoiced in gas year “a” by company “e” corresponding to new supply points connected to new distribution networks with a maximum design pressure between 4 and 60 bar which are put into service after 31 December 2020, during the first 5 years from when the supply point begins consumption.

RGS_{EES} : is the additional payment unit for natural gas invoiced to supply points connected to the distribution network corresponding to service stations which sell natural gas for vehicles. Its value will be defined by a resolution of the CNMC.

GSF_{EES}^e : is the amount of natural gas invoiced in the year of gas “a” by the company “e” at supply points connected to the distribution network corresponding to service stations which sell natural gas for vehicles.

- Transitory distribution remuneration (*retribución transitoria de distribución* – “ RTD_a^e ”). It is the adjustment that will be progressively reduced throughout the 2021-2026 regulatory term:

	2021 (Jan 21-Sep 21)	2022 (Oct 21-Sep 22)	2023 (Oct 22-Sep 23)	2024 (Oct 23-Sep 24)	2025 (Oct 24-Sep 25)	2026 (Oct 25-Sep 26)
RTD_a^e	$\frac{3}{4} * 85\% AAD_{2000}^e$	$70\% AAD_{2000}^e$	$50\% AAD_{2000}^e$	$35\% AAD_{2000}^e$	$15\% AAD_{2000}^e$	$0\% AAD_{2000}^e$

- Incentives for fostering the use of natural gas in terrestrial transport (IM_a^e). It is the positive or negative incentive for the liquidation of gas shortages for year “a” of company “e”, determined in accordance with the provisions of Article 14 of Order IET/2446/2013.

As stated above, a sharing mechanism adjustment will also apply in respect of related activities (*actividades conexas*) (activities that are not regulated but use resources from the regulated activities). Besides, specific financial ratios recommended by the CNMC are also established as further described below (see *Financial prudence measures*).

The specific parameters are set every regulatory term, which lasts a period of six years.

$$F_{c<4b}^{mg} = 50.47\text{€/CP.}$$

$$F_{c<4b}^{mgr} = 70.66\text{€/CP.}$$

$$F_{v<4b}^1 = 7.57 \text{ €/MWh.}$$

$$F_{v<4b}^2 = 4.54 \text{ €/MWh.}$$

$$F_{v>4b} = 1.26 \text{ €/MWh}$$

$$RGS_{ESS} = 0.5 \text{ €/MWh}$$

$$RGS_{4<p<60b}^{NPS} = 0.5 \text{ €/MWh}$$

Financial prudence measures

The CNMC published Communication 1/2019, of 23 October, regarding the definition of ratios to assess the level of indebtedness and the economic-financial capacity of companies carrying out regulated activities and ranges of recommended values thereof. Under both Circular 4/2020, a penalty up to 1% of companies' remuneration is imposed from 2024 in case of non-compliance with the global index of ratios defined by the CNMC. Following the recent debt refinancing carried out by the Issuer during 2025, including the consent solicitation process to move the existing Notes from NED to the Issuer, all of the Issuer subsidiaries subject to these ratios will meet them starting on the fiscal year 2025.

Settlement

As mentioned, remuneration of the distribution activity, as a regulated activity, forms part of the general gas settlement system.

Indeed, there is an integrated economic system created to remunerate all the regulated activities in the gas sector and balance all system costs with the regulated revenues obtained. It is set forth in the Hydrocarbon Sector Law, the RD 949/2001 and certain Ministerial Orders (in particular, Order TED/1022/2021, of 27 September, regulating the procedures for settling remuneration for regulated activities, positions and specific-purpose quotas in the gas sector.).

This settlement procedure considers

- as revenues, the invoiced TPA tolls and charges; and
- as costs, the recognised costs in connection with the remuneration of regulated activities (thus, the regulated remuneration of distribution companies represent one of the gas system costs).

Transmission and distribution companies operate as collection agents in respect of TPA tolls. The CNMC settles the costs and revenues on a monthly basis (the “provisional settlements”) and annually (the so-called “final settlement”). According to Ministerial Order TED/1022/2021, independent settlements shall be applied to each regulated activity: transmission, distribution, regasification and underground storage, with the calendar adapted to the gas year (from October to September of the following year).

In the end, the CNMC settles the regulated remuneration owed to each of the transmission and distribution companies by calculating the difference between: (i) the tolls and charges invoiced by each of them; and (ii) the regulated remuneration established for each of them for that year in a monthly basis.

Thus, every month the CNMC settles the regulated revenues and regulated costs of all agents which carry out regulated activities in the gas system. As anticipated, the CNMC determines during the monthly settlement process the share of the annual remuneration applicable to that month and will compare that figure with the monthly amount already invoiced by the relevant distribution company to the suppliers/consumers with a TPA contract in place to access the distribution network. In this regard, the risk of non-payment of TPA tolls by final consumers connected to the distribution networks through a supplier is assumed by such supplier and not by the relevant distribution company (i.e. the supplier shall pay to the distribution companies the applicable TPA tolls regardless whether the final consumer pay such tolls to the supplier or not).

If the tolls and charges invoiced by a distribution company were higher than its regulated remuneration for that month, the CNMC would instruct how such excess amount shall be paid to other companies engaged in regulated activities. Conversely, if the monthly regulated remuneration is higher than the total amount invoiced to natural gas suppliers as tolls and charges, the distribution company shall receive the difference in accordance with the instructions given by the CNMC to other gas companies engaged in regulated activities (provided that the revenues of the gas system are sufficient to cover all costs for that month, including the regulated remuneration; otherwise, a short-term deficit will arise).

Finally, if there are no sufficient revenues to cover the annual remuneration of regulated activities, a tariff deficit in the gas system appears.

Tariff deficit

Spanish gas sector regulatory framework is based on the principle of economic and financial sustainability of the gas system. In accordance with this principle, the system income will be exclusively dedicated to sustaining remuneration that corresponds to regulated activities relating to gas supply. Furthermore, these incomes must be sufficient to satisfy the total costs incurred by the gas system.

In addition, any regulatory measures relating to the gas system which involve an increase in costs for the system, or a reduction of income must incorporate an equivalent reduction in other cost items or an equivalent increase in income which ensures the system's balance.

However, this scheme also provides for mechanism to resolve imbalances between system income and costs, which (together with the measures set out above) aims to avoid gas system deficits and establish a period for recovery of these imbalances and recognize financial costs accrued by regulated companies to finance these imbalances:

(i) Structural or aggregated deficit until 31 December 2014

As a consequence of costs exceeding revenues, tariff deficits were generated in the Spanish natural gas system. In the past, the companies engaged in regulated activities (including distributors) did not receive their annual regulated remuneration in full.

On 24 November 2016, the CNMC approved the aggregated deficit in the gas sector as at 31 December 2014, amounting to circa €1 billion.

Law 18/2014 has expressly recognised the right of those companies which funded this aggregated deficit (until the end of 2014) to recover the portion that they "financed", plus an interest at a market rate, through various annual settlements over the following 15 years (starting on 25 November 2016 and ending on 24 November 2031).

This deficit has been securitised by the Issuer Group and therefore there is no outstanding amount to be received by the Issuer Group.

(ii) Subsequent years

Two kinds of deficit could arise:

a) Short-term deficit resulting from monthly settlements

There might be deficit resulting from a short-term imbalance between costs and revenues shown in a given monthly provisional settlement. In this scenario all regulated participants in the Spanish natural gas system (including distribution companies) shall bear this deficit in proportion to the regulated remuneration to which they are entitled (so that they would not receive 100% of their regulated remuneration for that month).

b) Deficit resulting from the final annual settlement

The short-term imbalances between costs and revenues might not be solved prior to the end of a given year. In this case, the deficit would appear in the final annual settlement.

In this regard, Act 18/2014 has included the following measures to prevent the growth of a new structural deficit: (i) if the deficit exceeds 10% of the revenues generated by the gas system in a single year; or (ii) if the accumulated deficit exceeds 15% of revenues of a certain year, TPA tolls will be increased automatically in the same amount in which these limits were exceeded.

However, if the short-term imbalances are generated below these thresholds, all regulated participants in the Spanish natural gas system (including distributors) shall contribute (in proportion to the regulated remuneration to which they are entitled) to temporarily fund such imbalance.

These contributions will imply a credit in favour of companies, which ranks above, in order of priority, the payment of other costs of the gas system (except for the repayment of the credit rights described above, with which it will rank *pari passu*) and to be repaid, including an interest at market rate, over five years.

Definitive settlement for the 2024 gas year, approved in 2025, shows a deficit of 152,441,471.20 in the local network system, of which €15,863,014.77 correspond to the Issuer Group.

Other regulated revenues

As advanced, apart from this regulated remuneration, which represents their main source of revenues, natural gas distribution companies in Spain might also obtain revenues from the provision of other ancillary services, whose prices are also regulated. In particular, these are the following:

(i) Connection points (*acometidas*)

The connection points are defined in article 24 of RD 1434/2002 as the channeling and supplementary facilities between the distribution or transmission networks and the connection stopcocks (*llaves de acometida*) which are required to meet a new request of gas supply or to expand existing ones.

The prices for this activity (the so-called “connection point rights” or *derechos de acometida*) shall guarantee the recoupment of the investment by the distribution company and are regulated by the Autonomous Regions, taking into account: (i) the maximum volume of gas supply requested; and (ii) the location of the gas supply. Such connection point rights shall be, in any case, within the limits (cap and floor) determined by the CNMC according to Royal Decree-Law 1/2019.

According to Twenty-first Transitory Provision of the Hydrocarbon Sector Law, if an Autonomous Region has not regulated the connection point rights applicable in its region, then the relevant calculation formula included in Annex I of RD 1434/2002 shall apply. This is the case of the Autonomous Regions where the Issuer Group carries out their gas distribution activity (i.e. Asturias, Cantabria and the Basque Country), which have not further regulated the connection rights.

For connection points connecting to networks with a pressure of 4 bar or lower, Annex I of RD 1434/2002 includes the relevant formula to calculate the connection rights to be paid by the applicant (who might differ from the person contracting the supply). Furthermore, Annex I provides for an additional fixed amount to be paid to the distribution company, at the time of contracting, by the person contracting the supply. Both, the parameters included in this formula and the “fixed” amounts, will be annually revised by the CNMC from 2020 onwards and included in the relevant Resolution approving the remuneration for each year.

On the other hand, for connection points connecting to networks with a pressure above 4 bar, Annex I of RD1434/2002 establishes that the relevant distribution company shall prepare a detailed budget and send it to the relevant applicant. In case of discrepancy on the budget, the applicant may challenge it before the relevant regional authority (which shall resolve the dispute within 20 days).

(ii) Activation of connection points (*derechos de alta*)

The distribution companies may charge to new clients for contracting the gas supply through pipelines or expanding existing ones (i.e. the so-called “activation rights”). In particular, the distribution companies charge activation rights for the following services:

- (a) activation (*alta*), consisting of administrative and logistic services (e.g. management of gas supply applications, installation of gas meters, consumers’ data management, services required to make the gas facilities/devices ready for service -e.g. air purge of gas devices-, etc.);

- (b) connection (*enganche*), connecting the gas reception facilities (*instalaciones receptoras*) to the distribution network including the re-coupling (*reenganche*) when the gas reception facilities were disconnected for causes attributable to the consumer, such as non-payment; and
- (c) verification of facilities, consisting in revising and verifying the technical and security conditions of the gas facilities.

If a distribution company decided not to charge for these activation rights, it shall be compelled to apply the same exemption to every client in its area of supply (i.e. no discriminatory treatment is allowed).

According to article 91.3 of the Hydrocarbon Sector Law, the activation rights will be determined by the relevant Autonomous Regions. As a general rule, in each of these Autonomous Regions, the price of the activation (alta) service depends on: (i) the pressure of the gas distribution network to which the consumer is connected; and (ii) the tariff group to which the consumer belongs (i.e. the consumer's consumption). Conversely, the other services are at a fixed price. Consequently, each of the Asturias, Cantabria and the Basque Country governments have approved their own values for the activation rights.

(iii) **Rental of gas meters and telemetry equipment to consumers**

Generally, distribution companies rent the gas meters out to their consumers, although this equipment may also belong to the consumers or even to third parties. The use of telemetry equipment is mandatory: (a) for clients with an annual consumption above 5,000,000 kWh/year; and (b) for clients contracting natural gas for a term below one year (regardless of the volume consumed).

In both cases, the price to be paid by the clients to the distribution companies for the rental of these equipment is also regulated ("rental rates") and determined by the CNMC on an annual basis from 2020 onwards.

(iv) **Inspection**

According to RD 919/2006, of 28 July, approving the technical regulation on distribution and use of gaseous fuels and ancillary technical instructions, gas reception facilities (*instalaciones receptoras*) connecting to the distribution network shall be subject to an inspection process every five years.

Gas reception facilities (*instalaciones receptoras*) include the pipelines and accessories located between the connection stopcock (*llave de acometida*) (but excluding the connection stopcock itself), and the devices stopcocks (*llaves de conexión de aparato*), but excluding the connections between devices and the devices themselves.

These inspection services may be carried out by the distribution companies or by "installation companies" (upon the client's choice).

The price that the distribution companies may charge for these inspection services is also regulated. According to the First Additional provision of RD 984/2015, this price is comprised of the following items:

- (a) Management costs borne by the distribution company: including the expenses deriving from the client data base containing the inspection results, the monitoring of the facilities and the necessary communications to Public Administrations and to clients regarding the inspections.

This item shall be established by the MITERD pursuant to the relevant Order upon prior proposal from the CNMC.

This item is charged by the distribution company regardless of the company which has actually carried out the inspection (i.e. even if an installation company does the inspection).

- (b) Physical inspection costs: including, among others, the physical inspection, the issuance of certificates and the notification to the distribution companies.

This item can only be charged if the inspection has been carried out by the distribution company or by personnel employed by it.

The relevant authorities of the Autonomous Region shall establish the maximum amount to be charged for this item. However, none of the Asturias, Cantabria or the Basque Country governments have reviewed these amounts since the release of the above mentioned RD 984/2015.

In this scenario, RD 984/2015 also provides for a transitory regime applicable until the relevant authorities in the Autonomous Regions approve and publish the price to be charged for this item.

Development and investment rights and obligations of gas distribution companies

The Hydrocarbon Sector Law and RD 1434/2002 set forth detailed rights and obligations of distribution companies. They provide a clear picture of the legal framework applicable to this regulated activity.

Focusing on the main development and investment obligations of gas distribution companies, the following is identified:

- (i) Maintain facilities in good technical condition for the supply of natural gas, at the applicable quality standards, in accordance with the terms of the corresponding authorisations and following the instructions given by the Gas System Operator in respect of the construction and operation and maintenance of their facilities.
- (ii) Submit to the regional authority's annual and multi-annual investment plans, detailing each of the installations to be constructed during the following year/multi-year periods, which normally include their budgets and start-up deadlines. These plans shall be submitted to the relevant regional authorities on energy affairs prior to 15 October of each year.
- (iii) Expand and facilitate the connections to the distribution networks within the geographical area covered by their prior administrative authorisations, whenever necessary to meet new gas supply demands. If there are several distribution companies whose facilities could be expanded to satisfy new supplies, but none of them decides to expand, the administration will decide which distribution company should do so, in line with their conditions – see “*Exclusivity issue*” above.

However, there is no obligation by the distribution companies to expand their network to cover any other area outside the areas covered by their granted authorisations or in the approved annual or multi-annual plans.

Further, upon new requests implying the expansion of the distribution network/new installations within the areas covered by the relevant authorisations or investment plans, the applicant (as explained above) shall bear the costs (i.e. *acometidas*).

However, gas distribution companies have certain rights, including, among others, the following development and investment rights:

- (i) To promote the construction of internal service pipe work or gas riser (*instalaciones receptoras comunes*) with the purpose of expanding the natural gas supply;
- (ii) submit to the Gas System Operator proposals to expand the secondary transmission facilities;
- (iii) connect to the nearest transmission network or distribution network with a maximum rated pressure higher than 4 bar with sufficient capacity to access the natural gas supply necessary to cover the demand in the area granted in their authorisations;
- (iv) occupy publicly owned land and, if necessary, the right to expropriate the land needed to build the distribution facilities; and
- (v) pre-emptively obtain the relevant authorisations to construct and operate new distribution facilities within its area of activity (according to the prior administrative authorisations in place).

LPG sector

The LPG sector in Spain involves the following activities:

- (i) Production, acquisition, intra-Community trade, import and export.
- (ii) Storage, blending and bottling.
- (iii) Transport.
- (iv) Wholesale supply and retail supply: LPG can be distributed and supplied in gas cylinders or in bulk, including through pipelines.
- (v) Installation, maintenance and revision of the facilities related to the above mentioned LPG activities.

The assets currently held by the Issuer Group include facilities for the distribution and supply of LPG (propane gas) to end consumers through pipelines.

Article 37 of the Hydrocarbon Sector Law states that any LPG activities can be freely carried out. However, the LPG sector continues to be heavily regulated in some aspects, as explained in the following sections.

Requirements to carry out LPG activities

In order to carry out the LPG distribution and supply activities, it is necessary to file a communication to the MITERD (which then shall forward it to the CNMC and the CORES). Such communication shall be sent either when starting or ceasing to carry out LPG activities, and shall include a written statement acknowledging compliance with all the conditions and obligations required for the proper carrying out of the LPG-related activities.

These requirements are set forth by Royal Decree 1085/1992, of 11 September, and include evidencing legal capacity (which includes being up-to-date with tax and social security obligations), financial capacity (equity over €2,000,000, for wholesale supply, and €1,000,000, for supply to end consumers) and technical capacity (at least three years of experience in the LPG sector, which could be proven if a shareholder with more than 25% of the share capital has such experience or if a technical support or services agreement has been entered into with a company with the required experience). Additionally, the relevant company must have the relevant supply contracts contractually agreed with its supplier (in accordance with the annual supply plan to be established by the company for the first year).

Approvals regime

In addition, authorisations are required to construct and operate the corresponding LPG assets. The permitting regime applicable to LPG facilities is very similar to the one explained above in the section “*Approvals: main authorisations regime*” in respect of the construction and operation of facilities for the distribution of natural gas. Thus, it is necessary to obtain prior administrative authorisation (which shall identify the area covered by the authorisation), the corresponding environmental approvals and the local licences described above.

Main regulation of the different activities

There is a different regulation of the LPG activities, depending on the channel of distribution/supply (as previously discussed can be distributed and supplied in bulk, in gas cylinders or through pipelines) and the type of customer (supply to other suppliers or directly to end consumers).

In addition, the supply of LPG through pipelines to end consumers is regulated. However, the prices set out by the Government for both: (i) the wholesale supply in bulk; and (ii) the supply to end consumers through pipelines shall also be considered as maximum prices (and therefore any LPG supplier is free to apply discounts to such prices).

The following section discusses the regulation applicable to: (i) the wholesale supply in bulk, as this is the purpose of the gas supply agreement entered into with some suppliers; and (ii) the supply of LPG (propane gas) to end consumers through pipelines, as all the LPG assets currently held by the Issuer Group are used for this purpose.

Determination of the price of the LPG

Chapter III of Title III of Hydrocarbons Sector Law, regulates the activity of wholesale supply and distribution of liquefied petroleum gases (LPG).

LPG supplied through pipelines

The sale tariffs for LPG supplied through pipelines to final consumers and the transfer prices to distributors are regulated under article 94 of Law 34/1998. The applicable methodology is set out in Ministerial Order ITC/3292/2008, of 14 November, which modifies the automatic determination system for pre-tax sale tariffs of LPG supplied through pipelines, as amended by Order IET/389/2015, of 5 March.

This methodology provides for monthly revision of sale prices by means of a formula that takes into account the international quotation of propane and butane, freight charges and the exchange rate of the European Central Bank. Commercialisation costs for LPG supplied through pipelines are revised annually in July in accordance with the formula established in article 1.2 of Order ITC/3292/2008.

The maximum sale prices (before taxes) and the applicable commercialisation costs are approved by resolutions of the Directorate-General for Energy Policy and Mines and are published in the Official State Gazette.

Conversion of the LPG distribution assets into natural gas distribution assets

According to article 46.8bis of the Hydrocarbon Sector Law: (i) an authorisation from the relevant authorities on industry affairs (the same authority that grants the prior administrative authorisation covering these LPG assets) will be required in order to convert LPG distribution assets into gas distribution assets; and (ii) the converted assets shall comply with all the technical and security conditions applicable to an “original” natural gas distribution asset.

Once converted and put into service, it could be the case that the municipalities where these newly-converted gas distribution assets are located are considered as “newly gasified municipalities” for the purposes of the regulated remuneration of gas distributors, provided that no other gas distribution facilities had been put into service in the same municipality at that time (as further detailed above, see “*Methodology, parameters and “regulatory periods”*”).

Other material regulations

The CNMC has approved the following circulars applicable to the natural gas sector from 1 January 2021 (the beginning of the 2021-2026 regulatory period):

(i) Circular 2/2019, of 12 November, which establishes the methodology for calculating the financial remuneration rate for the activities of transport and distribution of electricity, and regasification, transport and distribution of natural gas. The methodology applies a weighted average cost of capital (WACC) framework over six-year regulatory periods using EU comparators and regulatory leverage. For the 2021-2026 regulatory period, this Circular sets a financial remuneration rate of 5.44% for natural gas transport and regasification activities, and 5.83% for natural gas distribution activity, applicable for the determination of the smart meter rental price but not for the natural gas distribution regulated remuneration.

(ii) Circular 6/2020, of 22 July, which establishes the methodology for calculating transport, local networks and regasification tolls for natural gas. This Circular establishes the tariff structure and the methodology for calculating access tolls to gas installations, with the CNMC approving toll values via resolution on an annual basis. The methodology is based on principles of sufficiency, efficiency, transparency, objectivity and non-discrimination, in compliance with Commission Regulation (EU) 2017/460 of 16 March 2017, establishing a network code on harmonised transmission tariff structures for gas.

(iii) Circular 2/2025, of 9 April (entered into force on 1 July 2025, with Articles 36 and 38 entering into force on 1 August 2025 and 1 November 2025 respectively), which establishes the methodology and access conditions and the capacity allocation in the natural gas system and by which the CNMC has set out the TPA conditions pursuant to its competences under Articles 70.2 and 76.3 of Law 34/1998 on the Hydrocarbons Sector, taking into account the new regulatory framework derived from Regulation (EU) 2024/1789 and Directive (EU) 2024/1788 on renewable and low-carbon gases. It develops the CNMC’s powers in relation to access and connection to gas networks, establishing exhaustive grounds for denial of access and connection and the procedure for resolution of disputes by the CNMC. Circular 2/2025 replaced Circular 8/2019, which regulated the methodology and conditions of access and capacity allocation in the natural gas system, which became inapplicable, with certain

transitional provisions of Circular 8/2019 (Articles 30 and 32) remaining temporarily applicable until 1 August 2025 and 1 November 2025 respectively.

A bill to re-establish the National Energy Commission (“CNE”) is currently being processed. Re-establishing the CNE will strengthen the institutional capacity of the regulator at a critical moment for the energy transition, responding to the growing need for specialisation and effectiveness arising from the new energy and regulatory paradigm.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date whether or not such change in law has retroactive effect.

Investors should also note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

Kingdom of Spain

Payments made by the Issuer

The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete overview of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.

This taxation summary solely addresses the principal Spanish tax consequences of the acquisition, the ownership and disposal of Notes or Coupons issued by the Issuer after the date hereof held by a holder of Notes or Coupons. It does not consider every aspect of taxation that may be relevant to a particular holder of Notes under special circumstances or who is subject to special treatment under applicable law or to the special tax regimes applicable in the Basque Country and Navarra (*Territorios Forales*).

All the tax consequences described in this section are based on the general assumption that the Notes are initially registered for clearance and settlement in Euroclear and Clearstream, Luxembourg.

Where in this summary English terms and expressions are used to refer to Spanish concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Spanish concepts under Spanish tax laws. This summary assumes that each transaction with respect to the Notes is at arm's length.

This overview is based on the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date. References in this section to Noteholders include the beneficial owners of the Notes, where applicable.

Any prospective holder of the Notes should consult their own tax advisers who can provide them with personalised advice based on their particular circumstances. Likewise, investors should consider the legislative changes which could occur in the future.

(i) Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this document:

- (a) of general application, Additional Provision One of Law 10/2014, of 26 June, on the supervision and solvency of credit entities ("**Law 10/2014**") as well as Foral Decree 205/2008, of 22 December ("**Foral Decree 205/2008**") and Royal Decree 1065/2007 of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes ("**Royal Decree 1065/2007**"), as amended by Royal Decree 1145/2011 of 29 July;
- (b) for individuals resident for tax purposes in Spain which are subject to the Personal Income Tax ("**PIT**"), Law 35/2006 of 28 November, on the PIT and on the Partial Amendment of the Corporate Income Tax Law, the Non-Residents Income Tax Law and the Net Wealth Tax Law, as amended ("**PIT Law**"), and Royal Decree 439/2007, of 30 March, passing the PIT Regulations, as amended,

along with Law 19/1991 of 6 June, on Net Wealth Tax (the “**Net Wealth Tax Law**”), along with Law 29/1987, of 18 December on the Inheritance and Gift Tax (the “**Inheritance and Gift Tax Law**”) and Law 38/2022 of 27 December for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes, as amended (“**Temporary Solidarity Tax on Large Fortunes**”);

- (c) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax (“**CIT**”), Law 27/2014, of 27 November governing the CIT (“**CIT Law**”), Royal Decree 634/2015, of 10 July passing the CIT Regulations, as amended, and the Temporary Solidarity Tax on Large Fortunes; and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax (“**NRIT**”), Foral Law 12/2013, of 5 December governing the NRIT, and Foral Decree 48/2014 of 15 April passing the Biscay NRIT Regulations, along with Foral Law 4/2015, of 25 March on the Biscay Inheritance and Gift Tax, as amended and Temporary Solidarity Tax on Large Fortunes.

Regardless of the nature and residence of the Noteholder, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, i.e., exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax passed by Royal Legislative Decree 1/1993, of 24 September and Foral Law 1/2011, of 24 March, and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December and Foral Law 7/1994, of 9 November, regulating such tax.

(ii) **Individuals with Tax Residence in Spain**

Personal Income Tax (*Impuesto sobre la Renta de las Personas Físicas*)

Spanish individuals with tax residence in Spain are subject to PIT on a worldwide basis. Accordingly, income obtained from the Notes will be taxed in Spain when obtained by individuals that are considered resident in Spain for tax purposes. The fact that a Spanish company pays interest under a Note will not lead an individual or entity to be considered tax-resident in Spain.

Both interest payments periodically received and income derived from the transfer, redemption or exchange of the Notes constitute a return on investment obtained from the transfer of a person’s own capital to third parties in accordance with the provisions of Section 25 of the PIT Law, and therefore must be included in the investor’s PIT savings taxable base pursuant to the provisions of the aforementioned law and taxed at the tax rate applicable from time to time, currently at a flat rate of 19 per cent. on the first €6,000, 21 per cent. for taxable income between €6,000.01 and €50,000, 23 per cent. for taxable income between €50,000.01 and €200,000, and 27 per cent. for taxable income between €200,000.01 and €300,000, and 30 per cent. for taxable income exceeding €300,000.

As a general rule, both types of income are subject to a withholding tax on account at the rate of 19 per cent.

Negative income derived from the transfer of the Notes, in the event that the relevant Noteholder had acquired other homogeneous instruments within the two months prior or subsequent to such transfer or exchange, shall be included in their PIT taxable base as and when the remaining homogeneous instruments are transferred.

According to Foral Decree 205/2008 and Royal Decree 1065/2007, as amended by Royal Decree 1145/2011, the Issuer is not obliged to withhold any tax amount (other than those derived from the Zero Coupon Notes with a maturity of more than 12 months) to individual Noteholders who are tax resident in Spain, provided that certain procedures for the provision of information which are explained under section “*Taxation in Spain—Disclosure of Information in Connection with the Notes*” below are complied with by the Paying Agent. If these information procedures are not complied with in the manner indicated, the Issuer will withhold at the general rate applicable from time to time (currently, 19 per cent).

Particularly, subject to Foral Decree 205/2008 and Royal Decree 1065/2007, in the case of debt listed securities issued under Law 10/2014 and initially registered in a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state, as the Notes

issued by NED (other than those derived from the Zero Coupon Notes with a maturity of more than 12 months):

- (a) it would not be necessary to provide the relevant Issuer with the identity of the Noteholders who are resident in Spain for tax purposes or to indicate the amount of income attributable to such individuals; and
- (b) interest paid to all Noteholders (whether tax resident in Spain or not) should be paid free of Spanish withholding tax provided that the information procedures are complied with.

Therefore, NED understands that, subject to Foral Decree 205/2008 and Royal Decree 1065/2007, it has no obligation to withhold any tax amount for interest paid on the Notes (other than those derived from the Zero Coupon Notes with a maturity of more than 12 months) corresponding to Noteholders who are individuals with tax residence in Spain provided that the information procedures (which do not require identification of the Noteholders) are complied with.

Nevertheless, Spanish withholding tax at the applicable rate (currently 19 per cent.) may have to be deducted by other entities (such as depositaries or financial entities), provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory. The amounts withheld, if any, may be credited by the relevant investors against its final PIT liability.

However, regarding the interpretation of Foral Decree 205/2008 and Royal Decree 1065/2007 and the information procedures, please refer to section “*Risk Factors - Risks relating to Spanish withholding tax in Notes issued by NED*” and “*Taxation in Spain—Disclosure of Information in connection with the Notes*” below.

Net Wealth Tax (*Impuesto sobre el Patrimonio*) and Temporary Solidarity Tax on Large Fortunes (*Impuesto Temporal de Solidaridad de las Grandes Fortunas*)

Individuals with tax residence in Spain are subject to Net Wealth Tax on all their assets (such as the Notes) owned as of 31 December, irrespective of where the assets are located, to the extent that their net wealth exceeds €700,000. Therefore, they should consider the corresponding value of the Notes which they hold as at 31 December each year, the applicable rates ranging between 0.2 per cent. and 3.5 per cent. However, this taxation may vary depending on the Spanish autonomous community of residence of the corresponding Noteholder. Thus, Noteholders should consult their tax advisers with respect to their specific situation.

The Temporary Solidarity Tax on Large Fortunes was approved in December 2022 for a period of two years and was extended indefinitely, with effect from fiscal year 2024, by virtue of Royal Decree-law 8/2023, of 27 December. It is a direct wealth tax that, in practical terms, applies, under certain conditions, to those residents in an autonomous region where the Wealth Tax is partially or fully exempt. The amount paid for the current regional Wealth Tax should be deductible from the Temporary Solidarity Tax on Large Fortunes. The rates of the Temporary Solidarity Tax on Large Fortunes are: (i) 1.7 per cent. on a net worth between €3,000,000 and €5,347,998.03, (ii) 2.1 per cent. on a net worth between €5,347,998.04 and €10,695,996.06 and (iii) 3.5 per cent. on a net worth exceeding €10,695,996.06.

Note that the regulation lays down a minimum exempt amount of €700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, are greater than €3,700,000. Prospective investors are advised to seek their own professional advice in this regard.

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules.

The applicable effective State’s Inheritance and Gift Tax rates currently ranges between a full exemption in certain Spanish autonomous communities and 81.6 per cent. depending on relevant factors. However, this taxation may vary depending on the Spanish autonomous community of residence of the

corresponding Noteholder. Thus, Noteholders should consult their tax advisers according to the particulars of their situation.

(iii) **Legal Entities with Tax Residence in Spain**

Corporate Income Tax (*Impuesto sobre Sociedades*)

Legal entities with tax residence in Spain are subject to CIT on a worldwide basis.

Interest periodically received and income deriving from the transfer, redemption or repayment of the Notes constitute a return on investments for tax purposes obtained from the transfer to third parties of own capital and must be included in the profit and taxable income of legal entities with tax residence in Spain for CIT purposes in accordance with the CIT rules. The current general tax rate according to the CIT Law is 25 per cent. However, such a tax rate will not be generally applicable to all CIT taxpayers and, for instance, it will not apply to banking institutions which will be taxable at a 30% rate.

Pursuant to Section 51.20 of Royal Decree 203/2013, of December 23, approving the Foral corporate income tax regulations (the “**Corporate Tax Regulations**”), there is no obligation to make a withholding on income obtained by taxpayers subject to Spanish CIT (which for the avoidance of doubt, includes Spanish tax resident investment funds and Spanish tax resident pension funds) from financial assets traded on organised markets in OECD countries. However, in the case of Notes held by a Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest and income deriving from the transfer may be subject to withholding tax at the current rate of 19 per cent.

Such withholding may be made by the depositary or custodian if the Notes do not comply with the exemption requirements specified in the ruling issued by the DGT dated 27 July 2004 (that is, placement of the Notes outside of Spain in another OECD country and admission to listing of the Notes on an organised market in an OECD country other than Spain).

The amounts withheld, if any, may be credited by the relevant investors against their final CIT liability.

Notwithstanding the above, subject to Foral Decree 205/2008 and Royal Decree 1065/2007, in the case of listed debt instruments issued under Law 10/2014 by an entity recognised under Spanish regulations or under those of another OECD member state (such as the Notes issued by NED) (other than those derived from the Zero Coupon Notes with a maturity of more than 12 months), interest paid to investors should be paid free of Spanish withholding tax. The foregoing is subject to certain information procedures having been fulfilled. These procedures are described in “*Taxation in Spain—Disclosure of Information in connection with the Notes*” below.

Therefore, NED considers that, subject to Foral Decree 205/2008 and Royal Decree 1065/2007 and Corporate Tax Regulations, it has no obligation to withhold any tax on interest paid on the Notes in respect of Noteholders who are Spanish CIT payers, provided that the information procedures are complied with.

However, regarding the interpretation of Foral Decree 205/2008 and Royal Decree 1065/2007 and the information procedures, please refer to sections “*Risk Factors—Risks relating to Spanish withholding tax in Notes issued by NED*” above.

Net Wealth Tax (*Impuesto sobre el Patrimonio*) and Temporary Solidarity Tax on Large Fortunes (*Impuesto Temporal de Solidaridad a las Grandes Fortunas*)

Legal entities resident in Spain for tax purposes are not subject to Net Wealth Tax nor Temporary Solidarity Tax on Large Fortunes.

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the acquired Notes in their taxable income for Spanish CIT purposes.

(iv) **Individuals and Legal Entities with no Tax Residency in Spain**

Non Resident Income Tax (*Impuesto sobre la Renta de no Residentes*)

(a) With permanent establishment in Spain

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those previously set out for Spanish CIT taxpayers. See “*Taxation in Spain—Legal Entities with Tax Residence in Spain—Corporate Income Tax (Impuesto sobre Sociedades)*”.

(b) With no permanent establishment in Spain

Pursuant to Law 10/2014, both interest payments periodically received and income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or legal entities who have no tax residence in Spain, being Non-Resident Income Tax taxpayers with no permanent establishment in Spain, are exempt from such Non-Resident Income Tax on the same terms laid down for income from Public Debt.

In order for such exemption to apply, it is necessary to comply with the information procedures (including that the Paying Agent provides the Issuer, in a timely manner, with a duly executed and completed Payment Statement) established in Article 55 of Foral Decree 205/2008 and Article 44 of Royal Decree 1065/2007. Please see “*Taxation in Spain—Disclosure of Information in Connection with the Notes*”.

If the Paying Agent fails or for any reason is unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of income under the Notes, the Issuer will withhold Spanish withholding tax at the applicable rate (currently 19%) on such payment of income on the Notes and the Issuer will not pay Additional Amounts with respect to any such withholding tax.

Noteholders that are not resident in Spain for tax purposes and entitled to exemption from NRIT, but the payment to whom was not exempt from Spanish withholding tax due to the failure by the Paying Agent to deliver a duly executed and completed payment statement, as required by Foral Decree 205/2008 and Royal Decree 1065/2007, may apply directly to the Spanish tax authorities for any refund to which they may be entitled pursuant to the Direct Refund from Spanish Tax Authorities Procedures set out in Annex A hereto.

Please see “*Procedures for Direct Refund from the Spanish Tax Authorities*” set out in Annex A hereto.

Net Wealth Tax (*Impuesto sobre el Patrimonio*) and Temporary Solidarity Tax on Large Fortunes (*Impuesto Temporal de Solidaridad a las Grandes Fortunas*)

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Net Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights exceed €700,000 and are located in Spain, or that can be exercised within the Spanish territory on 31 December of any year, would be subject to Net Wealth Tax in the amount of the current applicable rates ranging between 0.2 per cent. and 3.5 per cent.

Noteholders which are individuals resident in an EU or European Economic Area Member State may be entitled to apply the specific regulation of the autonomous community where their most valuable assets are located and which trigger this Spanish Net Wealth Tax due to the fact that their assets and rights are located or are to be exercised within the Spanish territory. As such, prospective investors should consult their tax advisers.

The Temporary Solidarity Tax on Large Fortunes was approved in December 2022 for a period of two years and was extended indefinitely, with effect from fiscal year 2024, by virtue of Royal Decree-law 8/2023, of 27 December. It is a direct wealth tax that, in practical terms, applies, under certain conditions, to those residents in an autonomous region where the Wealth Tax is partially or fully exempt. The amount paid for the current regional Wealth Tax should be deductible from the Temporary Solidarity Tax on Large Fortunes. The rates of the Temporary Solidarity Tax on Large Fortunes are: (i) 1.7 per cent. on a net worth between €3,000,000 and €5,347,998.03, (ii) 2.1 per cent. on a net worth between €5,347,998.04 and €10,695,996.06 and (iii) 3.5 per cent. on a net worth exceeding €10,695,996.06.

Note that the regulation lays down a minimum exempt amount of €700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, are greater than €3,700,000. Prospective investors are advised to seek their own professional advice in this regard.

Non-Spanish resident legal entities are not subject to Wealth Tax nor to Temporary Solidarity Tax on Large Fortunes.

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals who do not have tax residence in Spain and that acquire ownership or other rights over the Notes by inheritance, gift or legacy will not be subject to Inheritance and Gift Tax in Spain if the country in which such individual resides has entered into a double tax treaty with Spain in relation to Inheritance and Gift Tax unless otherwise provided under that double tax treaty. In such case, the individual will be subject to the relevant double tax treaty. In the absence of such treaty between the individual's country of residence and Spain, the individual will be subject to Inheritance and Gift tax in accordance with the applicable regional and state legislation.

If no treaty for the avoidance of double taxation in relation to Inheritance and Gift Tax applies, applicable effective State's rates would range between 0 per cent. and 81.6 per cent., depending on relevant factors.

Generally, individuals who are not residents of Spain for tax purposes, are subject to Spanish Inheritance and Gift Tax according to the rules set forth in the state legislation or the relevant autonomous region law. As such, prospective investors should consult their tax advisers.

Non-resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to Inheritance and Gift Tax. They will be subject to Non-Resident Income Tax, if applicable. If the entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of the treaty will apply. In general, tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

Obligation to inform the Spanish Tax Authorities of the Ownership of the Notes

With effect from 1 January 2013, Law 7/2012, of 29 October, as implemented by the Royal Decree 1558/2012, of 15 November, introduced annual reporting obligations applicable to Spanish residents (i.e. individuals, legal entities, permanent establishments in Spain of non-resident entities) in relation to certain foreign assets or rights.

Consequently, if the Notes are deposited with or placed in the custody of a non-Spanish entity, Noteholders resident in Spain will be obliged, if certain thresholds are met as described below, to declare before the Spanish Tax Authorities, between 1 January and 31 March every year, the ownership of the Notes as held on 31 December of the immediately preceding year (e.g. to declare between 1 January 2021 and 31 March 2021 the Notes held on 31 December 2020).

This obligation would only need to be complied with if certain thresholds are met: specifically, if the only rights/assets held abroad are the Notes, this obligation would only apply if the value of the Notes together with other qualifying assets held on 31 December exceeds €50,000 (with the corresponding valuation to be made in accordance with Wealth Tax rules). If this threshold is met, a declaration would only be required in subsequent years if the value of the Notes together with other qualifying assets increases by more than €20,000 in relation to the declaration made previously. Similarly, cancellation or extinguishment of the ownership of the Notes before 31 December should be declared if such ownership was reported in previous declarations.

Taxation in Spain - Disclosure of Information in Connection with the Notes

Disclosure of Information in Connection with Interest Payments

In accordance with section 5 of Article 55 of Foral Decree 205/2008 and section 5 of Article 44 of Royal Decree 1065/2007 and provided that the Notes issued by NED are initially registered for clearance and settlement in Euroclear and Clearstream, Luxembourg, the Paying Agent designated by NED would be obliged to provide NED with a declaration (or payment statement, the form of which is set out in the Agency Agreement), which should include the following information:

- (a) description of the Notes (and date of payment of the interest income derived from such Notes);
- (b) total amount of interest derived from the Notes; and
- (c) total amount of interest allocated to each non-Spanish clearing and settlement entity involved (such as Euroclear and Clearstream, Luxembourg).

In light of the above, the Issuer and the Paying Agent have entered into an agreement whereby, amongst other things, the Paying Agent undertakes to implement certain procedures for the timely provision by the Paying Agent to the Issuer of a duly executed and completed declaration or payment statement in connection with each income payment under the Notes, in the form approved by the relevant tax authorities and set out certain procedures which aim to facilitate such a process. In particular, the Paying Agent must certify the information set out above about the Notes by means of a certificate along the same lines as the attached in Annex B to this Offering Circular. In light of the above, the Issuer and the Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes.

According to section 6 of Article 55 of Foral Decree 205/2008 and section 6 of Article 44 of Royal Decree 1065/2007, the relevant declaration (or payment statement) will have to be provided to NED on the business day immediately preceding each Interest Payment Date. If this requirement is complied with, NED will pay gross interest under the Notes (without deduction of any withholding tax) to all Noteholders (irrespective of whether they are tax resident in Spain).

In the event that the Paying Agent designated by NED failed to provide the information detailed above, according to section 7 of Article 55 of Foral Decree 205/2008 and section 7 of Article 44 of Royal Decree 1065/2007, NED or the Paying Agent acting on its behalf would be required to withhold tax from the relevant interest payments at the general withholding tax rate (currently, 19 per cent.). If on or before the 10th day of the month following the month in which the interest is payable, the Paying Agent designated by NED were to submit such information, NED or the Paying Agent acting on its behalf would refund the total amount of taxes withheld.

In the event that the current applicable procedures were to be modified, amended or supplemented by, amongst others, a Spanish law, regulation, interpretation or ruling of the Spanish Tax Authorities, NED would inform the Noteholders of such information procedures and of their implications, as NED may be required to apply withholding tax on interest payments under the Notes if the Noteholders were not to comply with the relevant information procedures.

Disclosure of Noteholder Information in Connection with the Redemption or Repayment of Zero Coupon Notes

In accordance with Article 55 of Foral Decree 205/2008 and Article 44 of Royal Decree 1065/2007, in the case of Zero Coupon Notes with a maturity of 12 months or less, the information obligations established in Section 44 (see “*Disclosure of Information in Connection with Interest Payments*” above) will have to be complied with upon the redemption or repayment of the Zero Coupon Notes.

If the Spanish tax authorities consider that such information obligations must also be complied with for Zero Coupon Notes with a maturity longer than 12 months, the relevant Issuer will, prior to the redemption or repayment of such Notes, adopt the necessary measures with the Clearing Systems in order to ensure its compliance with such information obligations as may be required by the Spanish tax authorities from time to time.

The proposed European financial transactions tax (“EU FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**Participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal is very broad in scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the Commission’s Proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Similarly, the timing of the enactment of the Commission’s Proposal, if at all, as well as the number of Member States who may elect to participate, is uncertain to date. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the EU FTT.

The Spanish Financial Transactions Tax (“Spanish FTT”)

Spanish Law 5/2020, date 15 October 2020, on the Financial Transactions Tax was published in the Spanish Official Gazette and entered into force on 16 January 2021.

It has been established as an indirect tax applied at a rate of 0.2% on acquisitions for consideration of shares in Spanish companies admitted to trading on a regulated market in an EU member state – or in a third country market considered equivalent – with a market cap exceeding €1 billion, on the year prior to the acquisition, regardless of the jurisdiction of residence of the parties involved in the transaction. The Spanish FTT does not apply in relation to an issue of Notes under the Offering Circular. However, the FTT Law could be modified and therefore there can be no assurance that the Spanish FTT would not apply to an issue of Notes in the future. Prospective Noteholders are advised to seek their own professional advice in relation to the Spanish FTT.

FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign pass-through payments are published in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign pass-through payments are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

ANNEX A

PROCEDURES FOR DIRECT REFUND FROM THE SPANISH TAX AUTHORITIES

(1) Noteholders entitled to receive income payments in respect of the Notes free of any Spanish withholding taxes but in respect of whom income payments have been made net of Spanish withholding tax may apply directly to the Spanish tax authorities for any refund to which they may be entitled, generally following the 20th calendar day of the month immediately following the relevant payment date.

(2) Noteholders may claim the amount withheld from the Spanish Treasury within the first four years following the last day on which the Issuer may pay any amount so withheld to the Spanish Treasury (which is generally the 20th calendar day of the month immediately following the relevant payment date), by filing with the Spanish tax authorities (i) the relevant Spanish tax form, (ii) proof of ownership and (iii) a valid certificate of residence issued by the tax authorities of the country of tax residence of such Noteholders, amongst other documents.

ANNEX B

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 55 del Decreto Foral 205/2008

Declaration form referred to in paragraphs 3, 4 and 5 of Article 55 of Foral Decree 205/2008

1. **Don (nombre), con número de identificación fiscal (...)⁽¹⁾, en nombre y representación de (entidad declarante), con número de identificación fiscal (...)⁽¹⁾ y domicilio en (...) en calidad de (marcar la letra que proceda):**

Mr. (name), with tax identification number (...) ⁽¹⁾, in the name and on behalf of (entity), with tax identification number (...) ⁽¹⁾ and address in (...) as (function – mark as applicable):

- 1.1 **Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**

Management Entity of the Public Debt Market in book entry form.

- 1.2 **Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**

Entity that manages the clearing and settlement system of securities resident in a foreign country.

- 1.3 **Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**

Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.

- 1.4 **Agente de pagos designado por el emisor.**

Fiscal Agent appointed by the Issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

2. **En relación con el apartado 5 del artículo 44.**

In relation to paragraph 5 of Article 44.

- 2.1 **Identificación de los valores**

Identification of the securities

- 2.2 **Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**

Income payment date (or refund if the securities are issued at discount or are segregated)

- 2.3 **Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)**

Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)

- 2.4 **Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.**

Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.

- 2.5 **Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.**

Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.

2.6 **Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.**

Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

Lo que declaro en a dede

I declare the above in on the.... of of

(1) **En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia.**

(1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Banco Bilbao Vizcaya Argentaria, S.A., CaixaBank, S.A., Coöperatieve Rabobank U.A. and Intesa Sanpaolo S.p.A (together, the “**Dealers**”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealer agreement dated on or around 9 January 2026, as amended, supplemented, novated and/or restated from time to time (the “**Dealer Agreement**”) and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America

The Notes have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

- (i) Each Dealer (severally, and not jointly) has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche (the “**Distribution Compliance Period**”), within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each Dealer to which it sells the Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes comprising any Tranche, any offer or sale of the Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer (severally, and not jointly) has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA.

For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and.

- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer (severally, and not jointly) has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK.

For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and.
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer (severally, and not jointly) has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Kingdom of Spain

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offers of the Notes in Spain have only been directed specifically at or made to professional clients (*clientes profesionales*) as defined in Article 194 of Law 6/2023, of 17 March, on the Spanish Securities Markets and Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*), as amended, and Article 112 of Royal Decree 813/2023, of 8 November, on the legal regime of investment services companies and other entities providing investment services (*Real Decreto 813/2023, de 8 de noviembre, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*), and eligible counterparties (*contrapartes elegibles*) as defined in Article 196 of the Spanish Securities Market Law.

This Offering Circular has not been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and, therefore, this Offering Circular is not intended for any public offer of the Notes in Spain which requires the publication of a prospectus in Spain.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes in the Republic of Italy ("Italy") and that copies of this Offering Circular or of any other document relating to the offering of any Notes have not and will not be distributed in Italy, except:

- (a) to qualified investors (*investitori qualificati*) as defined pursuant to Article 2, letter e) of the Prospectus Regulation and any applicable provision of Italian laws and regulations, including, inter alia, Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**"); or
- (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation and/or, to the extent applicable, Article 100 of the Financial Services Act, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and any other applicable Italian laws and regulations.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the offering of the Notes in Italy under (a) or (b) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, as amended, and any other applicable laws and regulations; and
- (b) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time), and/or any other Italian authority.

Investors should also note that, in the case of Notes having a minimum denomination of less than €100,000, in case of any subsequent distribution of such Notes in the Republic of Italy, the Prospectus Regulation and the Financial Services Act may require compliance with the law relating to public offers of securities. Furthermore, Article 100-bis of the Financial Services Act provides that where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the Prospectus Regulation or Decree No. 58 applies.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended (the "FIEA")). Each Dealer (severally, and not jointly) has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not sold or offered and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Note or cause the Note to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

General

Each Dealer (severally, and not jointly) has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Offering Circular or any Pricing Supplement or any related offering material, in all cases at its own expense. Other persons into whose hands this Offering Circular or any Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Offering Circular or any Pricing Supplement or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

GENERAL INFORMATION

Authorisations

The update of the Programme was authorised by a resolution of the Issuer passed on 19 December 2025.

The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Admission to the Official List and the Global Exchange Market of Euronext Dublin

The admission of the Programme to the Official List of Euronext Dublin was granted on 9 January 2026. It is expected that each Tranche of Notes which is to be listed on the Official List and admitted to trading on Euronext Dublin's Global Exchange Market will be so admitted to listing and trading upon submission to Euronext Dublin of the relevant Pricing Supplement or Drawdown Offering Circular. However, Notes may be issued pursuant to the Programme which will not be admitted to listing, trading and/or quotation by Euronext Dublin or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing/trading and/or quotation by such listing authority, stock exchange and/or quotation system as the relevant Issuer and relevant Dealer(s) may agree.

Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Offering Circular, a significant effect on the financial position or profitability of the Issuer.

Significant/Material Change

Since 31 December 2024, there has been no material adverse change in the prospects of the Issuer. Since 30 September 2025, there has been no significant change in the financial or trading position of the Issuer.

Third Party Information

Where information in this Offering Circular has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

Independent Auditors

- (i) The Spanish language audited standalone financial statements of the Issuer as at and for each of the years ended 31 December 2024 and 2023 prepared in accordance with the General Accepted Accounting Policies in Spain (Spanish GAAP) have been audited without qualification by Ernst & Young, S.L. located at Calle Raimundo Fernández Villaverde, 65 (Torre Azca), Madrid, registered under number S-0530 in the Official Register of Auditors (Registro Oficial de Auditores de Cuentas), and member of the Instituto de Censores Jurados de Cuentas de España. Additionally, the Spanish language unaudited condensed consolidated interim financial statements of the Issuer Group as of and for the nine-month period ended 30 September 2025 prepared in accordance with in accordance with IAS 34, Interim Financial Reporting have been reviewed by Ernst & Young, S.L.
- (ii) The English language audited consolidated financial statements of the Parent as at and for each of the years ended 31 December 2024 and 31 December 2023, which were prepared in accordance with IFRS-EU, have been audited without qualification by Ernst & Young, Société Anonyme, located at 35E, avenue John F. Kennedy, L-1855 Luxembourg, registered under number 5077 in the CSSF Register.

Documents on Display

Copies of the following documents may be inspected in electronic form during normal business hours at the offices of the Issuer as long as the Notes are listed on the Official List of Euronext Dublin and admitted to Euronext Dublin's Global Exchange Market:

- (i) Issuer 2025 Q3 Interim Report.

- (ii) Issuer Standalone Annual Financial Statements.
- (iii) Parent Consolidated Financial Statements.
- (iv) the Agency Agreement;
- (v) the Deed of Covenant;
- (vi) the Programme Manual (which contains the forms of the Notes in global and definitive form);
- (vii) the Issuer-ICSD Agreement; and
- (viii) any supplements to this Offering Circular and any Pricing Supplement, save the Pricing Supplement relating to an unlisted Note which will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to their identity.

This Offering Circular, the relevant Pricing Supplement for Notes that are listed on the Official List and admitted to trading on the Global Exchange Market of Euronext Dublin will be published on the website of Euronext Dublin at <https://live.euronext.com/>.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue John F. Kennedy L-1855 Luxembourg, Luxembourg and the address of SIS is Baslerstrasse 100, CH-4600 Olten. The address of any alternative clearing system will be specified in the applicable Pricing Supplement.

Issue Price and Yield

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes will be set out in the applicable Pricing Supplement. The Issuer does not intend to provide any post-issuance information in relation to any Notes. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Pricing Supplement will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in lending, investment banking and/or commercial banking transactions with, and may perform other financial advisory and other services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Offering Circular, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Issuer and its affiliates. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions

which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Offering Circular. Any such positions could adversely affect future trading prices of Notes issued under the Offering Circular. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

REGISTERED OFFICE OF THE ISSUER

Nortegas Energía Grupo, S.A.U.

Plaza de Euskadi, 5, 23º,
48009 Bilbao,
Spain

ARRANGER

Banco Bilbao Vizcaya Argentaria, S.A.

Ciudad BBVA
Asia Building
28050 Madrid
Spain

DEALERS

CaixaBank, S.A.

Calle Pintor Sorolla, 2 – 4
46002 Valencia
Spain

Coöperatieve Rabobank U.A.

Croeselaan 18
3521 CB Utrecht
The Netherlands

Intesa Sanpaolo S.p.A.

Divisione IMI Corporate & Investment Banking
Via Manzoni 4
20121 Milan
Italy

FISCAL AGENT AND PAYING AGENT

The Bank of New York Mellon, London Branch

One Canada Square
London E14 5AL
United Kingdom

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch

Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

LEGAL ADVISERS

To the Issuer as to English and Spanish law:

Linklaters, S.L.P.

Calle Almagro, 40
28010 Madrid
Spain

To the Dealers as to English law:

Clifford Chance LLP

10 Upper Bank Street,
E14 5JJ London
United Kingdom

To the Dealers as to Spanish law:

Clifford Chance, S.L.P.

Paseo de la Castellana, 110
28046 Madrid
Spain

INDEPENDENT AUDITORS

Parent independent auditors

Ernst & Young Société Anonyme

35E, avenue John F. Kennedy,
L-1855 Luxembourg

Issuer independent auditors

Ernst & Young, S.L.

Calle Raimundo Fernández Villaverde, 65 (Torre Azca),
28003, Madrid
Spain

LISTING AGENT

Maples and Calder (Ireland) LLP

75 St Stephen's Green
Saint Kevin's
Dublin 2
Ireland