BASE PROSPECTUS

REDEXIS, S.A.U.

(*incorporated with limited liability in the Kingdom of Spain*)

€2,000,000,000

Euro Medium Term Note Programme

Under the €2,000,000,000 Euro Medium Term Note Programme (the **Programme**) described in this base prospectus (the **Base Prospectus**), Redexis, S.A.U. (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

This Base Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority under Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). The CSSF has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. The CSSF assumes no responsibility as to the economic and financial soundness of the issue of any Notes or the quality or solvency of the Issuer in line with the provisions of article 6(4) of the Luxembourg Act dated 16 July 2019 relating to prospectuses for securities.

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange (the **Official List**). References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended (**MiFID II**). This Base Prospectus is available for viewing on the website of the Issuer (www.redexis.es) and on the website of the Luxembourg Stock Exchange (www.luxse.com).

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid as a base prospectus under the Prospectus Regulation for 12 months from its date (i.e. 19 January 2027) in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be

offered or sold within the United States or to, or for the account or the benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. The Notes are subject to certain restrictions on transfer; see "*Subscription and Sale*".

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which will be filed with the CSSF to the extent that such Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.luxse.com).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Programme has been rated BBB- by S&P Global Ratings Europe Limited (**S&P**). S&P is established in the EEA and is registered under the Regulation (EC) 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 (as of the date of this Base Prospectus) on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. S&P is not established in the United Kingdom, however it is part of a group in respect of which one of its undertakings is (i) established in the United Kingdom, and (ii) is registered in accordance with the CRA Regulation as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (the **UK CRA Regulation**). The Issuer rating issued by S&P has been endorsed by S&P Global Ratings UK Limited in accordance with the UK CRA Regulation and has not been withdrawn. As such, the rating issued by S&P may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated by the rating agency referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. 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.

Amounts payable on Floating Rate Notes will be calculated by reference to EURIBOR, as specified in the applicable Final Terms which is administered by the European Money Markets Institutes (**EMMI**). As at the date of this Base Prospectus, EMMI is included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**).

Arrangers

BBVA **BNP PARIBAS**

Dealers

BBVA **BNP PARIBAS**

The date of this Base Prospectus is 19 January 2026.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with any supplements hereto and with all information incorporated by reference (see "*Information Incorporated by Reference*") and, in relation to any Notes, must be read in conjunction with the relevant Final Terms. This Base Prospectus shall be read and construed on the basis that such information is incorporated by reference and form part of this Base Prospectus.

Neither the Dealers nor any of their affiliates have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers and their affiliates as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme nor any responsibility for the acts or omissions of the Issuer or any other person in connection with the issue and offering of the Notes. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

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. Prospective investors must determine for themselves the relevance of any such ESG ratings information contained in this Base Prospectus or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Arrangers, the Dealers or any other person 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. For more information regarding the evaluation methodologies used to determine ESG ratings, please refer to the relevant ratings agency's website (which website does not form a part of, nor is incorporated by reference in, this Base Prospectus).

NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE **SEC**), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF

ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms 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 or superseded, 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; and/or (iii) not a qualified investor as defined under the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the **EU PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA will be 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 EU PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms 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 United Kingdom (**UK**). For these purposes, a retail investor means a person who is neither: (i) 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 of the UK by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); nor (ii) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. 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 will be 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.

MiFID II product governance / target market – The Final Terms 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 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 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 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 Arrangers 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 Final Terms 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 Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

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)

Unless otherwise stated in the applicable Final Terms, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**)) and Excluded Investment Products (as defined

in the Monetary Authority of Singapore (the **MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and any Final Terms and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Final Terms may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus, any Final Terms and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including Spain, Republic of Italy and Belgium), the United Kingdom and Singapore; see "*Subscription and Sale*".

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

(d) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and

(e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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.

No holding of Zero Coupon Notes by Spanish Individuals

The sale, transfer, or acquisition of Zero Coupon Notes (as defined below) with a maturity of more than twelve (12) months, to or by individuals (*personas físicas*) who are tax resident in Spain (each a **Spanish Individual**) is forbidden in all cases. Any transfer of Zero Coupon Notes to or by Spanish Individuals with a maturity of more than twelve (12) months is not permitted and such transfer will be considered null and void by the Issuer. Accordingly, the Issuer will not recognise any Spanish Individual as an owner of Zero Coupon Notes with a maturity of more than twelve (12) months.

PRESENTATION OF INFORMATION

In this Base Prospectus, all references to **euro** and **€** refer to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting/named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms 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, stabilisation may not necessarily occur. 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 cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 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 person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

This Base Prospectus includes forward-looking statements that reflect the Issuer's intentions, beliefs or current expectations and projections about its future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends and the market in which it operates. The Issuer has tried to identify these and other forward-looking statements by using the words "may", "could", "will", "would", "should", "expect", "intend", "estimate", "anticipate", "guidance", "project", "future", "potential", "believe", "seek", "plan", "aim", "expect", "objective", "goal", "project", "strategy", "target", "continue" and similar expressions or their negatives. These forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business and the environment in which it expects to operate in the future. Forward-looking statements may be found in the sections of this Base Prospectus entitled "Risk Factors" and "Description of the Issuer" and elsewhere in this Base Prospectus.

The forward-looking events described in this Base Prospectus may not occur. Additional risks that the Issuer may currently deem immaterial or that are not presently known to the Issuer could also cause the forward-looking events discussed in this Base Prospectus not to occur or to occur in a different manner. These forward-looking statements speak only as of the date on which they are made. Except as otherwise required by applicable securities law and regulations and by any applicable stock exchange regulations, the Issuer undertakes no obligation to update publicly or revise publicly any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Base Prospectus. Given the uncertainty inherent in forward-looking statements, the Issuer cautions prospective investors not to place undue reliance on these statements.

ALTERNATIVE PERFORMANCE MEASURES

The financial information contains magnitudes and measures prepared in accordance with applicable accounting regulations, as well as others prepared in accordance with reporting standards established and developed internally, which are known as Alternative Performance Measures (**APMs**). These APMs are considered magnitudes adjusted with respect to those presented in accordance with International Financial Reporting Standards as adopted by the European Union (**IFRS-EU**), which is the applicable accounting framework for the consolidated financial statements of the Group and should therefore be considered by the reader as supplementary but not replacing these, which should be read, interpreted, and reviewed overall and not separately. These additional financial measures deriving from the consolidated accounting records are not financial or liquidity performance measures of the Group according to the IFRS-EU and should not be considered as an alternative to consolidated net income; or as an indicator of Group performance; or as an alternative to cash flows from operating activities; or as a measure of Group liquidity. Therefore, they may differ from measures with similar titles reported by other companies and may not be comparable.

The Issuer reports these APMs to help users of financial information to understand its financial performance, since these constitute additional financial information, and the Issuer considers that they represent useful alternative and additional indicators of the financial performance of the Group when read or interpreted together with the financial statements. These APMs are consistent with the main indicators used by the community of investors and analysts in capital markets. To this regard, and in accordance with the contents of the Guidelines

issued by the European Securities and Markets Authority (**ESMA**), the Group provides the following information deemed significant relative to those APMs included in this prospectus:

EBITDA: Acronym for "Earnings Before Interest, Tax, Depreciation and Amortisation". This is an indicator of the results from operating activities of the Group, before deducting net interest, corporate income tax, depreciation and amortisation and prior to possible adjustments for non-recurring items relative to remuneration from gas transmission from previous years, possible non-recurring organisational restructuring and/or personnel expenses, other non-recurrent operating expenses or non-current asset impairment.

EBIT: Acronym for "Earnings Before Interest and Taxes": indicator that measures the results from operating activities of the Group before deducting interest and corporate income tax.

EBT: Acronym for "Earnings Before Taxes": indicator that measures the results from operating activities of the Group before deducting corporate income tax.

EBITDA margin: EBITDA figure out of the total operating income and other revenue.

EBITDA margin less the dilutive effect of the LPG: The EBITDA figure of the total operating income and other revenue, after deducting the cost of the LPG from these, to show the net margin of the LPG in the income as remuneration, in the same way as the natural gas distribution and transmission business.

Total income and other operating income: Total income and other operating income plus the work carried out by the company for its fixed assets.

Personnel expenses: Expenses for salaries and wages and other employee benefit expenses, without including non-recurrent expenses relative to organisational changes or other non-recurrent expenses.

Capital / Investment Expenses: Capital used in additions of non-current tangible assets, such as PPE (property, plant, and equipment) including outlays for the acquisition of subsidiaries or business units and including additions of non-current intangible assets.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event a new Base Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) 2019/980 implementing the Prospectus Regulation.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	Redexis, S.A.U.
Issuer Legal Entity Identifier (LEI):	635400DYWVUY8IC5MR90
Website of the Issuer:	www.redexis.es For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on any website referred to in this Base Prospectus does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These include certain risks relating to the structure of particular Series of Notes and certain market risks. Each of these risks are set out under "*Risk Factors*" above.
Description:	Euro Medium Term Note Programme
Arrangers:	BBVA and BNP Paribas
Dealers:	BBVA BNP Paribas and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus. **Notes having a maturity of less than one year** Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the UK or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the UK, 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 FSMA by the Issuer. No money market instruments having a maturity of less than twelve months will be offered to the public or admitted to trading on a regulated market under this Base Prospectus.
Principal Paying Agent:	The Bank of New York Mellon, London Branch
Luxembourg Listing Agent:	Matheson LLP
Programme Size:	Up to €2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) aggregate principal amount of Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in, subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, 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 Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in "*Form of the Notes*".
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions or the latest version of the 2021 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of the Reference Rate set out in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount to its original nominal amount and will not bear interest.

Redemption: Notes will be redeemable at their stated maturity at their Final Redemption Amount. Unless Issuer Call, Investor Put and/or Event Put applies as indicated in the applicable Final Terms, Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default).

In particular, if so specified, the Notes may be redeemed at the option of the Noteholders following certain sales or disposals of assets and/or loss of licences and/or change of control as further described in Condition 6.5 (*Redemption at the option of the Noteholders (Event Put))*.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.

Issuer Call: The applicable Final Terms will indicate whether the relevant Notes will be redeemable at the option of the Issuer upon giving notice to the Noteholders on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer as further described in Condition 6.3 (*Redemption at the option of the Issuer (Issuer Call)*), 6.7 (*Redemption at the option of the Issuer (Residual Maturity Call)*) and 6.8 (*Redemption at the option of the Issuer (Substantial Purchase Event)*).

Investor Put: The applicable Final Terms will indicate whether the relevant Notes will be redeemable at the option of the Noteholders upon giving notice to the Issuer on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer as further described in Condition 6.4 (*Redemption at the option of the Noteholders (Investor Put)*).

Event Put: The applicable Final Terms will indicate whether the relevant Notes will be redeemable at the option of the Noteholders if an Event Put arises upon giving notice to the Issuer on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the

Issuer and the relevant Dealer. An Event Put may arise following the occurrence of a Material Licence Event, Material Disposal Event and/or Change of Control Event which results, within the Relevant Event Period, in a Rating Downgrade or a Negative Rating Event as further described in Condition 6.5 (*Redemption at the option of the Noteholders (Event Put)*).

Denomination of Notes: The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount 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 relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation: All payments in respect of the Notes (other than Zero Coupon Notes with a maturity of more than twelve -12- months) 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 therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer will, save in certain limited circumstances provided in Condition 7 (*Taxation*), pay such additional amounts as will result in the holders of the Notes receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required.

Except for Zero Coupon Notes with a maturity of more than twelve (12) months, the Issuer considers that, according to the simplified information procedures set out in Royal Decree 1065/2007, of 27 July, as amended by Royal Decree 1145/2011 of 29 July (Royal Decree 1065/2007), the Issuer is not obliged to identify Noteholders as described in *Taxation – Simplified information procedures*. For further information regarding the interpretation of Royal Decree 1065/2007, please refer to "*Risk Factors - Risks relating to the Spanish withholding tax regime*".

In case of Zero Coupon Notes with a maturity of more than twelve (12) months, the information procedures described in *Taxation – Information about the Notes in connection with Payments* would need to be followed and the Issuer may be obliged to identify Holders of such Notes.

All payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of

	Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto. The sale, transfer, or acquisition of Zero Coupon Notes with a maturity of more than twelve (12) months, to or by Spanish Individuals is forbidden in all cases. Any transfer of such Zero Coupon Notes to or by Spanish Individuals is not permitted and such transfer will be considered null and void by the Issuer. Accordingly, the Issuer will not recognise any Spanish Individual as an owner of such Zero Coupon Notes with a maturity of more than twelve (12) months.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 3 (*Negative Pledge*).
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 9 (*Events of Default and Enforcement*).
Status of the Notes:	Notes will be issued on an unsubordinated basis. The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, as described in Condition 2 (*Status of the Notes)*.
Rating:	The Programme has been rated BBB- by S&P. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. 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. See "*Credit ratings may not reflect all risks*" in "*Risk Factors*" above.
Listing and admission to trading:	Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market or as otherwise specified in the applicable Final Terms and references to listing shall be construed accordingly. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
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 Principal Paying Agent and the relevant Dealer and as specified in the applicable Final Terms.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.

Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the Spain, Republic of Italy and Belgium), the United Kingdom and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes; see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in the Risk Factors.

Risks relating to the Issuer and the Group

Risks related to the Group's regulated activities

Risks relating to changes in regulation

The Group carries out the activities of distribution and transmission of natural gas, which are regulated activities, and supply of Liquefied Petroleum Gas (**LPG**). Both Spanish and European regulations determine the scope of the business undertaken by the Group and the remuneration scheme applicable to its regulated activities. Consequently, the Group's business, prospects, financial position and operating results could be materially adversely affected by changes in laws (as described in the section "*Special regulation of the natural gas sector*" below), regulations or regulatory policies that apply to its business (such changes can potentially apply retroactively) such as: (i) further changes in the current remuneration scheme or in some of the variables used to determine the remuneration scheme for the distribution and transmission of natural gas - in this regard, note that, as described in the section "*Overview of the Spanish natural gas sector and its regulation*" below, the remuneration scheme is subject to periodic reviews-; (ii) a further liberalisation of the natural gas market in Spain; (iii) amendments to the current exclusivity granted in favour of respective distributors of natural gas with respect to specific geographical zones which also gives them preferential treatment with respect to public tenders carried out in the neighbouring geographical zones; (iv) changes concerning whether licences, approvals, concessions or agreements to operate are granted or renewed or whether there have been any breaches of their respective terms; (v) the imposition of new obligations on entities operating in the natural gas sector, including the eventual need to finance measures against energy poverty; (vi) the creation of new taxes (e.g., green taxes) that may increase the price of natural gas and adversely affect its demand; (vii) net zero policies and decarbonization targets, conditions, obligations and limitations, included those imposed by new international, European or national legislation from time to time; and (viii) other decisions relating to the impact of general economic conditions, climate change, levels of permitted revenues, leverage conditions, and dividend distributions for its businesses and in relation to proposed business development activities. In addition, the Group's ability to undertake specific projects is subject to it being able to obtain the relevant regulatory approvals, licences, concessions or permits.

Notwithstanding the above, it should be noted that regulated activities, such as distribution and transmission of natural gas, currently benefit from a remuneration scheme established by the CNMC Circular 4/2020, of 31 March 2020 (**Circular 4/2020**), in distribution and Circular 9/2019, of 12 December 2019 (**Circular 9/2019**) of the Spanish Markets and Competition Commission (*Comisión Nacional de los Mercados y la Competencia)* (the **CNMC)**, in transmission. This remuneration schemes are viewed as long term, although regulatory frameworks and remuneration schemes may be adjusted from time to time.

LPG has a different economic framework, whereby the company that owns the network supplies both LPG to the end user and buys the LPG from the wholesaler of LPG, and both of these activities are subject to regulated prices. As such, any changes in the regulation of those prices or in the cost of the raw material (which is linked to the cost of petroleum) may affect the operating results of the Group. In addition, changes on regulation or regulatory criteria related to LPG economic terms or any other ancillary fee may also affect the operating results of the Group.

Current regulation allows the conversion of LPG supply points into natural gas supply points. These converted supply points are considered to be new connection points for the purposes of the calculation of allowed revenue. The level of remuneration of the supply points depends on whether the municipality where they are located has been recently "gasified". Any changes to the unit remuneration of a supply point if it was considered a special "new" natural gas supply point (as they were previously linked to the LPG network) may affect the revenues earned from converting LPG supply points.

The CNMC published a report about the supply costs incurred in the provision of LPG and its annual review formula dated 31 May 2018. In the event that the Ministry for the Ecological Transition and the Demographic Challenge (*Ministerio para la Transición Ecológica y el Reto Demográfico*) (the **MITERD)** decides to modify the LPG supply margin based upon any such report, the remuneration received by the Group may be affected.

In 2019, the CNMC, by means of Communication 1/2019, defined a set of ratios to measure levels of debt, and the economic and financial capacity of companies to engage in regulated activities in the electricity and gas sectors, and to establish the ranges of recommended values for these ratios. These ratios and the recommended value ranges are used by the CNMC in the analysis reports that the CNMC may make in the performance of its duties and the exercise of its powers with regard to levels of debt and the economic and financial capacity of regulated companies. These ratios are also used by the CNMC to set up negative incentives in relation to the remuneration of the regulated activities according to both Circular 4/2020 and Circular 9/2019. In this regard, a penalty up to 1% of companies' remuneration is imposed from 2024 in case of non-complying with the global index of ratios defined by the CNMC. The Group currently does not comply with the global index ratios defined by the CNMC and therefore is subject to this penalty. However, this penalty (which is now established at 1% of the relevant company remuneration) is at present non-material from a revenue perspective. These ratios or the consequences of not meeting them could change in the future.

Risks relating to changes in regulation which impact the regulated remuneration scheme applicable to the Group in Spain

In Spain, the main source of income for a company engaged in regulated activities in the Spanish natural gas market is the regulated remuneration, as defined and settled by the regulators as part of the periodical system of costs settlements. According to the current regulatory framework, the purpose of this payment is to enable transporters and distributors of natural gas to recover their investment, pay the costs of running and maintaining the distribution and transmission systems and earn a reasonable return. The annual amounts to be paid to each company are set out in accordance with the rules laid down in regulations, including, among others, the Law 34/1998 of 7 October 1998 on the Hydrocarbons Sector (**LSH**), Law 18/2014, of 15 October (**Law 18/2014**), CNMC Circular 4/2020 and CNMC Circular 9/2019.

As per article 60 of Law 18/2014, the parameters to be applied under this remuneration methodology will be established for regulatory periods of six years.

The current six-year period will end on 31 December 2026.

The CNMC approves the remuneration applicable to each calendar year for the owners of liquified natural gas (**LNG**), regasification plants, transmission and distribution installations. The MITERD approves the remuneration applicable to each calendar year, prior report of the CNMC, of the natural gas underground basic storage.

In general, should regulators decide to change the values used to adjust the annual remuneration, transporters and distributors of natural gas could see smaller-than-expected increases or even decreases in their annual income.

Under Law 18/2014, the Spanish Government established, through the Royal Decree 984/2015 of 30 October 2015 (**RD 984/2015**), the methodology for calculating the remuneration applicable to the installations of local primary transmission pipelines that had not been awarded before it came into force. The level of remuneration is based on a concurrence mechanism linked to the demand for gas, covering both industrial and domestic consumption, which affects the remuneration received by the Group. So far, no assets within the Issuer or the gas system are operated or have been authorised under this framework.

Spanish Royal Decree Law 1/2019, dated 11 January (**RDL 1/2019**) transferred some Ministry competencies related to natural gas regulation to the CNMC. According to this law, the CNMC promotes by means of circulars the new regulation related to tariffs and regulated activities remuneration.

The CNMC approved the main regulation and rules related to natural gas activities for 2021-2026 period (i.e. the second regulatory period).

This regulation will be reviewed for 2027-2032 (i.e., the third regulatory period) and may affect the Group's activities and incomes, including negatively in case a decrease in the remuneration for regulated activities is approved. The draft regulation proposed by the CNMC will be subject to comments and allegations from any interested agent. Once this regulation is approved it may be challenged before the contentious-administrative courts by the affected companies, which may create uncertainty and additional risks on gas sector regulation and remuneration framework.

Risks relating to costs exceeding revenues in the Spanish gas system causing a tariff deficit

The regulated remuneration paid to the natural gas transmission and distribution companies every year is determined by a settlement process which takes into consideration all revenues and costs throughout the Spanish gas system (the **Gas System**). In the past, for a number of years, costs exceeded revenues, generating a tariff deficit in the Gas System which leaded to delays in the collection of the full annual regulated remuneration by the companies involved in these regulated activities.

Law 18/2014 was designed to remove the tariff deficit of the Gas System. The key principle is financial and economic sustainability, to ensure that the Spanish natural Gas System generates sufficient revenue to cover all of its costs. From that moment on, any measures which may lead to a cost increase or to a reduction in revenue must be accompanied by an equivalent decrease in other cost items or an equivalent increase in other revenues in order to maintain the cost/revenue balance. Law 18/2014 also included measures to correct any short-term imbalances in costs and revenues, intended to prevent another deficit from being generated.

According to Law 18/2014, the accumulated deficit up to 31 December 2014 was included as a system cost, which was determined in the settlement of the 2014 remuneration. As indicated by Order ETU/1977/2016, the regulated natural gas transmission and distribution companies subject to the remuneration settlement system were entitled to recoup their respective accumulated deficits in annual settlements over the next 15 years (together with interest at market rates).

Law 18/2014 also included measures to correct any short-term imbalances and to prevent another deficit from being generated.

Risk relating to the possibility of the imposition of penalties that may entail the suspension or revocation of the authorisations awarded to the Group

Many of the Group's authorisations, licences, concessions and permits are subject to the fulfilment of certain commitments which, if not met, can lead to the imposition of sanctions. These sanctions include a reduction in remuneration, revocation of the authorisations, licences, concessions and permits and enforcement of any guarantees provided.

In addition, events such as lack of compliance with the safety requirements, manipulation in the measuring of the supplied natural gas, non-compliance with the independency requirements in the management of companies developing distribution and transmission activities etc., can lead to the imposition of such penalties, under the LSH and/or other applicable regulations.

If the Group were to be subject to any such sanctions or penalties, it could have a material adverse effect on the business, financial condition and operating results of the Group.

Risks relating to the Group's distribution activities

Risks relating to new investment opportunities for the 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. In addition, any investment in current distribution areas or new areas into which they are given permission to expand may also be subject to environmental or planning permissions. If one of these approvals were refused or granted subject to unfavourable conditions, investment may not ultimately be made. As a consequence, 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 Group's projects under development and projects proposed for development could have a material adverse effect on its business, prospects, financial condition and operating results. In particular, if the 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. Less users or demand than those expected when approving the relevant investment plans may also negatively affect the Group revenues or profitability. These

risks could lead the Group to deviate from its investment plan, which could have a material adverse effect on the Group's business, prospects, financial position and operating results.

Risks of certain investment commitments with regard to the Group's distribution activity

Spanish regulation of the natural gas sector provides that in order to satisfy demand for natural gas, in case there is a request for supply from any 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. In such cases, distribution companies assume all the costs involved in installing the first six metres of the extension in its pipeline from the distribution network (less than 4 bar) and the remainder of the pipeline length is paid by the customer at a unit price per metre set by regulation. In certain cases of distribution network extensions, the unitary value of the price could be lower than the real costs undertaken by the distribution company to extend the network to the new customer.

If the Group is required to undertake a significant number of pipeline extension projects in the circumstances described above, such investment might not be as profitable as others available to the Group and could have a material adverse effect on the Group's business, prospects, financial position and operating results.

Risks associated with changes in gas demand and connection points

The Group's remuneration for its distribution activity is determined annually by the CNMC based, among other factors, on the number of connection points and the growth in demand for natural gas. Under Law 18/2014, and following the remuneration scheme defined in the CNMC Circular 4/2020, inflation is no longer a factor in the remuneration scheme of the distribution activity and thus the inflation risk is taken by distribution companies.

The Group's distribution business is closely linked to growth in demand for natural gas in Spain, both in terms of actual number of end consumers and total gas demand in its designated territory, which depends on a series of factors beyond the Group's control. These factors include, among others, the development of the electricity sector, the development of an alternative energy supply, the price of natural gas in comparison to other energy sources, the general economic situation in Spain, climate changes, the availability of capacity for international imports of natural gas and environmental legislation.

In addition, the demand for natural gas is closely related to climate. In peninsular Spain, gas systems are winter peak systems, which means that, generally, demand is higher during the cold weather months of October to March and lower during the warm weather months of April to September. A significant portion of the demand for natural gas in the winter months is related to heating. The revenues and operating results of the Group from the distribution of natural gas could be affected by periods of unseasonably warm weather during the autumn and winter months.

In relation to the Group's distribution business growth being closely tied to an increase in the number of connection points to the distribution network, this increase is dependent on (i) extending to new distribution areas, (ii) the construction of new buildings that make it necessary to extend the distribution area, or (iii) existing buildings to which distribution is extended. Given the current economic climate, the number of new buildings that require extension of the distribution network or customers that request natural gas connections is likely to grow at a slower pace than in the past.

Therefore, if the connection points or, to a lesser extent, demand for natural gas in the area where the Group operates do not increase at the foreseen rate, the Group's revenues and strategic plan could be affected, which could have a material adverse effect on the Group's business, financial position and operating results.

Risks related to the revenue generated from regulated and non-regulated ancillary services provided by the Group

The Group also receives income from services it provides that are ancillary to its regulated gas transmission and distribution services; and consisting of, among others: rental of metering equipment, rental of common reception facilities, registration fees, gas installation inspections, contracting party connection charges, supply reinstatement fees, applicant connection charges, income from third party offsets, LNG transport fees and transmission operation gas. These represented 15.2% of the Group's revenue and other income in 2024. The majority of the prices of these ancillary services are also regulated by national or regional governments. For example, the activation and maintenance of connection points, the rental of meters, the recording of meter readings and the inspection are all sources of ancillary income. If the prices that companies are able to charge for these ancillary activities were changed or were not sufficient to cover all the costs incurred, this could adversely affect the income received or the profitability of such companies.

The Group's ancillary activities relating to the inspection of natural gas reception installations were liberalised by Law 8/2015 and RD 984/2015, such that the Group's installation business have to compete with other installation companies in order to conduct these inspections for the distribution clients of the Group or other distribution clients. These ancillary inspection activities represented 3.7% of the Group's revenue in 2024. However, the first years with these measures in force have shown that only a very small number of users (9% according to the 2024 Supervisory Natural Gas Market Report of the CNMC, the last published report) have chosen an installation company instead of being inspected by the distributor.

According to the Order ICT/155/2020, from 7 February 2020, regulating the State metrological control of certain measuring instruments and published by the Industry, Commerce and Tourism Ministry, all the natural gas meters over 20 years of useful life might be changed in the following 8 years (some aspects of the disposal, such as final calendar, are being reviewed and final dispositions might be reviewed). In addition, Royal Decree-Law 18/2022, of 18 of October 2022 (**RDL 18/2022**), authorised natural gas smart meters deployment. Finally, in April 2024, the CNMC published a resolution related to natural gas smart meters rental price to be applied by distribution companies to consumers connected to grids with less than 4 bar and an annual consumption below 50,000 kWh. This price may be further reviewed by the CNMC, either increasing or decreasing it, even retroactively, taking into account real costs incurred by distribution companies. The provisional price is subject to an eventual regularisation, once the CNMC sets up the final prices. Therefore, both final prices and calendar could have a material effect on the Group's business and operating results.

Notwithstanding the foregoing, any other change in the regulated remuneration scheme or in the prices for ancillary services, could have a material adverse effect on the Group's business, prospects, financial position and operating results.

Risk assumed by the Group in case of non-payment by a natural gas supplier

The main source of revenue for the Group is the regulated remuneration approved by the CNMC for the owners of transport and distribution installations. Moreover, the MITERD will approve the remuneration applicable to each calendar year, prior report of the CNMC, of the natural gas underground basic storage installations.

Companies receive this regulated remuneration through a monthly settlement. The CNMC determines in the monthly settlement the proportional share of the annual payment for that month and will compare that amount with the monthly amount invoiced by the relevant distribution company from the application of tolls to the third-party suppliers of natural gas who have a contract to access the distribution network.

If the amount invoiced by the distribution company in the form of tolls is higher than the monthly payment amount, the company must pay the difference to the Gas System. On the other hand, if the monthly payment is higher than the amount invoiced to the third-party gas suppliers as tolls, the company must rely on receiving the difference from the Gas System.

The amounts invoiced to the third-party gas suppliers are considered as revenue for the distribution company regardless of whether or not those amounts have been collected. Therefore, the risk of non-payment is borne by the supplier (*comercializadoras*). In case of non-payment by the supplier, the distribution company may execute the guarantees provided by the supplier. In case these guarantees are not enough, the distribution company will support the risk of-non-payment over the excess.

In case of non-payment by the user, the distribution company may suspend the access contract of the relevant supplier of natural gas, once two months have elapsed from the date of a formal request (*requerimiento fehaciente*) for payment. This means that during the period prior to suspension, the risk of non-payment is borne by the distribution company. Any significant level of such non-payment could have a material adverse effect on the business, financial condition and operating results of the Group. The Issuer has not suffered any material non-payment in this regard as at the date of this Base Prospectus.

Risks related to the Group's transmission activities

Risks that investments affecting the transmission sector will not be authorised

Spanish regulations on the gas sector provide that investments affecting the construction of natural gas transmission pipelines are subject to mandatory planning to be established by the Spanish Government. It is not clear when the new mandatory planning (replacing the one for 2008-2016) will be approved by the Spanish Government. In addition, any infrastructure investment included within the current or any future mandatory planning is to be authorised by the MITERD and these projects are generally subject to a regulated public bid award process. It is not certain that the Group will be the successful bidder in the public bid award processes

for other such projects. Failure to be awarded these projects may deviate the Group from its investment plan, which could have an adverse effect on the future operating results of the Group.

Risk associated with new transmission investments

All new investments are subject to a range of market, credit, commercial, regulatory, operational and other risks, which may affect the profitability of the project.

In particular, the construction and development of natural gas transmission infrastructure can be time-consuming and highly complex. Any increase in the costs of, cancellation of and/or delay in the completion of, the Group's projects under development and projects proposed for development could have a material adverse effect on its business, prospects, financial condition and results of operations. In particular, if the Group was unable to complete projects under development, it may not be able to recover the costs incurred and its profitability could be adversely affected. Additionally, gas consumption of households and industries will affect the remuneration received by the Group in those new pipelines awarded by concurrence mechanisms.

Risks arising from unitary reference values for investment, operation and maintenance

Besides Circular 9/2019, before 2021-2026 regulatory period, the CNMC reviewed unitary reference values for investment, operation and maintenance in relation to transmission facilities and regasification plants. The Circular 8/2020, of 2 December 2020 (**Circular 8/2020**), defined new unitary values and was used in transmission and regasification plants 2021-2026 remunerations.

New unitary reference values might be calculated and considered for the following regulatory period (2027-2032), and as such the Group remuneration may be affected, either negatively or positively, in that case.

Risks related to the Group's unregulated activities

The Group is developing several unregulated activities, linked to natural gas and infrastructure services, such as leasing of cable network to telecommunications operators, to LPG and natural gas users, leasing of photovoltaic installations for self-consumption, and installation of natural gas for vehicles facilities. These unregulated activities are currently non-material from a revenue perspective. They are subject to liberalised activities risks such as demand risk or default risk by consumers, although these eventual risks will not be significant for the Group due to the fact that these activities are non-material.

Other risks related to the Group's business

Risks resulting from the operation of the gas distribution and transmission networks

The Group's operations are subject to certain inherent risks, including pipeline ruptures, explosions, pollution, release of toxic substances, fires, adverse weather conditions, earthquakes, natural disasters, sabotage, terrorism, accidental damage to its gas distribution and transmission networks and other hazards and force majeure events, any of which could result in personal injury and/or damage to, or the destruction of, the Group's facilities and other properties or an interruption in gas distribution or transmission. The 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 Group seeks to obtain, and in fact it does obtain, insurance cover 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 Group's reputation.

Furthermore, the Group may suffer a major network failure or interruption 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 Group to fail to meet agreed standards of service or incentive and reliability targets or be in breach of a licence, authorisation, approval, or any other regulatory requirement or contractual obligation, and even incidents that do not amount to a breach could result in adverse regulatory and financial consequences, affect the Group's financial position and operating results or harm the Group's reputation.

Risks resulting from the implementation of the Group's business strategy

Given the risks to which the Group is exposed and the uncertainties inherent in its business activities, the Group may not be able to implement its business strategy successfully. Were the Group to fail to achieve its strategic objectives, or if those objectives, once attained, did not generate the benefits initially anticipated, its business,

financial condition and results of operations may be subject to significant adverse impacts. The Group's ability to achieve its strategic objectives is subject to a variety of risks, including, but not limited to, the following specific risks:

(a) the possibility of a recession in the Spanish or the European economy, or the actual or threatened default by any major economy on its sovereign debt, which would negatively affect the performance of the Group's businesses;

(b) 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 and transmission of gas;

(c) denial of or delays in regulatory approval for new projects; and

(d) demand for natural gas or the failure to correctly estimate projected natural gas demand over coming years.

(e) a modification in the remuneration applicable to the Gas System.

Risks that changes in the natural gas sector in Spain may adversely affect the Group's business

A number of different entities are active in the Spanish natural gas sector, including Enagas which operates a large portion of the transmission network, storage facilities and regasification facilities and Naturgy Group which operates a large portion of the distribution network. There has been M&A activity affecting businesses active in the Spanish natural gas sector over the last financial years. It is possible that there will be further activity in the sector, and it is not certain how this activity might affect entities active in the sector or the regulation of the sector as a whole. Management of the Group continually monitors activity in the sector with a view to establishing whether any particular changes in the sector represent threats to the Group's existing business or provide opportunities for the Group to consolidate and grow its business. The decisions made by management, which could include acquiring further businesses active in the sector, divesting of businesses and/or entering into joint ventures with third parties, and activity in the natural gas sector in Spain as a whole may have an adverse effect on the Group's business.

Acquisitions

The successful completion of any acquisition may be impacted by various factors, including the inability to satisfy any conditions precedent to such acquisition. In addition, the successful integration of any completed acquisitions may be affected by various factors, including the ability to align management and operating systems and carry out the successful operational integration of gas pipelines and control systems. Any delay or inability to complete or integrate acquisitions successfully could materially adversely affect operations and future financial performance of the Group.

As part of any acquisition the Group will normally receive certain indemnities, representations and warranties from the seller. However, these indemnities, representations and warranties may not fully cover all potential liabilities associated with the business (including tax liabilities and other liabilities to state entities), whether identified or unidentified, and they are in certain circumstances limited in their scope, duration and/or amount. Accordingly, the Group may not have full recourse against, or otherwise recover in full from, any relevant seller in respect of all losses which it may suffer in respect of a breach of those representations or warranties, or in respect of the subject matter of any of the indemnities, or otherwise in respect of the particular acquisition. In addition, the Group will be dependent on the on-going solvency of the seller to the extent it seeks to recover amounts in respect of claims brought under such indemnities, representation and warranties. This could potentially have a limited adverse impact on the Group's business, reputation, financial condition and/or results of operations.

Environmental and health and safety risks

Aspects of the Group's activities are potentially dangerous, such as the construction, operation and maintenance of gas distribution and transmission networks and ancillary installations. Gas utilities also typically use and generate in their operations hazardous and potentially hazardous products and by-products. 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 or problems relating to the pipes used to transmit natural gas (for example, the discovery of asbestos). The Group is subject to laws and regulations relating to pollution, the protection of the environment and the use and disposal of hazardous substances and waste materials. These expose the Group to costs and liabilities relating to its operations and properties. The cost of

future environmental remediation obligation is often inherently difficult to estimate and uncertainties can include the extent of contamination, the appropriate corrective actions and the Group's share of the liability.

The Group is also subject to laws and regulations governing health and safety matters protecting the public and its employees. The Group is increasingly subject to regulation in relation to climate change. The Group commits significant expenditure towards complying with these laws and regulations. While the Group seeks to obtain, and in fact it does obtain, insurance cover 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 Group's insurance policies, this could have a material adverse impact on the Group's business, prospects, financial position and operating results. Furthermore, any breach of these regulatory or contractual obligations, or even incidents that do not amount to a breach, could materially adversely affect the Group's reputation and, subsequently, operating results.

Insurance

The Group seeks to maintain insurance cover on all its key property and liability exposures in the international insurance market. No assurance can be given that the insurance cover acquired by the Group provides adequate or sufficient cover for all events or incidents. The international insurance market is volatile and therefore there can be no guarantee that existing cover will remain available or will be available at commercially acceptable rates. Should resulting damages or loss of profit on the occurrence of an event or incident exceed the coverage provided by the Group's insurance policies, this could materially adversely affect the Group's operating results.

Uncertain macroeconomic climate could affect the Group's financial position

The global macroeconomic environment remains uncertain and subject to heightened volatility. Key economies have experienced periods of elevated inflation, rapidly changing interest rate expectations and tighter financial conditions, alongside episodes of stress in parts of the banking and capital markets. These dynamics have, at times, reduced market liquidity and increased risk premia, which in turn have affected the availability and cost of funding across the real economy.

Geopolitical tensions and conflicts, together with policy responses and sanctions regimes, continue to contribute to volatility in energy, commodity, foreign exchange and interest rate markets. Energy market dislocation, including sharp movements in natural gas and electricity prices and basis differentials, can increase collateral and margining requirements under supply, trading and hedging arrangements and may heighten liquidity risk for market participants. Prolonged or renewed volatility could also depress transaction volumes, widen credit spreads, reduce market depth and increase the likelihood of supply chain disruptions, each of which could adversely impact the Group’s operations and financial performance.

Sovereign and corporate credit conditions may deteriorate if growth slows, inflation persists, or interest rates remain elevated for longer than currently anticipated. Any such deterioration could lead to rating downgrades of the Group’s customers or other counterparties, reduced access to, or increased cost of, credit, and a rise in delinquencies or defaults. Stress in the financial system, whether due to market losses, asset–liability mismatches, or confidence shocks, could impair the functioning of funding and hedging markets on which the Group and its counterparties depend.

Regulatory and policy developments aimed at addressing energy affordability, security of supply and the energy transition may be implemented with limited notice and could include price caps, windfall or exceptional levies, changes to market design, or modifications to carbon pricing and emissions regulations. Such measures may alter market incentives, affect demand patterns, compress margins or increase compliance costs. Weather variability and climate-related extreme events can further amplify demand volatility and infrastructure stress, resulting in additional operational and financial risks.

Any resurgence of widespread public health emergencies or other systemic shocks could exacerbate the foregoing risks by disrupting economic activity, supply chains and workforce availability, and by prompting renewed policy interventions. Individually or collectively, these factors could have a material adverse effect on the Group’s business, prospects, financial condition and results of operations.

Liquidity and availability of funding risks

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

The Group undertakes a significant amount of capital expenditure and so needs access to sources of liquidity to meet such capital expenditure requirements. The Group currently has access to working capital and capex facilities and, while the existing facilities are sufficient in order to cover its short-term requirements, there is a risk that such facilities become no longer available or are not sufficient for the Group's ongoing needs. This could affect the businesses, financial conditions and results of operations of the Group and also result in the Group not being able to meet the capital expenditure requirements under the terms of its licences.

It is expected that the Issuer will continue to access the long-term capital markets to refinance all or part of the Group's current bank facilities or for any other purpose through the issue of Notes under this Programme from time to time.

The capital markets debt that the Group 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. In addition, as evidenced during recent periods, financial markets can be subject to periods of volatility and shortages of liquidity. If the Group were unable to access the capital markets or the Group were unable to access other sources of finance at competitive rates for a prolonged period, the Group's cost of financing may increase, the additional loan facilities that the Group incurs might not be able to be refinanced at competitive rates, or not be in line with the Group's financial strategy, and the manner in which the Group implements its business and financial strategy may need to be reassessed. The occurrence of any such event could have a material adverse impact on the Group's business, financial condition and operating results.

Interest rate risk

Although the 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 rates and could have an adverse impact on the Group's business, financial condition and results of operations.

Human Resources risk. Employees of the Group could strike or participate in industrial action in the future

While the ability of employees, contractors or trade unions to strike is limited by regulation and agreements, the Group can give no assurance that there will not be labour-related actions in the future, including strikes or threats of strikes. 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 Group's business and results of operations.

Litigation

The 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 Group's financial position, reputation and profitability.

Cybersecurity Risk

The Group is exposed to Cybersecurity risks and may suffer cyber threats and incidents of different nature. cyber threats may cause loss of confidentiality, integrity, or availability of information, data, or information (or control) systems and may cause a potential adverse impact to assets or organizational operation (e.g., mission, functions, activities, revenues, image, reputation or continuity of the gas transmission or distribution business).

Risks related to climate change and transition energy

In December 2015, more than 195 countries signed a global climate deal in Paris (the **Paris Agreement**). Although the Paris Agreement is not legally binding, the EU has defined specific binding targets for greenhouse gas emissions, renewables penetration and energy efficiency for 2020, 2030 and 2050. New measures for the transition to a low carbon economy could negatively affect the activities currently carried out by the Group, for example its applicable tax regime, prohibitions on activities or equipment such as fossil fuel boilers, regulatory environment or other environmental measures.

According to the governance of the energy union and climate action rules, which entered into force on 24 December 2018, EU countries are required to develop an integrated National Energy and Climate Plan (**NECP**). The NECP covers the period 2021-2030 (and every subsequent ten year period) based on a common template. In addition, the Spanish Ministry for the Ecological Transition and the Demographic Challenge is promoting several other initiatives and legal instruments in this regard. These initiatives, measures and regulations may negatively affect the activities carried out by the Group.

Risks related to decarbonisation and Net Zero Policies

The EU has a legally binding target to achieve net-zero emissions by 2050 (set up by Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality), with interim targets and milestones set through a carbon budget setting process. This process will result in the gradual but continual decarbonisation of the energy system, including ensuring an end to the unabated use of fossil fuels such as natural gas. Every initiative towards the energy future is a complex balance between three competing needs of the energy trilemma: affordability, security of supply and decarbonisation. The Issuer is engaged with stakeholders and working with other gas companies to demonstrate the role of renewable gases (including biomethane and hydrogen) in resolving this trilemma. The precise renewable gases mix that will replace natural gas is not known and there is un uncertainty on the future of use of the gas grids. Spain is pursuing a strategy of deploying electrification and energy efficiency and might agree a progressive phase out of fossil fuels (including natural gas) and/or impose the obligation for gas distribution and transmission companies of implementing gas grids decommissioning plans. There is therefore a risk that there may be a reduction in the use of gas networks in the future, and, as a result, the Issuer may not generate sufficient revenues to enable it to meet its payment obligations under the instruments or comply with the terms and conditions of the instruments. In addition, in June 2024 the Directive (EU) 2024/1788, on common rules for the internal markets for renewable gas, natural gas and hydrogen and the Regulation (EU) 2024/1789, on the internal markets for renewable gas, natural gas and hydrogen were published. The purpose of the legislation is to facilitate the penetration of renewable and low-carbon gases into the energy system, in particular hydrogen and biomethane. This regulation contains provisions allowing member states to adopt restrictions, condition and limitations to the supply of natural gas. Spain may impose additional restrictions on natural gas transmission or distribution companies when implementing this legislation into the national legal framework (implementation must take place before 5 August 2026).

Risks relating to the Notes

The Notes may be redeemed prior to maturity

In the event that the 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. The Notes may also contain features allowing the Issuer to redeem the Notes at its option, if Conditions 6.3 (*Redemption at the option of the Issuer (Issuer Call)*, 6.7 (*Redemption at the option of the Issuer (Residual Maturity Call)*) and/or 6.8 (*Redemption at the option of the Issuer (Substantial Purchase Event)* are specified to be "Applicable" in the applicable Final Terms.

Generally, an optional redemption feature of Notes (in the case of any particular Tranche of Notes where the applicable Final Terms specifies that the Notes are redeemable at the Issuer's option) may in certain circumstances be likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes are Notes which 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. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then 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 other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Zero Coupon Notes

The Issuer may issue Zero Coupon Notes. Such Zero Coupon Notes will bear no interest and an investor will receive no return on the Notes until redemption. Any investors holding these Zero Coupon Notes will be subject to the risk that the amortised yield in respect of the Zero Coupon Notes may be less than market rates.

In addition, the sale, transfer, or acquisition of Zero Coupon Notes with a maturity of more than twelve (12) months, to or by Spanish Individuals is forbidden in all cases. Any transfer of Zero Coupon Notes with a maturity of more than twelve (12) months to or by Spanish Individuals is not permitted and such transfer will be considered null and void by the Issuer. Accordingly, the Issuer will not recognise any Spanish Individual as an owner of Zero Coupon Notes with a maturity of more than twelve (12) months.

Notes issued at a substantial discount or premium

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

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to, or referencing such "benchmarks"

Reference rates and indices such as the euro interbank offered rate (**EURIBOR**) and other interest rate or other types of rates and indices which are deemed to be "benchmarks" (each a **Benchmark** and together, the **Benchmarks**), to which interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reforms. This has resulted in regulatory reforms and changes to existing Benchmarks. Some of these reforms are already effective whilst others are still to be implemented. Such reform of Benchmarks includes the EU Benchmarks Regulation and Regulation (EU) 2016/1011 (as amended, including by Regulation (EU) 2021/168) as it forms part of the domestic law of the UK by virtue of the EUWA (the **UK Benchmarks Regulation**, and together with the EU Benchmarks Regulation, the **Benchmarks Regulations**). These reforms have resulted in the cessation and loss of representativeness of certain Benchmarks, including all London Interbank Offered Rate (**LIBOR**) currencies and tenors, and may cause in the future Benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing a Benchmark.

The EU Benchmarks Regulation applies to the provision of in-scope benchmarks, the contribution of input data to an in-scope benchmark and the use of an in-scope benchmark within the EU. Among other things, it (i) requires administrators of in-scope benchmarks to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of in-scope benchmarks where the administrator is not appropriately authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed), subject to certain transitional provisions. From 1 January 2026, the scope of the EU Benchmarks Regulation was reduced such that only critical benchmarks, significant benchmarks, certain commodity benchmarks, EU Climate Transition Benchmarks and EU Paris-aligned benchmarks will remain in mandatory scope of the core provisions in the revised regime. The EU Benchmarks Regulation also gives regulators additional powers to intervene in relation to critical benchmarks (such as EURIBOR), including to support the orderly wind-down of a critical benchmark. The UK Benchmarks Regulation, among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, subject to certain transitional provisions, not deemed equivalent or recognised or endorsed).

Under the UK Benchmarks Regulation, the transitional provisions for third country benchmark administrators continue until 31 December 2030. However, under the EU Benchmarks Regulation the transitional provisions for third country benchmark administrators expired on 31 December 2025, although (in summary) if ESMA has received an application for recognition or endorsement of a third country administrator by such date, the benchmark concerned can be used in existing and new financial instruments and financial contracts, unless and until the administrator's application is refused. There is also a transitional provision applicable to certain spot FX benchmarks until the date of entry into force of the implementing act giving clarity on the scope of the spot FX exemption. This means that third country administrators of benchmarks remaining in-scope of the EU Benchmarks Regulation on and following 1 January 2026 need to apply for recognition or endorsement or

benefit from equivalence for supervised entities to reference such benchmarks in new in-scope instruments from that date and, in relation to significant benchmarks, to avoid the application of certain restrictions on use of such benchmarks in existing instruments.

The EU Benchmarks Regulation and the UK Benchmarks Regulation also give regulators additional powers to intervene in relation to critical benchmarks (such as EURIBOR under the EU Benchmarks Regulation or WMR London 4PM Closing Spot Rate under the UK Benchmarks Regulation), including to support the orderly wind-down of a critical benchmark. Any such interventions could have a negative impact on the value or liquidity of, and return on, certain Notes linked to or referencing such a critical benchmark.

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark which is in scope of one or both of these regulations, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark. More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, may have (without limitation) the following effects on certain benchmarks: (i) increasing the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements; (ii) discouraging market participants from continuing to administer or contribute to a benchmark; (iii) triggering changes in the rules or methodologies used in the benchmark and/or (iv) leading to the disappearance of the benchmark.

In addition to so-called "critical benchmark" indices, such as EURIBOR, other interest rates, foreign exchange rates, and indices, including equity, commodity and "proprietary" indices or strategies, may be in scope of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, as "benchmarks" where they are used to determine the amount payable under, or the value of, certain financial instruments (including securities listed on an EU or UK regulated market, EU or UK multilateral trading facility, EU or UK organised trading facility or via a systematic internaliser).

Amongst other developments, relevant authorities are strongly encouraging the transition away from Interbank Offered Rates (**IBORs**), such as EURIBOR, and have identified "risk free rates" to take the place of such IBORs as primary benchmarks. This includes (i) for sterling LIBOR (now ceased), a reformed Sterling Overnight Index Average (**SONIA**), as the primary sterling interest rate benchmark, (ii) for EONIA (now ceased) and EURIBOR, a Euro Short-Term Rate (**€STR**) as the primary euro risk free rate, and (iii) for USD LIBOR (now ceased), the Secured Overnight Financing Rate (**SOFR**) as the primary U.S. dollar interest rate benchmark. The risk-free rates have a different methodology and other important differences from IBORs and have limited historical track record and may be subject to changes in their methodology. The market or a significant part thereof may also adopt an application of a risk-free rate that differs significantly from that set out in the terms and conditions of the Notes, or the adoption of the risk-free rate used in the Eurobond markets may differ materially from that used in other markets, such as the derivatives and loan markets. Any of these developments could result in reduced liquidity or increased volatility or could otherwise have a material adverse effect on the value of and return on Notes linked to any such rates.

The UK Benchmarks Regulation is also expected to be repealed and reformed in the near future. It remains to be seen what, if any, changes will be proposed and consequently what, if any, impact any such changes may have on the Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms in making any investment decision with respect to any Notes linked to or referencing a Benchmark.

Fallback arrangements in respect of Benchmarks may have a material adverse effect on the value and liquidity of and return on affected Notes.

Investors should be aware that in the case of Floating Rate Notes, the Conditions of the Notes provide for certain fallback arrangements in the event that a published Benchmark, including EURIBOR or other relevant reference rates ceases to exist or be published or another Benchmark Event (as defined in the Conditions of the Notes) occurs. These fallback arrangements include the possibility that the Rate of Interest could be determined by an Independent Adviser (acting in good faith and in a commercially reasonable manner), without any separate consent or approval of the Noteholders, by reference to a Successor Rate or an Alternative Rate, and

that if a Successor Rate or an Alternative Rate (as the case may be) is so determined, an Adjustment Spread (as defined in the Terms and Conditions of the Notes) shall also be determined by the relevant Independent Adviser, together with the making of certain Benchmark Amendments to the Conditions of such Notes. An Adjustment Spread could be positive, negative or zero. Investors should note that the relevant Independent Adviser will have discretion to determine the applicable Adjustment Spread in the circumstances described in the conditions of the Notes, and in any event an Adjustment Spread may not be effective in of reducing or eliminating any economic prejudice or benefit to investors arising out of the replacement of the relevant Original Reference Rate (as defined in the Conditions of the Notes) with the Successor Rate or the Alternative Rate (as the case may be). The use of a Successor Rate or an Alternative Rate may result in interest payments that are lower than, or otherwise do not correlate over time with, the payments that could have been made on the Notes if the relevant Benchmark continued to be available in its current form.

In certain circumstances the ultimate fallback for the purposes of calculation of interest for a particular Interest Period (as the case may be) may result in the Rate of Interest for the last preceding Interest Period or being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of any Successor Rate or Alternative Rate, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value or liquidity of, and return on, any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

Risks relating to the Spanish withholding tax regime

Under Law 10/2014, income payments in respect of the Notes, other than income payments in respect of Zero Coupon Notes with a maturity of more than twelve (12) months to Personal Income Tax taxpayers, will be made free and clear from withholding tax in Spain.

In particular, article 44 of Royal Decree 1065/2007 sets out the reporting obligations applicable to preference shares and debt instruments issued under Law 10/2014, which are described under "*Taxation - Information about the Notes in connection with Payments*". The procedures apply to interest deriving from preferred securities (*participaciones preferentes*) 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 (12) months.

According to the literal wording of Article 44.5 of Royal Decree 1065/2007, income derived from the abovementioned securities originally registered with the entities that manage clearing systems located outside Spain, and are recognised by Spanish law or by the law of another OECD country (such as Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**)), will be paid free of Spanish withholding tax provided that the Principal Paying Agent appointed by the Issuer submits a statement to the Issuer, the form of which is included in the Agency Agreement.

In accordance with such Article 44 of Royal Decree 1065/2007, the relevant Principal Paying Agent should provide the Issuer with the statement on the business day immediately prior to each interest payment date. The statement must reflect the situation at the close of business of that same day. In the event that on such date, the entity(ies) obliged to provide the declaration fail to do so, the Issuer or the Principal Paying Agent on its behalf will make a withholding at the general rate (currently 19%) on the total amount of the return on the relevant Notes otherwise payable to such entity.

In the case of Notes held by Spanish resident individuals 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 current rate of 19%. For the Issuer to reimburse Zero Coupon Notes with a maturity of more than twelve (12) months, the holders are required to provide the Issuer with the legally required certificate issued by a Spanish financial institution or established in Spain which proves the prior acquisition of such Zero Coupon Notes and the corresponding acquisition price. In accordance with the legislation currently in force, in

the case of failure to provide such certificate, the Issuer will not proceed to pay to the holder the reimbursement thereof. The Issuer or the Principal Paying Agent on its behalf will not gross up payments in respect of any withholding tax arising from such Zero Coupon Notes.

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 the Issuer, the Dealers, the Principal Paying Agent or any clearing system (including Euroclear and Clearstream, Luxembourg) assume any responsibility therefor.

The procedure described in this Base Prospectus for the provision of information required by Spanish laws and regulations is a summary only and neither of the Issuer or the Dealers, assumes any responsibility therefor. In the event that the currently applicable procedures are modified, amended or supplemented by, among other things, any Spanish law, regulation, interpretation or ruling of the Spanish tax authorities, the Issuer will notify the holders of such information procedures and their implications, as the Issuer may be required to apply withholding tax on distributions in respect of the relevant securities if the holders do not comply with such information procedures.

Risks relating to the Insolvency Law and other restructuring regimes

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 amended by Law 16/2022, of 5 September (*Ley 16/2022, de 5 de septiembre, de reforma del texto refundido de la Ley Concursal*) 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.

A debtor (and in the case of a company, its directors) is required to apply for insolvency proceedings when it is not able to meet its current obligations (*insolvencia actual*) within the term of two months as from the moment that it knows that it is insolvent or as from the moment it should have known it is insolvent. The debtor is also entitled to apply for such insolvency proceedings when it expects to become insolvent in the next three months (*insolvencia inminente*).

This obligation to file for insolvency is suspended in case that the debtor files with the Commercial Courts the communication foreseen under Article 585 of the Insolvency Law stating that it has initiated (or has the intention to immediately initiate) negotiations with its creditors to reach a restructuring plan (the **Opening of Negotiations Communication**). The suspension of the relevant duty shall apply while the Opening of Negotiations Communication is in place (i.e. 3 + (3 optional) + 1 months). In addition, some Spanish Commercial Courts have accepted further extensions beyond the statutory framework (in most cases, an additional 3-month extension). However, there is no uniform criterion on this point, and such extensions are not consistently granted across courts.

The Insolvency Law provides, among other things, that: (i) any claim may become subordinated (among other reasons) 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 declaration, the filing of the Opening of Negotiations Communication, or opening of the liquidation phase 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, (a) these shall be deemed as specially privileged up to the value effectively covered by the relevant security, and (b) interests shall keep accruing after the declaration of insolvency up to the lower of (i) the secured amount; and (ii) 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, (a) those accrued prior to the insolvency declaration shall be deemed as specially privileged up to the value effectively covered by the relevant security, and (b) they shall not accrue after the declaration of insolvency, in accordance with Article 152.2 of the Insolvency Law.

Any payments of unsecured interest in respect of debt securities will be subject to the subordination provisions of Article 281.1.3º of the Insolvency Law.

Spanish insolvency and pre-insolvency restructuring rules may, subject to statutory majorities and creditor protections, bind dissenting secured and unsecured creditors and modify the terms of their claims without their consent.

In insolvency proceedings, a court-approved creditors' arrangement (*convenio concursal*) may provide for write-downs (*quitas*) and deferrals (*esperas*) of up to 10 years, and may also include alternative consideration such as debt-to-equity swaps, conversion into other instruments (including *préstamos participativos*), or transfers of assets in payment, in each case within the limits set out in the Insolvency Law

Out of insolvency (and provided that the debtor meets the statutory requirements to access the pre-insolvency restructuring framework, including that it is in a state of *probabilidad de insolvencia* (i.e. where it is objectively foreseeable that the debtor will become insolvent within the next two years) or *insolvencia inminente* and, in certain circumstances, *insolvencia actual*), a court-sanctioned restructuring plan (*plan de reestructuración homologado*) may, subject to the requisite majorities, bind dissenting creditors (including, in certain cases, secured creditors) and impose restructuring measures

The Insolvency Law contains great flexibility in terms of measures that can be imposed as a consequence of the judicial sanction of a restructuring plan. It allows, among others, (i) for the cross-class cram-down of creditors (i.e. a restructuring plan that has not been approved by all classes of creditors can eventually bind dissenting creditors provided that certain conditions are met); (ii) a cram-down for dissenting equity holders if certain conditions are met; or (iii) in limited circumstances, the extension of the effects of the restructuring plan to security interests or corporate guarantees granted by third parties belonging to the same corporate group as the debtor, where enforcement of such guarantees could cause the insolvency of the guarantor and the debtor and subject to the specific statutory requirements and safeguards.

In addition, a restructuring plan may seek (a) to modify the composition, conditions or structure of the debtor's assets and liabilities and/or its equity, including by way of transfers of assets, business units or the business as a going concern and other operational changes necessary to ensure viability; (b) to modify the terms and conditions of affected claims, including changes to maturity dates, principal amounts and/or interest, the conversion of claims into equity, convertible obligations, participating loans (*préstamos participativos*), subordinated debt or any other instrument of different characteristics or ranking, and the modification or extinction of in rem or personal guarantees securing such claims (subject to applicable limitations, including those applicable to public law claims); (c) to introduce and protect interim financing and new financing contemplated by the plan, and to protect certain transactions carried out in the context of, or to implement, the plan against avoidance actions in a subsequent insolvency, subject to the applicable statutory thresholds and requirements; (d) to provide that certain executory contracts are not terminated, accelerated, modified or otherwise adversely affected solely as a result of the filing for or judicial sanction of the plan or analogous circumstances, and (for contracts necessary to continue the business) solely as a result of a change of control contemplated by the plan; and (e) where necessary for the restructuring and to prevent insolvency, to provide for the termination (or modification) of certain contracts with reciprocal pending obligations, with the possibility that any resulting termination indemnity claim is also affected by the plan. Where measures such as the extension of effects to dissenting creditors or shareholders, the termination of contracts, or the protection of interim/new financing are sought under the statutory restructuring plan regime, judicial sanction (*homologación*) of the restructuring plan is required.

The majorities regime envisaged for the purposes of approving a composition agreement with creditors or a restructuring plan also depends on (i) under composition agreements, the type of any intensity of the specific measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.), and (ii) both under composition agreements and restructuring plans 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).

On top of that, when voting on a restructuring plan, affected creditors must be organised into classes reflecting a common interest determined on objective grounds. As a general rule, such common interest is presumed to exist among claims of the same insolvency ranking. However, claims of the same rank may be divided into separate classes where sufficiently justified (for example, due to the financial/non-financial nature of the claim, conflicts of interest, or differences in how the plan affects them). In addition, secured claims generally form a single class, unless the heterogeneity of the collateral justifies their division into two or more classes.

In no case shall subordinated creditors be entitled to vote upon a creditors' agreement during insolvency proceedings, and accordingly, they shall be always subject to the measures contained therein, if passed by the relevant majorities. For these purposes, ordinary and privileged claims acquired by those creditors considered

specially related persons (*personas especialmente relacionadas*) with the insolvent debtor after the declaration of insolvency will not have the right to adhere/vote with those acquired claims for the approval of a composition agreement.

On the other hand, all creditors (including subordinated creditors) that could be affected by a restructuring plan would be entitled to vote it, grouped in classes of creditors sharing a common interest towards the restructuring and subject to the fact that cross-class cram-down is now available under the Insolvency Law provided that certain conditions are met in the context of the restructuring.

In the event of insolvency of the Issuer, under the Insolvency Law, claims relating to the Notes will be ordinary credits (*créditos ordinarios*) as defined by the Insolvency Law, unless they qualify as subordinated credits (*créditos subordinados*) in the limited circumstances set out in Article 281 of the Insolvency Law. Ordinary credits rank below credits against the insolvency state (*créditos contra la masa*) and privileged credits (*créditos privilegiados*).

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 Issuer or in case of approval of a restructuring plan.

Risks related to Notes generally

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 Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

While the Notes are represented by Global Notes, 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 account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg and its participants 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 any Global Note.

Holders of beneficial interests in a Global Note 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 and its participants 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 relevant Notes but will have to rely upon their rights under the Deed of Covenant (as defined below).

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors

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

Change in law

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Denominations

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who as a result of trading such amounts, holds an

amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders 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 related to the market generally

There may not be an active trading market for the Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

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 have been made for the Notes issued under the Base Prospectus to be listed on the Official List and admitted to trading on the Luxembourg Exchange's regulated market, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop or, if developed, it will continue. Accordingly, there can be no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in 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 significantly change (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 (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. 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 if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will 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 Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, reduced, suspended or withdrawn by the rating agency at any time. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. Any issue of Notes under the Programme that exceeds a certain size could result in a downgrade to existing Notes under the Programme and the ratings

assigned to any new Notes issued under the Programme could be lower than the ratings assigned to the Programme. Any such downgrade could have an adverse effect on the ability of the Issuer to raise further financing and may have an adverse effect on the market value and/or the liquidity of the Notes in the secondary market.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

Legal Considerations

Global Minimum Tax

On 22 December 2022, the European Commission approved Directive 2022/2523 ensuring a minimum effective tax rate for multinational enterprise groups and large domestic groups in the EU. The Directive follows closely the Pillar Two rules of the OECD Inclusive Framework on Base Erosion and Profit Shifting and should be transposed by the Member States into domestic law throughout 2023, and should have entered into force for fiscal years starting on 1 January 2024. Pillar Two rules apply to multinational groups with a turnover of more than EUR 750 million and entails a minimum tax of 15% calculated on adjusted accounting profit on a jurisdiction-by-jurisdiction basis. On 21 December 2024, the Spanish Official Gazette published Law 7/2024 that transposes the Directive and approves a domestic top-up tax from 2024. Nonetheless, the Spanish domestic legislation has introduced permanent and transitional safe harbours (aligned with the Directive) to ease the initial compliance burden. In other relevant countries where the Group is present the regulation is enacted or substantially enacted (mainly in the UK and in EU countries). The impact of this new regulation in 2024 was not relevant, since the effective tax rates calculated under Pillar Two rules in most jurisdictions in which the Group operates are above 15%. However, the new regulations entail an important administrative burden.

INFORMATION INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus:

(a) the English translation of the auditors' report and the audited consolidated financial statements as of and for the financial year ended 31 December 2024 of the Issuer as set out on the following pages:

Consolidated Statement of Financial Position as of 31 December 2024	Page 12
Consolidated Income Statement for the Year Ended 2024	Page 13
Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2024	Page 14
Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024	Page 15
Consolidated Statement of Cash Flows for the Year Ended 31 December 2024	Page 17
Notes to the Consolidated Annual Accounts	Pages 18 to 91
Independent Auditor's Report On Consolidated Financial Statements	Pages 2 to 7

Note: the page numbers in the above table refer to the page numbers of the corresponding pdf file.

The above-mentioned auditors' report and the audited consolidated financial statements as of and for the financial year ended 31 December 2024 of the Issuer are available for viewing at:

https://www.redexis.es/media/1785

(b) the English translation of the auditors' report and the audited consolidated financial statements as of and for the year ended 31 December 2023 of the Issuer as set out on the following pages:

Consolidated Statement of Financial Position as of 31 December 2023	Page 13
Consolidated Income Statement for the Year Ended 2023	Page 14
Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2023	Page 15
Consolidated Statement of Changes in Equity for the Year Ended 31 December 2023	Page 16

Consolidated Statement of Cash Flows for the Year Ended 31 December 2023	Page 18
Notes to the Consolidated Annual Accounts	Pages 19 to 90
Independent Auditor's Report On Consolidated Financial Statements	Pages 2 to 8

Note: the page numbers in the above table refer to the page numbers of the corresponding pdf file.

The above-mentioned auditors' report and the audited consolidated financial statements as of and for the financial year ended 31 December 2023 of the Issuer are available for viewing at:

https://www.redexis.es/media/656

(c) the English translation of the Issuer's 2025 First Half Results report as of and for the six-month period ended June 30, 2025, prepared by the Issuer, dated August 2025 as set out on the following pages:

Highlights	Pages 4 and 5
Operational review	Pages 6 to 10
Financial review	Pages 11 to 15
Redexis commitment to ESG	Page 16
Appendix – Cashflow IFRS	Page 20

Note: the page numbers in the above table refer to the page numbers of the corresponding pdf file.

The above-mentioned Issuer's 2025 First Half Results report is available for viewing at:

https://www.redexis.es/media/1561

(d) the English translation of the Issuer's 2024 Full Year Report as of the period ended December 31, 2024, prepared by the Issuer, dated April 2025, available for viewing at:

https://www.redexis.es/media/1549

(e) the English translation of the Issuer's 2024 First Half Results report as of and for the six-month period ended June 30, 2024, prepared by the Issuer, dated September 2024, available for viewing at:

https://www.redexis.es/media/1550

(f) the English translation of the Issuer's 2023 Full Year Report as of the period ended December 31, 2023, prepared by the Issuer, dated May 2024, available for viewing at:

https://www.redexis.es/media/654

(g) the English translation of any future auditors' report and audited consolidated financial statements of the Issuer as of and for a year ended 31 December, which will be available for viewing on:

https://www.redexis.es/investors/financial-information-results

(h) the English translation of the future Issuer's 2026 First Half Results report as of and for the six-month period ended June 30, to be prepared by the Issuer, which will be available for viewing on:

https://www.redexis.es/investors/financial-information-results; and

(i) the terms and conditions of the Notes contained in the previous Base Prospectus dated 14 May 2024, at pages 48-83 (inclusive), prepared by the Issuer in connection with the Programme available at:

https://www.redexis.es/media/1467

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in the information which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents where the information incorporated by reference in this Base Prospectus can be obtained (or will be, as the case may be) on the website of the Issuer (www.redexis.es) and on the website of the Luxembourg Stock Exchange (www.luxse.com).

Any documents or information themselves incorporated by reference in the information incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

(a) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and

(b) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether 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 times 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, as indicated in the applicable Final Terms.

While any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Principal Paying Agent as described therein or (b) only upon the occurrence of an Exchange Event or (c) at any time at the request of the Issuer. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9 (*Events of Default and Enforcement*)) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Principal Paying Agent

requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Permanent Global Notes and Definitive Notes which have an original maturity of more than one year and on all interest coupons relating to such Notes:

"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."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 (*Events of Default and Enforcement*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 19 January 2026 and executed by the Issuer.

Legend appearing on Zero Coupon Notes

The following legend will appear on all Notes and on all receipts and coupons relating to Zero Coupon Notes:

"THE SALE, TRANSFER OR ACQUISITION OF ZERO COUPON NOTES WITH A MATURITY OF MORE THAN TWELVE (12) MONTHS, TO OR BY INDIVIDUALS (*PERSONAS FÍSICAS*) WHO ARE TAX RESIDENT IN SPAIN (EACH A SPANISH INDIVIDUAL) IS FORBIDDEN IN ALL CASES. ANY TRANSFER OF ZERO COUPON NOTES WITH A MATURITY OF MORE THAN TWELVE (12) MONTHS TO OR BY SPANISH INDIVIDUALS IS NOT PERMITTED AND SUCH TRANSFER WILL BE CONSIDERED NULL AND VOID BY THE ISSUER. ACCORDINGLY, THE ISSUER WILL NOT RECOGNISE ANY SPANISH INDIVIDUAL AS AN OWNER OF ZERO COUPON NOTES WITH A MATURITY OF MORE THAN TWELVE (12) MONTHS."

FORM OF FINAL TERMS

The form of the Final Terms will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, as set out below:

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**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, 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 Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU 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 EU 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 Directive 2014/65/EU (as amended, **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.][2]

[**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 neither: (i) 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 of the UK by virtue of the EUWA; nor (ii) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. 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.][3]

[**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 of the United Kingdom (**UK**) by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to

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[1] Legend to be included on front of the Final Terms (i) if the Notes potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[2] Legend to be included if the product governance requirements under MiFID II apply to the relevant Tranche in accordance with Directive (EU) 2021/338 (as implemented in the relevant Member States).

[3] Legend to be included on front of the Final Terms (i) if the Notes potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

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 determined, and hereby notifies all relevant persons (as defined in Section 309(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are 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).][4]

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

Final Terms dated [●]

REDEXIS, S.A.U.

Legal entity identifier (LEI): [●]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the €2,000,000,000

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 Base Prospectus dated 19 January 2026 [and the supplement[s]] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of the Issuer (www.redexis.es) and on the website of the Luxembourg Stock Exchange at www.luxse.com.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated 14 May 2024 under the section entitled "Terms and Conditions of the Notes" which are incorporated by reference in the Base Prospectus dated 19 January 2026. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 19 January 2026 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus in order to obtain all relevant information. The Base Prospectus has been published on the website of Luxembourg Stock Exchange at www.luxse.com.]

The expression **Prospectus Regulation** means Regulation (EU) 2017/1129 of the Issuer (www.redexis.es) and on the website of the European Parliament and of the Council of 14 June 2017, as amended.

[4] Legend to be included on front of the Final Terms if there are sales into Singapore and the Notes do not constitute prescribed capital markets products (as defined under the CMP Regulations 2018).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or federal securities laws. Accordingly, the Notes are being offered and sold outside the United States to persons other than U.S. persons pursuant to Regulation S under the Securities Act (**Regulation S**) (see "*Subscription and Sale*"). The Issuer has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended. The Notes are subject to U.S. tax law requirements.

(Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.)

1.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*provide issue amount/ISIN/Maturity Date/issue date of earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [*date*]][Not Applicable]
2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
4.	Issue Price:		[ ]% of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5.	(a)	Specified Denominations:	[ ] *(Note – where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:* *"€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000.")*
	(b)	Calculation Amount:	[ ] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[specify/Issue Date/Not Applicable]

		(*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
7.	Maturity Date:	[*Fixed rate – specify date/Floating rate* - Interest Payment Date falling in or nearest to [*specify month and year*]]
8.	Interest Basis:	[[ ]% Fixed Rate] [[[ ] month [EURIBOR]] +/- [ ]% Floating Rate] [Zero coupon] (see paragraph [13]/[14]/[15] below)
9.	Redemption[/Payment] Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ]% of their nominal amount (*Note – Zero Coupon Notes may only be redeemed at par or a premium over par*)
10.	Change of Interest Basis:	[(*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 15 and 14 below and identify there*)][Not Applicable]
11.	Put/Call Options:	[Investor Put] [Event Put] [Issuer Call] [Residual Maturity Call] [Substantial Purchase Event] [(see paragraph [17]/[18]/[19]/[20]/[21] below)]
12.	[Date Board approval for issuance of Notes obtained:]	*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[ ]% per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Fixed Coupon Amount(s):	[ ] per Calculation Amount

(Applicable to Notes in definitive form.)

(d)	Fixed Coupon Amount for a short or long Interest Period (**Broken Amount(s)**):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]

(Applicable to Notes in definitive form.)

(e)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)]
(f)	[Determination Date(s):	[[ ] in each year][Not Applicable] *(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
14.	Floating Rate Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
(c)	Additional Business Centre(s):	[ ]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ] (the **Calculation Agent**)
(f)	[Screen Rate Determination:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i) Reference Rate:	[ ] month [EURIBOR]
	(ii) Interest Determination Date(s):	[ ] *(The second day on which the T2 System is open prior to the start of each Interest Period)*
	(iii) Relevant Screen Page:	[ ]
	(iv) Relevant Time:	[ ]
	(v) Relevant Financial Centre:	[ ]

	(g)	[ISDA Determination:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*]
		(i) ISDA Definitions:	[2006 ISDA Definitions / 2021 ISDA Definitions]
		(ii) Floating Rate Option:	[ ]
		(iii) Designated Maturity:	[ ]
		(iv) Reset Date:	[ ] / [the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(b)] above and as specified in the ISDA Definitions]
	(h)	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*)]
	(i)	Margin(s):	[+/-] [ ] % per annum
	(j)	Minimum Rate of Interest:	[ ]% per annum
	(k)	Maximum Rate of Interest:	[ ] % per annum
	(l)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
15.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Accrual Yield:	[ ]% per annum
	(b)	Reference Price:	[ ]
	(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

16.	Notice periods for Condition [Redemption and Purchase – Redemption for taxation reasons]:	Minimum period: [ ] days Maximum period: [ ] days
17.	Issuer Call:	[Applicable/Not Applicable]

			(*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[[ ] per Calculation Amount][Make-whole Amount]
	(c)	Make-whole Amount:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
		(i) Reference Bond:	[ ]/[Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
		(ii) Redemption Margin:	[ ]
		(iii) Financial Adviser:	
		(iv) Quotation Time:	
		(v) Discount Rate:	[ ]/[Not Applicable]
		(vi) Make-whole Exemption Period:	[Not Applicable]/[From (and including) [●] to (but excluding) [●]/the Maturity Date]
	(d)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
	(e)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent*)
18.	Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[ ] per Calculation Amount *(NB: The Optional Redemption Amount must be a specified amount per Calculation Amount)*
	(c)	Notice periods:	Minimum period: [ ] days

			Maximum period: [ ] days *(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*
19.	Event Put:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Material Licence Event:	[Applicable/Not Applicable]
	(b)	Material Disposal Event:	[Applicable/Not Applicable]
	(c)	Change of Control Event:	[Applicable/Not Applicable]
	(d)	Event Put Redemption Amount:	[ ] per Calculation Amount [in respect of a [Material Licence Event/Material Disposal Event/Change of Control Event]] [[ ] per Calculation Amount [in respect of a [Material Licence Event/Material Disposal Event/Change of Control Event]]
	(e)	Event Put Redemption Date:	[ ] days after the last day on which Noteholders are able to exercise the Event Put, being [ ] days after the end of the Relevant Event Period. (*Ensure that this date falls sufficiently after the date referred to in paragraph (f) below)*
	(f)	Period for exercising Event Put:	Not later than the date falling [ ] days after the end of the Relevant Event Period. (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent*)
20.	Residual Maturity Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Date fixed for redemption:	No earlier than [ ]/[three] months before the Maturity Date
21.	Substantial Purchase Event:		[Applicable/Not Applicable]
22.	Final Redemption Amount:		[ ] per Calculation Amount

23.	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	[ ] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	
	(a) Form:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]] [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005][5] (*N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.*)
	(b) New Global Note:	[Yes][No]
25.	Additional Financial Centre(s):	[Not Applicable/give details] (*Note that this paragraph relates to the date of payment and not Interest Period end dates to which subparagraphs 14(c) relates*)
26.	Talons for future Coupons to be attached to Definitive Notes:	[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]

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from

[5] *Include for Notes that are to be offered in Belgium.*

information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **Redexis, S.A.U.**:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(a)	Listing:	[Application has been made by the Issuer (or on its behalf) for the Notes to be listed on [the official list of the Luxembourg Stock Exchange/[ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on [the official list of the Luxembourg Stock Exchange/[ ].]
(b)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of Luxembourg Stock Exchange/[ ] 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 regulated market of Luxembourg Stock Exchange]/[ ] with effect from [ ].] [Not applicable] *(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
(c)	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 (**S&P**)]: [●] [Moody's Investor Services Limited (**Moody's**)]: [●] [Fitch Ratings Limited (**Fitch**)]: [●] [●]:[●] [Each of] [S&P,] [Moody's] [and] [Fitch] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).] [[Each of] [●] is established in the United Kingdom and is registered under 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**).] (*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

[Save for the fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue 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. **USE OF PROCEEDS AND ESTIMATED NET PROCEEDS**

(a)	Use of proceeds:	[The net proceeds from the issue of the Notes will be used for the general corporate purposes of the Issuer and its subsidiaries] / [*if there is any particular identified use of proceeds, this can be stated here*]
(b)	Estimated net proceeds:	[ ]

5. **YIELD** *(Fixed Rate Notes Only)*

Indication of yield:	[[ ]/Not Applicable]

6. **OPERATIONAL INFORMATION**

(a)	ISIN Code:	[ ]
(b)	Common Code:	[ ]
(c)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/give name(s), address(es) and number(s)]
(d)	Delivery:	Delivery [against/free of] payment
(e)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(f)	Intended to be held in a manner which would allow Eurosystem eligibility:	[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 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 these Final Terms, 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. 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.]

7.	**DISTRIBUTION**	
(a)	Method of distribution:	[Syndicated/Non-syndicated]
(b)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(c)	Date of [Subscription] Agreement:	[ ]
(d)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(e)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(f)	U.S. Selling Restrictions:	Reg. S Compliance Category [2]; TEFRA D/TEFRA C/TEFRA not applicable to Notes with a maturity of one year or less
(g)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
(h)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
(i)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*N.B. advice should be taken from Belgian counsel before disapplying this selling restriction*)
(j)	Additional Selling Restrictions:	[Not Applicable/[●]]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Redexis, S.A.U. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note; and

(c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 19 January 2026 and made between the Issuer, The Bank of New York Mellon, London Branch as principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Final Terms) and the Paying Agents are together referred to as the **Agents**.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129, as amended.

Interest-bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or

terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 19 January 2026 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents or the Issuer and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Issuer, as the case may be). If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.luxse.com). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and

binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. STATUS OF THE NOTES

The payment obligations of the Issuer in respect of the principal under the Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and in accordance with the Spanish Insolvency Law approved by 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*) (as amended from time to time, including, without limitation, by virtue of Law 16/2022, of 5 September, the **Spanish Insolvency Law**), but subject to any other ranking that may apply as a result of a mandatory provision of law (or otherwise), upon the insolvency (*concurso*) of the Issuer, such payment obligations of the Issuer under the Notes would rank *pari passu* and rateably without any among themselves and with all other unsubordinated, unprivileged and unsecured indebtedness of the insolvency state of the Issuer, present or future.

In the event of insolvency (concurso) of the Issuer, under the Spanish Insolvency Law, claims relating to the Notes issued by the Issuer (unless they qualify by law as subordinated credits under Article 281.1º of the Spanish Insolvency Law, or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) will be ordinary credits (créditos ordinarios) as defined in the Spanish Insolvency Law. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank above subordinated credits. The accrual of unsecured interest shall be suspended as of the date of declaration of the insolvency (concurso) of the Issuer. Accrued and unpaid unsecured interest due in respect of the Notes issued by the Issuer at the commencement of an insolvency proceeding (concurso) of the Issuer will qualify as subordinated credits ranking in accordance with provisions 281.1.3º of the Spanish Insolvency Law.

3. NEGATIVE PLEDGE

(a) So long as any of the Notes or Coupons remain outstanding (as defined in the Agency Agreement) the Issuer shall not, and the Isser shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee of or, indemnity in respect of, any Relevant Indebtedness, without:

(i) at the same time or prior thereto securing the obligations of the Issuer under the Notes and the Coupons equally and rateably therewith; or

(ii) providing such other security, guarantee, indemnity or other arrangement for the obligations of the Issuer under the Notes and the Coupons as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

(b) In these Conditions:

Holding Company means, in relation to a company or a corporation, any other company or corporation in respect of which it is a Subsidiary.

Permitted Security Interest means any Security Interest created in respect of Relevant Indebtedness of a company or a corporation which has merged with the Issuer or one of the Issuer's Subsidiaries or which has been acquired by the Issuer or one of the Issuer's Subsidiaries, provided that such Security Interest was already in existence at the time of the merger or acquisition, was not created for the purpose of financing the merger or acquisition and secures Relevant Indebtedness which is not increased in amount or extended in maturity following the merger or acquisition.

Relevant Indebtedness means Financial Indebtedness in the form of notes, bonds, debentures, debenture stock, loan stock or other securities which (with the consent of the Issuer thereof) are for the time being capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market.

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.

Subsidiary means, in relation to any Holding Company, a company, corporation or other legal entity:

(i) which is controlled, directly or indirectly, by the Holding Company;

(ii) more than half the issued share capital of which is owned, directly or indirectly, by the Holding Company; or

(iii) which is a subsidiary of another Subsidiary of the Holding Company,

and, for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to determine the composition of the majority of its board of directors or equivalent body.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any relevant Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are partly paid Notes, the aggregate amount paid up); or

(b) in the case of Fixed Rate Notes in definitive form, the **Calculation Amount** as set out in the applicable Final Terms,

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, or the Calculation Amount in the case of Fixed Rate Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest

Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

(c) In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Floating Rate Notes

(a) **Interest Payment Dates**

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 4.2 (*Interest on Floating Rate Notes*) – (a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

I. a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each additional business centre (**Additional Business Centre**) specified in the applicable Final Terms; and

II. either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the real time gross settlement system operated by the Eurosystem, or any successor system (the **T2 System**) is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent under an interest rate swap transaction if the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified in the applicable Final Terms (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR) which appears on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no offered quotation appears or, in the case of (B) above, fewer than three offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the time specified in the preceding paragraph on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the time specified in the preceding paragraph on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate

for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the time specified in the preceding paragraph on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of the Rate of Interest and calculation of Interest Amounts**

The Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent will at or as soon as practicable after, each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are partly paid Notes, the aggregate amount paid up); or

(ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

(A) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(B) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(C) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(D) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(E) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(F) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30; and

(G) (if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest 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 D_2 will be 30.

(e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or, if so specified in the applicable Final Terms, 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 as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated 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 Designated 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 a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) **Notification of Rate of Interest and Interest Amounts**

The Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*). For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 (*Interest on Floating Rate Notes*) by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Benchmark Discontinuation

If the Issuer (in consultation with the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent) determines that a Benchmark Event has occurred 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, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Independent Adviser (acting in good faith and in a commercially reasonable manner) determining, no later than three Business Days prior to the relevant Interest Determination Date, a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.3(a)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4.3(b)) and any Benchmark Amendments (in accordance with Condition 4.3(c) below).

(a) Successor Rate or Alternative Rate

If the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines that:

(i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.3(b) below) 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 subsequent operation of this Condition 4.3); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.3(b)) 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 subsequent operation of this Condition 4.3).

If the Issuer (i) is unable to appoint an Independent Adviser or (ii) the Independent Adviser, acting in good faith and in a commercially reasonable manner, fails to determine a Successor Rate or an Alternative Rate, the fallback provisions set out in Condition 4.2 and the applicable Final Terms, as the case may be, shall continue to apply. For the avoidance of doubt, this Condition 4.3(a) shall apply to the relevant next succeeding Reset Period or Interest Period only and any subsequent Reset Periods or Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.3(a).

(b) Adjustment spread

If a Successor Rate or Alternative Rate is determined in accordance with Condition 4.3(a), the Independent Adviser, acting in good faith, shall determine an Adjustment Spread (which may be expressed as a specified quantum, or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(c) Benchmark Amendments

If any Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 4.3 and the Independent Adviser, following consultation with the Issuer, the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent, determines: (i) that amendments to these Conditions and/or the Agency Agreement are necessary to follow market practice or to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.3(d) below, without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.3(c), 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.

(d) Notice

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.3 will be notified promptly by the Issuer to the Calculation Agent and the Paying Agents and, in accordance with Condition 13 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

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

(i) confirming (A) that a Benchmark Event has occurred, (B) the Successor Rate or, as the case may be, the Alternative Rate, (C) the Adjustment Spread and (D) the specific terms of the Benchmark Events (if any), in each case as determined in accordance with the provisions of this Condition 4.3;

(ii) 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

(iii) certifying that (A) the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above or, if that is not the case, (B) explaining, in reasonable detail, why the Issuer has not done so.

The Principal Paying Agent shall display such certificate at its offices, for inspection by the Noteholders, at all reasonable times during normal business hours.

Each of the Principal Paying 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 Alternative Rate and 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 Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Principal Paying Agent's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 4.3, 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 4.3, 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.

(e) Survival of Original Reference Rate Provisions

Without prejudice to the obligations of the Issuer under Conditions 4.3(a) to (d), the Original Reference Rate and the fallback provisions provided for in Condition 4.2 and the applicable Final Terms, as the case may be, will continue to apply unless and until the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with this Condition 4.3.

(f) Definitions

In these Conditions:

Adjustment Spread means either a spread or quantum (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which is to be applied to the Successor Rate or the Alternative Rate (as applicable) and is the spread, quantum, 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, acting in good faith and in a commercially reasonable manner, determines is recognised or acknowledged as being the industry standard for over-the counter derivative transactions or is in customary market usage in the debt capital market for 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); or

(c) if the Independent Adviser determines that neither (a) nor (b) above applies, the Independent Adviser determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders or Couponholders as a result of the replacement of the Original Reference Rate with 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, acting in good faith and in a commercially reasonable manner, has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes.

Benchmark Amendments has the meaning given to it in Condition 4.3(c).

Benchmark Event means:

(a) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, 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) and (ii) the date falling six months prior to the specified date referred to in (b)(i); or

(c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or

(d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (d)(i); or

(e) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (e)(i); or

(f) it has or will prior to the next Interest Determination Date become unlawful for any Paying Agent, Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or

(g) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative.

Independent Adviser means an independent financial institution of recognised standing or an independent financial adviser with appropriate expertise appointed by the Issuer (at its own expense).

Original Reference Rate means:

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

(b) any Successor Rate or Alternative Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of this Condition 4.3,

as applicable.

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 (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

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

4.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.

5.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

5.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) in the case of Notes in definitive form only, the relevant place of presentation; and

(ii) each Additional Financial Centre specified in the applicable Final Terms; and

(b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the T2 System is open.

5.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.5) (*Redemption at the option of the Noteholders (Event Put)*); and

(f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions.

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

6.2 Redemption for tax reasons

Subject to Condition 6.8 (*Redemption and Purchase – Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable) if:

(a) (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and (ii) such obligations as described under (i) cannot be avoided by the Issuer taking reasonable measures available to it; or

(b) the Spanish tax authorities determine on or after the date of issue of the first Tranche of the Notes that interest payments by the Issuer are subject to Spanish withholding tax,

provided 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 were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall (i) deliver to the Principal Paying Agent a certificate signed by one director 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) use its best efforts to deliver to the Principal Paying Agent an opinion of independent legal advisers of recognised standing addressed to the Issuer to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6.2 (*Redemption and Purchase - Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 6.8 (*Redemption and Purchase – Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to Noteholders in accordance with Condition 13 (*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 Final Terms 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 Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if Make-whole Amount is specified in the applicable Final Terms, will be the higher of (a) 100% of the principal amount outstanding of the Notes to be redeemed and (b) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at (i) the Reference Bond Rate plus the Redemption Margin or (ii) the Discount Rate, in each case as may be specified in the applicable Final Terms. If the Make-whole Exemption Period is specified as applicable and the Issuer gives notice to redeem the Notes during the Make-whole Exemption Period, the Optional Redemption Amount will be 100% of the principal amount outstanding of the Notes to be redeemed.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption.

For the purpose of this Condition:

Discount Rate will be as set out in the applicable Final Terms.

FA Selected Bond means a government security or securities selected by the Financial Adviser 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.

Financial Adviser means the entity so specified in the applicable Final Terms or, if not so specified or such entity is unable or unwilling to act, any financial adviser selected by the Issuer.

Make-whole Exemption Period will be as set out in the applicable Final Terms.

Redemption Margin will be as set out in the applicable Final Terms.

Reference Bond shall the bond so specified in the applicable Final Terms or, if not so specified or if no longer available, the FA Selected Bond.

Reference Bond Price means, with respect to any date of redemption: (a) 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 (b) if the Financial Adviser 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, such date to fall no earlier than the date falling 30 days prior to the date of such notice.

Reference Government Bond Dealer means each of five banks selected by the Issuer, or its affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) 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 Principal Paying 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 Final Terms on the Reference Date quoted in writing to the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent by such Reference Government Bond Dealer.

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 in accordance with Condition 6.3.

6.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 (Notices) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream,

Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

6.5 Redemption at the option of the Noteholders (Event Put)

If Event Put is specified as being applicable in the applicable Final Terms, if a Relevant Event occurs and, within the applicable Relevant Event Period either a Negative Rating Event or a Rating Downgrade occurs, then, unless the Issuer shall have previously given notice under Condition 6.2 (*Redemption for tax reasons*) or Condition 6.3 (*Redemption at the option of the Issuer (Issuer Call)*) or the holder has given notice to redeem some or all of its Notes under Condition 6.4 (*Redemption at the option of the Noteholders (Investor Put)*) or, in respect of the occurrence of a previous Relevant Event, in accordance with this Condition 6.5 (*Redemption at the option of the Noteholders (Event Put)*), upon the holder of any Note giving to the Issuer in accordance with Condition 13 (*Notices*) not later than the date specified in the applicable Final Terms after the end of the Relevant Event Period, the Issuer will, upon the expiry of such notice, redeem such Note on the Event Put Redemption Date specified in the applicable Final Terms and at the Event Put Redemption Amount specified in the applicable Final Terms, together, if appropriate, with interest accrued to (but excluding) the Event Put Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed Put Notice and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such Noteholder's instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Promptly upon the Issuer becoming aware that a Relevant Event has occurred, the Issuer shall give notice (a **Relevant Event Notice**) to Noteholders in accordance with Condition 13 (*Notices*) specifying the nature of the Relevant Event and the procedure and other pertinent information for exercising the Event Put.

For the purpose of this Condition:

acting in concert means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly obtain or constitute control of the Issuer.

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

A **Change of Control Event** shall be deemed to have occurred if any person (or group of persons acting in concert) (other than one or more of the Existing Investors or any of their Affiliates) obtains control, directly or indirectly, of the Issuer.

control means:

(a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(i) cast, directly or indirectly, more than 50% or, after a Listing, 30% of the maximum number of votes that might be cast at a general meeting of the Issuer; or

(ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Issuer or such number of directors which may be necessary, under the constitutional documents of the Issuer or otherwise, to adopt restricted resolutions by the Issuer; or

(iii) give directions with respect to the operating and financial policies of the Issuer with which the directors or other equivalent officers of the Issuer are obliged to comply; or

(b) the holding, beneficially (directly or indirectly) of more than 50%, or, after a Listing, 30% of the issued voting share capital of the Issuer (excluding therefrom share capital that carries no right (or contingent right) to vote).

Disposal Percentage means, in relation to a sale, transfer, lease or other disposal or dispossession of any Disposed Assets, the ratio of (a) the aggregate EBITDA attributable to such Disposed Assets to (b) the consolidated EBITDA of the Group, expressed as a percentage.

Disposed Assets means, where any member of the Group sells, transfers, leases or otherwise disposes of or is dispossessed 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 EBITDA directly attributable to any such undertaking, property or assets continues to accrue to a wholly owned member of the Group), otherwise than to a wholly owned member of the Group, of 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.

EBITDA means the profit for the year of the Group adding the net finance cost of the Group; adding the depreciation and amortisation of the Group; adding the corporate income tax of the Group, adding the non-recurrent adjustment to transmission revenue from previous years of the Group; adding expenses from non-recurrent workforce restructuring of the Group; adding other non-recurrent operating expenses of the Group; and adding impairment losses on non-current assets of the Group, each as determined by the most recent audited consolidated annual accounts of the Group.

Existing Investors means each of Universities Superannuation Scheme, USS (through Chase Gas Investments Limited), ATP, CNIC and GT Fund (through Guotong Romeo Holdings Limited).

Investment Grade Rating means a Rating of at least BBB- or Baa3 (or their respective equivalents at each Rating Agency for the time being).

Listing means a listing of the Issuer or any Holding Company of the Issuer on any investment exchange or any other sale or issue by way of flotation or public offering or any equivalent circumstances in relation to the Issuer or any Holding Company of the Issuer in any jurisdiction or country.

Loss of Relevant Licence means:

(a) the revocation or termination by any event 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

(b) the withdrawal or surrender of any Relevant Licence without such Relevant Licence being replaced, renewed or extended.

A **Material Disposal Event** shall be deemed to have occurred at any time (whether or not approved by the board of directors of the relevant members of the Group) that the sum of all (if any) Disposal Percentages for the Group is more than 35% in any **relevant period**, where relevant period means (i) on or before the third anniversary of the Issue Date of the first Tranche of Notes (the **Initial Issue Date**), the period from and including the Initial Issue Date, and (ii) after the third anniversary of the Initial Issue Date, any period of 36 consecutive months commencing on or after the Initial Issue Date.

A **Material Licence Event** shall be deemed to have occurred at any time (whether or not approved by the board of directors of relevant members of the Group) that the sum of all (if any) Relevant Licence Percentages for the Group is more than 35% in any **relevant period**, where relevant period means (i) on or before the third anniversary of the Initial Issue Date, the period from and including the Initial Issue Date, and (ii) after the third anniversary of the Initial Issue Date, any period of 36 consecutive months commencing on or after the Initial Issue Date.

A **Negative Rating Event** shall be deemed to have occurred in respect of a Relevant Event if there are no Rated Securities at the date of the Relevant Event and either:

(a) the Issuer does not, either prior to or not later than 21 days after the Relevant Event occurs, seek and thereafter through the Relevant Event Period uses all reasonable endeavours to obtain, a rating of the Notes or any other Rateable Debt from a Rating Agency; or

(b) if the Issuer does so seek and uses such endeavours, they are unable to obtain a rating of the Notes or any other Rateable Debt from a Rating Agency of an Investment Grade Rating.

Public Announcement means the date of the Relevant Event Notice or, in the case of a Change of Control Event, any earlier date on which a public announcement or statement is made by the Issuer, any actual or potential bidder or any adviser thereto relating to any potential Change of Control Event where within 180 days following the date of such announcement or statement, a Change of Control Event occurs.

Rateable Debt means any unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more.

Rated Securities means the Notes, if and for so long as they shall have a Rating, and otherwise any Rateable Debt which is Rated.

Rating means a long-term credit rating ascribed by a Rating Agency at the request (or with the consent of) the Issuer and **Rated** shall be construed accordingly.

Rating Agency means any of (a) Fitch Ratings Limited, (b) Moody's Investors Service Limited, (c) S&P Global Ratings Europe Limited, and (d) any other rating agency of similar international standing and (in each case) their respective affiliates and successors and Rating Agencies shall be construed accordingly.

A **Rating Downgrade** shall be deemed to have occurred in respect of the Relevant Event, if there are Rated Securities at the date of the Relevant Event and:

(a) in circumstances where the Rated Securities are assigned an Investment Grade Rating by at least one Rating Agency, an Investment Grade Rating assigned to the Rated Securities by a Rating Agency is withdrawn or reduced to a Rating below an Investment Grade Rating; or

(b) in circumstances where the Rated Securities are not assigned an Investment Grade Rating by at least one Rating Agency, a Rating by one of the Rating Agencies is lowered one full rating notch (for example, Ba1 to Ba2 by Moody's or BB+ to BB by Standard & Poor's or Fitch),

provided that a Rating Downgrade otherwise arising by virtue of a particular reduction in Rating shall not be deemed to have occurred in respect of a particular Relevant Event if the Rating Agency making the reduction in Rating to which this definition would otherwise apply does not announce or publicly confirm, or inform the Issuer in writing, that the reduction was, in whole or in part, the result of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Relevant Event (whether or not the applicable Relevant Event shall have occurred at the time of the Rating Downgrade).

Relevant Event means any one or more Material Licence Event, Material Disposal Event and/or Change of Control Event in each case if specified as applicable in the applicable Final Terms and a Relevant Event shall be deemed to have occurred if any such Relevant Event is deemed to have occurred.

Relevant Event Period means:

(a) if at the time the Relevant Event occurs there are Rated Securities, the period beginning on and including the date of the relevant Public Announcement and ending on the date falling 90 days after the Relevant Event occurs; or

(b) if at the time the Relevant Event occurs there are no Rated Securities, the period beginning on and including the date on which the Relevant Event occurs and ending on the date falling 90 days after the later of (i) 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 (ii) the date of the relevant Public Announcement,

or, in the case of either (a) or (b) above, such longer period in which the 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 any Rating Agency.

Relevant Licence means, from time to time, any licence(s) or other authorisation(s) granted to members of the Group which means that the activity of natural gas distribution and/or transmission cannot be carried on by such member of the Group without such licence, exemption, permission or other authorisation.

Relevant Licence Percentage means, in relation to a Loss of Relevant Licence, the ratio of (a) the aggregate EBITDA associated with such Relevant Licence to (b) the aggregate EBITDA of the Group, expressed as a percentage.

6.6 Redemption at the option of the Issuer (Residual Maturity Call)

If Residual Maturity Call is specified in the applicable Final Terms as being applicable, the Issuer may, on giving not less than 15 nor more than 30 days' notice to the Paying Agents and, in accordance with Condition 13 (*Notices*) the Noteholders (which notice shall be irrevocable and specify the date fixed for redemption), redeem all (but not only some) of the outstanding Notes comprising the relevant Series at their Early Redemption Amount referred to in Condition 6.8 (*Early Redemption Amounts*) above together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than three months before the Maturity Date of the Notes, or such other time period as may be specified in the applicable Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6.6.

6.7 Redemption at the option of the Issuer (Substantial Purchase Event)

If a Substantial Purchase Event is specified in the applicable Final Terms as being applicable and a Substantial Purchase Event has occurred and is continuing, then the Issuer may, subject to having given not less than 15 nor more than 30 days' notice to the Paying Agents and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, at any time, in each case at their Early Redemption Amount referred to in Condition 6.8 (*Early Redemption Amounts*) above, together with any accrued and unpaid interest up to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6.7.

A **Substantial Purchase Event** shall be deemed to have occurred if at least 80 per cent. of the aggregate principal amount of the Notes of the relevant Series originally issued (which for these purposes shall include any further Notes of the same Series issued subsequently) is purchased by, or on behalf of, the Issuer or any Subsidiary of the Issuer in accordance with Condition 6.9 (*Purchases*) (and in each case is cancelled in accordance with Condition 6.10 (*Cancellation*)).

6.8 Early Redemption Amounts

For the purpose of Condition 6.2 above, Condition 6.6 (*Redemption at the option of the Issuer (Residual Maturity Call*)), 6.7 (*Redemption at the option of the Issuer (Substantial Purchase Event*)) and Condition 9.1 (*Events of Default*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = RP \times (1+AY)^{y}$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360 day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360), or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360), or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

6.9 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

6.10 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.9 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

6.11 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.2, 6.3, 6.5, 6.6 or 6.7 above or upon its becoming due and repayable as provided in Condition 9.1 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.8(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

7. TAXATION

All payments in respect of the Notes (and their respective Coupons) by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts in respect of interest and, if so specified in the applicable Final Terms, principal (and premium, if any), as shall be necessary in order that the net amounts received by the holders of the Notes, or their respective Couponholders after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes or their Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Notes or their Coupons:

(a) presented for payment in Spain; or

(b) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5 (*Payments - Payment Day*)); or

(d) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish Corporation Income Tax if the Spanish Tax Authorities determine that the Notes do not comply with applicable exemption requirements including those specified in the Reply to a Non-Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or

(e) to, or to a third party on behalf of, a Spanish resident holder of a Zero Coupon Notes with a maturity of more than twelve (12) months; or

(f) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive such information concerning the identity and tax residence of the holder of the Notes as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish Tax Authorities.

The sale, transfer, or acquisition of Zero Coupon Notes with a maturity of more than twelve (12) months, to or by Spanish Individuals is forbidden in all cases. Any transfer of Zero Coupon Notes with a maturity of more than twelve (12) months to or by Spanish Individuals is not permitted and such transfer will be considered null and void by the Issuer. Accordingly, the Issuer will not recognise any Spanish Individual as an owner of said Zero Coupon Notes with a maturity of more than twelve (12) months.

As used herein:

(i) **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders; and

(ii) **Tax Jurisdiction** means the Kingdom of Spain or any political subdivision or any authority thereof or any authority thereof or therein having power to tax.

8. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 (*Payments - Presentation of definitive Notes and Coupons*) or any Talon which would be void pursuant to Condition 5.2 (*Payments - Presentation of definitive Notes and Coupons*).

9. EVENTS OF DEFAULT AND ENFORCEMENT

9.1 Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

(a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(b) if the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 60 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or

(c)

(i) any Financial Indebtedness of the Issuer or any Material Subsidiary is not paid when due or, as the case may be, within any originally applicable grace period;

(ii) any Financial Indebtedness of the Issuer or any Material Subsidiary 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 Financial Indebtedness of the Issuer or any Material Subsidiary is cancelled or suspended by a creditor of the Issuer or any Material Subsidiary as a result of an event of default (however described).

No Event of Default shall occur under this provision if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within sub-paragraphs (i) to (iii) above is less than the higher of €35,000,000 or 1.5% of the Group's Total Assets (or its equivalent in any other currency or currencies); or

(d) if any order is made by any competent court or resolution passed for the winding up, dissolution, insolvency or any analogous event of the Issuer or any of its Material Subsidiaries (otherwise than for the purposes of or pursuant to an amalgamation, re-organisation, or restructuring while solvent) provided that no Event of Default shall occur if:

(i) any frivolous or vexatious winding-up petition is discharged, stayed or dismissed within 90 days of its commencements; or

(ii) in respect of an attachment or enforcement over assets, the aggregate value exceeds €5,000,000 (or its equivalent in any other currency or currencies); or

(e) if one or more judgment(s) or order(s) for the payment of any amount is rendered against the Issuer or any of its Material Subsidiaries (if any) for any amount in excess of €5,000,000 (or its equivalent in any other currency or currencies) 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; or

(f) if 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; or

(g) if any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its respective rights and perform and comply with its respective 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; or

(h) if the Issuer or any of its Material Subsidiaries ceases to carry on the whole or a substantial part of its business, save for the purposes of a Permitted Reorganisation; or

(i) if all or a material part of the assets owned by the Group is nationalised or compulsorily acquired by the Kingdom of Spain or any subdivision thereof,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

9.2 Definitions

For the purposes of the Conditions:

Accounting Principles means generally accepted accounting principles in The Kingdom of Spain.

Financial 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 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 finance leases;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) required by Accounting Principles to be treated as a borrowing;

(g) any counter indemnity obligation in respect of any guarantee, indemnity, bond, standby or documentary letter of credit or other instrument issued by a bank or financial institution;

(h) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and

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

but in each case excluding:

(i) any such amounts constituting obligations owed by a member of the Group to any other member of the Group; and

(ii) any such amounts constituting indebtedness that is, or is expressed on its terms to be subordinated to, and ranks in order of priority below, the obligations of the Issuer under the Notes and any other Financial Indebtedness that ranks equally and rateably with the Notes.

Group's Total Assets means, the Group's total assets as measured by its most recent audited consolidated annual accounts.

Material Subsidiary means any majority owned or wholly owned subsidiary of the Issuer, the EBITDA of which (consolidated where that subsidiary itself has subsidiaries) accounts for more than 5% or more of the consolidated EBITDA of the Group.

Permitted Reorganisation means the solvent liquidation or reorganisation of any member of the Group (other than the Issuer) (a) to the extent required under applicable law (b) effected to separate the distribution and transmission businesses of the Group into separate sub-groups or (c) for the purpose of the organisational efficiency of the Group.

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. AGENTS

The names of the initial Agents are set out above. The initial specified office of the initial Agents is 160 Queen Victoria Street, London EC4V 4LA, United Kingdom. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4 (*Payments – General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. NOTICES

All notices regarding the Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in London, and (b) if and for so long as the Notes are admitted to trading on, and listed on, the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg or the Luxembourg Stock Exchange's website, www.luxse.com. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on

the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent. While any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS AND MODIFICATION

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes or the Coupons or amending the Deed of Covenant in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders shall be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

(a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of, the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 13 (*Notices*).

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law (except for Condition 2 (*Status of the Notes*) which shall be construed in accordance with Spanish law).

17.2 Submission to jurisdiction

(a) Subject to Condition 17.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**).

(b) For the purposes of this Condition 17.2, the Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

(c) Condition 17.2(a) is for the benefit of Noteholders and Couponholders only. To the extent allowed by law, Noteholders and Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings

in any other court, provided that court would be competent to hear the Dispute pursuant to 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 (recast), or the 2007 Lugano Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters; and (ii) concurrent proceedings in any number of jurisdictions identified in this Condition 17.2(c) that are competent to hear those proceedings (**Proceedings**).

17.3 Appointment of Process Agent

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at Eighth Floor, 100 Bishopsgate, London EC2N 4AG as its agent for service of process in any Proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

17.4 Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be used for the general corporate purposes of the Issuer and its subsidiaries, and any particular identified use of proceeds as may be specified in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

General information

Redexis, S.A.U. (the **Issuer**) was incorporated with limited liability under Spanish law in Madrid on 6 April 2000 under the name of Nubia 2000, S.L., (subsequently Endesa Gas T&D, S.L. and further Redexis Gas S.A.) and adopted its current name in 2021. The Issuer was converted from a *sociedad limitada* to a *sociedad anónima* on 14 March 2014. The registered office of the Issuer is at Calle Mahonia 2, Madrid, with telephone number +34 91 277 7985. The Issuer is registered at the Commercial Registry of Madrid with tax registration number A82625021.

Share capital and major shareholders

The current share capital of the Issuer is one hundred million Euros (€100,000,000) divided into ten million (10,000,000) shares, each having a par value of ten Euros (€10). The share capital is fully paid up, issued and is owned by a sole shareholder, Redexis Energía S.A.

Redexis Energía S.A.'s shareholders are: (i) investment vehicle Guotong Romeo Holdings Limited owned by GT Fund and CNIC; (ii) investment vehicle Chase Gas Investments Limited owned by USS; and (iii) ATP.

GT Fund and CNIC are long-term financial investors whose mandates include investing in high quality infrastructure assets around the world. In this sense, GT Fund, incorporated in Hangzhou, China, in 2016 with AUM of RMB70 billion (c.US$10.4 billion), is a limited partnership with a mandate to invest in infrastructure and renewable energy, advanced manufacturing and/or technologies, medical related industries and consumer products. GT Fund has invested in the Green Energy Fund with AUM of RMB15 billion (c.US$2.4 billion), whose mandate is to invest in the clean energy sector, including natural gas pipelines. CNIC, incorporated in Hong Kong in 2012 with initial capital of c.US$11.1 billion, is an investment company which has a mandate to carry out direct investments as well as co-invest with strategic and industrial partners in infrastructure, resources, advanced manufacturing and major EPC projects worldwide.

ATP is Denmark's largest pension and social security provider and one of Europe's largest pension providers, with 5.6 million members and pension assets exceeding DKK 712 billion.

USS was established in 1974 as the principal pension scheme for universities and higher education institutions in the UK. It has approximately 577,000 scheme members across more than 330 institutions and is one of the largest pension schemes in the UK, with total fund assets of approximately £76.8 billion (as of March 2025).

As at the date of this Base Prospectus: (i) the investment vehicle owned by CNIC and GT Fund owns 33.33% of the share capital in the Issuer; (ii) the investment vehicle owned by USS owns 33.33% of the share capital in the Issuer; and (iii) ATP owns 33.34% of the share capital in the Issuer.

Corporate reorganisation of the Issuer and the Group

The Issuer is the parent company of the Redexis group of companies (hereinafter, the **Group**), dedicated to the construction, operation and maintenance of gas and renewable energy infrastructures such as hydrogen or biomethane.

At the end of 2023, a process of corporate reorganisation was initiated to create a new organisational structure for the development of the future renewable gas production business, separating the regulated activities of natural gas transmission and distribution, and complying with the provisions of Article 63 of the Hydrocarbon Law 34/1998, of 7 October. As a result of this corporate reorganisation, the shares of the Issuer are now wholly owned by its parent company Redexis Energía, S.A., which is therefore the sole shareholder of the Issuer, which has become a single-member company.

The Issuer and its subsidiaries as of the date of this Base Prospectus are listed below:

- The Issuer is the head of the Group and is engaged in the distribution and transmission of all types of gas and oil-based products for residential, commercial and industrial purposes, the use of any by-products, and activities related with the above.
- Redexis Infraestructuras, S.L.U. is devoted to the regasification of liquefied natural gas, natural gas transmission and storage and related and ancillary activities. 100% of its share capital is owned by the Issuer.

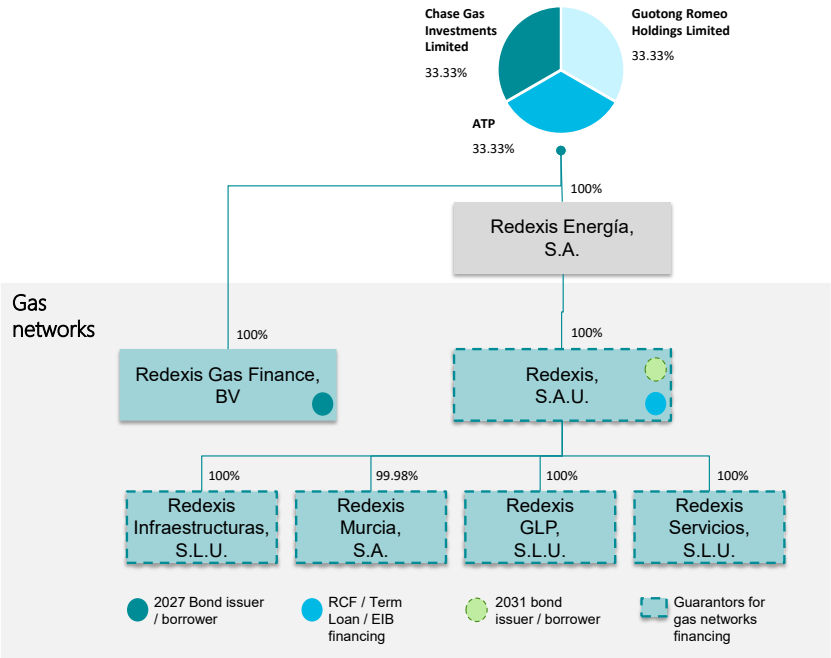
- Redexis GLP, S.L.U. carries out the retail sale and supply of liquefied petroleum gas. 100% of its share capital is owned by the Issuer.
- Redexis Gas Murcia, S.A. is engaged in the distribution and secondary transmission of natural gas, and the distribution and sale of liquefied petroleum gas through pipelines. 99.98% of its share capital is owned by the Issuer.
- Redexis Gas Servicios, S.L.U. is devoted, among others, to the planning, analysis, project, execution, assembly and operation of infrastructures, in addition to the management, advisory and corporate services linked to the energy sector. 100% of its share capital is owned by the Issuer.
- Eficiencia y Red Solar, S.L., is dedicated to renewable energy activities and, specifically, the production, storage and marketing of energy from renewable sources, such as photovoltaic facilities, by means of the corresponding facilities, of its own or of third parties. 100% of its share capital is owned by Redexis Gas Servicios, S.L.U. Since its creation, the company has not been active.

In addition, there are three entities linked to the Issuer:

- Redexis Energía, S.A. is the parent company of the Issuer, which engages in holding activities, including the provision of corporate services for its group companies.
- Redexis Gas Finance, B.V. is a company incorporated to raise funds by issuing debt instruments on capital and money markets. Redexis Gas Finance, B.V. has the same shareholders, and in the same percentage, as Redexis Energía, S.A.
- The Redexis Foundation is an entity dedicated to the promotion of technological innovation aimed at energy transition, to enhance social work and promote the development of local communications through social, cultural, informative and sports projects.

In the context of this corporate reorganisation, on January 2024, Redexis, S.A.U. distributed a €46 million dividend to its sole shareholder Redexis Energía, S.A., charged to distributable reserves, with the main purpose of carrying out the necessary corporate reorganisation, and remaining within Redexis Energía, S.A. group.

As at the date of this Base Prospectus, the corporate structure of the Group is as follows:



The Issuer is authorised to raise funds by issuing debt instruments in the capital and money markets as well as to raise funds in the bank market. The net proceeds from the issue of the Notes will be used for the general corporate purposes of the Issuer and its subsidiaries or for such other purpose as may be specified in the applicable Final Terms.

Efficiency Plan

The Issuer is implementing a Restructuring and Efficiency Plan which contains digitalization and efficiency measures throughout the whole company, including, amongst others, organizational, procurement, maintenance and IT efficiency measures. In this framework, following the proposal made by the Nomination and Remuneration Committee of Redexis Energía S.A., in May 2024 the Board of Directors of Redexis Energía S.A. as parent Company of the Issuer, agreed to initiate a Collective Dismissal Procedure affecting the whole Redexis Energía Group, was negotiated with the union's representatives in the following weeks, and voluntary and non-voluntary dismissals were agreed and completed by December 2024.

Material contracts

The material contracts entered into by the Issuer (other than in its ordinary course of business) which are relevant to its ability to meet its obligations in respect of the Programme are the Programme Agreement and the Agency Agreement.

BUSINESS OVERVIEW

Introduction

The Issuer is an integrated energy infrastructure company that is active in the construction, operation and maintenance of natural gas transmission and distribution networks, the distribution and sale of liquefied petroleum gas (**LPG**) and the promotion of new gas-powered mobility infrastructure, renewable gas and hydrogen.

The Issuer's networks provide access to residential, industrial, and service sector customers.

The Issuer operates under a stable and transparent regulatory framework, which provides long-term visibility for the Group, while incentivising growth and operational outperformance. Most of the Issuer's revenues are regulated.

As of 31 December 2024, the Issuer provided its services to 773,337 connection points throughout Spain and managed a gas distribution and transmission network spanning 12,148 kilometres.

The Issuer has licences to operate in 934 municipalities across 39 provinces of the regions of Aragon, Andalusia, the Balearic Islands, Castile and Leon, Castile-La Mancha, Valencia, Madrid, Murcia, Catalonia, Extremadura, Navarra, and La Rioja in Spain.

The key features of the Group are as follows:

- 96% of the Group's revenues and other income are generated by its regulated activities which benefit from a regulatory framework which is viewed as predictable and sustainable. The Group receives most revenues from a mix of regulated income streams consisting of transmission income (regulated by formula), distribution income (regulated by formula) and regulated income streams ancillary to the distribution business providing for a diversified and stable revenue platform.
- The Group has increased the scale of its regulated activities, not only through the LPG acquisitions as described above in the section *"Key Milestones for the Group*" below, but also through successful organic growth in relation to both distribution and transmission assets and is well above average growth in the sector (Source: Redexis and Enagas GTS). In this regard, the Group's goals are to continue adding new residential and industrial connections and volumes to its distribution networks; to continue the safe, reliable and efficient operation of its transmission and distribution networks; and to facilitate the injection of renewable gases to its networks over the coming years.
- The Group is geographically diversified by region between urban and rural areas and core revenue streams are generated by serving both residential and industrial customers.
- In alignment with the European Union's energy policies, particularly following the publication of the Integrated National Energy and Climate Plan (PNIEC) by the Ministry for Ecological Transition and

the Demographic Challenge, the Issuer remains committed to reducing its carbon footprint. The Issuer has initiated various initiatives to support the transition towards a net zero emissions economy, including collaborative efforts with leading institutions, operators, and equipment manufacturers to explore the integration of hydrogen into distribution networks. Additionally, the Issuer has focused on facilitating the connection of biomethane production plants to its distribution and transmission networks. Since 2021 the Issuer has received approximately 200 biomethane injection requests, has made 55 quotations to customers (of which 45 were accepted) and has commissioned 2 connections.

- The Group facilitates the development of refuelling stations for natural gas vehicles (NGV) promoting its demand as an alternative low carbon fuel in transport.
- The Group has one of the newest asset bases in the Spanish gas sector with corresponding lower associated maintenance and operating expenditure requirements and high renewable gas readiness.
- The Group is managed operationally by region with long serving operational managers. Strategy is set by the management team with focus on the implementation of best practices across all regions.
- The Group continuously seeks to work with contractors, operators, and maintenance companies of the highest calibre to ensure quality is maintained across its businesses. In addition, the Group has a good record of capturing cost efficiencies in network construction and maintenance.
- One of the main focuses of the Group is to improve on a continuous basis, throughout its entire business, the quality and safety of its facilities and of the services it provides.
- The Group uses artificial intelligence algorithms to increase the capture of connection points and optimise network deployment; Robotic Process Automation to streamline business and back-office processes; and mobility tools for efficient field work execution.
- The Group has an Integrated Policy emphasizing environmental excellence, energy management and efficiency, as well as safety and continuous improvement of working conditions and health protection, providing the frame of reference for establishing and reviewing the objectives that the Group aims to achieve.
- The Group is recertified annually for ISO 14001:2015, demonstrating the commitment of all senior management to stakeholders through environmental management systems. Furthermore, the Group is recertified annually for ISO 50001:2018, ensuring the implementation of an optimized system for energy use, and ISO 45001:2018 for its occupational health and safety management system, fostering a safe and healthy work environment for all employees and third parties.
- The Issuer registers its carbon footprint with the Ministry for Ecological Transition and the Demographic Challenge since December 2018, using 2017 as reference year for the calculation. Since 2020 and until 2023, the Issuer reduced its Scope 1 and 2 carbon emission intensity by 12.0%, in terms of Tn CO2/km. GHG emissions were quantified and found in compliance with ISO 14064 for scopes 1, 2 and 3. In 2024 the Issuer obtained the "Calculation + Reduction" certificate from the Ministry for the Ecological Transition and the Demographic Challenge thanks to a 4.82% reduction in the average emissions during 2021-23 period compared to the 2020-22 period.
- The Group voluntarily adopts corporate governance measures, has an internal code of conduct that ensures regulatory compliance and has a protocol to report any irregular behaviour from a regulatory perspective.
- The Issuer is a member of the Spanish Network of the United Nations Global Compact and is committed to supporting, through its activities, the consolidation of this international project, contributing to the achievement of the Sustainable Development Goals (SDG), which constitute the 2030 Agenda.
- The Issuer has a diversified and flexible capital structure tailored to create value and to support its growth strategy. Throughout recent years, the Group has demonstrated its ability to access the capital markets through issuances of investment grade senior unsecured notes for an amount outstanding of €850 million, maturing in 2027 and 2031, and the funding of a sustainable revolving credit facility (**ESG-linked RCF**) for an amount of €300 million, maturing in 2031 (assuming that the two extensions of one year each included in the financing agreement are exercised).

- The Group was eligible to participate in the Corporate Sector Purchase Programme (**CSPP**) announced by the European Central Bank. On 18 July 2016, the Bank of Spain announced that the Issuer was among certain Spanish companies with bonds purchased under the CSPP. The bonds purchased represented a portion of the bonds maturing in 2027.
- In December 2015, the Issuer signed a €160 million facility agreement with the European Investment Bank within the framework of the European Fund for Strategic Investments whose funds were drawn down in July 2016 to roll out transmission and distribution networks throughout the municipalities in which the Group operates. The loan is repayable in 17 equal annual instalments between July 2020 and July 2036.
- In December 2017 and January 2018, the Issuer signed a facility agreement for a total amount of €125 million (€50 million facility agreement signed on 22 December 2017 and €75 million facility agreement signed on 19 January 2018) with the European Investment Bank within the framework of the European Fund for Strategic Investments. In June 2019 and February 2020, €50 million and €75 million were drawn down, respectively, to roll out transmission and distribution networks throughout the municipalities in which the Group operates. Each of the loans are repayable in 17 equal annual instalments between July 2022 and July 2040.
- In June 2022, the Group successfully refinanced its Term Loan maturing in 2023 through a €300 million ESG-linked facility of 7 years tenor (5 years + 2 one-year extensions, up to 2029) with 6 top-class banks. In June 2022, €225 million was drawn down and in 2023 the Group waived the drawdown of €75 million still available to optimise financial cost and structure.
- The Group's senior unsecured bonds are rated BBB- by S&P. This investment grade rating reflects the credit strength of the Issuer's regulated activities and the prudent financial policies applied by the Group.

Key Milestones for the Issuer and the Group

- The Group's strategy is oriented towards sustainable growth, a fundamental axis of its business management.
- The Issuer's team has the ability to identify, acquire and integrate new assets and companies, as demonstrated by recent acquisitions.
- As a consequence of the RGM Acquisition, the Issuer added approximately 114,000 connection points, 35 new municipalities and approximately 2,000 kilometres of pipelines to its gas distribution network. Likewise, with such acquisition, the Issuer added 65 kilometres of the "Moratalla – Mula" gas pipeline to its transmission network. The acquired assets complement the Issuer's diverse geographical footprint and made it a strong market participant in Murcia; a new region for the Issuer with significant growth potential.
- As a result of the Repsol acquisition, in 2015 the Group acquired approximately 71,500 piped LPG connection points from Repsol, out of which 9,500 were integrated in the fourth quarter of 2015 and the rest during 2016. Additionally, in May 2016, the Issuer acquired an additional package of 3,500 connection points from Repsol, which were integrated into its portfolio in the second half of 2016. A total of approximately 75,000 connection points have added more than 700 kilometres to the Group's distribution network.
- Additionally, in 2016 and 2018, the Group acquired approximately 5,235 piped LPG connection points and 224 installations from Cepsa (currently MOEVE), which were integrated into the Issuer's portfolio during 2017 and 2018.
- In 2018, Nedgia and the Group entered into a framework agreement for the purchase of LPG networks and facilities serving around 4,750 supply points. The effective transfer of all assets took place in 2019.
- In 2020, Repsol Butano and the Group entered into a framework agreement for the purchase of LPG networks and facilities serving around 4,230 supply points. The effective transfer of all assets took place in 2023.

- In 2021, the Group entered into framework agreements to acquire LPG networks and facilities from Nedgia and Cepsa (currently MOEVE), serving 14,450 and 2,295 connection points respectively. The effective transfer of assets took place in 2022 and 2023.
- These acquisitions have allowed the Issuer to accelerate its growth and provided a platform on which to increase its number of authorisations to distribute natural gas.

Key operating metrics

The following table sets out the key operating metrics of the Group between the periods indicated:

Operating data	Unit	2023	2024
Connection points			
NG (P<4b)	#	656,031	658,711
LPG	#	116,537	116,279
NG (P>4b)	#	338	347
Total CPs	#	**772,906**	**773,337**
Provinces served	#	**39**	**39**
Municipalities served	#	**929**	**934**
Network length			
Distribution network	Km	10,486	10,503
Transmission network	Km	1,645	1,645
Network length	Km	**12,132**	**12,148**
Energy distributed			
P<4b	GWh	5,487	5,586
LPG	GWh	566	576
4b<P<60b	GWh	9,604	10,416
P>60b	GWh	15,432	16,124
Energy distributed	GWh	**31,089**	**32,703**

Source: Redexis, unaudited

Group Activities

As described below, the Group's activities consist of transmission and distribution of natural gas as well as a series of other related services such as those ancillary to the distribution network or the sale of LPG.

As of 31 December 2024, 96% of the Group's revenue and other income derived from regulated business underpinned by statutorily defined remuneration mechanisms.

For further detail on what these activities entail and the remuneration thereunder see section "*Regulation of the Spanish Gas Sector*".

Overview financial information

The table below includes a summary of the consolidated income statements of the Group.

Key financial indicators	2023 (audited)	2024 (audited)
Data in € million		
Regulated revenues	**223.9**	**218.5**
Regulated distribution revenue	104.6	102.5
Other regulated distribution revenue	27.1	28.8
Regulated transmission revenue	52.4	49.4
Regulated LPG business	39.9	37.9
Other operating income	**22.3**	**17.3**
Self-constructed non-current assets	**14.4**	**9.3**
Supplies	(43.8)	(36.9)
Employee benefits expense	(26.9)	(16.0)
Other recurrent operating expenses	(27.5)	(31.6)
Other non-recurrent operating expenses	0.6	(1.0)

Non-recurrent workforce expenses	(0.0)	(9.6)
Impairment losses on non-current assets	(1.0)	(1.7)
Depreciation and amortisation	(103.3)	(102.0)
Result from operating activities	**58.6**	**46.3**
Finance profit/loss	(35.5)	(37.0)
Result of investments accounted for by the equity method	(0.0)	(0.0)
Profit before income tax	**23.0**	**9.2**
Income tax (expense)/revenue	(5.4)	(1.8)
Profit/loss for the year	**17.7**	**7.5**

The table below includes a summary of the consolidated statement of cash flows of the Group.

Consolidated Statement of Cash Flows	**2023** (audited)	**2024** (audited)
(Data in € million)		
Profit for the year before tax	**23.0**	**9.2**
Adjustment for:		
Depreciation	103.3	102.0
Impairment losses on non-current assets	1.0	1.7
Change in provisions	0.3	3.2
Government grants taken to income	(1.7)	(2.3)
Financial income	(0.7)	(10.4)
Financial costs	36.2	47.4
Cash flow from operating activities	**161.4**	**150.8**
Net change in working capital	**(8.9)**	**(3.4)**
Cash flow from operations	**152.5**	**147.4**
Interest and commissions paid	(33.9)	(35.9)
Interest received	0.7	10.2
Income tax paid	(4.6)	(0.4)
Net cash from operating activities	**114.7**	**121.3**
Payments for purchases of distribution and LPG assets	(1.4)	-
Proceeds from sales of fixed assets	-	11.3
Payments for acquisition of property, plant and equipment	(90.1)	(62.1)
Cash Flow from investing activities	**(91.5)**	**(50.9)**
Net Cash from financing activities		
Proceeds from the disposal of financial assets	-	22.3
Payments for acquisition of financial assets	(2.3)	(8.5)
Payments of loans and borrowings	(12.4)	(20.0)
Proceeds from loans and borrowings	4.7	1.3
Proceeds from the issue of Notes	-	343.3
Dividend paid	-	(46.0)
Proceeds from loans and borrowings with related companies	-	4.4
Payments of lease liabilities	(2.1)	(1.8)
Net cash from financing activities	**(12.0)**	**295.0**
Net increase / decrease in cash and cash equivalents	11.2	365.5
Cash and cash equivalents BOP	81.1	92.3
Cash and cash equivalents EOP	92.3	457.8

Alternative Performance Measures

Profit/loss for the year reconciliation with EBITDA for the year.

EBITDA for the year	2023	2024
(Data in € million)		
Profit/loss for the year	**17.7**	**7.5**
Income tax (expense)/revenue	5.4	1.8
Result of investments accounted for by the equity method	0,0	0.0
Finance profit/loss	35.5	37.0
Other non-recurrent operating expenses	(0.6)	1.0
Non-recurrent workforce expenses	0.0	9.6
Impairment losses on non-current assets	1.0	1.7
Depreciation and amortisation	103.3	102.0
EBITDA	**162.3**	**160.6**

Capex

The table below includes the capital expenditure of the Group.

Capex	2023	2024
(Data in € million)		
Distribution	56.9	28.4
Transmission	0.3	0.3
Intangible assets	5.3	2.3
LPG points purchase and other assets	12.5	1.3
Maintenance	5.4	7.5
Total Capex	**80.4**	**39.8**

Source: Redexis, unaudited

BUSINESS OPERATIONS

Introduction

The Issuer operates gas transmission and distribution networks serving the residential and industrial segments in a geographically diversified footprint across Spain in regions with high renewable gas potential, making it well placed to respond to regional gas demand and contribute to long term decarbonisation goals.

The Issuer provides: (i) primary and secondary transmission networks that connect the mesh grid to the distribution network; and (ii) a distribution network that currently serves 934 municipalities across 39 provinces (as of 31 December 2024).

Geographical spread

The following table sets out the Issuer's transmission assets (as of 31 December 2024):

Regions	Transmission network	
	Length (Km)	Gas pipelines
Andalusia	294	9
Aragon	559	15
Balearic Islands	181	5
Castile and León	360	15
Castile-La Mancha	83	3
Community of Valencia	103	3
Murcia	65	1
Total	**1,645**	**51**

Source: Redexis, unaudited

The following table set out the distribution assets of the Issuer (as of 31 December 2024):

Regions	Connection points (#)	Distribution network (km)	Municipalities served
Andalusia	97,815	1,879	121
Aragon	282,461	2,674	235
Balearic Islands	128,660	1,407	45
Castile and Leon	57,607	841	166
Castile-La Mancha	20,259	316	80
Community of Valencia	29,583	576	59
Murcia	115,207	2,363	37
Extremadura	15,775	203	53
Madrid	6,497	86	44
Catalonia	19,417	157	63
Navarra	494		30
La Rioja	-438		1
Total	**773,337**	**10,503**	**934**

Source: Redexis, unaudited

Existing Network

The Group has a relatively new transmission and distribution network, in which more than 60% of the transmission network was built between 2011 and 2017; and 77% of the distribution network was built after 2005. As a result, the Group considers that it needs to invest less to keep its asset base up to date, while being able to offer good safety ratios.

The gas transmission pipelines are constructed with steel pipes, a material suitable for this type of infrastructure, capable of operating at high pressures, usually between 45 and 70 bars. In addition, all of them are provided with a high-strength polyethylene outer coating which, together with active corrosion protection elements, contributes to extending their useful life.

Likewise, 72% of the transmission network is built with pipes with a diameter between 10 and 12 inches, generating synergies in maintenance, replacement work and acquisitions.

The distribution branches connecting the gas pipeline network to the consumption areas are made of steel, where the network operating pressure is higher than 10 bars, and of polyethylene for the same or lower network operating pressures.

Distribution networks in cities and towns are mostly made of polyethylene, although there are other materials such as steel and, residually, ductile cast iron and copper.

Anti-corrosion protection techniques used by the main gas pipeline operators worldwide are applied to all steel networks of the Issuer, whether gas pipelines or distribution branches. The application techniques increase the useful life of the pipelines and notably reduces the need for repairs, particularly corrective maintenance. Additionally, the systematic use of highly durable and resistant plastic materials extends the useful life of the networks, and thus the Issuer does not foresee the need for the implementation of a long-term asset replacement programme.

Network Operation

For the Issuer, the maintenance of its gas facilities is essential to achieve a satisfactory level of safety, quality and service reliability, and to comply with the regulatory requirements and standards of the sector in which it operates.

The Issuer has a Control or Dispatching Centre from which the main parameters that define the state of its infrastructures are supervised, such as pressure, flow or gas temperature, as well as remote access to the facilities.

Both the primary and secondary transmission pipelines, as well as the singular points of the distribution network, are permanently monitored, which makes it possible to anticipate actions so that the Network Operation is conducted to a good level of safety.

New connections to the network

The Group promotes new accesses to add new residential users, industrial users and renewable gas production plants to its distribution networks.

The amount of investment required for a new access depends on the type of final connection to the network:

- New Households. New connection points of new residential developments.
- Vertical Distribution of Gas (Vertical Saturation). New connection points within a building connected to the Group's distribution network, which requires individual installation at the client's household.
- Horizontal Distribution Gas (Horizontal Saturation). New connection points in buildings not connected to the distribution network. This requires the installation of a vertical riser and other individual facilities for the gas supply to reach each client.
- Expansion of the Network. New connection points in neighbourhoods where there is no distribution network and which require the installation of infrastructure to supply gas to such connection points.
- Commercial/Industrial. New connection points for users within industrial or commercial premises that are not connected to the network. These require the installation of infrastructure to supply gas to such connection points.
- Renewable gas injections. New injection points for renewable gas production plants that are not connected to the network. These require the installation of an injection point and, eventually, network infrastructure.

The Group uses internal models to analyse each investment opportunity internally, and performs a series of tests. The Investment Committee then decides whether to approve such models on the basis of certain investment criteria.

Operational Efficiency Programme

In operational terms, the Issuer focuses its innovation efforts on optimising and managing its assets in order to improve the quality and reliability of the natural gas supply on an ongoing basis, providing more efficient services and products that satisfy consumers' needs in a sustainable manner and ensuring an adequate level of staff knowledge in the Issuer for an optimal use of the technological environment.

The Issuer has continued to develop and use innovative technologies in order to carry out its projects; providing added value to its activities and distinguishing itself in the industry. Among the most significant initiatives are:

- Optimisation Projects which include, amongst others, an optimised trench width and a redesign of the LNG plants, which are adaptable according to the needs of size and penetration in each municipality.
- The use of a new crack resistant polyethylene in the networks, which optimises the civil works and/or construction costs.
- The use of a new multi-layer material that reduces the costs relating to vertical risers.

These innovative projects have assisted with:

- Optimising the design and construction of facilities across all business areas to respond to the demands of new customer bases, contributing to the expansion of the business to new municipalities.
- Implementing and introducing new technological solutions, improving the internal standards and becoming a benchmark for the rest of the sector.
- Installing and implementing more efficient new equipment and materials.
- Improving the operation and safety of facilities across all business areas.
- Ensuring compliance with safety regulations in all areas.

Transmission

The Issuer constructs, operates and maintains its own transmission network. This network is formed by high-pressure gas pipelines, which transport natural gas from the primary network to industrial centres, electric plants or distribution networks, in accordance with relevant legal and regulatory requirements.

The Issuer develops its regional transmission pipelines in regions that gather Group's distribution networks that concentrate a significant number of customers and gas demand. The Issuer operates a transmission network of 1,645 kilometres formed by 51 pipelines. For further details on this see the section "*Overview of the Spanish natural gas sector and its regulation – Remuneration regime*".

In addition, the transmission business is also subject to a licensing regime which is described in the section "*Overview of the Spanish natural gas sector and its regulation – Authorisations and permits*".

Distribution

The Issuer constructs, operates and maintains distribution networks; culminating in the delivery of gas to places of consumption, whether residential households or industrial premises of a municipality. The Issuer allows third parties (retailers and qualified customers) access to its networks, in exchange for the payment of regulatory tolls.

These distribution networks extend from the transmission network nodes, where the pressure is lower (16 bars or less) in the so-called Regulation and Metering Stations, to the end consumers. In cases where there is no gas pipeline coverage in the area, the distribution networks also extend from the LNG plants located in the perimeters of the urban centres for the purposes of carrying the supply from the LNG plants to end consumers.

As of 2024, the Issuer's distribution networks spanned across 9,049 kilometres deployed in 273 municipalities in Spain and operates 657,058 natural gas connection points.

The Issuer also offers a series of regulated services directly related to the distribution of gas to end users, always guaranteeing safety, quality and excellence in the work carried out.

- It rents reception facilities in condominiums.
- It rents metering equipment.
- It performs meter readings at homes where its facilities are installed, to measure the gas consumption made by the user during a given period.
- It guarantees efficiency and safety in the use of its gas reception facilities through periodic inspections.
- It provides a service for network emergencies and reception facilities, ensuring the safety of the facilities.

The regulated remuneration regime for revenues generated by distribution also changed in 2014. For further details see the section "*Overview of the Spanish natural gas sector and its regulation – Remuneration regime*".

In addition, the distribution business is subject to a licensing regime which is described in the section "*Overview of the Spanish natural gas sector and its regulation – Authorisations and permits*".

Liquid Petroleum Gas

Within the framework of its piped gas distribution activity, the Issuer also engages in the distribution and marketing of piped liquefied petroleum gas (**piped LPG**), a regulated activity subject to the regime provided for in Title IV of Act 34/1998 on the hydrocarbon sector.

LPG supply bears certain similarities with that of natural gas, and from a regulatory perspective it is a sector in which the same administrations and regulatory entities (CNMC, MITERD and Autonomous Communities) intervene, although their remuneration scheme is different.

Where natural gas supply is not yet available, the Issuer offers an alternative and supplementary solution through the development of piped LPG distribution facilities and the supply of this fuel to the end customer.

The Issuer currently provides LPG service in 661 municipalities, through 1,452Km networks and serves 116,279 LPG points in the national territory.

Other Business

Management – Joint Directors

As at the date of this Base Prospectus, the joint directors of the Issuer, and their principal activities outside of the Group, where these are significant, are the following:

Name	Date of appointment	Category of Director	Office	Activities outside the Group
Mr. Javier Migoya Peláez	23 February 2024	Executive	Joint Director	N/A
Mr. Marcos Abío Calvete	23 February 2024	Executive	Joint Director	N/A

The Joint Directors have no potential conflicts of interest between their duties to the Issuer and their private interests or other duties.

The business address of the members of the board of directors is calle Mahonia, 2, 28043 Madrid, Spain.

In addition, the Board of Directors of Redexis Energía, S.A., as sole shareholder of the Issuer, has also authorised the update of the Programme according to the By-Laws (duly registered and publicly available at the Madrid Commercial Register) of Redexis Energía, S.A. The financial policies and strategic decisions of Redexis Energía, S.A.'s subsidiaries are subject to its approval as the parent company.

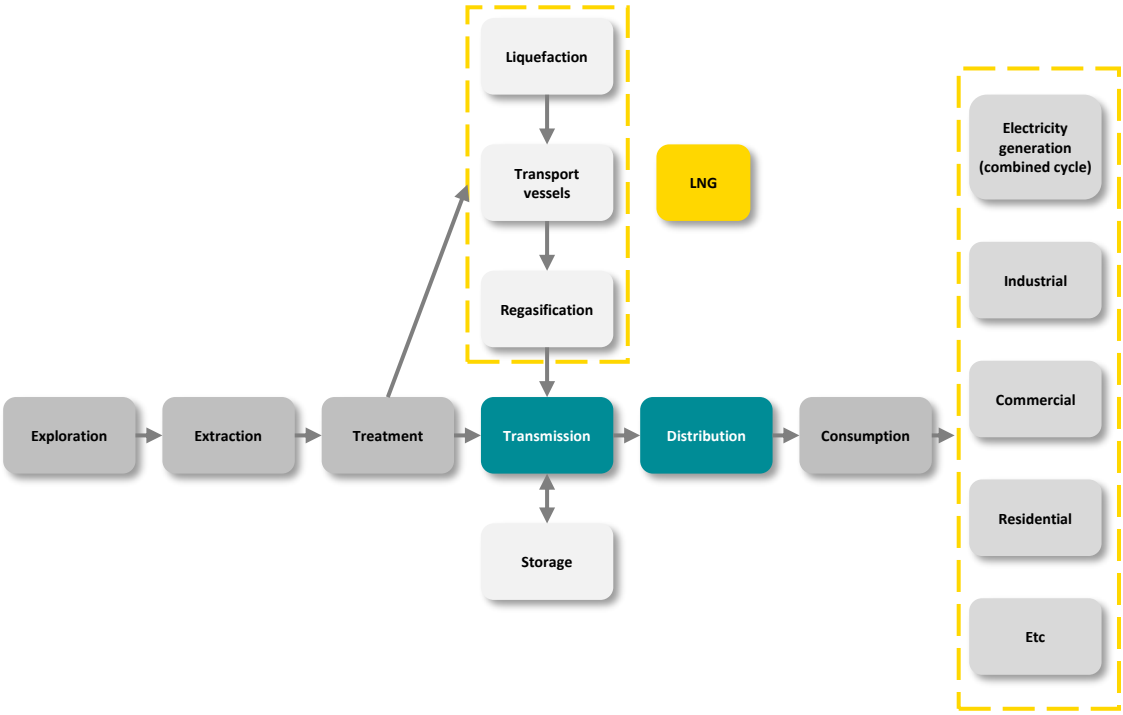
Employees

As of 31 December 2024, the Issuer had 153 employees in the Group (333 as of 31 December 2023).

OVERVIEW OF THE SPANISH NATURAL GAS SECTOR AND ITS REGULATION

Overview of the Spanish natural gas sector

The natural gas sector in Spain is made up of a number of activities and assets involved in bringing natural gas from its points of entry in the Gas System to end users.



According to the 2024 System Operator's (**ENAGAS**) data (**ENAGAS report**, "*Informe Sistema Gasista 2024*"), over 99% of the natural gas used in Spain is imported. Of such imported gas, approximately 40% is imported through international pipelines (from North Africa, France and Portugal) with the other 60% imported through six regasification plants. In 2024, Spain received gas from seventeen different countries including Algeria (39.5%), Russia (21.8%), United States (17.0%), Nigeria (7.3%), France (5.0%), Qatar (3.3%), Portugal (3.6%) and Congo (0.9%).

In addition, according to ENAGAS' report, in Spain conventional natural gas consumption (including industrial and households' consumption) was 3.0% higher in 2024 compared to 2023 and non-conventional natural gas consumption (including production of electricity) in 2023 was 21.8% lower than in 2023. Total natural gas demand in Spain in 2024 was 312 TWh (4.3% lower than the 2022 figure).

Regarding the organisation of the Gas System, it should be noted that supply is liberalised enabling all end users to choose which natural gas supplier to use. Access to the transmission grid is regulated, and it is managed in a transparent and non-discriminatory manner to ensure that suppliers of gas can compete freely. LSH marked the beginning of the liberalisation of the gas supply market in Spain. Since 1998 several players have entered the market, which until that time was mainly operated by Gas Natural (currently, Naturgy). In 2008, the supply market was fully liberalised. Natural gas in Spain can now only be supplied by licenced suppliers, who pay tolls to the Gas System for the use of the transmission and distribution network. It should be noted however that certain consumers can benefit from regulated prices under the "Last Resort Tariff" (*Tarifa de Último Recurso*, **TUR**) regime.

A number of different entities are active in the Spanish natural gas sector, including ENAGAS which operates most of the transmission network, storage facilities and regasification facilities and Nedgia, which operates a large portion of the distribution network. There has been merger and acquisition activity affecting businesses which are active in the Spanish natural gas sector over the last years and as such, there may be further activity affecting entities active in the sector and/or the regulation of the sector as a whole.

Gas System

The Gas System is made up of the following activities and assets:

Transmission

Transmission activities consist of building, operating and maintaining regasification terminals, pipelines and primary storage facilities.

The transmission is carried out by entities that transmit gas through a primary network (high pressure pipelines with a pressure of equal to or higher than 60 bar) or secondary networks (high pressure pipelines with a pressure of more than 16 bar, but less than 60 bar). Those entities also manage the international gas connections. Other premises considered "transmission premises" are re-gasification terminals, strategic storage facilities, or the ancillary facilities required to operate transmission premises. At re-gasification plants the LNG is converted into gas and introduced into the Gas System. With respect to the storage facilities, 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.

Distribution

Distribution activities consist of building, operating and maintaining gas facilities dedicated to place the gas at points of consumption, as well as building, operating and maintaining certain secondary transmission networks, and the installation of final connection points.

The distribution network is in essence comprised of (i) gas pipelines with a pressure equal to or less than 16 bar; (ii) pipelines that distribute gas directly to single customers from the primary and secondary transmission networks irrespective of the pressure; and (iii) other ancillary facilities required to operate distribution premises.

Supply

Supply activities consist of acquiring natural gas with the intention of selling it to end users or to other supply companies at freely agreed terms or to carry out international transits.

Unlike transmission and distribution activities, natural gas supply is a non-regulated activity. This involves buying natural gas from producers or other suppliers and selling it to customers or other suppliers: (i) at market prices (directly to consumers in the market or to those acceding directly to third party gas networks); or (ii) for certain suppliers, at regulated prices, i.e., the TUR.

Gas System operation

The major owner and operator of the gas transmission system, ENAGAS, was appointed as the technical manager of the Gas System by the LSH. In accordance with Directive 2009/73/EC, ENAGAS created separated subsidiaries. One of those subsidiaries is Enagas GTS, S.A.U. (**Enagas GTS**), which undertakes the role and functions of the Gas System and as such it 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, transmission and distribution. 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*). Moreover, Enagas GTS is a separate company from its affiliated company Enagas Transporte, S.A.U., which has been certified for the purposes of Directive 2009/73/EC as an unbundled gas transmission company.

Organised gas market

The RD 984/2015 sets out the regulatory framework for a new organised gas market, similar to that of other European regulated gas markets. Additionally, Law 8/2015 (as defined below) established MIBGAS as the operator of the organised gas market.

Regulation of the natural gas sector

Introduction

The regulation of the natural gas industry in Spain is mainly based on the LSH as amended, *inter alia*, by Royal Decree-Law 6/2000, of 23 June 2000, introducing urgent measures for the increase in competition in the goods and services; Law 12/2007, of 2 July 2007, amending the LSH conforming it to Directive 2003/55/EC,

concerning common rules for the internal market in natural gas (**Law 12/2007**); 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 deviations due to gaps between the costs and revenues of the electricity and gas industries (**RDL 13/2012**); Royal Decree-Law 8/2014, of 4 July 2014, which introduced measures to encourage growth, competitiveness and efficiency (**RDL 8/2014**) as ratified by Law 18/2014; Law 8/2015, of 21 May 2015, modifying LSH and regulating certain tax and non-tax related measures in relation to exploration, investigation and exploitation of hydrocarbons (**Law 8/2015**); RDL 1/2019; Royal Decree-Law 34/2020, of 17 November, on urgent measures to support business solvency and the energy sector, and on tax matters; Royal Decree-Law 6/2022, of 29 March, by which urgent measures are adopted within the framework of the National Plan to respond to the economic and social consequences of the war in Ukraine (**RDL 6/2022**) and Royal Decree-Law 8/2023, of 27 December, adopting measures to address the economic and social consequences arising from the conflicts in Ukraine and the Middle East, as well as to mitigate the effects of the drought.

As described above, one of the most relevant amendments to the LSH was under Law 12/2007, which resulted in the deregulation of the Spanish gas sector with the abolition of the regulated gas supply, in line with the requirements of the Second European Directive 2003/55/EC. Under the current liberalised system, customers are free to select their gas suppliers. Consumers with a consumption below 50,000 kWh per year can opt for a regulated tariff i.e., the TUR, which is provided by the supply company belonging to the distribution company of the area where the consumer is located (*comercializador de último recurso*, **Last Resort Supplier**).

The TUR was established in Law 12/2007, setting the maximum price at which Last Resort Suppliers may charge eligible consumers. As per the Agreement of the Council of Ministers adopted on 3 April 2009, published by Ministerial Order ITC/1251/2009, of 14 May, customers connected to a gas pipeline with a pressure equal to or less than 4 bar and whose annual consumption was less than 50,000 kWh are eligible for the TUR.

Royal Decree 104/2010 of 5 February 2010, by which the entry into force of the last resort supply in the natural gas sector is regulated, included the rights and obligations of Last Resort Suppliers. The methodology to establish the TUR is set in Ministerial Order ITC/1660/2009, of 22 June. The TUR applicable in each period is approved by the General Directorate of Energy Policy and Mining.

RDL 13/2012 further modified the LSH in order to adapt it to Directive 2009/73/EC on the internal market for the gas sector, and it also has approved certain measures in order to correct the increasing tariff deficit in the electric and gas sectors, caused by imbalances between the costs and revenues of the respective systems. The ownership unbundling regime provided for under Directive 2009/73/EC was implemented in Spain by RDL 13/2012.

Law 8/2015 was a milestone in the integration of Spain in the European gas system as, similar to other European countries, a new organised gas market was created, with the expectation that such new organised gas market in Spain became the important market it is today.

The period 2019-2023 is characterised by the succession of temporary measures to, firstly, mitigate the effects of the demand crisis caused by the COVID-19 pandemic, and secondly, the supply crisis caused by Russia's invasion of Ukraine. In the context of the 2021-2023 energy crisis, the Spanish Government adopted several measures to mitigate the impact of the increase in the price of the natural gas in the TUR as well as other measures to protect consumers such as the temporary prohibition to cut the gas supply to vulnerable consumers or a general temporary reduction in the VAT. A temporary TUR for communities of owners valid until June 2024 was also established in RDL 18/2022.

In parallel, there has been in this period an attempt to promote, from a regulatory standpoint, the development of renewable gases. The innovative regulation of the supply of renewable gases through isolated pipelines and direct lines included in the RDL 6/2022 and the RDL 18/2022 can be highlighted. In addition, Circular 2/2025 related to access and connection to the natural gas system has included renewable gases injection point. Furthermore, a specific CNMC Resolution related to other gases production plants' connection to the gas network was published during 2025.

Regulatory provisions to ensure the sustainability of the Gas System

Law 18/2014 introduced a series of measures to encourage growth, competitiveness and efficiency in the Gas System. The underlying rationale behind these measures was the eradication of the deficit in the Gas System by endeavouring to ensure that sufficient revenues are generated to cover all of its costs. Law 18/2014 provides that the revenues generated by the Gas System will be used exclusively to finance the system's costs. It also

provides that the system's revenues should be sufficient to cover its costs, and therefore any measures that would lead to a cost increase or a reduction of revenues must be accompanied by an equivalent decrease in other cost items or a corresponding increase in other revenues.

According to the changes made by the previously mentioned RDL 1/2019, Law 18/2014 establishes that the costs of the Gas System that are to be financed by its revenues are:

- The costs linked to the use of the installations: (i) the remuneration linked to the use of the transport, distribution and LNG installations; (ii) the remuneration linked to the use of the underground storage installations; (iii) the remuneration in respect of the technical management of the Gas System; and
- The costs not linked to the use of the installations: (i) the duty payable to the CNMC and the MITERD; (ii) if any, the cost differential of supplying LNG or manufactured gas and/or propane-air other than natural gas in island territories that do not have a connection to the gas pipeline network or regasification plants, as well as the remuneration of the supply-at-tariff carried out by the distributors in those territories; (iii) demand management measures, if recognised by applicable regulation; (iv) annual payments for temporary imbalances between the revenues and costs of the Gas System, plus interest and any adjustment payments, as described below; (v) the regulated remuneration to the natural gas market operator unless in those remuneration aspects whose approval is attributed to the national regulator by means of approved dispositions of the European Commission; and (vi) any other cost established expressly by a legal provision.

Law 18/2014 also includes measures to correct any short-term imbalances and 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 duties 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.

Law 18/2014, as drafted by RDL 1/2019, and TED/1022/2021 (developing RD 1184/2020) has provided stability to the Gas System, even establishing separate toll settlements procedures by activity and linked to the tariffs so every activity is economically self-sufficient, and gas system charges remain as the way to recover costs not linked to infrastructures such as CNMC fee or pre-2014 deficit. We can highlight that in 2024 (the last year with a final settlement approved by the CNMC), the pre-2014 deficit was reduced to only 30 million euros (less than 3% of its initial figure in 2014).

Special regulation of the natural gas sector

The following is a list of the most relevant Spanish regulatory framework for the natural gas sector:

(a) Law 34/1998 of 7 October 1998 on the Hydrocarbons Sector.

(b) Law 12/2007, of 2 July 2007, amending the LSH conforming it to Directive 2003/55/EC, concerning common rules for the internal market in natural gas.

(c) Law 15/2012, of 27 December 2012, on tax measures for energy sustainability.

(d) Law 3/2013, of 4 June 2013, on the Creation of the National Commission on Markets and Competition.

(e) Law 18/2014, of 15 October 2014 which approves urgent measures to encourage growth, competitiveness and efficiency.

(f) Law 8/2015, of 21 May 2015, modifying LSH and regulating certain tax and non-tax related measures in relation to exploration, investigation and exploitation of hydrocarbons.

(g) Law 7/2021, of 20 May 2021, of climate change and energy transition.

(h) Royal Decree-Law 6/2000, of 23 June 2000, introducing urgent measures for the increase in competition in goods and services.

(i) 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.

(j) Royal Decree-Law 8/2014, of 4 July 2014, approving urgent measures to encourage growth, competitiveness and efficiency.

(k) Royal Decree-Law 13/2014, of 3 October 2014, approving urgent measures in relation to the natural gas sector and ownership of nuclear plants.

(l) 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.

(m) 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**).

(n) 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**).

(o) 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.

(p) Royal Decree 326/2008, of 29 February 2008, establishing the remuneration for transmission of natural gas for installations put into service after 1 January 2008.

(q) Royal Decree 104/2010, of 5 February 2010, on the implementation of the supplier of last resort in the natural gas sector.

(r) Royal Decree 984/2015 of 30 October 2015, regulating the organised market of gas and third party access to the facilities of the natural gas system.

(s) Royal Decree 1184/2020, of 29 December, establishing the methodologies for calculating the gas system charges, the regulated remuneration of basic underground storage facilities and the fees charged for their use.

(t) Ministerial Order ECO/31/2004, of 15 January 2004, establishing the methods for determining the remuneration for regulated activities in the natural gas sector.

(u) Ministerial Order TED/181/2025, of 13 February, approving the Technical Management Rules of the Gas System within ministerial competence..

(v) Ministerial Order ITC/3993/2006, of 29 December 2006, establishing the remuneration for certain regulated activities in the gas industry.

(w) Ministerial Order ITC/3992/2006, of 29 December 2006, establishing the tariffs for natural gas and channelised manufactured gases, meter rental and service line royalties for consumers connected to networks with a supply pressure which is equal to or less than 4 bar.

(x) Ministerial Order ITC 3292/2008, of 14 November 2008, by which the system for the automatic determination of the pre-tax sales tariffs for piped liquefied petroleum gases is modified.

(y) Ministerial Order ITC 1251/2009, of 14 May 2009, which provides for the publication of the Agreement of the Council of Ministers of 3 April 2009, by which the calendar referred to in the fifth transitional provision of Law 12/2007, of 2 July, is amended.

(z) Ministerial Order IET/389/2015, of 5 March 2015, by which the system for the automatic determination of maximum pre-tax sale prices of bottled liquefied petroleum gases is updated and the system for the automatic determination of pre-tax sale tariffs of piped liquefied petroleum gases is modified.

(aa) Ministerial Order TEC/406/2019, of 5 April 2019, establishing energy policy guidelines for the CNMC.

(bb) Ministerial Order TEC/627/2020, of 3 July 2020, establishing energy policy guidelines for the CNMC.

(cc) 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.

(dd) Quarterly Resolutions of the General Directorate for Energy Policy and Mining establishing the last resort tariff of natural gas.

(ee) Circular 2/2019, of 12 of November 2019, of the CNMC, establishing the methodology for calculating the financial remuneration rate for the activities of transmission and distribution of electricity, and regasification, transport and distribution of natural gas.

(ff) Circular 9/2019, of 12 of December 2019, of the CNMC, establishing the methodology for determining the remuneration of natural gas transportation facilities and liquefied natural gas plants.

(gg) Circular 2/2020, of 9 January, of the CNMC, establishing the balancing regulations of the natural gas system.

(hh) Circular 4/2020, of 31 of March 2020, of the CNMC, which establishes the methodology for the remuneration of natural gas distribution.

(ii) Circular 6/2020, of 22 of July 2020, of the CNMC, establishing the methodology for tariffs and tolls related to natural gas transmission, local networks and regasification plants.

(jj) Circular 8/2020, of 2 of December 2020, of the CNMC, establishing the unit reference values for investment and operation and maintenance for the regulatory period 2021- 2026 and the minimum requirements for audits on investments and costs in natural gas transmission facilities and liquefied natural gas plants.

(kk) Circular 2/2025, of 9 of April 2025, of the CNMC, establishing the methodology and conditions for access and capacity allocation in the natural gas system.

(ll) Circular 9/2025, of 22 December, of the CNMC, amending Circular 2/2019, of 12 November, which establishes the methodology for calculating the rate of financial return for electricity transmission and distribution activities, and for the regasification, transmission and distribution of natural gas, and establishing the rate of financial return applicable to electricity transmission, system operation and distribution activities for the 2026–2031 regulatory period.

(mm) Specific and urgent measures adopted in the COVID and Ukrainian crisis with impact in natural gas sector (guarantee of supply, flexibility, limits for last resort tariff TUR, etc.) including administrative measures to promote renewable gases as a response:

(i) Royal Decree-Law 8/2020, of 17 March 2020, on extraordinary urgent measures to address the economic and social impact of COVID-19;

(ii) Royal Decree-Law 11/2020, of 31 March 2020, on the adoption of additional urgent social and economic measures to address COVID-19;

(iii) Royal Decree-Law 26/2020, of 7 July 2020, on economic reactivation measures to address the impact of COVID-19 in the areas of transportation and housing;

(iv) Royal Decree-Law 34/2020, of 17 November 2020, on urgent measures to support business solvency and the energy sector, and on tax matters;

(v) Royal Decree-Law 37/2020, of 22 December 2020, on urgent measures to address situations of social and economic vulnerability in the field of housing and transportation;

(vi) Royal Decree-Law 8/2021, of 4 May 2021, adopting urgent measures in the health, social, and judicial order to be applied after the end of the validity of the state of alarm declared by Royal Decree 926/2020, of 25 October, which declares the state of alarm to contain the spread of infections caused by SARS-CoV-2;

(vii) Royal Decree-Law 17/2021, of 14 September 2021, on urgent measures to mitigate the impact of the rising natural gas prices in the retail gas and electricity markets;

(viii) Royal Decree-Law 21/2021, of 26 October 2021, by which social protection measures are extended to address situations of social and economic vulnerability;

(ix) Royal Decree-Law 29/2021, of 21 December 2021, on the adoption of urgent measures in the energy field for the promotion of electric mobility, self-consumption, and the deployment of renewable energies;

(x) Royal Decree-Law 2/2022, of 22 February 2022, by which urgent measures are adopted for the protection of self-employed workers, for the transition towards structural mechanisms for the defense of employment, and for the economic and social recovery of the island of La Palma, and certain measures are extended to address situations of social and economic vulnerability;

(xi) Royal Decree-Law 6/2022, of 29 March 2022, by which urgent measures are adopted within the framework of the National Plan to respond to the economic and social consequences of the war in Ukraine;

(xii) Royal Decree-Law 11/2022, of 25 June 2022, by which certain measures are adopted and extended to respond to the economic and social consequences of the war in Ukraine, to address situations of social and economic vulnerability, and for the economic and social recovery of the island of La Palma;

(xiii) Royal Decree-Law 14/2022, of 1 August 2022, on measures for economic sustainability in the field of transport, on scholarships and study aids, as well as on savings, energy efficiency, and reduction of natural gas energy dependence;

(xiv) 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;

(xv) Royal Decree-Law 20/2022, of 27 December 2022, on measures to respond to the economic and social consequences of the Ukraine War and to support the reconstruction of the island of La Palma and other situations of vulnerability;

(xvi) Royal Decree-Law 8/2023, of 27 December 2023, by which measures are adopted to address the economic and social consequences arising from the conflicts in Ukraine and the Middle East, as well as to mitigate the effects of the drought; and

(xvii) Royal Decree-Law 4/2024, of 26 June, which extends certain measures to address the economic and social consequences arising from the conflicts in Ukraine and the Middle East and adopts urgent measures in tax, energy, and social matters.

Regulators

The Spanish 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, with the purpose of assuming the competences of several former regulatory bodies such as the former Spanish Energy Commission (*Comisión Nacional de Energía*, **CNE**), which was until that moment the relevant regulatory authority for natural gas.

According to Article 7 of Law 3/2013, the CNMC has the authority to establish through circulars: (i) the structure and methodology for calculating the tolls and fees for basic access services to gas facilities, intended to cover the remuneration associated with the use of transportation, distribution networks, and LNG plants; (ii) the methodology related to access to cross-border gas infrastructures; (iii) the methodology related to the provision of balancing services; (iv) the methodologies used to calculate the conditions for connection and access to gas networks; (v) the methodology, parameters, and asset base for the remuneration of transportation and distribution facilities for natural gas and LNG plants; and (vi) the methodology for calculating the remuneration of the electric system operator and the technical manager of the Gas System.

The CNMC is also the entity responsible for supervising, among others: (i) the separation of activities of transmission, regasification, distribution, storage, and supply in the gas sector; (ii) the conditions of access to storage, including underground storage, LNG tanks, and gas stored in pipelines, as well as other auxiliary services; (iii) compliance by transporters and distributors, and where appropriate, by network owners and by managers of transmission and distribution networks, with the obligations imposed by the applicable regulations; and (iv) transparency and competition in the sector. The CNMC also resolves conflicts of access and connection that may arise between operators, without prejudice to the fact that its decisions can be appealed in the contentious-administrative courts. Finally, until the MITERD assumes this function, the CNMC is in charge of carrying out the settlements of the Gas System.

In addition, the autonomous communities are the relevant authorities with regards to the permitting for building many of the installations comprising the Gas System, as well as their environmental assessment. They also have a certain role in other aspects of the gas market.

Regulated and unregulated activities

According to article 60 of the LSH, the Gas System has been structured around two types of activities: regulated activities and unregulated activities.

Regulated activities

Regulated activities include regasification, primary storage, transmission and distribution of natural gas. The specific regulation to which these activities are subject includes the following aspects envisaged in the LSH:

(a) The building of these facilities requires administrative authorisation.

(b) The facilities must be (with a few exceptions) available for other agents of the Gas System to use, so companies holding these facilities cannot refuse access to their facilities if they have enough capacity, unless they have an inability to meet prior supply commitments, serious financial difficulties or, if the applicant is a non-EU company, in case of failure by its country of origin to offer reciprocal rights to Spanish companies operating in its territory.

(c) As mentioned above, the CNMC establishes by means of circulars the structure and methodology for the calculation of the tolls and fees for the access basic services on the transmission, distribution and LNG installations.

(d) The remuneration values for these activities is set by the CNMC (article 92 of the LSH), through a resolution published on the Spanish Official Gazette.

(e) As indicated, there is a settlement process managed by the CNMC and each company or asset in relation to regulated activities receives, on the basis of monthly payments on account, an annual amount.

In particular, the following should be highlighted regarding transmission and distribution activities:

Transmission

Transmission activities include regasification, basic storage and transmission of natural gas (i.e. activities carried out by transporters).

Transporters are, therefore, companies authorised for the construction, operation and maintenance of gas transmission facilities. The construction, modification, operation and closure of natural gas transmission facilities is subject to prior administrative authorisation, as explained below.

The LSH differentiates between basic storage facilities as opposed to non-basic storage facilities depending on whether the facility in question has been included in the planning on a mandatory or indicative basis. The latter shall not be included in the economic regime of the Gas System.

Companies within the Group which are authorised for the construction, operation and maintenance of gas transmission facilities, are considered transporters and therefore are subject to the conditions mentioned above.

Distribution

Distribution activities are carried out by companies authorised for the construction, operation and maintenance of distribution installations dedicated to delivering gas to consumption points. Such installations include gas pipelines with a pressure equal to or less than 16 bar and any other pipeline which purpose, regardless of its pressure, is to provide gas to a sole consumer from a gas pipeline of the basic secondary transmission network (gas pipelines with a pressure of more than 16 bar, but less than 60 bar).

In line with the requirements of transmission activities, the construction, modification, operation and closure of natural gas distribution facilities are subject to prior administrative authorisation.

Companies within the Group which are authorised for the construction, operation and maintenance of distribution installations dedicated to delivering gas to consumption points, are considered distributors and therefore are subject to the conditions mentioned above.

Unregulated activities

All other activities not included within the scope of the regulated activities described above constitute unregulated activities, including production, non-primary storage and supply of natural gas.

Unregulated activities are 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 TUR, as described above).

The supply of natural gas in Spain is carried out by suppliers which acquire natural gas from producers or other suppliers (i.e. in the over-the-counter market or through the natural gas organised market) for its sale to consumers or to other suppliers, or for international transit, and access the installations of transporters and distributors.

Supplying may only be carried out by companies that have filed a declaration of compliance with all legal requirements with the relevant granting authority prior to the start of their operations.

Unbundling

Regulated activities such as transmission and distribution are subject to certain requirements aimed at the unbundling of each activity within a group. These limitations are set forth in articles 62 and 63 of the LSH, and are in line with EU Directive 2009/73/EC. Even with the recent approval of Directive (UE) 2024/1788, which should be transposed by August 2026, the current structure of Redexis should not need any change.

In this regard, 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 addition to the above, a company that holds transmission assets belonging to the basic natural gas network (*red básica*) should have transmission activity as its sole corporate purpose in the natural gas sector.

As of the date of this Base Prospectus, the Issuer does not carry out non-regulated activities which are material from a revenue perspective, and such non-regulated activities are not linked to the final supply to customers.

The Issuer must comply with the following unbundling obligations, due to the fact that it conducts both transmission and distribution of natural gas activities:

(a) the independence of the managers of companies which carry out regulated activities has to be preserved by protecting their professional interests, in particular with regard to remuneration and dismissal.

Additionally, companies which carry out regulated activities as well as their employees, may not share commercially sensitive information with the companies within their corporate group if those companies engage in liberalised activities;

(b) where a group of companies carry out both transmission and distribution activities, the LSH envisages that those responsible for the management of companies carrying out distribution activities cannot be part of any organisational structure of the group that is responsible, directly or indirectly, for the daily management of the group's transmission activities and vice versa;

(c) a company carrying out regulated activities must have the capacity to take decisions effectively and independently from the group, with regard to the assets needed for its activity. Nevertheless, the group of companies will be entitled to supervise the economic position of the companies as well as the management of such companies, and it is entitled to submit for approval the annual financial plan or establish the overall levels of leverage;

(d) the group will not be able to give instructions to companies carrying out regulated activities in respect of its day-to-day management or in relation to particular decisions referring to the construction or enhancement of distribution assets, provided the relevant companies carrying out regulated activities comply with the financial plan or any equivalent document; and

(e) companies which carry out regulated activities must establish a code of conduct in which the measures adopted in order to comply with the aforementioned requirements are explained. This code of conduct must be sent to the CNMC and the MITERD. A report on compliance with these obligations must be filed with these two administrations every year (prior to 31 March).

As indicated, the CNMC is in charge of monitoring compliance with these obligations.

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. Law 7/2021 of 20 May 2021 (**Law 7/2021**) introduced a new section 6 to article 62 of the LSH according to which company carrying out regulated activities shall not grant loans, provide guarantees, or endorse loans from other group companies or related parties that engage in liberalised activities or other activities unrelated to the Spanish natural gas sector. Loans to companies within the same group that are intended for centralised

treasury management are excluded, provided they do not engage in liberalised activities or other activities unrelated to the Spanish natural gas sector.

Authorisations and permits

Introduction

In order to operate the transmission and distribution of natural gas installations, certain specific sectorial administrative authorisations and permits need to be obtained by any entity wishing to carry out such activities (in addition to other general authorisations and permits which may be required for any given economic activity, or those related to environmental issues).

This regime is regulated by the LSH, while the procedure for the granting of the authorisations is developed by RD 1434/2002. In particular, in accordance with article 67.1 of the LSH a prior authorisation is required for the construction, exploitation, modification, assignment and closure of natural gas facilities belonging to the Gas System.

In accordance with article 70 of the said RD 1434/2002, the first operation or modification of natural gas facility requires the following permits to be granted by the General Directorate for Energy Policy and Mining (*Dirección General de Política Energética y Minas*) (**DGPEM**) when primary transmission network or the relevant regional authority when secondary transmission network and distribution:

(a) Preliminary administrative authorisation (**Administrative Authorisation**).

The Administrative Authorisation, which refers to an undetailed, technical and economical project of a given premise, shall be provided alongside the relevant environmental permit, where applicable, and grants the authorised company the right to execute a specific facility under certain conditions.

(b) Approval of the detailed construction project.

The approval of the detailed construction project affords its holder the right to build or execute the facility.

(c) Start-up certificate.

The start-up certification entitles its holder to start-up the operations on the facility.

The authorisation and permits regime specific to transmission and distribution activities can be summarised as follows:

Transmission

The LSH establishes the non-discriminatory third-party access (**TPA**) to the transmission facilities in the conditions established in the LSH, RD 984/2015 and RD 949/2001 and in exchange for payment of the corresponding tolls.

Entities that intend to operate transmission installations shall demonstrate their compliance with certain requirements related to their legal, technical and economic capacities. In essence:

- Legal capacity: it must be a Spanish trading company (sociedad mercantil) or a company of another EU Member State;
- Technical capacity: which will be directly recognised if it has exercised directly or indirectly transmission activity during the previous three years or this experience is provided by one of its shareholders, provided it holds at least 25% of the share capital; and
- Financial capacity: which will be directly recognised if the company counts with a certain amount of its equity dedicated to the transmission activity (the bigger figure of the following two: €5,000,000 or 25% of the budget for the facilities to be authorised).

A guarantee amounting to 2% of the budget of the project has to be provided by the transmission company.

Administrative Authorisations are granted preferably through a public tender. However, under certain specific circumstances, direct award of the authorisation is also envisaged (e.g. when a facility is part of the basic natural gas network, the authorisation of the construction and operation may be granted directly to the entity operating most of the installations of the basic natural gas network).

The relevant authority for the award of the authorisations regarding the facilities that belong to the basic natural gas network is the MITERD, taking into account the process regulated by the RD 984/2015 for the new local primary transmission pipelines. For secondary transmission facilities Administrative Authorisations are awarded by the MITERD only if their scope is not limited to a single Autonomous Community, in which case, the relevant authority would be the specific Autonomous Community.

Distribution

As mentioned, the distribution business is a regulated activity subject to an authorisation regime under the LSH. The procedure for the granting of the authorisations is developed by RD 1434/2002 for the cases in which the autonomous communities do not have detailed regulations.

According to the LSH, the authorisations for the construction and operation of the distribution installations must be granted preferably to the distribution company of that area. In the event that no such distributor currently operates in that area, the authority will take a decision which shall be driven by the principle of cost efficiency for the Gas System, as well as the natural monopoly in the transmission and distribution and single network principles.

The LSH establishes the non-discriminatory TPA for other agents of the Gas System to the distribution facilities in the conditions established in the LSH, RD 984/2015 and RD 949/2001 and in exchange for payment of the corresponding tolls.

In order to obtain the referred Administrative Authorisation, distributors must specifically comply with the following requirements:

- legal capacity: it must be a Spanish limited liability company (*sociedad anónima*) or a company of another EU Member State;
- technical capacity: which will be directly recognised if it has exercised directly or indirectly distribution activity during the previous three years or this experience is provided by one of its shareholders, provided it holds at least 25% of the share capital; and
- economical capacity: which will be directly recognised if the company has a certain amount of its equity dedicated to distribution activities (this will be the larger amount of the following: €1,000,000 or 50% of the budget for the facilities which are to be authorised).

A guarantee amounting to 2% of the budget of the project needs to be provided by the distribution company.

The relevant authority for the award of the Administrative Authorisations regarding the distribution facilities is the relevant body of the Autonomous Community. If the project affects more than one Autonomous Community or expands beyond its geographical limits thereof, the relevant authority for the award of the Administrative Authorisations is the MITERD.

Several distribution companies may compete for the award of the same Administrative Authorisation.

Circumstances where a distribution or transmission authorisation can be withdrawn

The following are circumstances under which a granted authorisation can be withdrawn:

- Non-compliance with the conditions or requirements set forth in the authorisations or the substantial modification of the grounds that justified their granting may result in the revocation of the said authorisations.
- In addition, the commission of a very serious infringement by the entity that was awarded the authorisation may result in the revocation or suspension of the authorisation and the subsequent temporal ineligibility for the development of the regulated activity for a period of up to one year (e.g. misleading manipulation aimed at altering the natural gas prices; non-compliance with the maintenance requirements of the facilities, when it results in a clear danger to people, assets or the environment; unjustified denial of third party access, etc.).

The relevant administration may enforce the 2% guarantee that needs to be posted in order to be granted with the Administrative Authorisation.

The Issuer and its subsidiaries have never been the subject of a licence withdrawal, nor have they ever applied for a material change for any of their licences.

TPA

As stated above, the LSH establishes that companies which carry out distribution and transmission activities must allow TPA to access their facilities under the conditions established in the LSH, RD 984/2015 and RD 949/2001 and in exchange for payment of the corresponding tolls.

This TPA has to be based on the principles of non-discrimination, transparency and objectivity, and its actual performance is monitored by the relevant energy authorities (mainly, the CNMC).

The distribution and transmission companies may only refuse access to the network or TPA if the entity seeking access to the network lacks the necessary capacity or in case the applicant has not make the corresponding payments or placed the required guarantees. The refusal must be justifiable. The lack of the necessary capacity may only be justified on the grounds of security, regularity or quality of the supplies in line with the demands laid down in the regulations.

However, it should be noted that the tolls that the transmission and distribution companies charge for allowing third parties to use their facilities are not direct remuneration for them as they are part of the Gas System revenues (as explained below).

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 through an amendment of Law 3/2013. For this reason, the CNMC is entitled to pass the regulation on the remuneration of regulated activities following the energy policy guidelines approved by the Spanish Government. Last guidelines approved by the Ministry have been TED/463/2024, TED/1193/2024 and TED/1318/2025.

As already mentioned, Law 3/2013 assigns the CNMC the authority to establish, by means of a circular, the structure and methodology for the calculation of tolls (*peajes*) and fees (*cargos*) for basic access services to gas facilities intended to cover the remuneration associated with the use of the transmission and distribution network's facilities and LNG plants. On this basis, the CNMC passed Circular 6/2020 of 22 of July 2020, of the CNMC, establishing the methodology for tariffs and tolls related to natural gas transmission, local networks and regasification plants (**Circular 6/2020**).

Considering the above, the CNMC yearly approves, through a resolution, the amount of the tolls to access the transmission and distribution networks. Tolls and fees must also comply with the following principles set out in article 92 of the LSH: (i) ensure the recovery of the investment made in facilities during their useful life; (ii) to allow a reasonable return on the investment; and (iii) to promote an effective management and an improvement of the productivity which shall be passed to the users.

Taking into account those principles, the tolls shall be set on the basis of the following: (i) gas demand forecast; (ii) remuneration of regulated activities; (iii) forecast for the use of regasification, storage and transmission and distribution facilities; and (iv) variation resulting from the application of the settlement arrangements from the previous year.

The tolls are comprised of two terms: (i) a fixed term regardless of the gas consumed and its cost; and (ii) a floating term depending on the activity and volume of gas consumed.

Remuneration regime

Overview

LSH establishes that the transmission and distribution activities, as regulated activities, are subject to a specific remuneration regime to be paid through the TUR, tolls, fees, charges and paid prices.

The remuneration regime is set forth in Circular 4/2020 for distribution activities and in Circular 9/2019 for the transmission activities and LNG plants. The formulas contained therein provide the remuneration for a given facility in a certain year. Therefore, the overall remuneration of a company consists of the sum of the remuneration allocated to each of its facilities.

These Circulars are publicly available on the CNMC website and have been published in the Spanish Official Gazette.

Remuneration of the regulated activities

According to Law 18/2014, the principle of economic and financial sustainability understood as the system's ability to cover its costs applies. For this, the remuneration methodology for the regulated activities shall consider the necessary cost to carry out the activities by an efficient and well-managed company. This allows for an adequate remuneration for a low-risk activity.

The remuneration parameters for regulated activities shall be established for regulatory periods of six years. Automatic update formulas will not be applied to the investment values, remuneration or any parameter used for its calculation. With regards to the transmission facilities, the financial retribution rate is calculated according to Circular 2/2019 of 12 of November 2019 (**Circular 2/2019**) and was set for the 2021-2026 period at 5.44%.

As stated above, the CNMC establishes different methodologies for determining the remuneration applicable to distribution and transmission activities. In both cases, the current regulatory period began on 1 January 2021, ending on 31 December 2026. On this basis, the CNMC will approve the remuneration applicable to each calendar year for companies carrying out activities of LNG regasification plants, transmission and distribution while the MITERD will approve the same for natural gas underground basic storage, prior report issued by the CNMC.

Transmission

As indicated above, LSH provides that the transmission activity is subject to a specific remuneration regime. The basis of the remuneration scheme for the current regulatory period (2021-2026) is set out in Circular 9/2019.

This methodology is based on criteria of economic efficiency, transparency, objectivity and non-discrimination and the following general principles apply:

(a) Establish an appropriate remuneration for a low-risk activity.

(b) Ensure the recovery of the investments made by the holders during the useful life of their investments.

(c) Allow a reasonable return on the financial resources invested.

(d) Determine a remuneration system for operating costs that encourages efficient management and improved productivity, which must be passed on in part to users and consumers.

(e) Contribute to the economic and financial sustainability of the natural gas system.

(f) Consider the necessary costs to carry out the activity by an efficient and well-managed company in accordance with the principle of carrying out the activity at the lowest cost for the gas system with homogeneous criteria throughout the Spanish territory, without prejudice to the specificities foreseen for the insular and extra-peninsular.

Calculation

The remuneration for the gas year "a" of a company "e" owner of natural gas transmission facility and/or LNG plants is as follows:

$$R_a^e = RInv_a^e + RO\&M_a^e + ARPE_a^e + RSAE_a^e + RIIT_a^e$$

where,

$RInv_a^e$: Remuneration for investment which aims to recover the investments made and obtain a reasonable return. This term includes:

- The remuneration for depreciation, which is applied to all facilities that makes up the Regulatory Facilities Base with Individualised Remuneration that belongs to the backbone network. In addition, it will be applied to the facilities belonging to LNG plants built before 1 January 2021, and to primary transmission facilities of local influence with prior administrative authorization granted before 1 January 2021 that were awarded directly.

Depreciation will be obtained by applying to the recognised investment value a rate corresponding to its useful life (the regulatory life is set at 40 years for all pipelines and 30 years for natural gas regulation and measuring stations). This remuneration will be effective from the date of commissioning of the facility until the end of its regulatory useful life, closure or when the net investment value is zero.

- Financial remuneration, will be calculated by applying a financial remuneration rate, based on the average WACC capital of the transmission activity (for the regulatory period 2021-2026, this rate is established in Circular 2/2019, and it is set at 5.44%), to the net investment value. This term is calculated for those facilities with individualised remuneration, having effects from the date of commissioning until the end of its regulatory useful life or closure.

- Remuneration based on the gas processed through to the set of facilities belonging to the same primary transmission project of local influence awarded in a competitive bidding procedure, or a new directly awarded LNG plant with prior administrative authorisation granted after 31 December 2020 onwards. This term will be obtained by multiplying the gas annually transmitted or processed by a unit remuneration coefficient (it is the average unit remuneration obtained by dividing the remuneration for depreciation and financial remuneration to be received during the regulatory useful life of the set of facilities initially awarded, by the amount of gas considered by company in the justification of the economic and financial sustainability of the investment).

- Financial remuneration for the gas acquisition of minimum fill level, will be calculated by applying the financial remuneration rate to the value of each gas purchase for minimum fill level. The accrual date will be the date on which the gas is reliably incorporated into the facility, or failing this, the date that occurs later between the date of acquisition of the gas and the date of the certificate of commissioning of the facility for which the gas is intended. On the other hand, it shall be null from the earliest of the following dates: the date of closure of the facility containing the gas, or the date of the gas delivery to the ENAGAS GTS, if this is recoverable, for its use as operating gas.

$RO\&M_a^e$: Remuneration for operation and maintenance, which includes:

- Remuneration for those transmission facilities to which the standard unit costs apply. This term will be obtained by applying the reference unit costs of O&M in force. These unit reference values are set in Circular 8/2020.

- Another term is included covering those costs that are not considered in the O&M unit values. This remuneration concept includes, at least, the following costs: (i) capitalized operating expenses audited and admitted with the maximum amount of realizable investment in each year; (ii) acquisition costs of the operating gas for transmission, excluding consumption at cogeneration facilities that discharge to the grid and that is imputable to the exported electricity production; (iii) acquisition costs of odorant, net of any income that may be received for the provision of odorization services to other transporters, distributors or other agents; (iv) cost of electricity supply for liquefied natural gas plants and for electric motors in compressor stations, net of any income that may be received from the sale of electricity; (v) cost increases from 1 January 2021 for municipal fees for public domain occupancy and for port fees for port domain occupancy.

$ARPE_a^e$: Remuneration adjustments for productivity and efficiency gains. This term includes:

- Remuneration for the extended regulatory lifetime of facilities. This term tries to incentivise those facilities whose regulatory lifetime has expired to be kept under operation provided they are available to operate, receiving increased remuneration for operation and maintenance.

- Supply continuity remuneration. A transitional remuneration is established for this term during the 2021-2026 regulatory period, which will be calculated based on the supply continuity remuneration recognised in 2020, adjusted by specific coefficients to be applied during the regulatory period: ¾ * 95% in 2021, 80% in 2022, 65% in 2023, 50% in 2024, 35% in 2025 and 20% in 2026.

- Remuneration for productivity improvements in operating and maintenance costs which allows to keep part of the O&M cost efficiencies achieved during the previous regulatory period.

- Incentive corresponding to the settlement of gas shortfalls determined in accordance with article 5 of Order ITC 3128/2011, of 17 November which regulated certain aspects related to third-party access to gas facilities and the remuneration of regulated activities. In the event the annual shortfall is negative, the CNMC will assess half of the shortfall using the average annual gas price in the generated year. This amount will increase the remuneration. On the contrary, whereas this annual shortfall is positive, the CNMC will perform the same calculation, deducting the resulting amount from the remuneration.

- Incentive remuneration for the development of natural gas in maritime and land transport trying to promote the use of natural gas as a fuel in these means of transport. This term is calculated by multiplying the gas invoiced for service stations connected to the transmission network and the LNG invoiced in regasification plants for its use as maritime fuel by a unit remuneration term defined by the CNMC (currently it is set at 0.5 €/MWh by means of Circular 9/2019).

$RSAE_a^e$: Remuneration for facilities in special administrative situations, which includes the transitory remuneration for those facilities affected by a suspension in the processing of the operating authorization and the remuneration for facilities with a singular economic regime and of a temporary nature as is the case of the provision of logistics services of liquefied natural gas.

$RIIT_a^e$: Remuneration for investments with cross-border impacts arising from the application of Article 12 of Regulation (EU) No. 347/2013, or provision replacing it.

Additionally, as mentioned above, in order to include a principle of financial prudence required to the holders of natural gas transmission assets, a penalty is established for those companies whose ratios are outside the recommended ranges of values set forth in the fifth section of the CNMC Communication 1/2019. In this regard, a penalty up to 1% of companies' remuneration is imposed from 2024 in case of non-complying with the global index of ratios defined by the CNMC.

Distribution

As indicated, LSH set forth that the distribution activity is subject to a specific remuneration regime. The basis of the remuneration scheme for the current regulatory period (2021-2026) is set in Circular 4/2020.

Calculation

According to Circular 4/2020, the remuneration for the gas year "a" of a natural gas distribution company "e" will be calculated as follows:

$$RD_a^e = RDE_{2020}^e + RDM_a^e + RTD_a^e + IM_a^e$$

where:

RDE_{2020}^e: Base remuneration, defined as the distribution remuneration for the existing market as of 31 December 2020, for company "e" for the regulatory period 2021-2026. It is calculated by subtracting the specific adjustment for the distribution activity for the regulatory period 2021-2026

applicable to the company to the definitive distribution remuneration for company "e" in the year 2020 (calculated according to Annex X of Law 18/2014):

$$RDE^{e}_{2020} = RDE^{e}_{Annex\ X} - ADD^{e}_{2020}$$

RDM^{e}_{a}: Remuneration for market development, defined as the remuneration for the distribution activity in service from 1 January 2021 until 30 September of the gas year "a". This value will be determined through the following formula:

$$RDM^{e}_{a} = RPS^{mg}_{p\leq 4b} \text{ x } \Delta PS^{mg}_{p\leq 4b} + RPS^{mgr}_{p\leq 4b} \text{x } \Delta PS^{mgr}_{p\leq 4b} + RGS^{50\ MWh}_{p\leq 4b} \text{x } \Delta GSF^{50\ MWh,e}_{p\leq 4b} + RGS^{8\ GWh}_{p\leq 4b} \text{x } \Delta GSF^{8\ GWh,e}_{p\leq 4b} + RGS^{Resto}_{p<60b} \text{ x } \Delta GSF^{Resto,e}_{p<60b} + RGS^{NPS}_{4<P<60b} \text{x } GSF^{NPS,e}_{4<P<60b} + RGS_{EESS} \text{ x } GSF^{e}_{EESS}$$

where:

$RPS^{mg}_{p\leq 4b}$: is the unit remuneration per supply point (PS) connected to distribution networks with a maximum designed pressure less than or equal to 4 bar in gasified municipalities. This value is set at 50.47 €/PS for the 2021-2026 regulatory period by means of Circular 4/2020.

$\Delta PS^{mg}_{p\leq 4b}$: is the variation in the number of supply points connected to distribution networks of company "e" with a maximum design pressure 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.

$RPS^{mgr}_{p\leq 4b}$: is the unit remuneration per supply point (PS) connected to distribution networks with a maximum designed pressure less than or equal to 4 bar in new gasified municipalities. This value is set at 70.66 €/PS for the 2021-2026 regulatory period by means of Circular 4/2020.

$\Delta PS^{mgr}_{p\leq 4b}$: is the variation in the number of supply points connected to distribution networks of company "e" with a maximum design pressure less than or equal to 4 bar in new 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.

$RGS^{50\ MWh}_{p\leq 4b}$: is the unit remuneration for natural gas supplied and invoiced to supply points connected to distribution networks with a maximum design pressure less than or equal to 4 bar and with annual consumption less than or equal to 50 MWh. This value is set at 7.57 €/MWh for the 2021-2026 regulatory period by means of Circular 4/2020.

$\Delta GSF^{50\ MWh,e}_{p\leq 4b}$: 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 less than or equal to 4 bar and with annual consumption less than or equal to 50 MWh, calculated as the difference between the quantities of gas invoiced in gas year "a" and gas year 2020 for this type of supply point.

$RGS^{8\ GWh}_{p\leq 4b}$: is the unit remuneration for natural gas supplied and invoiced to supply points connected to distribution networks with a maximum design pressure less than or equal to 4 bar and an annual consumption larger than 50 MWh and less than 8 GWh. This value is set at 4.53 €/MWh for the 2021-2026 regulatory period by means of Circular 4/2020.

$\Delta GSF^{8\ GWh,e}_{p\leq 4b}$: 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 less than or equal to 4 bar and an annual consumption larger than 50 MWh and less than 8 GWh, calculated as the difference between the quantities of gas invoiced in gas year "a" and gas year 2020 for this type of supply point.

$RGS_{p<60b}^{Resto}$: is the unit remuneration 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 maximum design pressure less than or equal to 4 bar and with an annual consumption larger than 8 GWh. This value is set at 1.26€/MWh for the 2021-2026 regulatory period by means of Circular 4/2020.

$\Delta GSF_{p<60b}^{Resto,e}$: 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 between 4 and 60 bar and to those connected to distribution networks with a maximum design pressure less than or equal to 4 bar and with an annual consumption larger than 8 GWh, calculated as the difference between the quantities of gas invoiced in gas year "a" and gas year 2020 for this type of supply point.

$RGS_{4<P<60b}^{NPS}$: is the additional unit remuneration 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, during the first 5 years of gas since the supply point starts consumption. This value is set at 0.5€/MWh for the 2021-2026 regulatory period by means of Circular 4/2020.

$GSF_{4<P<60b}^{NPS,e}$: is the amount of gas supplied and invoiced in gas year "a" by a company "e" corresponding 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, during the first 5 years of gas since the supply point starts consumption.

RGS_{EESS}: is the additional unit remuneration for natural gas invoiced to supply points connected to the distribution network corresponding to service stations for its sale as natural gas for vehicles. This value is set at 0.5 €/MWh for the 2021-2026 regulatory period by means of Circular 4/2020.

GSF_{EESS}^{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 for its sale as natural gas for vehicles.

RTD_a^e: Transitory distribution remuneration. A transitory distribution remuneration is established for the gas year "a" of a company "e" to carry out in the regulatory period 2021-2026 a gradual application of the of the remuneration adjustment for the distribution activity according to the following percentages:

(Jan 21-Sep 21)	(Oct 21-Sep 22)	(Oct 22-Sep 23)	(Oct 23-Sep 24)	(Oct 24-Sep 25)	(Oct 25- Sep 26)
¾*85%* AAD_{2020}^{e}	70%AAD_{2020}^{e}	50%AAD_{2020}^{e}	35%AAD_{2020}^{e}	15%AAD_{2020}^{e}	0%AAD_{2020}^{e}

IM_a^e: 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 the Ministerial Order IET/2446/2013, of 27 December 2013.

Additionally, as mentioned above, in order to include a principle of financial prudence required to the holders of natural gas distribution assets, a penalty is established for those companies whose ratios are outside the recommended ranges of values set forth in the fifth section of the CNMC Communication 1/2019. In this regard, a penalty up to 1% of companies' remuneration is imposed from 2024 in case of non-complying with the global index of ratios defined by the CNMC.

Remuneration received by Group under the regulatory regime

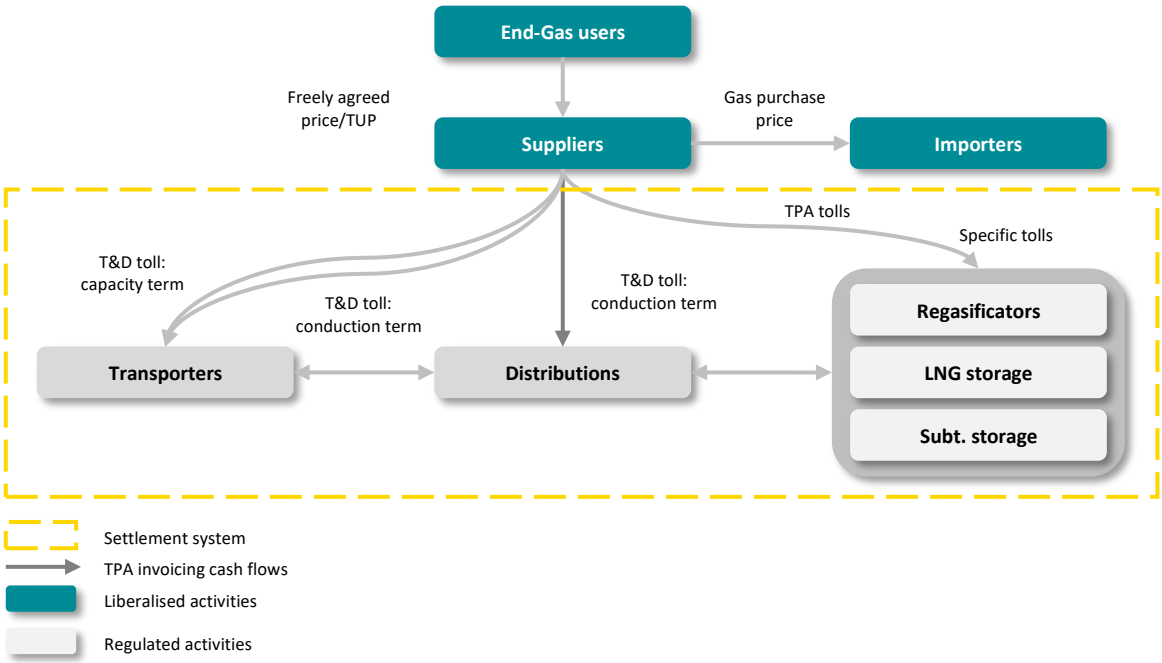
As stated, the specific remuneration awarded each year for distribution and transmission companies is calculated in accordance with the aforementioned formulas and by means of a CNMC's resolution. In this regard, in accordance with Resolution of 27 May 2024, of the National Commission for Markets and Competition, which establishes the remuneration for the gas year 2026 for the companies that carry out the regulated activities of liquefied natural gas plants, transmission and distribution of natural gas (**Resolution of 27 May 2026**) the total provisional regulated remuneration for the Group for 2026 will be €156.8 million, such figure including remuneration awarded to RGM.

With respect to the remuneration for 2026, the following aspects regarding the remuneration established by Resolution of 27 May 2025, should be highlighted:

- The rate of return applicable to the regulated remuneration corresponding to the gas sector for the year 2026 accounts for 5.44 for transmission activity and for 5.83 for distribution activity, calculated in accordance with Circular 2/2019.
- Resolution of 27 May 2025 has provisionally assigned €58.9 million of remuneration to the entities of the Group carrying out transmission activities (including RGM) and €97.8 million to the entities of the Group carrying out distribution activities (including RGM).

Settlement system

The settlement procedure for the Group's transmission and distribution activities can be summarised in the following chart:



As stated above, the transmission and distribution activities, as regulated activities within the natural gas sector, are part of the gas settlement system regulated in RD 949/2001. During the 2021-2026 period regulatory review process, Ministerial Order TED/1022/2021 was published. The Ministerial Order regulated settlement processes of the regulated activities, tolls, charges and fees (*cánones*) with specific destinations in the gas sector. According to the Ministerial Order, independent settlements shall be applied to each regulated activity: transmission, distribution, regasification and underground storage; and an additional settlement of incomes and payments for charges (related to costs not associated to facilities use). In addition, calendar was adapted to the gas year (from October to September of the following year). Finally, new agents were included in the process, such as the gas market operator.

The gas settlement system is an integrated economic system created to remunerate the natural gas sector's regulated activities, based on cost and revenues information related to these activities. This system establishes a structure of payments and charges for the companies involved, based on provisional and final settlements.

The settlement procedure considers net settlement incomes as the difference between settlement incomes and retributions and settlement costs. On this basis, settlement incomes derived from: (i) tolls, fees and charges including premiums from capacity auctions and penalties; (ii) regulated tariffs in insular territories; (iii) amounts gathered for the remuneration of the technical manager of the Gas System (i.e., ENAGAS); (iv) negative balances resulting from inspections; and (v) any other considered by other regulation. On the other hand, settlement costs include: (i) the acquisition of operational gas intended for basic underground storage; (ii) payments for the application of the interruptibility; (iii) provision of services and activities carried out by the CNMC and the MITERD; (iv) positive balances resulting from inspections; (v) acquisition costs and remuneration tariffs in insular territories; and (vi) any other considered by regulation.

The settlement system comprises 14 monthly provisional settlements prior to the final settlement. The final settlement is carried out after inspections before 1 September of the year n+1. The final settlement either positive or negative for each agent will result in an amount to be received or paid, which must be settled within 15 days from its notification.

Regarding the specific operation of the settlement system, as a result of Law 3/2013, the CNE's duties and responsibilities in respect of the management of the settlement process described above are to be assumed by the MITERD. However, as stated above, in accordance with the Fourth Transitory Provision of said Law 3/2013, the CNMC shall keep performing these functions until the MITERD shall have the appropriate means for that purpose.

The aforementioned system of payments and revenue on account may be summarised as follows:

- Prior to the 25th day of each month, all agents bound to this settlement procedure are required to submit before the CNMC certain required information to determine the amount to be settled.
- The CNMC, based on the information provided from each agent, shall calculate the payments and incomes as well as the retribution for the corresponding term.
- The monthly payments and incomes for any agent shall be calculated as the difference between the payments and the income corresponding to each agent, on the period which is being settled and the prior one.
- Proposals of settlement must be notified before the last day of the month following the submission of the information.
- The agents that are to make settlement payments are required to pay them within 15 days after notice of the payment obligations. They are required to notify the CNMC within three days after making payment.

The CNMC, as a part of each of the settlements, is required to calculate how much has been received by each agent engaged in regulated activities, and how much each of the agents actually should receive based on their compensation scheme and the result of their activities for the period under consideration. The CNMC shall determine which operators are required to pay and which operators are entitled to receive the corresponding differences.

After making this calculation, and in order to reduce the risk of non-payment, the CNMC is required to prepare a payment matrix, pursuant to which all debtor transporters and distributors pay all creditor transporters and distributors. The CNMC is required to notify this matrix to those engaged in activities subject to the settlement system, in order for the transporters and distributors that are required to make payments to do so within the term of 15 days.

In summary, it should be noted that: only suppliers have direct contact to end-customers (both liberalised and TUR customers).

- Suppliers collect income for the use of the entire national gas network on behalf of all players.
- TPA tolls are charged to suppliers for the utilisation of the facilities to deliver gas to their end-customers.
- TPA tolls are set annually through a resolution issued by the CNMC on the basis of Circular 6/2020.

- The settlement systems are designed to redistribute TPA tolls collected between the various regulated entities in line with each entity's published remuneration amounts due. This is achieved through a matrix of payments between the operating entities, with no payments made to or from the "system" itself.
- The Group issues an invoice directly to suppliers.
- Most of the gas supplied in Spain is traded by large vertically integrated utilities with relatively strong credit quality, such as Endesa or Naturgy.
- In case a supplier defaults, it would be replaced by a Last Resort Supplier, which could delay the payment by approximately two months.
- End consumers, who are not paying their gas bills timely, could be disconnected from the network (the Group would disconnect an end user after being notified by a supplier).

LPG Distribution and supply

LPG Distribution and supply remuneration is directly received from the customer, and the cost of the raw material bought from the wholesalers are directly paid to the wholesaler, both being regulated prices (Ministerial Orders IET/389/2015, ITC/3292/2008 and Resolution, dated 4 December 2025, issued by DGPEM).

Regulated prices for LPG distribution are calculated as the sum of the following:

- Raw material costs: defined as the international reference quotes of the different components (propane and butane from Algeria and the North Sea) and includes their freight costs; these are updated on a monthly basis.
- Supply costs: which includes the cost for transporting LPG to end consumers; these are updated annually every July and are higher for the distribution of piped LPG to end users than for bulk LPG transfer to distributors.

Current regulated prices for piped LPG to end users consist of the following:

- A fixed term (€/month): includes the fixed part of the supply costs.
- A floating term (€cents/kg), include the variable part of supply and raw material costs.

	Commercial costs	
	Distributors	Final consumers
Fixed term (€/month)	-	1.58
Floating term (€cents/kg)	63.9324	78.7088

The regulated supply margin for a distributor of piped LPG is therefore approximately € cents14.78/kg plus €1.59/month.

Additional regulatory developments

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. Applying these standards, the CNMC intends to monitor entities performing regulated activities within the hydrocarbons sector to assess whether they have an adequate economic-financial capacity; are properly capitalised; and have a sustainable debt structure, with a view to

monitoring their ability to meet the necessary investment commitments, as well as the operation and maintenance of the networks. In addition, under Circular 1/2019, of 12 December 2019, which establishes the methodology to determine the remuneration of the natural gas transmission installations and of the LNG installations and under Circular 4/2020, of 31 March 2020, which establishes the remuneration methodology of natural gas distribution, a penalty up to 1% of the regulated revenues of the Company is imposed from 2024 in case of non-compliance with the global index of ratios defined by the CNMC in the terms set out by these Circulars. The Group currently does not comply with the global index ratios defined by the CNMC and therefore is subject to this penalty.

Tariff deficit

No tariff deficit is foreseen in the upcoming years according to the sector estimates.

From 2014 onwards, settlement surpluses have been applied to reduce 2014 deficit. In this sense, 2024 final settlement (last published one) arose a €0.4 million surplus that was applied to reduce the 2014 deficit and new deficit amount receivable as of 30 September 2025 after the partial repayment amounts to €30.6 million (3% of the initial figure).

CNMC Circular 2025 calendar

On December 2024, the CNMC published the calendar for regulatory Circulars scheduled to begin in 2025, which includes, among others:

- Draft Circular amending Circular 9/2019, of 12 December, establishing the methodology for determining the remuneration of natural gas transmission facilities and liquefied natural gas plants.
- Draft Circular establishing the financial remuneration rate for regasification, transport, technical management of the system and activities related to the distribution of natural gas for the 2027-2032 regulatory period, in application of Circular 2/2019.
- Draft Circular amending Circular 4/2020, of 31 March, establishing the methodology for remuneration for natural gas distribution.
- Draft Circular establishing the methodology for calculating transport, local network and natural gas regasification tolls for the 2027-2032 regulatory period.

From previous calendar, amendment of Circular 8/2019, of 12 December, establishing the methodology and conditions for access and capacity allocation in the natural gas system was finally adapted to a new regulation (Circular 2/2025, already mentioned) including renewable gases disposals.

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 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 analysis is a general description of the tax treatment under Spanish legislation without prejudice of regional tax regimes that may be applicable.

This taxation summary solely addresses the principal Spanish tax consequences of the acquisition, the ownership and disposal of Notes issued by the Issuer after the date hereof held by a holder of Notes. 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). 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 law. 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 Base Prospectus 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 investors 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.

1. 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 regulation, supervision and solvency of credit entities, as well as Royal Decree 1065/2007, of 27 July, as amended, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes (**RD 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, and Royal Decree 439/2007 of 30 March promulgating the PIT Regulations, along with Law 19/1991 of 6 June, on Wealth Tax, Law 29/1987, of 18 December on the Inheritance and Gift Tax and Law 38/2022 of 27 December for the Establishment of Temporary Energy Taxes and Taxes on Credit Institutions and Financial Credit Establishments and which Creates the Temporary Solidarity Tax on Large Fortunes and Modifies Certain Tax Regulations;

(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, and Royal Decree 634/2015, of 10 July promulgating the CIT Regulations; 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**), Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the NRIT Law, and Royal Decree 1776/2004 of 30 July promulgating the NRIT Regulations, along with Law 29/1987, of 18 December on the Inheritance and Gift Tax, Law 19/1991 of 6 June, on Wealth Tax and Law 38/2022 of 27 December for the Establishment of Temporary Energy Taxes and Taxes on Credit Institutions and Financial Credit Establishments and which Creates the Temporary Solidarity Tax on Large Fortunes.

Whatever the nature and residence of the beneficial owner, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, according to Article 388 of the Securities Market Law, approved by Law 6/2023, of 18 March, i.e., exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of 24

September and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December regulating such tax.

2. Individuals with Tax Residency in Spain

2.1 Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)

Spanish Individuals with tax residency in Spain are subject to PIT on a worldwide basis. Accordingly, income obtained from the Notes will be taxed in Spain when obtained by persons 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 being 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 a flat rate of 19 per cent. on the first €6,000, 21 per cent. for taxable income between €6,001 and €50,000, 23 per cent. for taxable income between €50,001 and €200,000, 27 per cent. for taxable income between €200,001 and €300,000, and 30 per cent. for taxable income exceeding €300,000.

Negative income derived from the transfer of the Notes, in the event that the Noteholder had acquired other homogeneous securities within the two months prior or subsequent to such transfer or exchange, shall be included in his or her Personal Income Tax taxable base as and when the remaining homogeneous securities are transferred.

When calculating the net income, expenses related to the management and deposit of the Notes will be deductible, excluding those pertaining to discretionary or individual portfolio management.

Article 44 of the Royal Decree 1065/2007 has established information procedures for debt instruments issued under the Law 10/2014 (which do not require identification of the Noteholders) and has provided that the interest will be paid by the Issuer to the Principal Paying Agent for the gross amount, provided that such information procedures are complied with, so that any payment under the Notes (other than Zero Coupon Notes with a maturity of more than twelve -12- months) will not be subject to withholding tax to the extent that the simplified information procedures (which do not require identification of the Noteholders) are complied with by the Principal Paying Agent as it is described under "*Taxation - Information about the Notes in connection with Payments*". If these information procedures are not complied within the manner indicated, the Issuer will withhold at the general rate applicable from time to time, and the Issuer will pay the relevant additional amounts as will result in receipt by the Noteholder of such amounts as would have been received by them had no such withholding or deduction been required.

However, in the case of such Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the general rate of 19% which will be made by the depositary or custodian.

In addition, with respect to Zero Coupon Notes with a maturity of more than twelve (12) months, the information procedures set out in the Personal Income Tax Regulations would also need to be observed.

For that reason, the Issuer will proceed to reimburse Zero Coupon Notes with a maturity of more than twelve (12) months provided that the holder thereof accredits their prior acquisition and the

corresponding acquisition price by means of the legally required certificate that has been issued by a Spanish financial institution or established in Spain. In accordance with the legislation currently in force, in case of failure to provide such certificate, the Issuer will not proceed to pay to the holder the reimbursement thereof.

Amounts withheld may be credited against the final Personal Income Tax liability.

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are individuals resident in Spain for tax purposes.

2.2 Net Wealth Tax (Impuesto sobre Patrimonio)

Net Wealth Tax may be levied in Spain on resident individuals, on a worldwide basis.

Individuals with tax residency in Spain are subject to Net Wealth Tax to the extent that their net worth exceeds €700,000. Therefore, they should take into account the 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. without prejudice to specific rules that may have been approved by the Spanish Autonomous Regions.

The actual collection of this tax depends on the regulations of each Autonomous Region. Thus, investors should consult their tax advisers according to the particulars of their situation.

2.3 Temporary Solidarity Tax on Large Fortunes (Impuesto Temporal de Solidaridad a las Grandes Fortunas)

The Temporary Solidarity Tax on Large Fortunes may be levied in Spain on tax resident individuals, on a worldwide basis.

Individuals with tax residency in Spain are subject to the Temporary Solidarity Tax on Large Fortunes to the extent that their net worth exceeds €3,000,000. Therefore, they should take into account the value of the Notes which they hold as of 31 December each year, the applicable rates ranging between 1.7 per cent. and 3.5 per cent. Notwithstanding the above, 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 €3,700,000.00.

Since the Spanish Autonomous Regions apply the current regional Net Wealth Tax (as described above), in order to avoid double taxation, the amount paid for the current regional Net Wealth Tax should be deductible from the Temporary Solidarity Tax on Large Fortunes.

2.4 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 as set out in Law 29/1987, of 18 December (the **IGT Law**), being payable by the person who acquires the securities, at an applicable tax rate ranging from 0 per cent. (full exemption) to 81.60 per cent. according to the IGT Law. However, final effective taxation may vary depending on relevant factors (such as the specific regulations imposed by each Spanish region, the amount of the pre-existing assets of the taxpayer and the degree of kinship with the deceased or donor).

As the actual collection of this tax depends on the regulations of each Autonomous Community, investors should consult their tax advisers according to the particulars of their situation.

3. Legal Entities with Tax Residency in Spain

3.1 Corporate Income Tax (Impuesto sobre Sociedades)

Legal entities with tax residency in Spain are subject to CIT on a worldwide basis.

Both, interest received periodically and income derived from the transfer, redemption or repayment of the Notes are subject to CIT (at the current general tax rate of 25 per cent.) in accordance with the rules for this tax.

Please note that there are reduced CIT rates depending on the annual net turnover of the taxpayer, as follows:

(i) For entities whose net turnover for the immediately preceding fiscal year is less than €1 million, the following rates will apply:

a. For the portion of the taxable base between €0 and €50,000, at a rate of 17 per cent.

b. For the remaining portion of the taxable base, at a rate of 20 per cent.

(ii) For entities whose net turnover for the immediately preceding fiscal year is less than €10 million, a 20 per cent. rate will apply.

(iii) Newly created entities that engage in economic activities will be taxed at a rate of 15 per cent. for the first fiscal year in which the taxable base is positive and for the following year.

(iv) It should be noted that the reduced CIT rates of 20 per cent., 17 per cent., and 15 per cent. will not apply to entities that are considered passive holding companies, as defined in Section 2 of article 5 of the CIT Law.

In accordance with Law 10/2014 and Article 44.5 of Royal Decree 1065/2007 and in the opinion of the Issuer, there is no obligation to withhold on income payable under the Notes (other than Zero Coupon Notes with a maturity of more than twelve -12- months) to Spanish CIT taxpayers.

Consequently, the Issuer will not withhold tax on interest payments under the Notes to Spanish CIT taxpayers to the extent that the simplified information procedures (which do not require identification of the Noteholders) are complied with by the Principal Paying Agent as it is described under "*Taxation - Information about the Notes in connection with Payments*". If these information procedures are not complied within the manner indicated, the Issuer will withhold at the general rate applicable from time to time, and the Issuer will pay the relevant additional amounts as will result in receipt by the Noteholder of such amounts as would have been received by them had no such withholding or deduction been required.

According to Article 61.q) of the CIT Regulations, the Issuer would not be obliged to withhold taxes in Spain on any income paid under the Zero Coupon Notes with a maturity of more than twelve (12) months provided that such Zero Coupon Notes would be issued in book entry form and admitted to trading on an official secondary securities market or in the Alternative Fixed Income Market in Spain. In addition, according to Article 61.s) of the CIT Regulations, the Issuer would not be obliged to withhold taxes in Spain on any income paid under the referred Zero Coupon Notes to Spanish CIT taxpayers provided that such Zero Coupon Notes would be listed and admitted to trading on an official securities market in an OECD country.

Likewise, in relation to the Zero Coupon Notes with a maturity of more than twelve (12) months referred in the two preceding paragraphs, the information procedures set out in the CIT Regulations would also need to be observed. In this respect, the Issuer will proceed to reimburse Zero Coupon Notes provided that the holder thereof accredits their prior acquisition and the corresponding acquisition price by means of the legally required certificate that has been issued by a Spanish financial institution or established in Spain. In accordance with the legislation currently in force, in case of failure to provide such certificate, the Issuer will not proceed to pay to the holder the reimbursement thereof.

However, in the case of Notes held by Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the generally applicable rate, currently 19%, if the Notes do not comply with applicable exemption requirements including those specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 in which case the required withholding will be made by the depositary or custodian.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are legal persons or entities resident in Spain for tax purposes.

3.2 Net Wealth Tax (Impuesto sobre Patrimonio)

Legal entities resident in Spain for tax purposes are not subject to Net Wealth Tax.

3.3 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 the Temporary Solidarity Tax on Large Fortunes.

3.4 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 Notes in their taxable income for Spanish CIT purposes.

4. Individuals and Legal Entities with no Tax Residency in Spain

4.1 Non-Resident Income Tax (Impuesto sobre la Renta de No Residentes)

With 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 Residency in Spain — Corporate Income Tax*". 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.

With no permanent establishment in Spain.

Both, interest payments received periodically and income derived from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT, provided that the issue of the Notes is made with subjection to Law 10/2014 and the information procedures set out in RD 1065/2007 are observed.

In order for the exemption to apply, in respect to the Notes (other than Zero Coupon Notes with a maturity of more than twelve (12) months), it is necessary to comply with certain information obligations relating to such Notes, in the manner described under "*Taxation - Information about the Notes in connection with Payments*" as laid down in Article 44 of Royal Decree 1065/2007. If these information obligations are not complied within the manner indicated, the Issuer will withhold at the general rate applicable from time to time, and the Issuer will pay the relevant additional amounts as will result in receipt by the Noteholder of such amounts as would have been received by them had no such withholding or deduction been required.

In the case of Zero Coupon Notes with a maturity of more than twelve (12) months, according to Law 10/2014, the Issuer would not be obliged to withhold taxes in Spain to NRIT taxpayers if the holder provides the Issuer with a certificate of tax residence issued by the tax authorities of the relevant country (according to Spanish legislation currently in force, such certificates are valid for a period of one year since the date of issuance).

To make the above exemptions effective, it will be necessary to comply with the information provision obligations described below. For these purposes, it is necessary to distinguish the procedure to be followed in the case of Notes issued in accordance with Law 10/2014 from the procedure applicable to Zero Coupon Notes with a maturity of more than twelve (12) months.

4.2 Net Wealth Tax (Impuesto sobre el Patrimonio)

This tax is only applicable to individuals. 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 are located in Spain, or that can be exercised within the Spanish territory (e.g. Notes issued by the Issuer), and exceed €700,000 would be subject to Net Wealth Tax, the applicable rates ranging between 0.2 per cent. and 3.5 per cent.

However, non-Spanish tax resident individuals will be exempt from Net Wealth Tax in respect of the Notes whose income is exempt from NRIT as described above.

If the exemptions outlined above do not apply, non-Spanish tax resident holders may be entitled to apply the specific regulation of the Autonomous Regions where their most valuable assets are located and which trigger this Spanish Net Wealth Tax due to the fact that they are (i) located; (ii) can be exercised; or (iii) must be fulfilled, within the Spanish territory. As such, prospective investors should consult their tax advisers.

Non-Spanish resident legal entities are not subject to Wealth Tax.

4.3 Temporary Solidarity Tax on Large Fortunes (Impuesto Temporal de Solidaridad a las Grandes Fortunas)

This tax is only applicable to individuals. Non-Spanish resident individuals whose properties and rights are located in Spain, or that can be exercised within the Spanish territory (e.g. Notes issued by the Issuer), and exceed €3,000,000 may be subject to the Temporary Solidarity Tax on Large Fortunes.

In such event, they should take into account the value of the Notes which they hold as at 31 December each year, the applicable rates ranging between 1.7 per cent. and 3.5 per cent.

Notwithstanding the above, 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 value of the properties and rights located in Spain, or that can be exercised within the Spanish territory, of the non-Spanish residents not tax exempt, are greater than €3,700,000.00.

Since the Autonomous Regions apply the current regional Net Wealth Tax (as described above), in order to avoid double taxation, the amount paid for the current regional Net Wealth Tax should be deductible from the Temporary Solidarity Tax on Large Fortunes.

Noteholders should consult their own tax advisers regarding how this tax may apply to their investment in the Notes.

4.4 Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Unless otherwise provided under an applicable double tax treaty in relation to Inheritance and Gift Tax, the latter may be levied in Spain on non-resident individuals only on those assets and rights that are located or that may be exercised or fulfilled within the Spanish territory.

Pursuant to the IGT Law the applicable tax rate ranges between 0 per cent. (full exemption) and 81.6 per cent. However, final effective taxation may vary depending on relevant factors (such as the specific regulations imposed by each Spanish region, the amount of the pre-existing assets of the taxpayer and the degree of kinship with the deceased or donor).

Generally, non-Spanish tax resident individuals are subject to Spanish Inheritance and Gift Tax according to the rules set forth in the common law. However, depending on certain relevant factors, the applicable rules might be those corresponding to the relevant Autonomous Regions according to the law. As such, prospective investors should consult their tax advisers.

Non-Spanish resident corporations are not taxpayers of the Spanish Inheritance and Gift Tax and income inherited or obtained by gift (*a título lucrativo*) will generally be subject to NRIT, as capital gains, unless otherwise provided under an applicable double tax treaty.

5. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, 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. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands) 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 passthru 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 passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional notes (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

6. The Spanish financial transactions tax

The Spanish law which implements the Spanish financial tax (the "**Spanish FTT**") was approved on 7 October 2020 (the "**FTT Law**") and the FTT Law was published in the Spanish Official Gazette (*Boletín Oficial del Estado*) on 16 October, 2020. The Spanish FTT came into force three months after the publication of the FTT Law in the Spanish Official Gazette (that is, on 16 January 2021).

Spanish FTT will charge a 0.2 per cent. rate on specific acquisitions of listed shares issued by Spanish companies whose market capitalization exceeds €1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction. The taxpayer will be the financial suppliers that transfer or execute the purchase order and must submit an annual tax return.

The list of the Spanish companies with a market capitalisation exceeding €1 billion at 1 December of each year will be published on the Spanish tax authorities' website before 31 December each year. For the purposes of transactions closed during 2024, the Spanish tax authorities issued a list of entities whose market capitalisation exceeded €1 billion as of 1 December 2023, that will fall within the scope of the Spanish FTT.

This being said, the Spanish FTT would not apply in relation to the Notes since the Spanish FTT only applies on the acquisition of shares of certain Spanish companies, so transactions involving bonds or debt or similar instruments, such as preferred securities or derivatives, are not affected by such tax.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the Spanish FTT.

7. Information about the Notes in connection with Payments

Notes issued in accordance with Law 10/2014

The Issuer is currently required by Spanish law to file an annual return with the Spanish tax authorities in which they report on certain information relating to the Notes. In accordance with Article 44 of Royal Decree 1065/2007, for the purpose of preparing the annual return referred to above, certain information with respect to the Notes must be submitted to the Issuer at the time of each payment.

Such information would be the following:

a) Identification of the Notes in respect of which the relevant payment is made;

b) Date on which relevant payment is made;

c) The total amount of the relevant payment; and

d) The amount of the relevant payment and to each entity that manages a clearing and settlement system for securities situated outside Spain.

In particular, the information above about the Notes must be certified by means of a certificate the form of which is included in the Royal Decree 1065/2007, and attached as "*Annex I*" to Schedule 5 of the Agency Agreement. If the relevant information is not received by the Issuer, the Issuer may be required to withhold at the applicable rate of 19 per cent. from any payment in respect of the relevant Notes as to which the required information has not been provided. In that event the Issuer will pay such additional amounts as will result in receipt by the Noteholders of such amount as would have been received by them had no such withholding been required.

Zero Coupon Notes with a maturity of more than twelve (12) months

In case of Zero Coupon Notes with a maturity of more than twelve (12) months, the reimbursement proceeding requires that the holder (i) provides the Issuer with a certificate of tax residence issued by the tax authorities of the country of its tax residence (such certificates currently being valid for a period of one year since the date of issuance), in the case of NRIT taxpayers, according to which no withholding tax should apply upon such reimbursement; and (ii) if a Spanish financial institution or established in Spain intervenes in the reimbursement, a legally required certificate issued by such entity accrediting the prior acquisition of the Notes and the corresponding acquisition price.

In accordance with the legislation currently in force, in the case of failure to provide the certificate in relation to the prior acquisition and the corresponding acquisition price, the Issuer will not proceed to pay to the holder the reimbursement thereof.

The arrangements for collecting relevant certifications in respect of Zero Coupon Notes with a maturity of more than twelve (12) months will be agreed directly between the Issuer and the investors in the referred Zero Coupon Notes at the time of issuance.

8. No holding of Zero Coupon Notes with a maturity of more than twelve (12) months by Spanish Individuals

The sale, transfer, or acquisition of Zero Coupon Notes with a maturity of more than twelve (12) months, to or by Spanish Individuals is forbidden in all cases. Any transfer of Zero Coupon Notes with a maturity of more than twelve (12) months to or by Spanish Individuals is not permitted and such transfer will be considered null and void by the Issuer. Accordingly, the Issuer will not recognise any Spanish Individual as an owner of Zero Coupon Notes with a maturity of more than twelve (12) months.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**), dated 19 January 2026, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The 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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time, or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any 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 under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", 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 otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. 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 2016/97/EU (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 Regulation (EU) 2017/1129 (as amended, 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.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, 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 made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in any Member State means 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; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129, as amended.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", 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 otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of this Base Prospectus as completed by the Final Terms 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 neither:

  (i) 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 of the UK by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); nor

  (ii) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and

(b) the expression **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 buy or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", 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 made and will not make an offer of Notes which are the subject of this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer:

(a) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(b) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes means 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 buy or subscribe the Notes; and
- the expression **POATRs** means the Public Offers and Admissions to Trading Regulations 2024.

Other UK regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have 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 whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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) 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.

Spain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may not be offered or sold in the Kingdom of Spain other than by institutions authorised under Law 6/2023, of 17 March, on the Securities Markets and Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (the **Securities Market Law**) and related legislation, to provide investment services in the Kingdom of Spain. The Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in the Kingdom of Spain, except in circumstances which do not require the registration of a prospectus in the Kingdom of Spain or without complying with all legal and regulatory requirements under Spanish securities laws. Neither the Notes nor this Base Prospectus have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the **CNMV**) and therefore this Base Prospectus is not intended for any offer of the Notes in the Kingdom of Spain that would require the registration of a prospectus with the CNMV.

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, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined in the Prospectus Regulation; or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and CONSOB Regulation No 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws and regulations.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

A) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Consolidated Banking Act**); and

B) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1, 2° of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus 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 Notes or cause the Notes 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 Base Prospectus 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 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 has represented, warranted and agreed that, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that, to the best of its knowledge, 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 Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms 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 Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

The update of the Programme has been duly authorised by a resolution of the Board of Directors of Redexis Energía, S.A., as sole shareholder of the Issuer, and the Joint Directors of the Issuer dated 18 December 2025 and 19 2025, respectively. The issue of the Notes has been or, on or before the Issue Date of such Notes, will be duly authorised by Redexis Energía, S.A. and the Issuer.

Issues of Notes under the Programme by the Issuer are required to comply with certain formalities contained in the Spanish Corporations Law (*Ley de Sociedades de Capital*), including as at the date of this Base Prospectus, the execution of a Public Deed of Issuance.

Listing of Notes

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer:

(a) the constitutional documents of the Issuer;

(b) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2023 and 31 December 2024 (with an English translation thereof), in each case together with the audit reports prepared in connection therewith;

(c) the English translation of the Issuer's 2025 First Half Results report prepared by the Issuer, dated August 2025;

(d) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;

(e) a copy of this Base Prospectus;

(f) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents containing information incorporated by reference; and

(g) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in NGN form).

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this base prospectus.

This Base Prospectus will be available, in electronic format, on the website of the Issuer (www.redexis.es) and on the website of the Luxembourg Stock Exchange (www.luxse.com).

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Significant or Material Change

There has been no significant change in the financial performance or financial position of the Group since the date to which the latest financial statements of the Issuer incorporated by reference in this Base Prospectus have been prepared.

There has been no material adverse change in the prospects of the Issuer since the date on which the latest audited financial statements of the Issuer incorporated by reference in this Base Prospectus were prepared.

Litigation

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

The auditors of the Issuer are Deloitte Auditores, S.L., members of the Instituto de Censores Jurados de Cuentas de España, who have audited, without qualification, the Issuer's consolidated annual accounts, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union for each of the two financial years ended 31 December 2023 and 31 December 2024.

Third Party Information

Where information in this Base Prospectus 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-party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions, financial advisory services with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business from time to time for which they have received monetary compensation. The Dealers may from time to time also enter into swap and other derivative transactions with the Issuer and its affiliates, including in relation to the bonds.

For the purpose of this paragraph, the term "affiliates" includes also parent companies.

The net proceeds from the issue of the Notes will be used for the general corporate purposes of the Issuer and its subsidiaries (or as otherwise specified in the applicable Final Terms).

ISSUER

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Spain

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To the Dealers as to English and Spanish law

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To the Issuer

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