# Madrileña Red de Gas

## CY 2025 Annual Results

June, 2026

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# Executive summary

| | |
|---|---|
| **Regulatory framework** | ▪ **Regulatory framework 2027-2032 draft of Circular** provides **continuity** with the parametric formula, **limits demand** risk, **long-term regulatory support** and incentives for Spain's gas **infrastructure to integrate Spain's gas infrastructure into the renewable energy transition** |
| **2025 Performance** | ▪ **Total revenues of €148M** (-4% YoY), explained by lower revenues in other regulated activities impacted by seasonality 5 years cycle of periodical inspections activity<br>▪ **Revenues from remuneration reached €117.5M**, remaining stable compared to the previous year. The planned adjustment under the 2021–2026 regulatory framework has been offset by the recovery in demand being +5% higher<br>▪ **EBITDA stood at €107.2M**, (-2% YoY), driven by lower activity volumes due to the seasonality of periodic inspections and efficiency gains in operational areas<br>▪ Sustainable **cash generated** from operations **amounting to €99M**<br>▪ **A sustained natural gas customer base, similar to the previous year**, with a total of **906k connection points**. Including LPG, the total number of customers rises to 911k |
| **Key initiatives**<br>**“Commited to Energy Transition”** | ▪ **ESG: 2025 becomes the fifth consecutive year with 5 stars Gresb (maximum) and the third time achieving 100 points. First position for the second consecutive time among all companies participating in Gresb**<br>▪ **Other recognitions and certifications in place**<br>▪ **Good sustainability performance**, leading benefits on the cost of debt of the Sustainability-linked term loan<br>▪ **Natural gas for mobility**: 12 gas stations in service. **Active participants in Biomethane, focused on promoting green gases projects** |
| **Financial Policy & Debt Profile**<br>**“Committed to IG rating”** | ▪ **Strong commitment to investment grade rating**<br>▪ **April 2025 – Refinancing & Deleveraging:** Repayment of €300M 2025 bond via a new bank facility (€180M) and cash. Deleveraging plan successfully executed: gross debt has been reduced at €160M by Dec 31st<br>▪ **June 2025 –Ratings:** S&P credit rating reaffirmed at BBB- (outlook revised to negative for the three Spanish Gas Distributors). DBRS reaffirmed rating at BBB<br>▪ **June 2026 –Ratings:** Moody's assigned a Baa3 rating. S&P rating withdrawn |

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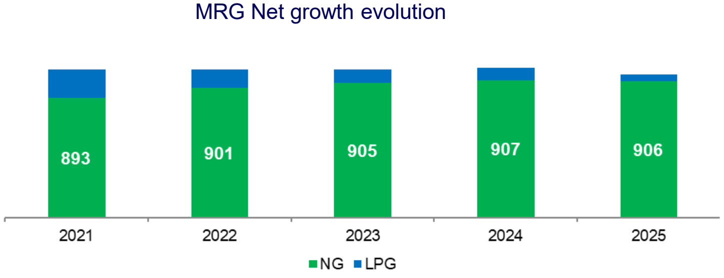
# 2025 Operating overview

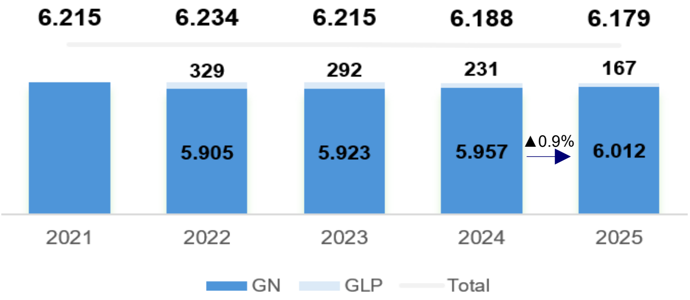
## Key operating metrics

### Connection Points (‘000)



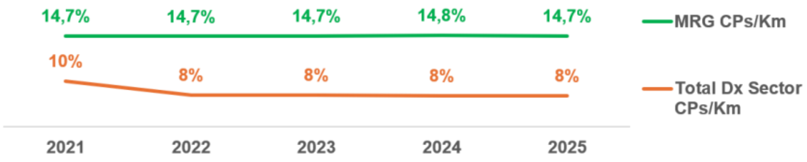
Natural gas and LPG connection points in MRG and Aliara GLP.
Source: MRG

### Network Length (Km)



Source: MRG

### Network saturation (Connection Points / Km)



Source: MRG / CNMCData / Sedigas

## Comments

- As of December 2025, the company provides service to **906,292 naturas gas connection points** from 906,763 the previous year. Total connection points including LPG customers, amounts to 911,142 as of December 2025.

- The company maintains a stable customer base sustained by organic growth and, primarily, through the conversion of LPG supply points to natural gas.

- Natural gas network length increased by 0.9% in 2025 from 2024.

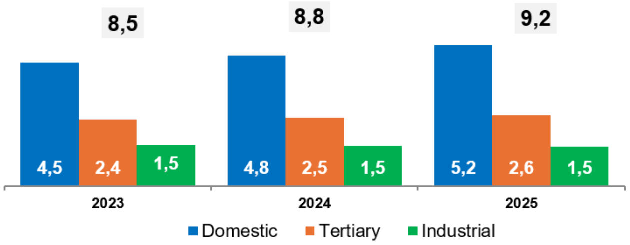
- Sustained network length due to LPG transformation which results in the deactivation on LPG network which leads to a more efficient network.

- The distribution network is characterized by its customer saturation level, enabling efficient management in terms of operations and maintenance, with growth potential remaining as it maintains a penetration rate of c. 80% in the municipalities where it operates

# 2025 Operating overview

## Key operating metrics

### MRG’s FY demand billed per group tariffs (TWh)



### Natural Gas demand in Spain (TWh)

| TWh | Jan-Dec 2025 | Jan-Dec 2024 | Var. vs 2024 |
|---|---|---|---|
| **DEMAND** | **331,5** | **311,8** | **6,3%** |
| **Conventional** | **231,8** | **237,1** | **-2,2%** |
| Domestic+Commercial | 51,6 | 47,7 | 8,1% |
| Industrial | 167,6 | 176,9 | -5,2% |
| Tankers | 12,5 | 12,5 | 0,2% |
| **Electricity generation** | **99,7** | **74,7** | **33,4%** |

Source: Enagas – “Boletín estadístico diciembre 2025” published on January 2026.

### MRG’s Natural Gas demand (TWh)

| | | 2024 | 2025 | Variation |
|---|---|---|---|---|
| **MRG's Demand** | *Twh* | **8,8** | **9,2** | **5,0%** |
| Domestic + Commercial | *TWh* | 7,3 | 7,8 | 5,9% |
| Industrial | *TWh* | 1,5 | 1,5 | 0,4% |

*Source: MRG*

## Comments

- During the 2025 fiscal year, gas demand showed a recovery trend compared to previous years. This performance occurred in an environment where average gas prices were similar to 2024 and slightly higher in average
- The company has achieved a positive result, reaching a **5% increase in total gas demand** compared to the previous year with 9.2TWh from 8.8TWh.
- MRG’s demand evolution (+5%) above the conventional natural gas demand observed in Spain (-2.2%).
- The gas demand of the system corresponding to the residential/commercial sector as of December shows a better performance compared to the same period last year, with a growth of 8.1%.
- In the case of MRG, this trend is also reflected in its actual demand data for the same period, with a 6% increase in residential and commercial demand and flat trend in industrial demand

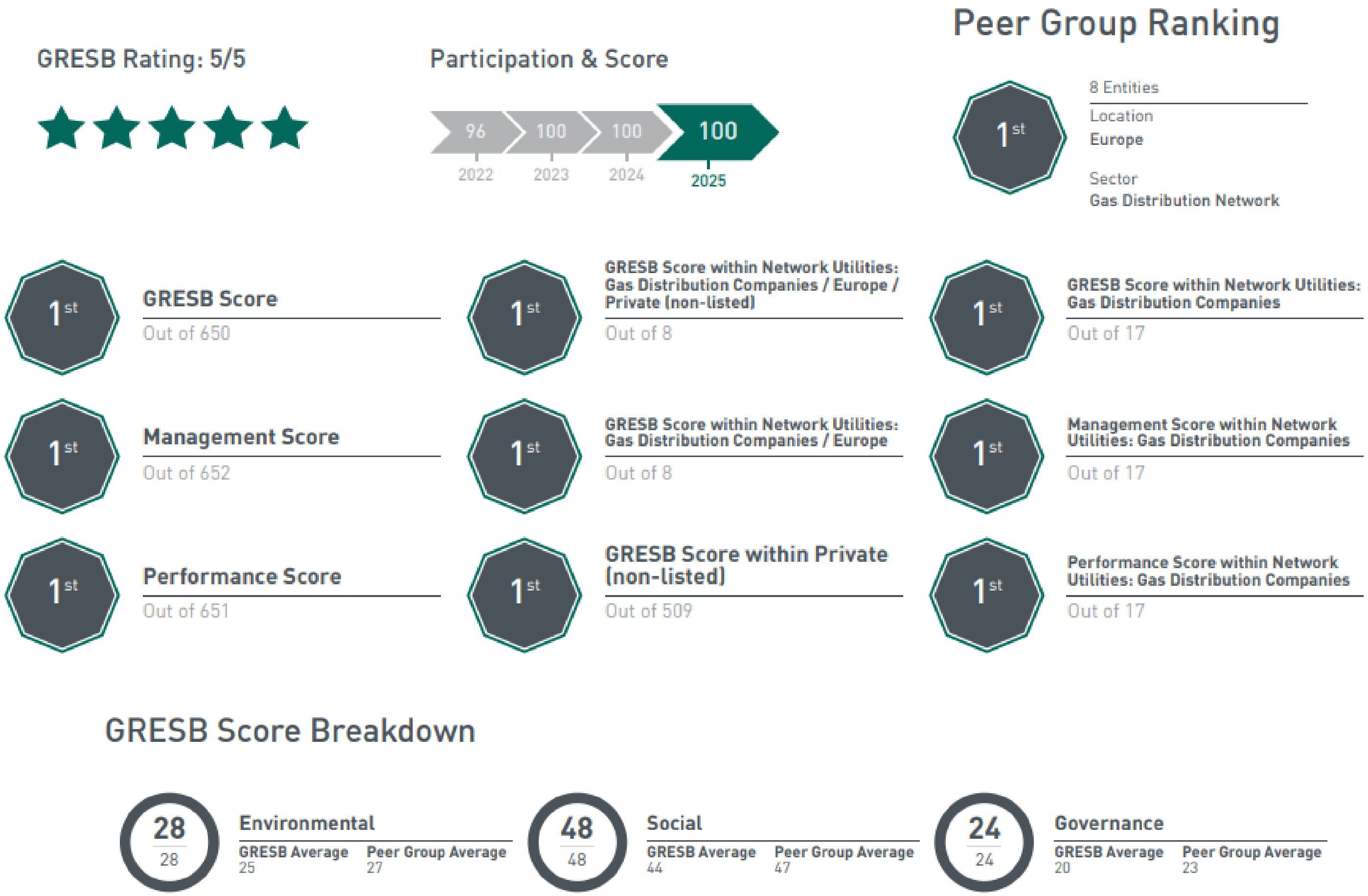
FY: Fiscal Year (January 1st to December 31st year n) / GY:Gas Year (October 1st year n-1 to September 30th year n).

# Key iniciatives – GRESB Score

**GRESB infrastructure sector leader in 2025**

**2025 Milestones:**

**Secured our fifth consecutive 5-star rating and our third perfect 100-point performance**



GRESB Rating: 5/5

★★★★★

Participation & Score

| 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|
| 96 | 100 | 100 | 100 |

## Peer Group Ranking

1st

8 Entities

Location
Europe

Sector
Gas Distribution Network

| Rank | Score | Out of |
|---|---|---|
| 1st | GRESB Score | Out of 650 |
| 1st | GRESB Score within Network Utilities: Gas Distribution Companies / Europe / Private (non-listed) | Out of 8 |
| 1st | GRESB Score within Network Utilities: Gas Distribution Companies | Out of 17 |
| 1st | Management Score | Out of 652 |
| 1st | GRESB Score within Network Utilities: Gas Distribution Companies / Europe | Out of 8 |
| 1st | Management Score within Network Utilities: Gas Distribution Companies | Out of 17 |
| 1st | Performance Score | Out of 651 |
| 1st | GRESB Score within Private (non-listed) | Out of 509 |
| 1st | Performance Score within Network Utilities: Gas Distribution Companies | Out of 17 |

## GRESB Score Breakdown

| | Score | | GRESB Average | Peer Group Average |
|---|---|---|---|---|
| Environmental | 28 | 28 | 25 | 27 |
| Social | 48 | 48 | 44 | 47 |
| Governance | 24 | 24 | 20 | 23 |

# Key iniciatives – Current ESG Certifications & Recognitions

ISO 9001 - ISO 14001
ISO 45001 - ISO 27001
BUREAU VERITAS
Certification

External certifications in place for the Integrated Management System, encompassing quality, environmental, health and safety, and information security standards

ISO 14064
BUREAU VERITAS
Certification

Carbon footprint report, including Scope 3 emissions, aligned with the ISO 14064 standard and externally verified by the independent third party, Bureau Veritas

GRI

**VSME**

MRG Sustainability report based on the Global Reporting Initiative (GRI) and VSME (Voluntary Sustainability Reporting Standards for SMEs) standards, externally verified by the independent third party, Bureau Veritas.

OGMP
Oil And Gas Methane Partnership 2.0

GOLD
STANDARD
PATHWAY

MRG joined to the OGMP 2.0 in 2023 delivering its third report and plan for the reduction on methane emissions. The “Gold Standard pathway” recognition have been achieved.

REDUZCO 2024 COMPENSO CALCULO

MITECO - Environmental Spanish Authorities recognition for the carbon footprint report with scope 3 and our greenhouse gas (GHG) emission reduction achievements.

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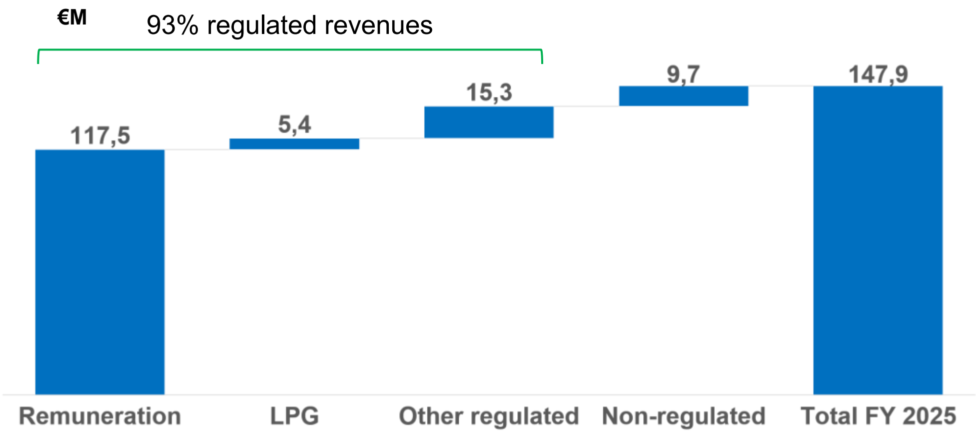
# 2025 Key Financials

## Demand recovery and revenue generation stability

### Income Statement – Consolidated figures (M€) (1) (2)

| *12 month period ending December 31st* | *2025* | *2024* | *% Var.* |
|---|---|---|---|
| Remuneration | 117,5 | 117,8 | 0% |
| Other regulated revenues | 15,4 | 19,5 | -21% |
| Other revenue | 15,1 | 16,0 | -6% |
| **Total Revenues** | **147,9** | **153,3** | **-4%** |
| **EBITDA** | **107,2** | **109,1** | **-2%** |
| **EBIT** | **75,6** | **77,1** | **-2%** |
| Financial result | (22,4) | (24,0) | -7% |
| Income tax expense | (13,4) | (13,4) | 0,1% |
| **Net Income** | **39,8** | **39,7** | **0,2%** |

### Revenue breakdown (M€)



### Comments

- Consolidated EBITDA of €107 million; a 2% decrease compared to the previous year.

The main variations are explained by:

- Remuneration supported by a recovery in demand from 8.8TWh in 2024 to 9.2TWh (+5% YoY) offsetting the impact of higher planned regulatory adjustment.
- Lower volume from other regulated activities, mainly due to the seasonality of the planned periodical inspections to be executed within the five years cycle.
- Regulated revenues are 93% of total revenues
- The lower volumes have been partially offset by the containment of other operating expenses through efficiencies in various operational areas.

- Lower financial expenses following the debt restructuring carried out in 2024 and the deleverage executed over the course of the year 2025 for €160 million.

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(1) Audited under IFRS

(2) Consolidation perimeter: MRG, Aliara Energía, Aliara GLP, Elisandra V and MRG Finance BV.

(3) Non-regulated revenues coming from MRG non-regulated activities plus Aliara Energia.

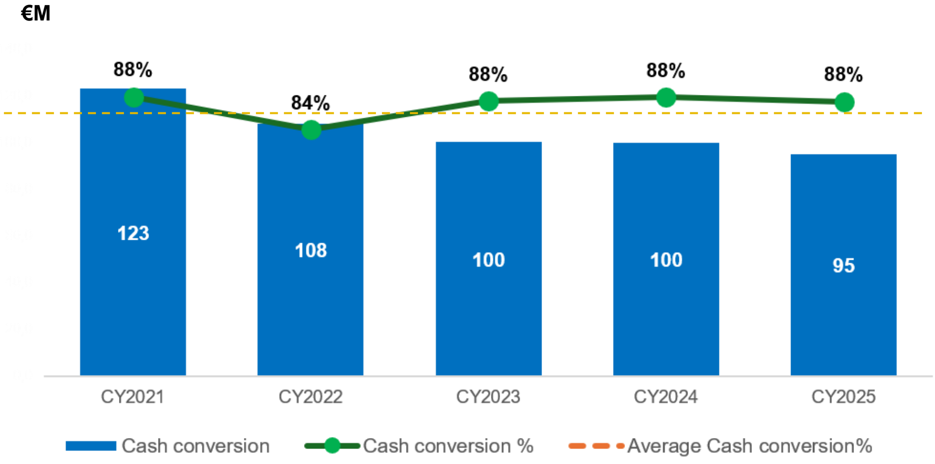
# 2025 Key financials

## Strong and sustainable cash generation

### Cash Flow statement – Consolidated figures [1] (M€)

| *12 month period ending December 31st* | *2025* | *2024* | *% Var.* |
|---|---|---|---|
| EBITDA | 107,2 | 109,1 | -2% |
| Income tax paid | (7,5) | (0,5) | >99% |
| Tariff Deficit | 7,6 | 4,1 | 83% |
| Working capital | 5,5 | (16,4) | >99% |
| Capex | (13,3) | (13,2) | 1% |
| *Organic growth* | *(8,3)* | *(9,3)* | -11% |
| *Other* | *(5,0)* | *(3,9)* | 29% |
| **Free Cash Flow** | **99,4** | **83,1** | **20%** |
| Debt repayment | (160,0) | 0,0 | >99% |
| Interests and other costs | (22,4) | (24,5) | -9% |
| **FCFE** | **(83,0)** | **58,6** | **>99%** |

### Cash conversion



Cash conversion = Consolidated EBITDA – Capex

Source: MRG

### Comments

Strong and sustainable cash generation from operations amounting to €99m, which is higher than the previous year.

- The improvement in 2025 operating cash flow is attributable to the reduction of the System tariff deficit, and the working capital position mainly impacted by the remuneration settlements.
- Cash generation is partially offset by a €6.0 million one-off tax impact in 2025. This is due to temporary rule of December 2024 that partially delays some tax base deductions, which will instead be recovered over the next years.
- Free cash flow after debt service stood at a negative €83 million, resulting from total deleverage of €160 million carried out during the year.
- Capex: Investment levels remained consistent with the previous year, focusing on the expansion plan mainly driven by LPG CPs conversion, network maintenance, fraud prevention, digitalization, and the development of information systems. These initiatives aimed to enhance operational efficiency and the quality of customer service.
- Cash conversion ratio of 88%, remains within the historical range. MRG's capex is largely discretionary.

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(1) Audited under IFRS.

# 2025 Key Financials

## Successful execution of the deleveraging strategy

### MRG Balance Sheet Statement (Consolidated) (1) – M€

**Consolidated Balance sheet (1)**

| M€ | *2025* | *2024* |
|---|---|---|
| Gas Distribution licences & other intangibles | 1.573 | 1.573 |
| Net tangible fixed assets | 291 | 308 |
| **Total Network Fixed Assets** | **1.864** | **1.881** |
| Deferred Tax Asset | 16 | 14 |
| Other Non-current assets | 2 | 3 |
| Current assets | 40 | 48 |
| Cash | 43,60 | 127 |
| **Total Assets** | **1.966** | **2.073** |
| Equity | 828 | 788 |
| Long Term Debt | 718 | 598 |
| Short Term Debt | 31 | 312 |
| Deferred income tax liabilities | 336 | 327 |
| Other Non-current liabilities | 28 | 28 |
| Current liabilities | 25 | 20 |
| **Total Liabilities & Shareholders equity** | **1.966** | **2.073** |

### Comments

The main Balance Sheet variances as of December 2025 are detailed below:

- **Cash Position:** The variance is primarily driven by the execution of the planned deleveraging strategy, allocating €160 million in available cash for debt repayment.
- **Debt Position:** Net debt stood at €698 million as of December 2025. This reflects the repayment of the €300 million bond (which matured in April 2025) funded by a new €180 million Term Loan and existing cash. Additionally, the Term Loan was further deleveraged by €25 million in December 2025.

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(1) Audited under IFRS

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# Capital structure

|  | Apr-29 Note | Mar-31 Note | RCF | Bank debt | Bank debt |
|---|---|---|---|---|---|
| **Issuer** | MRG Finance, B.V. | MRG Finance, B.V. | MRG, S.A.U. | Elisandra Spain V, S.L.U. | Elisandra Spain V, S.L.U. |
| **Guarantee** | Elisandra Spain V, S.L.U. | Elisandra Spain V, S.L.U. | - | - | - |
| **Issuance amount** | €300m | €75m | €75m (1) | €225m | €119m |
| **Maturity** | April 2029 | March 2031 | February 2027 | August 2027 | October 2028 (2) |
| **Pricing** | Fixed 2.25% | Fixed 3.50% | Euribor + margin | 55% Fixed<br>45% Eur + margin | Euribor + margin |
| **Ranking** | Senior | Senior | Senior | Senior | Senior |

(1) Undrawn.
(2) One year extension is available

**Moody's: Baa3 (stable)** (1)

**DBRS : BBB (stable)** (2)

- **MRG is committed to a resilient and flexible financial policy framework** that supports an investment grade rating, to maintain investor, creditor and market confidence and to ensure the sustainability of future business.
- **Long-term and flexible financing** totaling **€719m plus €75m undraw Revolving Credit Facility**, reinforcing **the company's strong financial capacity and cash reserves.**
- Financing structure underpinned by **different tenors,** spreading maturities and **reducing refinancing risk.**
- **ESG-linked to GRESB score financing** (€225m Term Loan).
- **Flexible dividend distribution policy**.

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(1) Rating assigned in June 2026.(2) October 2024: DBRS upgraded rating to BBB from BBB (low). June 2025: DBRS reaffirmed the rating.

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# Main takeaways

1. **High resilience**, **financial strength** and **revenue generation predictability**

2. Highly focused on **cost efficiencies** and fast reaction and adaptability to **customer needs** to improve **customer satisfaction**

3. Network suitable for **renewable gases** such as hydrogen and biomethane

4. Actively **promoting green H2 and** closely **tracking** several **key biomethane initiatives** of the Madrid Region

5. Strong financial and liquidity position. **Commitment with Investment Grade qualification**

6. **Committed with ESG**: the best ESG results in the whole universe of GRESB

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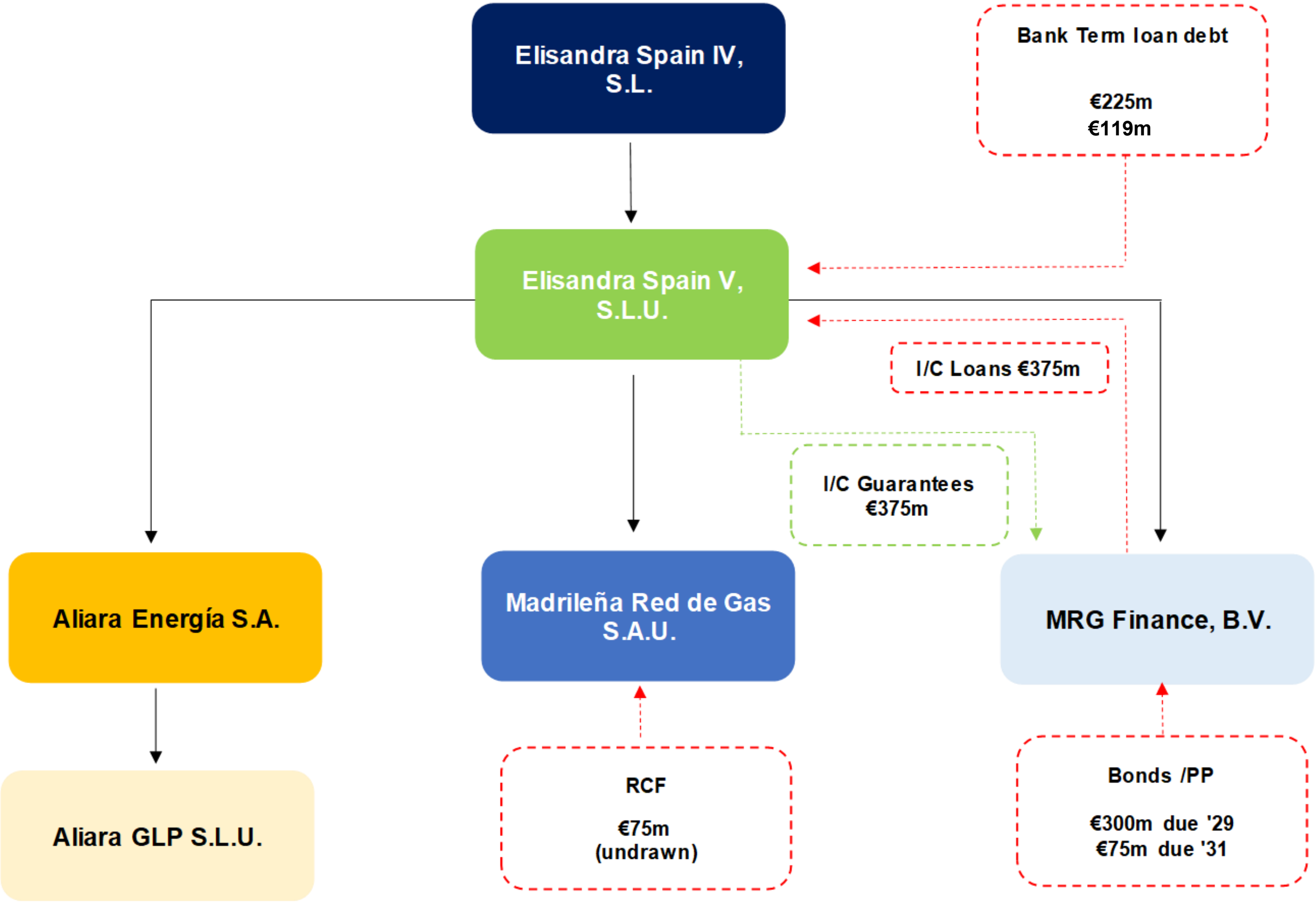
# 1: Corporate structure

# Corporate structure (as of December, 2025)



Elisandra Spain IV, S.L.

Bank Term loan debt

€225m
€119m

Elisandra Spain V, S.L.U.

I/C Loans €375m

I/C Guarantees €375m

Aliara Energía S.A.

Madrileña Red de Gas S.A.U.

MRG Finance, B.V.

Aliara GLP S.L.U.

RCF

€75m
(undrawn)

Bonds /PP

€300m due '29
€75m due '31