



DISTRIBUÍMOS ENERGÍAS DE FUTURO

Hello, Floene.

**Hello, Communities
of the Future.**

**Management Report and Consolidated
Accounts 1st Half 2024**

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01

Who we are



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01 Who we are

Largest National Gas Distribution Operator (DSO)

Floene Energias, S.A. (FLOENE) is the main gas distribution network operator in Portugal, through the direct management and participation of nine Regional Gas Distribution Network Operators (DSO). With a wide geographical coverage and great capillarity, its network covers 106 municipalities from the north to the south of the country.

Modern and efficient infrastructure

Floene is responsible for the operation, expansion and maintenance of an efficient gas infrastructure, considered one of the most modern in Europe. With 13,800 kilometres, the network is mostly made of polyethylene (94%) and has an average age of less than 17 years. This guarantees a safe and reliable supply, as well as a quality service that strictly fulfils the criteria defined by ERSE and the sector's specific legislation.

We supply more than 1.1 million customers

The distribution operation of Floene Group companies guarantees the supply of natural gas to more than 1.1 million customers, including residential, tertiary, and industrial, which represents around 70% of the total market in Portugal. In 2023, the company distributed 16 TWh of natural gas, positioning itself as a crucial player on the national energy scene. Its wide geographical coverage contributes significantly to improving the quality of the Portuguese energy system.

Working in a regulated sector

The Floene Group operates in a fully regulated sector under the public service regime. Floene owns five regional gas distributors operating under 40-year concession contracts (Lisboagás, Lusitaniagás, Setgás, Tagusgás and Beiragás). The other companies in the group (Duriensegás, Medigás, Dianagás and Paxgás) operate under licences with 20-year term.

Transformation and commitment to sustainability

With a 175-year history, Floene has been undergoing a profound transformation since the change in its shareholder structure in March 2021, with the entry of Allianz Capital Partners into its share capital. This change has led to the rebranding of the company, as well as the strengthening of its internal competences and the acquisition of new expertise. These measures are aimed at guaranteeing the maintenance of high performance and the successful management of the carve-out process from its former majority shareholder, Galp.

Floene is playing a leading role in Portugal's energy transition. Its gas infrastructure and the potential for distributing renewable gases is a sustainable and economically viable solution for decarbonising the country. The company aims to grow, create value and embrace the transformation, promoting sustainable progress in the communities where it operates.

02

First Half Highlights



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02 2024 First Half Highlights

2.1. Financial indicators

	First Half		Thousands of EUR	
	2024	2023	YoY	% YoY
EBITDA	56 492	56 713	(221)	(0.4%)
EBIT	31 482	32 150	(667)	(2.1%)
Financial results	(15 981)	(8 351)	(7 629)	91.4%
Net income	499	13 432	(12 934)	(96.3%)
Free cash flow ¹	27 250	23 016	4 234	18.4%
Net debt ²	573 236	568 928	4 308	0.8%
Net fixed assets ³	1 116 119	1 123 616	(7 497)	(0.7%)
CAPEX	19 684	19 303	381	2.0%

¹ Cash flow from operating activities - Cash flow from investing activities

² Bank debt + Bond loans - Cash and cash equivalents

³ Tangible assets + Intangible assets (excluding Goodwill)

2.2. Operational indicators

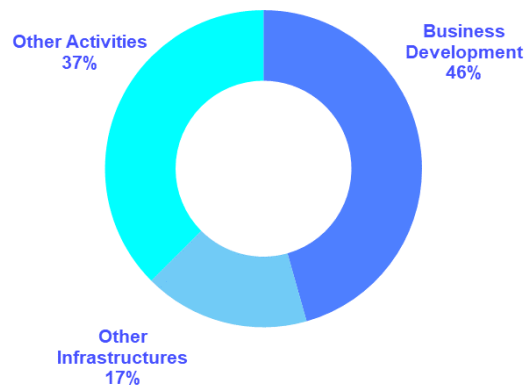
	Unit	First Half		YoY	% YoY
		2024	2023		
Connection points ¹	#	1 130 141	1 131 566	(1 425)	(0.1%)
Gas volume distributed	GWh	8 039	8 166	(127)	(1.6%)
Total network extension ¹	km	13 857	13 800	57	0.4%
Primary Network	km	790	790	0	%
Secondary Network	km	13 067	13 010	57	0.4%
Service lines ¹	#	374 350	371 810	2 540	0.7%

¹ The values for 2023 report as of December 31

2.3. Investment

	First half		Thousands of EUR	
	2024	2023	YoY	% YoY
Business development	8 977	12 620	(3 643)	(28.9%)
Other infrastructure	3 331	2 749	582	21.2%
Other activities	7 376	3 934	3 442	87.5%
CAPEX	19 684	19 303	381	2.0%

Capex Breakdown



Capital expenditure in the first half of 2024 totalled €19.7 million, up 2% on the same period last year.

In the current context of an accelerated pace of energy transition, in line with national objectives, namely in the National Energy and Climate Plan 2021-2030 (PNEC 2030) and the Roadmap to Carbon Neutrality 2050 (RNC 2050), the development of a modern and resilient gas infrastructure will be increasingly important to enable the injection of renewable gases such as biomethane and hydrogen into its network.

Investment in business development, which totalled €9.0 million, is based on the expansion and optimisation of existing structural distribution networks throughout the country. In the first half of the year, a further 57 km of gas distribution network were built, totalling 13,857 km in length, and a further 2,540 service lines, ensuring that this modern infrastructure is interconnected to a further 6,191 new industrial, service and residential consumption sites, promoting greater equity and national cohesion.

The 87.5% increase in other activities to €7.4 million can be explained by the information systems component, namely through the implementation of an ecosystem that enables the technological and digital transformation of business support processes and operations.

In April 2024, a proposal was submitted for the Development and Investment Plan for the Gas Distribution Networks of Floene's operators for the period 2025-2029 (PDIRD-G 2024). This proposal is currently under public consultation until 16 July 2024, after which ERSE and DGEG must issue their non-binding opinions, and it is up to the member of the Government responsible for the energy area to approve it.

2.4. Volumes distributed

The volume of natural gas distributed on the network during the first half of the year totalled 8,039 GWh, down 1.6% YoY. Despite an increase in consumption in the domestic segment of 0.6%, the tertiary and industrial segments fell by 1.2% and 2.1% respectively.

2.5. Regulatory framework

On June 1, ERSE approved and published the document "Gas tariffs and prices for the 2024-2025 gas year", which includes the tariffs for access the distribution networks, prices for regulated services, regulatory parameters and demand outlook for the period from October 1, 2024 to September 30, 2025, by means of ERSE Directive no. 8/2024 of May 29.

The published tariffs aim to recover the regulated companies' income, reflecting the efficient costs of the national gas system's activities, calculated by ERSE in accordance with the regulatory methodologies in force.

There has been a generalised increase in network access tariffs in all segments, essentially due to the negative fluctuation in demand in recent years and the inclusion of the definitive adjustment for 2022, a period in which there was a significant variation in Portuguese treasury bonds with a direct impact on the rate of return.

Regarding the companies' allowed revenues for the 2024-2025 period, excluding adjustments from previous periods, there was a slight decrease compared to the previous gas year.

With regard to the rate of return, calculated by calendar year, at the end of 2023 there was a rate of 5.89%, while ERSE published a rate of 5.66% for 2024. This reduction is the result of the evolution of Portuguese Bond Yields, as well as ERSE's methodological review of the mechanism for defining it, to be applied in the new regulatory period starting in 2024.

2.6. Financing and rating

On March 8, 2024, the Company formalised a Commercial Paper Programme for an amount of €79 million, with the aim of strengthening its financial position. The Commercial Paper Programme has a term of four years (from the first issue) and a variable interest rate, indexed to Euribor and a contracted spread. On June 30, 2024, the amount of commercial paper taken out totalled €15 million.

On April 24, 2024, the company repaid its €70 million bond loan, which was due to mature on August 1, 2024, using cash and cash equivalents.

In June 2024, Beiragás, S.A. repaid in advance its Project Finance Loan, taken out in 2005 and maturing in 2027, in the amount of €4.1 million.

In the first six months of the year, net debt totalled €573 million, an increase of 0.8% (+€4.3 million) compared to the first half of 2023, due to the operations mentioned above.

On May 2, 2024, after its usual annual review, S&P Global Ratings affirmed at "BBB-" (investment grade) long-term credit rating on Floene and on its debt, with a stable outlook.

2.7. Governance and risk management

As part of Floene's internal transformation process, the board of directors has given increasing importance to improving its *governance* structure, which is currently reinforced with the Internal Audit Department, an independent body responsible for overseeing and assessing the efficiency and effectiveness of the internal control system and risk management process.

Throughout the first half of the year, and as a fundamental element of support for the internal control system and integration of ESG criteria, the review and development of a set of policies, standards and procedures continued. In addition, the mapping of *core* processes within the scope of the Environment, Quality and Safety Management System, goals and objectives is being revised, guaranteeing continuous improvement and their implementation in accordance with applicable legislation, regulations and ethical principles.

Floene adopts a dynamic and integrated risk management methodology, which encompasses a set of risk identification, assessment, treatment and monitoring activities, involving the supervisory bodies, the Executive Committee, the Risk Management area and those responsible for the mitigation action plans.

During the first half of 2024, 5 committees were held, including the [risk and internal control](#) committee, whose mission is to support the Board of Directors and the Executive Committee in monitoring Floene's risks, ensuring that the risk management policy is applied, with the aim of reducing their likelihood of occurrence or limiting their impact.

Due to the nature of Floene's activity and its current context, during the first half of 2024, we maintained the following risks and uncertainties as critical, with no significant changes compared to the information disclosed in the 2023 annual report:

- Legal/Political Framework;
- Failure in the transition of knowledge, recruitment, and retention due to the timing of the restructuring initiatives and the proximity of the completion of the autonomisation process; and
- Market strategy failures due to inability to attract and retain customers.

03

Financial Performance



**Management Report and
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03 Financial Performance

3.1 Consolidated results

	First half		Thousands of EUR	
	2024	2023	YoY	% YoY
Allowed Revenues	78 194	77 189	1 005	1,3%
Net operating costs ¹	(21 702)	(20 475)	(1 227)	6,0%
EBITDA	56 492	56 713	(221)	(0,4%)
Amortisation, depreciation and impairment ²	(24 907)	(24 467)	(439)	1,8%
Provisions	(103)	(96)	(7)	6,9%
EBIT	31 482	32 150	(667)	(2,1%)
Financial results ²	(15 981)	(8 351)	(7 629)	91,4%
Profit before tax	15 502	23 798	(8 297)	(34,9%)
Taxes	(4 460)	(6 027)	1 567	(26,0%)
Energy sector extraordinary contribution	(10 145)	(3 859)	(6 286)	162,9%
Consolidated net income	896	13 912	(13 015)	(93,6%)
Non-controlling interests	398	480	(82)	(17,1%)
Net income to FLOENE	499	13 432	(12 934)	(96,3%)

¹ Excluding pass-through effects

² Includes IFRS 16

In the first half of 2024, allowed revenues, including adjustments for the year s-2 and the last resort retail supply activity, totalled €78.2 million, an increase of 1.3% compared to the same period last year (YoY). This evolution is basically explained by the increase resulting from the definitive adjustment for calendar year 2022 (s-2), driven by the evolution of Portuguese Bond Yields with a direct impact on the base rate of return.

Floene's regulated companies considered an RoR of 5.80% when calculating the allowed revenues for the first half of 2024, which compares with the RoR of 5.87% applied in the first half of the previous year.

Net operating costs, excluding the *pass-through* effect, were €21.7 million, an increase of 6.0%, reflecting an increase in external supplies and services and personnel costs, due to ongoing projects, namely internal reorganisation, necessary to strengthen autonomy from the previous shareholder.

EBITDA totalled €56.5 million, a slight decrease of 0.4% YoY.

Financial results were negative by around €16.0 million, an increase of 91.4% YoY, due to the evolution of the average cost of debt negotiated in the previous year. The average cost of debt totalled 2.7%, an increase of 1.3 p.p. compared to the same period last year.

Floene Group's net profit in the first 6 months of 2024 totalled €0.5 million, a decrease of €12.9 million (-96.3%) compared to the same period last year. This evolution was due to i) the increase in financial costs, which had a negative impact on the financial result, partially offset by the €1.6 million decrease in taxes; and ii) the maintenance of the Extraordinary Contribution on the Energy Sector (CESE), fully recorded at the beginning of the year to which it refers, but also offset by the reversal of the provision, in the amount of €1.6 million, following another definitive decision in favour of Setgás - Sociedade de Distribuição de Gás Natural, S.A, ruled by the Constitutional Court.

3.2 Cash flow

	First half		Thousands of EUR	
	2024	2023	YoY	% YoY
Cash and equivalents at the beginning of the period	79 505	87 523	(8 018)	(9.2%)
Cash flows from operating activities	50 080	44 407	5 673	12.8%
Cash flows from investing activities	(22 830)	(21 391)	(1 439)	6.7%
Free Cash Flow	27 250	23 016	4 234	18.4%
Loans obtained	15 000	180 000	(165 000)	(91.7%)
Payment of loans	(74 167)	(180 521)	106 354	(58.9%)
Interest and similiar costs ⁽¹⁾	(8 042)	(5 556)	(2 486)	44.7%
Payment of dividends	(235)	0	(235)	100.0%
Net Cash Flow	(40 193)	16 939	(57 133)	(337.3%)
Cash and equivalents at the end of the period	39 313	104 462	(65 149)	(62.4%)

¹ Includes lease payments and lease interest (IFRS 16)

In the first 6 months of 2024, operating cash flow totalled €50.1 million, up 12.8% YoY, mainly due to the increase in customer receipts, as a result of the average increase in tariffs of around 19%. In terms of Cash Flow, the RoR applied in the first half of 2024 was 5.70%, compared to 5.05% in the same period last year.

Free Cash Flow totalled €27.3 million, an increase of €4.2 million (+18.4% YoY), explained by the €5.7 million increase in cash flow from operating activities. Cash flow from investing activities rose 6.7% YoY to €22.8 million.

Net financial charges increased YoY to €8.0 million, following the increase in debt servicing.

In the first half of 2024, the Group repaid in advance the €70 million Bond Loan and the €4.1 million Project Finance Loan of the Beiragás Group Company, using cash and cash equivalents, which explains the 62.4% decrease to €39.3 million.

3.3 Financial situation

	Thousands of EUR		
	30 jun. 2024	31 dec. 2023	YoY
Net fixed assets ¹	1 116 119	1 120 897	(4 778)
Active use rights (IFRS 16)	9 826	10 279	(453)
Working capital ²	17 443	26 470	(9 027)
Subsidies to investment	(185 404)	(189 070)	3 666
Other non-current assets (liabilities)	(116 766)	(106 142)	(10 623)
Capital employed	841 218	862 432	(21 214)
Short-term debt	15 451	71 444	(55 993)
Long-term debt	597 170	599 896	(2 726)
Total debt	612 620	671 340	(58 719)
Cash and equivalents	39 385	79 505	(40 120)
Net Debt	573 236	591 835	(18 600)
Leases (IFRS 16)	10 604	11 016	(412)
Equity	257 379	259 581	(2 202)
Equity, net debt and leases	841 218	862 432	(21 214)
Net Debt to equity	2.2x	2.3x	-

¹ Tangible assets + Intangible assets (excluding Goodwill)

² Working capital = Current Assets - Current Liabilities (excluding Cash and equivalents, Short-term debt, Short-term leases and Short-term subsidies)

On 30 June 2024, net fixed assets stood at €1,116.1 million, down €4.8 million YoY, reflecting the increase in depreciation, which was not offset by the increase in investment.

At the end of the first half, working capital totalled €17.4 million, €9.0 million less than in December 2023, which was mainly due to the decrease in the tariff deviation and the increase in accrued costs related to interest payable.

The balance of the tariff deviation to be recovered, including regulated distribution and *pass-through* activities, totalled €37.4 million, down €6.9 million (-16%) in December 2023. Contributing to this evolution was the increase in tariff invoicing and the recovery of adjustments from previous years.

Net debt decreased by €18.6 million to €573.2 million compared to December 2023, explained by loan repayments of €74.1 million through liquidity and utilisation of the credit line by €15 million.

On 30 June 2024, Floene has €39.3 million in cash and cash equivalents, as well as €64.0 million in available and unused credit lines, totalling €103.3 million, showing a solid liquidity position and sufficient to meet all its current liabilities.

04

ESG performance



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04 ESG Performance

4.1 Floene and the Energy Transition: Opportunities and Commitment

Floene sees the energy transition as a unique opportunity to decarbonise the infrastructure of the National Gas System. To this end, the company remains committed to developing a set of strategic initiatives with the aim of accelerating the introduction of renewable gases into the distribution network and defining the targets for injecting these gases into the networks where it operates.

Floene aims to be a key player in promoting a fair and sustainable energy transition. For this purpose, the company aims to:

Foster partnerships: Collaboration with different *stakeholders* is essential for the success of the energy transition. Floene wants to establish solid partnerships with public and private entities, universities and research centres, as well as NGOs and local communities.

Promote literacy and education about renewable gases: The dissemination of knowledge about renewable gases is fundamental to the involvement of civil society. Floene is committed to investing in initiatives that raise literacy and education in this area, promoting *workshops*, talks, information campaigns and educational materials.

Floene believes that the traditional centralised model of energy production and distribution will give way to a decentralised model, boosting the use of renewable or low-carbon gases. This change will significantly contribute to the decarbonisation of the energy sector and promote balanced regional development.

The development of renewable gas production will also be a factor of territorial cohesion, contributing to the economic and social growth of the various regions of our country. During the first half of 2024, the Group received 30 new requests for information on the injection of renewable gases into the network, bringing the total to 185 requests; this growth illustrates the desire of local operators to promote and play an active role in this energy transition. To be able to respond to this new paradigm, the distribution network must be able to reach these potential biomethane and green hydrogen producers, who are scattered across the north to south of our country.

Information requests - injection of renewable gases into the network

	2024 ⁽¹⁾	2023 ⁽²⁾
Hydrogen	150	135
Biomethane	35	20
Total	185	155

⁽¹⁾ Accumulated requests until Jun.2024

⁽²⁾ Accumulated requests until Dec.2023

4.2 Our projects

- Biomethane Action Plan 2024-2040

Floene welcomed with enthusiasm and recognition the Portuguese government's initiative to promote the Biomethane Action Plan, coming at a crucial time when the international community is increasingly united in the fight against climate change, committing to ambitious targets to limit global warming and promote the transition to a carbon-neutral economy. It took part in the public consultation, recognising the importance attributed to gas infrastructures as key assets in this decarbonisation process, especially in their ability to efficiently integrate and distribute the biomethane that will be produced in the country. Creating targets for incorporating biomethane into the Public Natural Gas Network (PNGN) and assessing the need for new connections to the current infrastructure are crucial steps in ensuring the success and expansion of this market. This highly important plan for the company was approved in the Diário da República on March 15, 2024.

- National Agricultural Fair

In June, Floene attended the National Agriculture Fair (FNA) in Santarém for the first time. The Company had its own stand and organized and participated in two seminars, where it had the opportunity to reinforce the importance of biomethane for the recovery of waste from the agricultural sector and for decarbonising the energy consumption of the national economy, while at the same time setting an example of the circular economy and economic and social development in the various regions of the country.

There was a great deal of interest from the various official bodies that visited Floene's stand, as well as a high turnout from farmers, potential biomethane producers and the public.

- [Comunidades de Futuro](#) 2024

Floene is uniquely placed to play a crucial role in the energy transition, putting gas infrastructure at the service of renewable gases as a sustainable and economic solution for decarbonisation and more sustainable communities.

In 2023, the *Comunidades de Futuro* program was launched, with five conferences to date, bringing Floene closer to the communities where it is present, involving customers, producers, local authorities, schools, among others, where topics such as the potential of waste for decarbonisation, the development of new businesses and the emergence of new skills and professions are debated. In this way, Floene promotes economic, environmental, and social development and contributes to greater territorial cohesion.

Taking into account the reality of each community, Floene intends to promote specific projects in the areas of education and training, promoting the renewable gases and partnerships with local organisations. In line with this vision, we highlight the Schools Project, which aims to integrate the concepts of sustainability, circular economy and renewable energy into education. This project had its pilot in April 2024, with the involvement of 26 students, from 6th to 9th grade, in a school in Leiria, where concepts about renewable gases were introduced and practical projects on this subject were developed.

- Collaboration protocol with Adene

Floene and ADENE - Agência para a Energia (Energy Agency) have signed a collaboration protocol aimed at promoting initiatives and projects related to energy literacy, namely through greater awareness of renewable gases and their contribution to achieving carbon neutrality objectives and targets. Among other initiatives, the protocol provides for awareness-raising activities among local communities on the opportunities of the energy transition and the role of renewable gases in meeting the country's carbon neutrality objectives and targets, as well as participation in events at which Floene's projects in the field of renewable gases and the decarbonisation of its infrastructures can be publicised.

- Roadmap for the Introduction of Renewable Gases in Industry – *Indústrias de Futuro*

This Roadmap, which began in 2022, is a pioneering project in Portugal that aims to boost the decarbonisation of the national economy through the use of renewable gases in industry, with special emphasis on hydrogen and biomethane. Over the course of 2023, six workshops were held across the country, allowing synergies to be developed at local and regional level. A series of diagnoses of industrial units were also carried out, which made it possible to assess the energy needs of energy-intensive industries and the challenges of incorporating renewable gases into their processes. This data culminated in the drawing up of Industry Action Plans, which have been presented throughout 2024 at Seminars with the support of the partners associated with these sectors: in January with AIMMAP (Metal industry Association), in April with APICER (Ceramics Association) and the CTCV (Ceramics and Glass Technological Center), and a global Seminar is still planned for the end of the year.

At the same time, at the beginning of 2024, in partnership with ISQ (Private organization providing consultancy in technological areas), the project offered six advanced training courses dedicated to the role of renewable gases in decarbonising industry, attended by 100 industry professionals. Until the project is finalised, a Final Conference will be held to present the results.

- [Natural Energy of Hydrogen](#) (initially known as Green Pipeline Project)

This is the first project in Portugal of green hydrogen (H₂) injection into the natural gas network. This initiative, which covers around 80 customers, mostly residential, started injecting hydrogen (2 to 5%vol.) in 2022, with the ambition of reaching a maximum of 20%vol. During the first half of 2024, hydrogen injection remained at around 12%vol.

Since its inauguration, the project in Seixal has been visited by around 900 people, with the presence of various *stakeholders*, including representatives from international embassies, higher education and polytechnic institutions, public organisations and others.

4.3 Our commitment to sustainability

In its commitment to sustainability, Floene has developed an integrated approach based on four strategic axes: Governance; People; Planet and Prosperity. Each of the four axes covers the material topics most relevant to our *stakeholders*, accompanied by commitments, objectives, targets and tangible initiatives that materialise them. Details of these initiatives are included in the table below.







• Sustainability Agenda and alignment with SDGs

During the first half of 2024 we promote our ESG performance by monitoring the initiatives set out in Floene's Sustainability Agenda 2022-2025, which is constantly being updated. Our activity contributes to the Sustainable Development Goals, including SDG 4 and SDG 17, which will allow us to emphasise our role as an enabler of the energy transition, promoting partnerships and improving national literacy and education in the area of renewable gases. These are the commitments that were followed up, updated and monitored during the first half of 2024 and make the Sustainability Agenda:

The 2022-2025 Sustainability Agenda is now reflected in 62 KPIs, distributed as follows:

Axes	Material Topics	Commitments	No. of KPIs per SDG
People	Safety, wellbeing and development of our people	<ul style="list-style-type: none"> Promote the safety, health, and wellbeing of employees. Foster employee engagement and development. Promote a culture and organizational climate that attract and retain talent. Promote a culture of equality, diversity, and inclusion, ensuring equal opportunities throughout the organization. 	<p>12 13</p>
Governance	Ethics and Transparency	<ul style="list-style-type: none"> Promote a culture of ethics and compliance. 	<p>5</p>
	Regulatory compliance	<ul style="list-style-type: none"> Ensure legal compliance of our processes, operations, policies, and internal regulations. Foster close relationships with the local community. 	<p>2 1</p>
	Involvement with the local community/stakeholders	<ul style="list-style-type: none"> Strengthen the literacy on renewable gases. 	<p>2</p>
Prosperity	Customer satisfaction	<ul style="list-style-type: none"> Contribute to a low-carbon economy- Facilitation of the renewable gas market and the decarbonization and decentralization of the economy. 	<p>3 5</p>
	Economic performance and financial sustainability	<ul style="list-style-type: none"> Promote the financial sustainability of the company. 	<p>2</p>



Axes	Material Topics	Commitments	No. of KPIs per SDG
	Innovation, adaptation and resilience	<ul style="list-style-type: none"> Foster a culture of innovation within the company. Promote technological capacity building, development of solutions aligned with sustainability challenges, and foster knowledge networks and partnerships. 	<p>4 1</p>  
	Quality service, safe and efficient supply	<ul style="list-style-type: none"> Ensure the quality and supply of our service. Develop a customer-centric culture, exceeding their needs and expectations. 	<p>3</p> 
Planet	Energy efficiency and climate change	<ul style="list-style-type: none"> Contribute to improving energy efficiency. Mitigate climate change by reducing operational carbon emissions. 	<p>5 3</p>  
	Sustainable supply chain management	<ul style="list-style-type: none"> Ensure transparent and integrity-based relationships with suppliers, incorporating ESG criteria. 	<p>1</p> 
TOTAL KPIs			62

KPI status - 1H 2024		
Concluded	In progress	Planned
26 (42%)	27 (44%)	9 (14%)

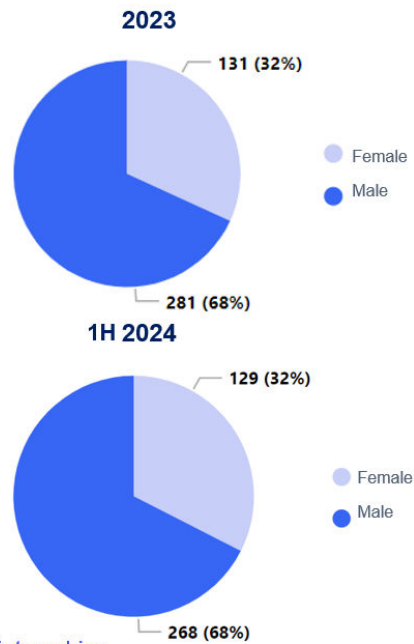
In terms of performance in the first half of 2024, we highlight the following indicators:

- Social indicators

Employees number

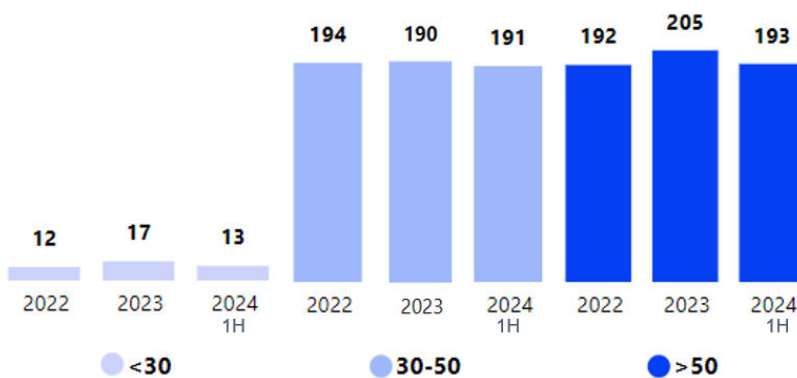


Gender

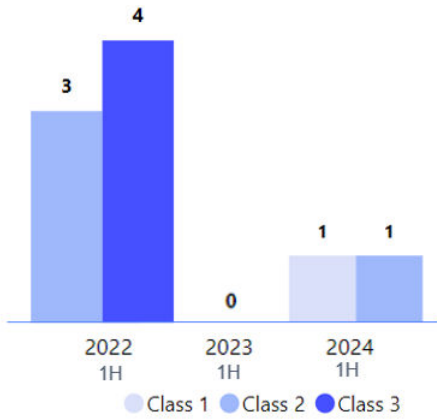


Note: The headcount excludes trainees and internships

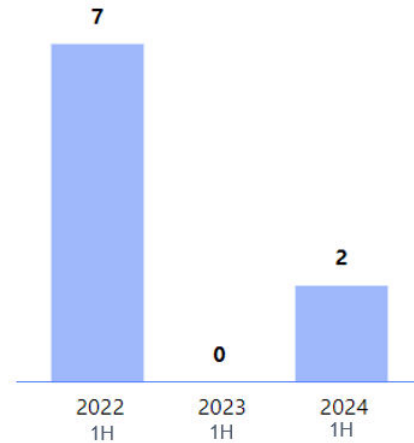
Age



Personal accidents per class (#)



Total Personal accidents (#)



Class 1: accident with first aid;

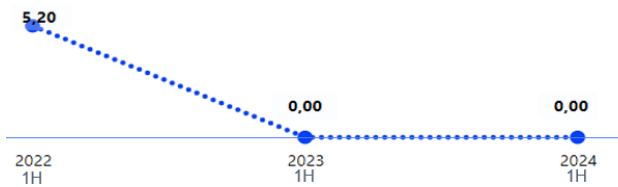
Class 2: accident with medical intervention or work restriction;

Class 3: accident with work leave or with multiple injured (>5)

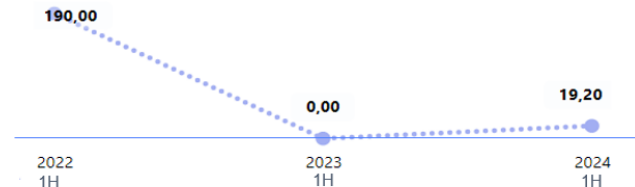
Class 4: permanent disability or death; Death or irreversible health impact or multiple injured with hospitalization (>5)

Lost time injury (ratio)

Lost Time Injury Frequency - LTIF



Lost Time Injury Severity - LTIS

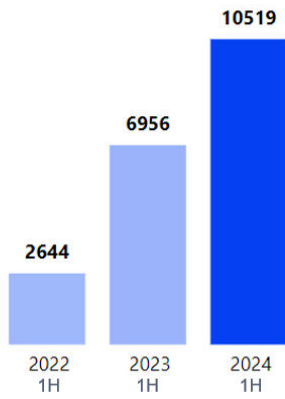


LTIF - (N°. of fatalities C4 + lost workday cases C3) * 10⁶ / hours worked

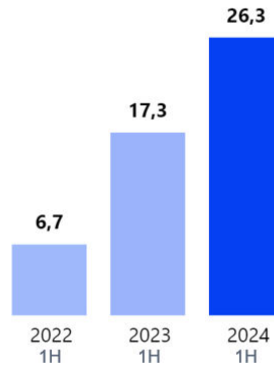
LTIS - N°. of working days lost by C3 accident * 10⁶ / hours worked

In the first half of 2024, no accidents with lost days were recorded, however, for the severity index, days lost in the current year are being taken into account, relating to an accident that occurred at the end of 2023.

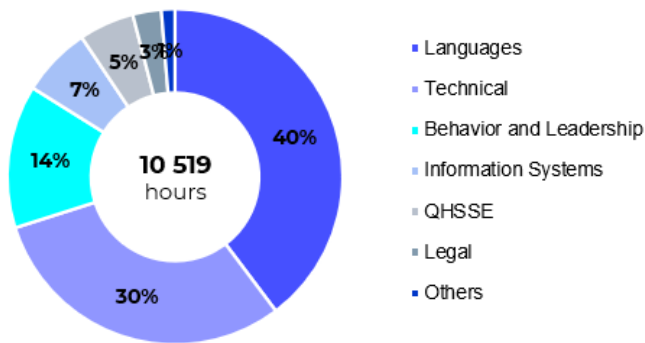
Total training hours 1H (#)



Training hours per employee 1H (h/empl.)



Type of training 1H (#)



05

Relevant facts occurring after the
close of the 1st Half 2024



Management Report and
Consolidated Accounts 1st Half 2024

05 Relevant Facts Occurring After the Close of the 1st Half 2024

On April 24, 2024, Duriensegás - Sociedade Distribuidora de Gás Natural do Douro, S.A. was notified of Ruling no. 337/2024 ruled by the Constitutional Court (CC), regarding the CESE for 2019, with a decision in favour of the Company, ruling this tax unconstitutional. The financial impact amounts to around €304 thousand and is fully provisioned.

On June 6, 2024, Lusitaniagás – Companhia de Gás do centro, S.A. was notified of Judgement no. 445/2024 handed down by the CC, in the context of the CESE for 2020, with a decision in favour of the Company, ruling this tax unconstitutional. Financial impact amounts to around €2.7 million and is fully provisioned.

On July 16, 2024, confirmation was obtained that the above-mentioned rulings had become final.

On July 3, 2024, Dianagás - Sociedade Distribuidora de Gás Natural de Évora, S.A. was notified of Judgement no. 517/2024 handed down by the CC, in the context of the CESE for 2020, with a non-final decision in favor of the Company, ruling this tax unconstitutional. The financial impact of this decision amounts to approximately €106 thousand and is fully provisioned.



Lisbon, July 25, 2024

The Board of Directors

Diogo da Silveira
Chairman

Karl Klaus Liebel
Member

Roxana Tataru
Member

Ippei Kojima
Member

Nuno Luís Mendes Holbech Bastos
Member

Gabriel Nuno Charrua de Sousa
Member

Satoshi Kanomata
Member

Pedro Álvaro de Brito Gomes Doutel
Member

Miguel Faria
Member

Annexes



Annual Report 2022



Annexes

Annex I - Governing Bodies

The composition of the Governing Bodies of Floene Energias, S.A. at June 30, 2024 is as follows:

Board of the General Meeting

Pedro Schiappa Pietra Ferreira Cabral, Chairman
Rafael de Almeida Garrett Lucas Pires, Secretary

Company Secretary

Pedro Maria Soares Cruz Teles Feio, Effective
Ana Trouillet Pessoa, Alternate

Board of Directors

Diogo António Rodrigues da Silveira, Chairman
Karl Klaus Liebel, Member
Roxana Tataru, Member
Ippei Kojima, Member
Nuno Luís Mendes Holbech Bastos, Member
Gabriel Nuno Charrua de Sousa, Member
Satoshi Kanomata, Member
Pedro Álvaro de Brito Gomes Doutel, Member
Carlos Miguel Faria da Silva, Member

Executive Committee

Gabriel Nuno Charrua de Sousa, CEO
Satoshi Kanomata, CSO
Pedro Álvaro de Brito Gomes Doutel, CFO
Carlos Miguel Faria da Silva, COO



Audit Board

Pedro Miguel Ribeiro de Almeida Fontes Falcão, Chairman
 João Albino Cordeiro Augusto, Member
 José Carlos Carvalho Brites, Member
 Amável Alberto Freixo Calhau, Alternate Member

Statutory Auditor

PricewaterhouseCoopers & Associados - SROC, Lda., represented by:
 Rita da Silva Gonçalves dos Santos, ROC no. 1681, Member
 José Manuel Henriques Bernardo, ROC no. 903, Alternate

Annex II - Mandatory Statements

A. Shareholders with qualifying holdings as at June 30, 2024

Shareholders	No. of Shares	Nominal Value	%
Allianz Infrastructure Luxembourg II S.à r.l.	40 743 759	1.00 EUR	45.51%
Allianz European Infrastructure Acquisition Holding S.à r.l.	26 412 050	1.00 EUR	29.50%
Meet Europe Natural Gas, Lda.	20 144 057	1.00 EUR	22.50%
Petrogal, S.A.	2 229 275	1.00 EUR	2.49%
Total	89 529 141	1,00 EUR	100.00%

B. Share ownership as at 30 June 2024 by current members of the Board of Directors and the supervisory bodies

(Article 447(5) of the Companies Code)

None of the members of the management and supervisory bodies held any shares or bonds in Floene on 30 June 2024.

C. Main relevant transactions between related parties carried out in the first half of 2024

During the first half of 2024, no material transactions were carried out with Floene's related parties that significantly affected its financial position or performance, or that entailed a change to the information included in the annual report for the 2023 financial year, which could have a significant effect on its financial position or performance during the first 6 months of the 2024 financial year.



Annex III - Statement of compliance of the information presented

STATEMENT OF COMPLIANCE OF THE BOARD OF DIRECTORS

In accordance with the reporting principles applicable to half-yearly financial information, each of the members of the Board of Directors of Floene indicated below declares that, to the best of their knowledge, the information contained in the condensed consolidated financial statements for the first half of the financial year 2024 has been prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, the financial position and results of Floene and the companies included in the consolidation perimeter, and that the interim management report for the first half of the financial year 2024 faithfully sets out the important events that occurred in the period to which it refers and the impact on the respective condensed consolidated financial statements, as well as a description of the main risks and uncertainties for the following six months.

Lisbon, July 25, 2024

The Board of Directors

Diogo da Silveira
Chairman

Karl Klaus Liebel
Member

Roxana Tataru
Member

Ippei Kojima
Member

Nuno Luís Mendes Holbech Bastos
Member

Gabriel Nuno Charrua de Sousa
Member

Satoshi Kanomata
Member

Pedro Álvaro de Brito Gomes Doutel
Member

Miguel Faria
Member



STATEMENT OF COMPLIANCE OF THE AUDIT BOARD

Within the scope of the exercise of duties of the members of the Audit Board of Floene Energias, S.A. and in agreement with the applicable reporting principles for the interim financial reporting, each of the members of the Audit Board listed below declares that nothing has come to their attention that leads them to conclude that the condensed consolidated financial statements for the first half of the 2024 financial year were not prepared in accordance with the applicable accounting standards, or do not give a true and fair view of the assets and liabilities, the financial position and profit or loss of the Company and the companies included in the consolidation perimeter, and that the interim management report for the first half of the financial year 2024 did not faithfully disclose the important events that occurred in the period to which it refers and the impact on the respective condensed financial statements, as well as the description of the main risks and uncertainties for the second half of the year.

Lisbon, July 25, 2024

The Audit Board

Pedro Fontes Falcão
Chairman

José Carlos Carvalho Brites
Member

João Albino Cordeiro Augusto
Member



Annex IV - Condensed consolidated financial statements as at June 30, 2024

Condensed Consolidated Financial Statements as at 30 June 2024

Disclaimer:

Translation of a report originally issued in Portuguese. In the event of a discrepancy, the Portuguese language version prevails.

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Condensed consolidated statement of financial position

Floene Energias, S.A.

Condensed consolidated statement of financial position as at 30 June 2024 and 31 December 2023
(Amounts stated in thousand Euros - € k)

Assets	Notes	June 2024	December 2023
Non-current assets:			
Tangible assets	4	439	454
Intangible assets and Goodwill	5	1 117 956	1 122 717
Rights-of-use of assets	6	9 826	10 279
Deferred tax assets	12	12 614	11 416
Other receivables	8	28 104	28 077
Other financial assets		3	3
Total non-current assets:		1 168 940	1 172 946
Current assets:			
Inventories	7	1 342	1 209
Trade receivables	8	8 068	10 565
Other receivables	8	69 396	63 470
Current income tax receivable	12	-	4 921
Cash and cash equivalents	9	39 385	79 505
Total current assets:		118 191	159 670
Total assets:		1 287 132	1 332 616
Equity and Liabilities	Notes	June 2024	December 2023
Equity:			
Share capital		89 529	89 529
Ancillary capital contributions		21 588	21 588
Reserves		13 402	13 223
Retained earnings		110 616	113 152
Total equity attributable to shareholders:		235 135	237 493
Non-controlling interests	15	22 243	22 088
Total equity:		257 379	259 581
Liabilities:			
Non-current liabilities:			
Financial debt	10	597 170	599 896
Lease liabilities	6	9 538	9 923
Other payables	11	177 644	181 310
Post-employment and other employee benefit liabilities	13	48 352	44 441
Deferred tax liabilities	12	17 046	18 588
Provisions	14	93 539	84 060
Total non-current liabilities:		943 288	938 219
Current liabilities:			
Financial debt	10	15 451	71 444
Lease liabilities	6	1 066	1 093
Trade payables	11	8 969	10 683
Other payables	11	59 984	51 597
Current income tax payable	12	995	-
Total current liabilities:		86 465	134 817
Total liabilities:		1 029 753	1 073 035
Total equity and liabilities:		1 287 132	1 332 616

The accompanying notes form an integral part of the condensed consolidated statement of financial position and must be read in conjunction.

Condensed consolidated statement of income and other comprehensive income

Floene Energias, S.A.

Condensed consolidated statement of income and other comprehensive income for the six-month periods ended 30 June 2024 and 30 June 2023

(Amounts stated in thousand Euros - € k)

	Notes	June 2024	June 2023
Sales	16	4 003	2 896
Services rendered	16	87 129	79 472
Other operating income	16	19 642	22 331
Financial income	16 and 18	1 004	1 668
Total revenue and income:		111 779	106 366
Cost of sales	17	(2 404)	(2 312)
Supplies and external services	17	(25 172)	(17 314)
Staff costs	17	(11 410)	(10 704)
Amortisation, depreciation and impairment losses on tangible and intangible assets and rights-of-use	17	(24 907)	(24 467)
Provisions	14 and 17	(103)	(96)
Impairment losses on accounts receivables	17	(112)	105
Other operating costs	17	(15 186)	(17 760)
Financial expenses	17 and 18	(16 985)	(10 019)
Total costs and expenses:		(96 277)	(82 567)
Profit before taxes and other contributions:		15 502	23 798
Income Tax	12	(4 460)	(6 027)
Energy Sector Extraordinary Contribution	14	(10 145)	(3 859)
Consolidated net income for the period		896	13 912
Income attributable to:			
Floene Energias, S.A. Shareholders		499	13 432
Non-controlling interests	15	398	480
Basic and diluted earnings per share (in Euros)		0.01	0.15
Consolidated net income for the period		896	13 912
Items which will not be recycled in the future through net income			
Remeasurements - pension benefits		(3 844)	601
Income taxes related to actuarial gains and losses	12	988	-
Total comprehensive income for the period, attributable to:		(1 960)	14 513
Floene Energias, S.A. Shareholders		(2 358)	14 033
Non-controlling interests	15	398	480

The accompanying notes form an integral part of the condensed consolidated statement of income and other comprehensive income and must be read in conjunction.

Condensed consolidated statement of changes in equity

Floene Energias, S.A.

Condensed consolidated statement of changes in equity for the six-month periods ended 30 June 2024 and 30 June 2023

(Amounts stated in thousand Euros - € k)

	Share capital	Ancillary capital contributions	Reserves	Retained earnings	Sub-Total	Non-controlling interests	Total
As at 1 January 2023	89 529	19 516	13 037	111 206	233 289	21 089	254 378
Consolidated net income for the period	-	-	-	13 432	13 432	480	13 912
Other gains and losses recognised in equity	-	-	-	601	601	-	601
Comprehensive income for the period	-	-	-	14 033	14 033	480	14 513
Increase/decrease in reserves	-	-	186	(186)	-	(56)	(56)
As at 30 June 2023	89 529	19 516	13 223	125 054	247 322	21 513	268 836
As at 1 January 2024	89 529	21 588	13 223	113 152	237 493	22 088	259 581
Consolidated net income for the period	-	-	-	499	499	398	896
Other gains and losses recognised in equity	-	-	-	(2 856)	(2 856)	-	(2 856)
Comprehensive income for the period	-	-	-	(2 358)	(2 358)	398	(1 960)
Increase/decrease in reserves	-	-	179	(179)	-	(242)	(242)
As at 30 June 2024	89 529	21 588	13 402	110 616	235 135	22 243	257 379

The accompanying notes form an integral part of the condensed consolidated statement of changes in equity and must be read in conjunction.

Condensed consolidated statement of cash flows

Floene Energias, S.A.

Condensed consolidated statement of cash flows for the six-month periods ended 30 June 2024 and 30 June 2023

(Amounts stated in thousand Euros - € k)

	Notes	June 2024	June 2023
Operating activities:			
Cash received from customers		143 204	122 902
(Payments) to suppliers		(39 257)	(31 342)
(Payments) relating to employees		(16 589)	(13 890)
(Payments) of value-added tax (VAT)		(15 596)	(16 404)
(Payments) of income tax		(282)	(3 602)
(Payments) relating to subsoil occupation levies		(18 427)	(12 081)
(Payments) relating to Energy Sector Extraordinary Contribution	14	(769)	(71)
Others (payments) relating to the operational activity		(2 204)	(1 105)
Cash flow from operating activities (1)		50 080	44 407
Investing activities:			
Cash received from Government grants		72	-
(Payments) for the acquisition of tangible and intangible assets		(24 012)	(21 999)
Cash received from interests and similar income		1 111	608
Cash flow used in investing activities (2)		(22 830)	(21 391)
Financing activities:			
Cash received related to loans obtained	10	15 000	180 000
(Payments) related to loans obtained	10	(74 167)	(180 521)
(Payments) from interests and similar costs		(7 477)	(4 917)
(Payments) relating to leases	6	(410)	(472)
(Payments) relating to lease interests	6	(155)	(166)
Payment of dividends		(235)	-
Cash flow used in financing activities (3)		(67 444)	(6 077)
Net change in cash and cash equivalents (4) = (1) + (2) + (3)		(40 193)	16 939
Effect of exchange rate changes on cash and cash equivalents		-	(1)
Cash and cash equivalents at the beginning of the period		79 505	87 523
Cash and cash equivalents at the end of the period	9	39 313	104 462

The accompanying notes form an integral part of the condensed consolidated statement of cash flows and must be read in conjunction.

Notes to the condensed consolidated financial statements as at 30 June 2024

1 Corporate information

Parent-Company

Floene Energias, S.A. (“Floene” or “Company”), established on 2 December 2009, with Head Office at Rua Tomás da Fonseca in Lisbon, Portugal, develops its corporate purpose in the energy sector, especially the natural gas distribution and commercialisation, including supporting management services in the areas of management, administration and logistics, purchasing and supply and information systems.

The Group

On 30 June 2024, Floene Energias, S.A. and its subsidiaries (designated as Floene Group or Group) develop their activities in the distribution of natural gas, under a public service regime, and commercialisation of natural gas, on a last resort basis.

2 Significant accounting policies

Basis of presentation

Condensed consolidated financial statements for the six-month period ended 30 June 2024 were prepared in accordance with IAS 34 - Interim Financial Reporting as adopted by European Union. These condensed financial statements do not include all the notes that are usually prepared in the annual financial statements. Additionally, only material changes were disclosed as required by IFRS 7 and IFRS 13. In this context, these condensed financial statements should be read in conjunction with the Floene Group's consolidated financial statements for the year ended 31 December 2023.

The accounting policies adopted as at 30 June 2024 are consistent with those applied for the year ended 31 December 2023 and for the semester ended 30 June 2023.

Based on the results of the Floene Group, as well as the macroeconomic environment in Portugal and the segment in which it operates, there were no indications, as at 30 June 2024, that would lead us to reassess the conclusions reached in the preparation of the annual financial statements as at 31 December 2023, regarding the recoverability of tangible and intangible assets.

These condensed consolidated financial statements have been prepared in thousand Euros (unit: € k), unless otherwise stated, since this is the preferred currency in the economic environment in which the Group operates. Due to rounding, the totals and subtotals of the tables presented may not be equal to the sum of the numbers presented.

The new standards/changes to the standards (IFRS as adopted by the European Union) that came into force in the period did not have a material impact on the financial statements.

Providing and disclosing information

On 3 July 2023, the Company concluded the EMTN 2016 refinancing process, with the issuance of a bond loan, admitted to trading on the Euronext Dublin regulated market. For the purposes of the Transparency Directive and Market Abuse Regulation, and following the latest securities issuance, Floene became subject to the supervision of the CBI (Central Bank of Ireland) and to provide and disclose relevant information in accordance with reporting and transparency obligations applicable to Ireland.

Pursuant to Law no. 99-A/2021 of 31 December, Floene does not qualify as a Public Interest Entity in Portugal due to its securities not being admitted to trading in a regulated market located in Portugal.

Published standards and interpretations that came into force in the first half of the year

The IFRS standards approved and published in the Official Journal of the European Union (“OJEU”) with application in the first half of 2024 are briefly presented in the table below:

Description	Effective date	Economic year in which it applies	Observations
Amendments to IAS 1 Presentation in financial statements: non-current liabilities with covenants	01/01/2024	2024	No relevant impact.
Amendments to IAS 7 Statement of cash flows and IFRS 7 Financial instruments: Disclosures - Supplier finance arrangements	01/01/2024	2024	No relevant impact.
Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback	01/01/2024	2024	No relevant impact.

Standards and interpretations not yet published by the European Union

IFRS Standards (new and amendments) that have been published and are mandatory for the accounting periods beginning on or after 1 January 2024, but are not yet endorsed by the EU:

Description	Effective date	Economic year in which it applies	Observations
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	01/01/2025	2025	No predictable accounting impacts.
Amendments to IFRS 7 and IFRS 9 - Classification and measurement of financial instruments	01/01/2026	2026	No predictable accounting impacts.
IFRS 18 Presentation and Disclosure in Financial Statements	01/01/2027	2027	Possible changes in disclosures.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01/01/2027	2027	No predictable accounting impacts.

3 Segment information

Operational segments

The Group at 30 June 2024 is comprised by Floene Energias, S.A. and its subsidiaries that carry out their activities of distribution and commercialisation of natural gas on a last resort basis.

The Gas operational segment encompasses the areas of distribution and commercialisation of natural gas on a last resort basis.

Regarding "Others", the Group considered the holding company Floene Energias, S.A..

The financial information for the previously identified segments, as at 30 June 2024 and 2023 are presented as follows:

Unit: € k	Consolidated		Natural gas		Others		Consolidation adjustments	
	2024	2023	2024	2023	2024	2023	2024	2023
Sales and services rendered	91 133	82 367	90 938	82 378	11 589	9 653	(11 394)	(9 663)
Cost of sales	(2 404)	(2 312)	(2 404)	(2 312)	-	(1)	-	-
Other income and expenses	(32 237)	(23 341)	(34 014)	(23 955)	(9 617)	(8 884)	11 394	9 497
EBITDA	56 492	56 713	54 521	56 111	1 971	768	-	(166)
Amortisation, depreciation and impairment losses	(24 907)	(24 467)	(24 460)	(23 959)	(446)	(508)	-	-
Provisions (net)	(103)	(96)	(103)	(96)	-	-	-	-
EBIT	31 482	32 150	29 958	32 055	1 525	260	-	(166)
Financial income and expenses	(15 981)	(8 351)	-	-	-	-	-	-
Income tax	(4 460)	(6 027)	-	-	-	-	-	-
Energy Sector Extraordinary Contribution	(10 145)	(3 859)	-	-	-	-	-	-
Consolidated net income, of which:	896	13 912	-	-	-	-	-	-
Non-controlling interests	398	480	-	-	-	-	-	-
Floene Energias, S.A. shareholders	499	13 432	-	-	-	-	-	-
OTHER INFORMATIONS ⁽¹⁾								
Segment assets ⁽²⁾								
Investments in subsidiaries ⁽³⁾	2 278	2 278	3	3	2 275	2 275	-	-
Other assets	1 284 853	1 330 338	1 265 935	1 272 150	217 553	238 118	(198 634)	(179 930)
Segment assets	1 287 132	1 332 616	1 265 938	1 272 153	219 828	240 393	(198 634)	(179 930)
of which rights-of-use of assets	9 826	10 279	5 472	5 728	4 354	4 550	-	-

1) 2023 amounts refer to the year ended 31 December 2023

2) Net amount

3) Goodwill and other financial assets

4 Tangible assets

The composition and movements of Tangible assets are as follows:

Unit: € k	Land, natural re- sources and build- ings	Others	Total
<i>As at 31 December 2023</i>			
Acquisition cost	938	53	991
Accumulated depreciation	(526)	(12)	(537)
Net amount	413	42	454
<i>As at 30 June 2024</i>			
Acquisition cost	938	53	992
Accumulated depreciation	(535)	(18)	(553)
Net amount	404	35	439
Unit: € k	Land, natural re- sources and build- ings	Others	Total
Balance as at 1 January 2023	432	14	445
Depreciation and impairment	(19)	(12)	(31)
Transfers	-	39	39
Balance as at 31 December 2023	413	42	454
Balance as at 1 January 2024	413	42	454
Depreciation and impairment	(9)	(7)	(16)
Balance as at 30 June 2024	404	35	439

5 Intangible assets and Goodwill

The breakdown and movements in intangible assets and goodwill are as follows:

Unit: € k	Concession agreement						Total concession agreement	Other intangible assets	Goodwill	Total
	Lands	Buildings	Basic equipment	NG consumption reconversion	Assets under construction	Other concession agreements				
<i>As at 31 December 2023</i>										
Acquisition cost	12 717	12 980	1 421 795	633 520	3 214	26 939	2 111 165	14 687	2 336	2 128 188
Accumulated amortisation	(5 379)	(8 036)	(651 473)	(312 206)	-	(24 746)	(1 001 840)	(3 569)	(61)	(1 005 470)
Net amount	7 338	4 943	770 322	321 314	3 214	2 193	1 109 325	11 117	2 275	1 122 717
<i>As at 30 June 2024</i>										
Acquisition cost	12 717	13 002	1 432 368	635 435	4 482	27 781	2 125 786	19 531	2 336	2 147 653
Accumulated amortisation	(5 513)	(8 135)	(667 514)	(319 549)	-	(25 114)	(1 025 825)	(3 812)	(61)	(1 029 698)
Net amount	7 204	4 868	764 854	315 886	4 482	2 667	1 099 961	15 719	2 275	1 117 956

Unit: € k	Concession agreement						Total concession agreement	Other intangible assets	Goodwill	Total
	Lands	Buildings	Basic equipment	NG consumption reconversion	Assets under construction	Other concession agreements				
Balance as at 1 January 2023	7 606	5 099	775 051	331 277	2 263	1 506	1 122 801	4 928	2 275	1 130 004
Additions	-	-	-	-	34 115	-	34 115	6 963	-	41 077
Amortisations	(268)	(217)	(32 093)	(14 525)	-	(567)	(47 671)	(734)	-	(48 405)
Write-offs/ disposals	-	-	(20)	-	-	-	(20)	-	-	(20)
Other adjustments (Transfers)	-	62	27 384	4 562	(33 163)	1 254	99	(39)	-	60
Balance as at 31 December 2023	7 338	4 943	770 322	321 314	3 214	2 193	1 109 325	11 117	2 275	1 122 717
Balance as at 1 January 2024	7 338	4 943	770 322	321 314	3 214	2 193	1 109 325	11 117	2 275	1 122 717
Additions	-	-	-	-	14 839	-	14 839	4 845	-	19 684
Amortisations	(134)	(99)	(16 250)	(7 343)	-	(373)	(24 199)	(243)	-	(24 442)
Write-offs/ disposals	-	-	(3)	-	-	-	(3)	-	-	(3)
Other adjustments (Transfers)	-	23	10 785	1 916	(13 571)	847	-	-	-	-
Balance as at 30 June 2024	7 204	4 868	764 854	315 886	4 482	2 667	1 099 962	15 719	2 275	1 117 956

6 Rights-of-use of assets and lease liabilities

The rights-of-use of assets are detailed as follows:

Unit: € k	Buildings	Others rights-of-use	Total
<i>As at 31 December 2023</i>			
Acquisition cost	13 537	934	14 472
Accumulated amortisation	(3 627)	(566)	(4 193)
Net amount	9 910	369	10 279
<i>As at 30 June 2024</i>			
Acquisition cost	13 537	611	14 148
Accumulated amortisation	(3 981)	(341)	(4 322)
Net amount	9 556	270	9 826

The movements occurred during the period are as follows:

Unit: € k	Buildings	Others rights-of-use	Total
Balance as at 1 January 2023	10 618	461	11 078
Additions	-	238	238
Depreciations	(708)	(303)	(1 011)
Write-offs	-	2	2
Other adjustments	-	(30)	(30)
Balance as at 31 December 2023	9 910	369	10 279
Balance as at 1 January 2024	9 910	369	10 279
Depreciations	(354)	(95)	(449)
Other adjustments	-	(4)	(4)
Balance as at 30 June 2024	9 556	270	9 826

The lease liabilities are detailed as follows:

Unit: € k	June 2024	December 2023
Maturity analysis - contractual undiscounted cash flow	12 785	13 352
Less than one year	1 081	1 108
One to five years	3 832	3 909
More than five years	7 871	8 334
Lease liabilities included in the consolidated statement of financial position	10 604	11 016
Current	1 066	1 093
Non-current	9 538	9 923

In addition to the depreciation of rights-of-use for the period presented in the first table of this Note, the amounts recognised in the consolidated statement of income for the period are as follows:

Unit: € k	Notes	June 2024	June 2023
		403	396
Interest on lease liabilities	18	155	166
Expenses related to short-term, low-value and variable-payment leases		247	230

The amounts recognised in the condensed consolidated statement of cash flows are as follows:

Unit: € k	June 2024	June 2023
Financing activities	565	639
Payments relating to leases	410	472
Payments relating to leasing interests	155	166

7 Inventories

Inventories as at 30 June 2024 and 31 December 2023 are detailed as follows:

Unit: € k	June 2024	December 2023
	1 342	1 209
Raw, subsidiary, and consumable materials	1 403	1 270
Goods	10	10
Write-down on inventories	(70)	(70)

8 Trade and other receivables

Trade receivables

The caption Trade receivables as at 30 June 2024 and 31 December 2023 presents the following detail:

Unit: € k	June 2024	December 2023
	8 068	10 565
Trade receivables	8 619	11 004
Allowance for doubtful amounts	(551)	(439)

Other receivables

The caption Other receivables as at 30 June 2024 and 31 December 2023 presents the following detail:

Unit: € k	June 2024		December 2023	
	Current	Non-current	Current	Non-current
	69 396	28 104	63 470	28 077
State and other public entities	428	-	-	-
Other receivables	31 015	412	25 308	365
Subsoil occupation levies	28 928	412	21 754	365
Suppliers' debtor balances	940	-	-	-
Advances to suppliers	967	-	-	-
Other	180	-	3 554	-
Related parties	16	-	-	-
Other receivables - associated companies, joint ventures and other related parties	16	-	-	-
Assets resulting from contracts	33 899	27 623	36 279	27 643
Sales and services rendered not yet invoiced	16 390	-	16 390	-
Tariff deviation - pass through	9 794	-	10 574	-
Tariff deviation – core	6 075	27 623	8 781	27 643
Other accrued income	1 639	-	534	-
Deferred charges	5 390	69	3 235	69
Prepaid insurance	2 248	-	-	-
Other deferred charges	3 142	69	3 235	69
Impairment on other receivables	(1 351)	-	(1 351)	-

The caption Subsoil occupation levies amounting to €29 340 k refers to levies on subsoil occupation (“TOS”) already paid to local authorities. According to the natural gas supply concession agreements between the Portuguese Government and the Group companies, and in accordance with the Resolution of the Council of Ministers No. 98/2008, dated 8 April, companies have the right to invoice commercialisation entities or direct customers the full amount of subsoil levies paid to the local authorities for the area under concession.

Impairment of trade and other receivables

Movement on impairment of trade and other receivables for the six-month period ended 30 June 2024 are presented as follow:

Unit: € k	Initial balance	Increase	Decrease	Ending balance
	1 790	146	(35)	1 902
Trade receivables	439	146	(35)	551
Other receivables	1 351	-	-	1 351

9 Cash and cash equivalents

For the periods ended 30 June 2024 and 31 December 2023, Cash and cash equivalents from the statement of cash flows are detailed as follows:

Unit: € k	Notes	June 2024	December 2023
		39 313	79 505
Cash and cash equivalents		39 385	79 505
Bank overdrafts	10	(72)	(23)

The decrease in Cash and its equivalents was due to the early repayment of two loans, as detailed in the following note, which occurred during the first half of 2024 and prior to the contracting of the Commercial Paper Program.

10 Financial debt

Financial debt as at 30 June 2024 and 31 December 2023 were presented as follows:

Unit: € k	Notes	June 2024		December 2023	
		Current	Non-current	Current	Non-current
		15 451	597 170	71 444	599 896
Bank loans		15 072	-	1 065	3 125
Bank loans and commercial paper		15 000	-	1 042	3 125
Bank overdrafts	9	72	-	-	-
Others		-	-	23	-
Bonds and notes		379	597 170	70 379	596 771
Origination Fees		379	(2 830)	379	(3 229)
Bonds and notes		-	-	70 000	-
EMTN 2023 and Syndicate bond loan		-	600 000	-	600 000

Financial debt, excluding origination fees and bank overdrafts as at 30 June 2024 presents the following expected repayment plan:

Unit: € k	Maturity	Loans		
		Total	Current	Non-current
		615 000	15 000	600 000
	2024	8 500	8 500	-
	2025	6 500	6 500	-
	2026	180 000	-	180 000
	2028	420 000	-	420 000

Financial debt variations for the six-month period ended 30 June 2024 are presented as follow:

Unit: € k	Initial balance	New financing	Repayment of the principal	Bank overdraft movements	Others	Ending balance
Financial debt	671 340	15 000	(74 167)	72	375	612 620
Bank loans	4 190	15 000	(4 167)	72	(23)	15 072
Bank Loans	4 167	-	(4 167)	-	-	-
Commercial paper	-	15 000	-	-	-	15 000
Other loans	23	-	-	72	(23)	72
Bonds and notes	667 150	-	(70 000)	-	398	597 548
Origination Fees	(2 850)	-	-	-	398	(2 452)
Bonds and notes	670 000	-	(70 000)	-	-	600 000

During the first half of 2024, partial repayments of €74 167 k of contracted financing were made, relating to the early repayment of the Beiragás Project Finance Loan, signed in 2005 and due in 2027, in the amount of €4 167 k, and the early repayment of the Bond Loan, signed in 2019 and due on 1 August 2024, in the amount of €70 000 k.

Additionally, on 8 March 2024, the Company formalized a Commercial Paper Program, in the amount of €79 000 k with the aim of strengthening its financial position. The Commercial Paper Program has a term of 4 years (from the date of first issue) and has a variable interest rate, indexed to Euribor and a contractual spread. On 30 June 2024 the amount of Commercial Paper issued was €15 000 k, these issues having a maturity of less than one year.

11 Trade payables and Other payables

As at 30 June 2024 and 31 December 2023, Trade payables and Other payables were detailed as follow:

Unit: € k	June 2024		December 2023	
	Current	Non-current	Current	Non-current
Trade payables	8 969	-	10 683	-
Other payables	59 984	177 644	51 597	181 310
State and other public entities	3 081	-	2 582	-
VAT payables	3 060	-	1 487	-
“ISP” – Tax on oil products	242	-	256	-
Other taxes	(222)	-	839	-
Other creditors	6 229	-	7 431	-
Tangible and intangible assets suppliers	6 212	-	7 413	-
Other	17	-	17	-
Related parties	146	-	138	-
Payable dividends	146	-	138	-
Other accounts payables	4 102	-	3 053	-
Accrued costs	37 716	824	29 679	824
External supplies and services	4 651	-	4 872	-
Staff remunerations to be paid	4 251	-	7 286	-
Interests	23 419	-	14 605	-
Tariff deviation - core	4 305	824	981	824
Tariff deviation - pass through	1 004	-	911	-
Other accrued costs	86	-	1 025	-
Deferred income	8 711	176 820	8 714	180 487
Government grants	8 584	176 820	8 584	180 487
Other	127	-	130	-

The increase in accrued costs - interests when compared to December 2023 is mainly due to the interest payment period of the Group's main financing line (the EMTN financing, formalised in 2023) which occurs in July of each year, and the increase in contracted interest rates and rates observed in the market, partially compensated by voluntary early repayments that occurred during the first half of the year.

12 Income tax

The companies that are part of Floene Group for more than 1 year and whose participation percentage is 75% or more, and as long as such participation gives more than 50% of the voting rights, are taxed in accordance with the special regime for the taxation of groups of companies (“RETGS”). Since 1 January 2021 the taxable net income of Floene Group is determined by Floene Energias, S.A.. The average tax rate applied to companies based in Portugal was 25%.

As at 30 June 2024 and 31 December 2023, the amount of income tax payable are as follows:

Unit: € k	June 2024	Asset/(Liability) December 2023
	(995)	4 921
State and other public entities	(995)	4 921

Income tax recognised in the condensed consolidated income statement for the six-month periods ended 30 June 2024 and 2023 are detailed as follows:

Unit: € k	June 2024			June 2023		
	Current tax	Deferred tax	Total	Current tax	Deferred tax	Total
Income tax	6 211	(1 751)	4 460	6 261	(233)	6 027
Current income tax	6 211	(1 751)	4 460	6 381	(233)	6 148
Excess of estimated income tax	-	-	-	(120)	-	(120)

As at 30 June 2024, the deferred tax assets and liabilities movement are presented as follows:

Unit: € k	31 December 2023	Impact on the statements of income	Impact on equity	30 June 2024
Deferred tax assets	11 416	210	988	12 614
Adjustments to tangible and intangible assets	15	-	-	15
Retirement benefits and other benefits	9 951	21	988	10 960
Tariff deviation	68	171	-	239
Temporarily non-deductible provisions	1 383	18	-	1 401
Deferred tax liabilities	(18 588)	1 541	-	(17 046)
Adjustments to tangible and intangible assets fair value	(9 106)	191	-	(8 915)
Tariff deviation	(8 479)	1 084	-	(7 395)
Others	(1 003)	266	-	(737)

13 Post-employment and other employee benefit liabilities

As at 30 June 2024 and 31 December 2023, the Floene Group Pension Fund assets, valued at fair value and classified at Level 1, are presented as follow, according to the report submitted by the respective management company:

Unit: € k	June 2024	December 2023
Total Fund assets	19 243	19 508
Shares	5 323	4 682
Bonds	13 906	13 265
Liquidity	14	1 561

As at 30 June 2024 and 31 December 2023, the Group had recorded in liabilities the following amounts related to Post-employment and other employee benefits:

Unit: € k	June 2024	December 2023
Liability at the end of the period	(48 352)	(44 441)
Net liabilities	(48 352)	(44 441)
Liabilities	(67 595)	(63 949)
Past services covered by the pension fund	(20 931)	(21 237)
Liabilities related with other benefits	(46 664)	(42 712)
Fund assets	19 243	19 508

As for the assumptions considered in the calculation of post-employment liabilities, there were no changes compared to 31 December 2023. For more details, please refer to the consolidated financial statements and notes attached with reference to 31 December 2023.

14 Provisions

During the six-month period ended 30 June 2024, Provisions presented the following movements:

Unit: € k	June 2024			December 2023
	CESE I	Other provisions	Total	Total
At the beginning of the period	79 903	4 157	84 060	81 069
Increases	11 705	103	11 810	12 605
Decreases	(1 560)	-	(1 560)	(7 602)
Utilisation	(769)	-	(769)	(2 012)
At the end of the period	89 279	4 260	93 539	84 060

CESE

Since 2014, the Group has been subject to a special tax (Energy sector extraordinary contribution or "CESE"), created through article No. 228 of Law 83C/2013 of 31 December, and maintained in force in the State Budget Laws of all years since then, which states that companies from the energy sector with assets in certain activities are subject to a fee that is levied on the amount of eligible net assets. Due to the fact that the Group contests the application of this contribution, the Group has not proceeded with the respective settlement in due time since 2014, having recorded the total amount of CESE in the Provisions caption and the expense was recognised in results in the respective years.

On 30 June 2024, the CESE provisions correspond to the total liability, excluding the years for which there was an unfavourable court decision, that the Group continues to contest, or favourable and definitive, following which the provision is reversed.

The utilisation amount of €769 k is related to payments made by Duriensegás – Sociedade Distribuidora de Gás Natural do Douro, S.A. relating to the CESE of 2015 and 2017, in the total amount of €769 k (including default interest).

The decrease occurred in CESE provisions, in the amount of €1 560 k, results from Court Decision No. 197/2024 favourable to Setgás - Sociedade de Distribuição de Gás Natural, S.A by the Constitutional Court, regarding the CESE of 2019, declaring the tribute as unconstitutional.

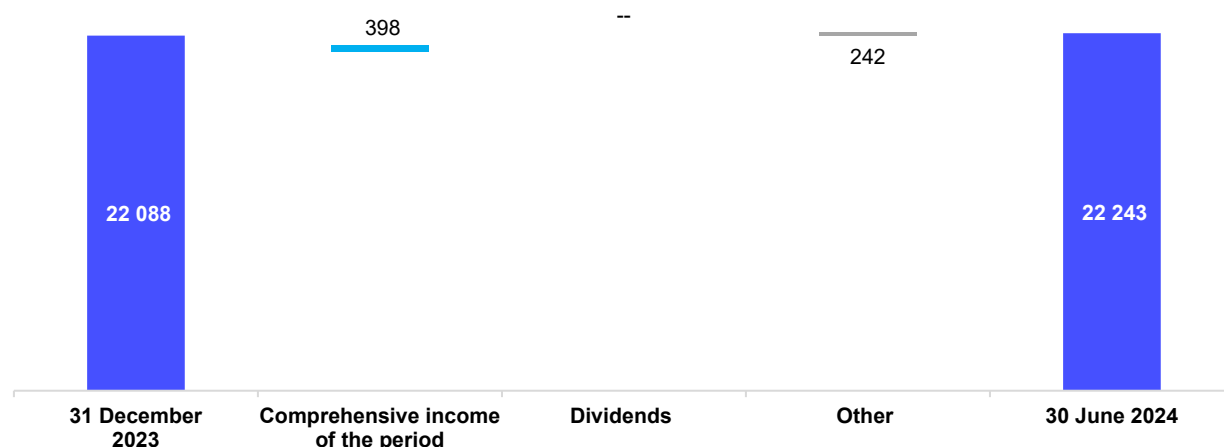
The CESE I increase is an annual recurrent increment which occurs by January of each year, with this contribution levied on some of the intangible assets allocated to the concessions. For more information, see the Financial Statements as at 31 December 2023.

On 27 June 2024, LisboaGás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, S.A. was notified by Decision No. 399/2024 of the Judge in charge of the Constitutional Court, regarding the CESE of 2019, favourable to the Company, not final, declaring the tribute as unconstitutional, with a financial impact of €5.1 million which is fully provisioned.

15 Non-controlling interests

As at 30 June 2024, the changes in non-controlling interests during the six-month period and included in equity are as follows:

Unit: € k



16 Revenue and income

Revenue and income for the six-month period ended 30 June 2024 and 30 June 2023 are detailed as follows:

Unit: € k	Notes	June 2024	June 2023
		111 779	106 366
Sales		4 003	2 896
Goods		4 003	2 896
Services rendered		87 129	79 472
Other operating income		19 642	22 331
Revenue under the IFRIC 12	17	14 839	17 639
Others		4 804	4 692
Financial income	18	1 004	1 668

17 Costs and expenses

Costs and expenses for the six-month period ended 30 June 2024 and 30 June 2023 are detailed as follows:

Unit: € k	Notes	June 2024	June 2023
Total costs		96 277	82 567
Cost of sales		2 404	2 312
Goods		2 404	2 312
Supplies and external services		25 172	17 314
Subcontracts – network use		9 883	2 417
IT services		3 454	3 859
Maintenance and repairs		1 526	1 567
Technical assistance and inspection services		1 395	1 361
Reading, billing and collecting services		953	868
Other		7 961	7 241
Staff costs		11 410	10 704
Amortisation, depreciation and impairment losses on tangible and intangible assets	4, 5, 6	24 907	24 467
Provisions	14	103	96
Impairment losses on accounts receivables	8	112	(105)
Other operating costs		15 186	17 760
Costs under IFRIC 12	16	14 839	17 639
Donations		16	14
Other taxes		40	(4)
Other operating costs		291	110
Financial expenses	18	16 985	10 019

18 Financial income and expenses

The detail of the financial income and expenses for the six-month period ended 30 June 2024 and 2023 are as follows:

Unit: € k	Notes	June 2024	June 2023
		(15 981)	(8 351)
Financial income:		1 004	1 668
Interest on bank deposits		1 004	678
Other financial income		-	990
Financial expenses:		(16 985)	(10 019)
Interest on bank loans, bonds, overdrafts and other		(16 047)	(7 071)
Interest on lease liabilities	6	(155)	(166)
Other financial costs		(783)	(2 782)

The increase in financial expenses compared to June 2023 is essentially due to new financing in the form of EMTN contracted in the second half of 2023 and which has a higher rate than the previous financing (Note 10).

19 Subsequent events

On 24 April 2024, Duriensegás – Sociedade Distribuidora de Gás Natural do Douro, S.A. was notified by Court Decision No. 337/2024 from Constitutional Court, regarding the CESE of 2019, favourable to the Company, declaring the tribute as unconstitutional, with a financial impact of €304 k which is fully provisioned.

On 6 June 2024, Lusitaniagás – Companhia de Gás do Centro, S.A. was notified by Court Decision No. 445/2024 from Constitutional Court, regarding the CESE of 2020, favourable to the Company, declaring the tribute as unconstitutional, with a financial impact of approximately €2.7 million, which is fully provisioned.

On 16 July 2024, confirmation was obtained that the aforementioned decisions had become final.

On 3 July 2024, Dianagás – Sociedade Distribuidora de Gás Natural de Évora, S.A. was notified by Court Decision No. 517/2024 from Constitutional Court, regarding the CESE of 2020, favourable to the Company, not final, declaring the tribute as unconstitutional, with a financial impact of €106 k which is fully provisioned.

There were no additional subsequent events after 30 June 2024 with a material impact on the attached condensed financial statements.

20 Approval of the condensed financial statements

The condensed consolidated financial statements were approved by the Board of Directors on 25 July 2024.

21 Translation note

These financial statements are a translation of the condensed consolidated financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese language version shall prevail.

THE BOARD OF DIRECTORS:

President:

Diogo António Rodrigues da Silveira

Members:

Karl Klaus Liebel

Roxana Tataru

Ippei Kojima

Nuno Luís Mendes Holbech Bastos

Satoshi Kanomata

Gabriel Nuno Charrua de Sousa

Pedro Álvaro de Brito Gomes Doutel

Carlos Miguel Faria da Silva

THE ACCOUNTANT:

Ana Maria Serafim de Brito Mousinho



Annex V - Review report on the Condensed Consolidated Financial Statements



Review Report on the Condensed Consolidated Financial Statements

(Free translation from the original in Portuguese)

Introduction

We have reviewed the accompanying condensed consolidated financial statements of Floene Energias, S.A. (the Entity), which comprise the condensed consolidated statement of financial position as at June 30, 2024 (which shows total assets of Euros 1,287,132 thousand and total equity of Euros 257,379 thousand, including a consolidated net income for the period of Euros 896 thousand), the condensed consolidated statement of income and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended, and the accompanying explanatory notes to these condensed consolidated financial statements.

Management's responsibility

The Management is responsible for the preparation of the condensed consolidated financial statements in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union, as well as to create and maintain appropriate systems of internal control to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying condensed consolidated financial statements. We conducted our review in accordance with ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Those standards require that we conduct the review in order to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

A review of financial statements is a limited assurance engagement. The procedures performed mainly consist of making inquiries and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISAs). Accordingly, we do not express an opinion on these consolidated financial statements.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.

Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3º, 1069-316 Lisboa, Portugal

Receção: Palácio Sottomayor, Avenida Fontes Pereira de Melo, nº16, 1050-121 Lisboa, Portugal

Tel: +351 213 599 000, Fax: +351 213 599 999, www.pwc.pt

Matriculada na CRC sob o NIPC 506 628 752, Capital Social Euros 314.000

Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of Floene Energias, S.A. as at June 30, 2024 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

July 26, 2024

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda
represented by:

Rita da Silva Gonçalves dos Santos, ROC no. 1681
Registered with the Portuguese Securities Market Commission under no. 20161291