

# Looking Inside



# Impact Outside

2024 Annual Report





# Looking Inside



# Impact Outside

2024 Annual Report

## **2024 ANNUAL REPORT**

Floene  
Rua Tomás da Fonseca, Torre A, 15.º Piso,  
1600-209 Lisboa, Portugal  
[floene.pt](http://floene.pt)

N.P.C./M.C.R.C. 509 148 247  
Capital social 89 529 141 euros

**Design and graphic production:**  
Choice – Comunicação Global, Lda.  
[choice@choice.pt](mailto:choice@choice.pt)  
[www.choice.pt](http://www.choice.pt)

**Published:**  
April 2025



## Looking Inside Impact Outside

### **Floene is more than just a brand.**

It is a Company with a national presence and a living network of people and infrastructure that works every day to ensure the safe and efficient supply of energy, while promoting sustainable solutions and driving the energy transition.

In 2024, at the inauguration of our headquarters in Lisbon, we created an exhibition journey that visually and accessibly illustrates our role as a gas distributor – with a growing focus on renewable gases.

This journey is structured around five core themes: the Network, the Territory, the Communities, the Environment, and Renewable Gases. These are strategic areas of our activity and reflect the impact we aim to generate.

Each of these themes is presented through a visual piece, designed to encourage reflection and help us better understand how our work contributes to the development of more resilient and sustainable communities.

More than an artistic display, this project aims at strengthening the alignment between Floene's mission and the individual contribution of each employee.

We believe that by deepening our understanding of who we are and what we do, we reinforce awareness of the positive impact we can – and should – have, both locally and on a broader scale.

The creation of this collaborative space, designed to inspire and bring people together, strengthens our culture and boosts our ability to act with purpose.

### **Looking Inside, Impact Outside.**

We invite you to explore the five themes and reflect on Floene's role in the present and the future.

# Index

<b>01.</b>	<b>Global Vision</b>	<b>6</b>	<b>05.</b>	<b>Sustainability declarations</b>	<b>44</b>
1.1.	Message to Stakeholders	8	5.1.	Framework and commitment	46
1.2.	Floene in numbers	12	5.2.	Environment	51
1.3.	Evolution of the main indicators	14	5.3.	Social	60
			5.4.	Taxonomy	67
<b>02.</b>	<b>Our business</b>	<b>16</b>	<b>06.</b>	<b>Financial Performance</b>	<b>70</b>
2.1.	Activity and business model	18	6.1.	Innovation and resilience	72
2.2.	History and presence	20	6.2.	Operating and financial results	73
2.3.	Purpose, Mission, Values and Strategy	21	6.3.	Quality of service and customer satisfaction	82
<b>03.</b>	<b>Highlights of the year</b>	<b>22</b>	<b>07.</b>	<b>Proposed allocation of results</b>	<b>88</b>
<b>04.</b>	<b>Our Governance</b>	<b>28</b>	<b>08.</b>	<b>Future prospects</b>	<b>92</b>
4.1.	Governance structure and model	30			
4.2.	Ethics and transparency	34			
4.3.	Risk management and internal control	34			
4.4.	Involvement with Stakeholders	37			

## 09. Relevant facts occurring after the close of the financial year 96

---

## 10. Additional Information 100

---

## 11. Annexes 104

---

Annex I – Declarations 106

Annex II – Declaration of compliance  
by the members of the Board of Directors 111

Annex VIII – Glossary 112





#### **THE ENVIRONMENT • Natural harmony**

The pieces aim to translate the balance between sustainable vitality and effervescence with the robustness of Floene's goals and desire to grow. The canopy symbolises constant energy and renewal, while the trunk evokes firmness and resilience. This contrast is enhanced by the choice of distinct materials between the top and bottom, where the lighter elements of the canopy contrast with the robust materials at the base, creating a rhythmic harmony between lightness and stability.



# 01



## Global Vision

# 01. Global Vision



We invested in strategic synergies, fostering debate and strengthening partnerships with companies, municipalities and academic institutions, which are essential for boosting the integration of renewable gases and accelerating the decarbonisation of the national economy

## 1.1. Message to Stakeholders

### Dear Stakeholders,

In the journey of energy transition, Floene positions itself as a reference, determined to lead by example and ambition. More than just keeping up with the changes shaping the energy sector, we aim to drive them, becoming active agents of this transformation. Our approach is clear: foster innovation, promote sustainable solutions, and consolidate strategic partnerships that accelerate the implementation of a cleaner, more efficient, and inclusive energy model. **We believe in a balanced vision of decarbonisation that promotes security of supply, greater competitiveness for the national economy, and accessibility for all.**

The year 2024 represents a significant milestone in this trajectory, which can only be achieved by realising the ambition to produce, distribute, and use renewable gases, namely **biomethane and hydrogen**.

Portugal faces unprecedented energy challenges, finding itself at a critical moment to consolidate its commitment to energy transition and the decarbonisation of its economy.

The Biogas Action Plan 2024-2040, more than a response to energy and climate demands, constitutes a vector of sustainable development aligned with European decarbonisation goals and international climate commitments.

This Plan, which is a unique opportunity for our country, aims to replace 9% of natural gas consumption with biomethane by 2030. This substitution allows the development to achieve significant reduction of natural gas imports and associated costs, thereby decreasing external energy and technological dependence, contributing to national decarbonisation goals, and increasing the incorporation and diversification of renewable energies in the national energy matrix.

The development of biomethane has great potential to stimulate local economies, encouraging the development of associated infrastructures, services, and technologies, strengthening territorial cohesion, and combating depopulation in rural and low-density areas.

**The energy transition we are undergoing and the demanding carbon neutrality goals we are internationally committed to do not allow us to delay the development of renewable gases any longer: we are behind, and the time to act is now.**

In this context, we have reinforced our commitment as key players for energy transformation, investing in initiatives that promote energy literacy, encourage consumption efficiency, and enable the adoption of renewable gases.

The launch of the “Dá-lhe Gás” project, which highlights the potential of renewable gases, particularly biomethane, in the economic, social, and environmental dynamization of different territories and communities, involving students and teachers from schools in the districts of Aveiro, Leiria, and Viseu, and counting on the strong commitment and dedication of our teams, is a clear demonstration that it is possible to go further, promoting impactful initiatives.

We have also invested in strategic synergies, fostering debate and strengthening partnerships with companies, municipalities, and academic institutions, essential for driving the integration of renewable gases and accelerating the decarbonisation of the national economy, starting with the conferences we promoted in Évora and Faro, within the scope of our social responsibility programme “Comunidades de Futuro”.

As evidence of audacity and a willingness to cooperate with various sectors of society, we were present at the National Agriculture Fair, initiating close collaboration with the agricultural sector, essential for biomethane production.



From our new headquarters in Lisbon – whose inauguration marked a turning point in the way we work and relate to each other – and from our facilities spread across the north and south of the country, we remain determined to build a fairer, more sustainable and inclusive energy future

**Without modern, resilient, and future-sized gas distribution networks, there is no opportunity to develop the enormous potential for renewable gas production that exists in the national territory. These infrastructures are the backbone of a flexible, secure, and sustainable energy system, allowing not only the efficient supply of natural gas today but also the full and effective integration of biomethane and hydrogen.**

Our focus continues to be on the decarbonisation of Portuguese society, promoting sustainable alternatives, particularly for the most energy-intensive sectors, thus providing more competitive energy and lower decarbonisation costs, contributing to Portugal’s environmental goals. An example of this is the successful Indústria de Futuro project, aimed at

promoting the incorporation of renewable gases in production processes and contributing to the decarbonisation and energy efficiency of the national industrial sector. However, we know that the journey of energy transition occurs in a scenario of national and global uncertainty, requiring flexibility, resilience, diversification of sources, and autonomy.

Within our organization, we are concluding one of the most structuring processes in our history: the autonomy of our corporate processes, which will allow for even more agile and focused action on the challenges of the energy sector. This transformation requires effort and dedication from everyone, and it is with pride that we witness the commitment and determination of our teams in this journey.

None of this would be possible without people. The true strength of Floene lies in its employees and partners, whose dedication, knowledge, and passion are the pillars of our actions. With their professionalism and innovative spirit, they turn

problems into solutions, challenges into opportunities, fulfilling our commitment to lead the energy transition. They ensure that every step taken reflects our ambition and consolidates our position as a reference in the national energy sector.

From our new headquarters in Lisbon – with better conditions, marking a turning point in how we work and relate – and our facilities spread from north to south of the country, we remain determined to build a fairer, more sustainable, and inclusive energy future.

This journey, and our ability to adapt and evolve, is what we invite you to learn about in detail in the following pages, reflecting the vast range of activities and the main results of the 2024 exercise.

With the energy of the future,

**Diogo da Silveira and Gabriel Sousa**  
Chairman and CEO



**CFO**

Pedro Álvaro  
de Brito  
Gomes Doutel

**CEO**

Gabriel Nuno  
Charrua  
de Sousa

**Chairman**

Diogo António  
Rodrigues  
da Silveira

**CSO**

Satoshi  
Kanomata

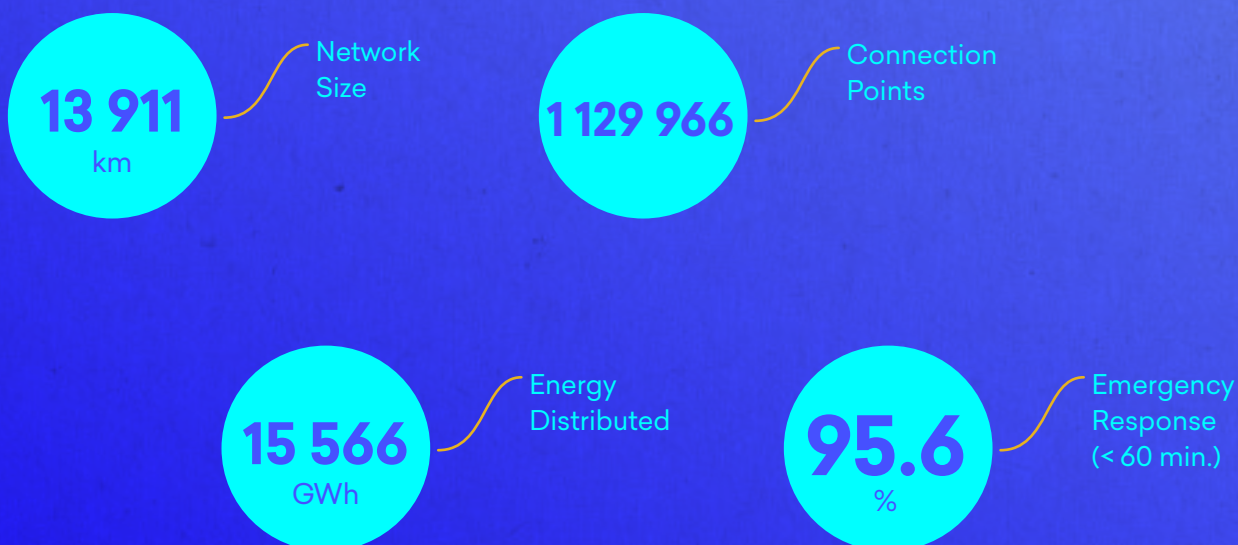
**COO**

Carlos Miguel  
Faria da Silva

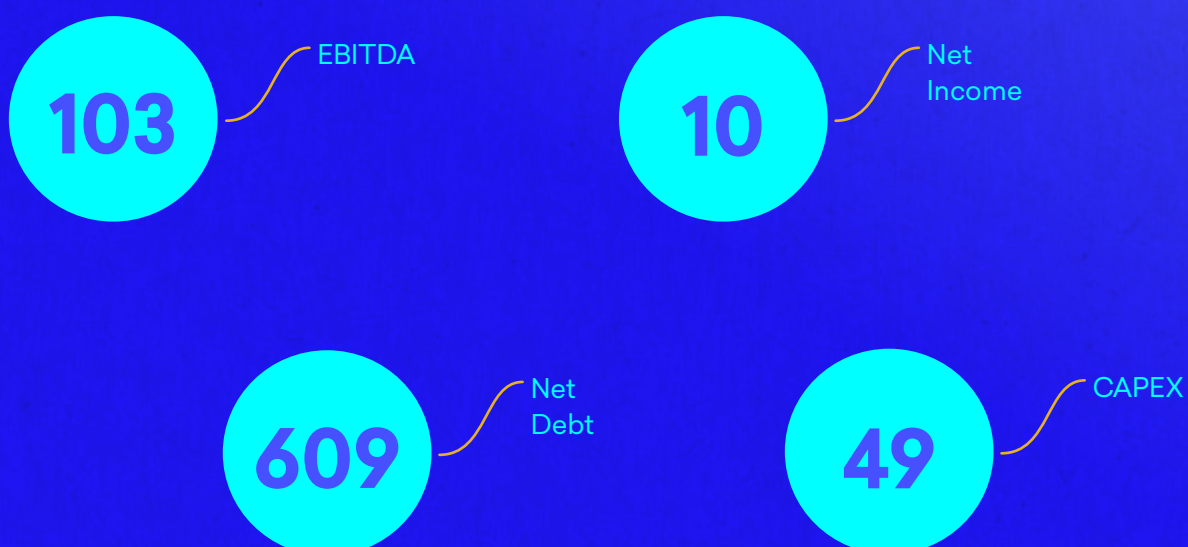


## 1.2. Floene in numbers

### Operational Indicators



### Financial Indicators (millions of EUR)



## ESG Indicators

### ENVIRONMENT

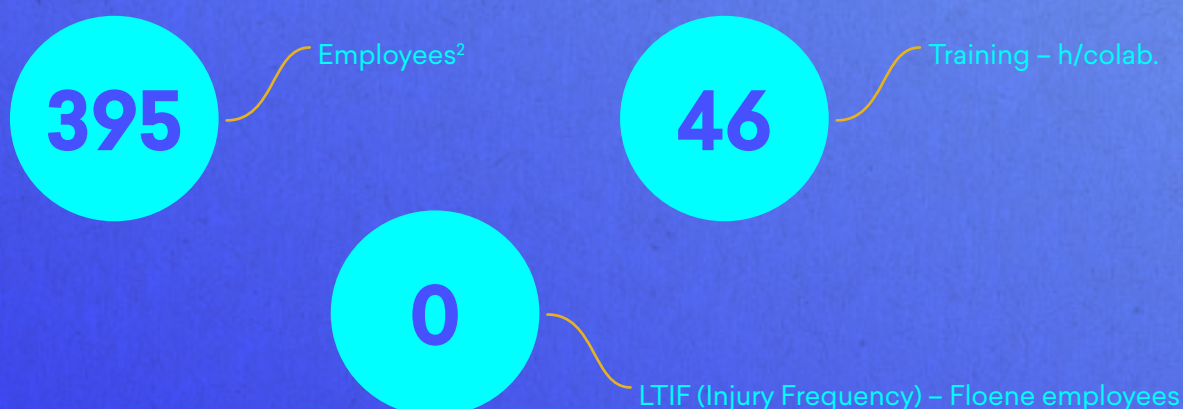
**20 386** tCO<sub>2</sub> eq  
GHG emissions  
Scope 1 and 2

**7 131** tCO<sub>2</sub> eq  
GHG emissions  
Scope 3

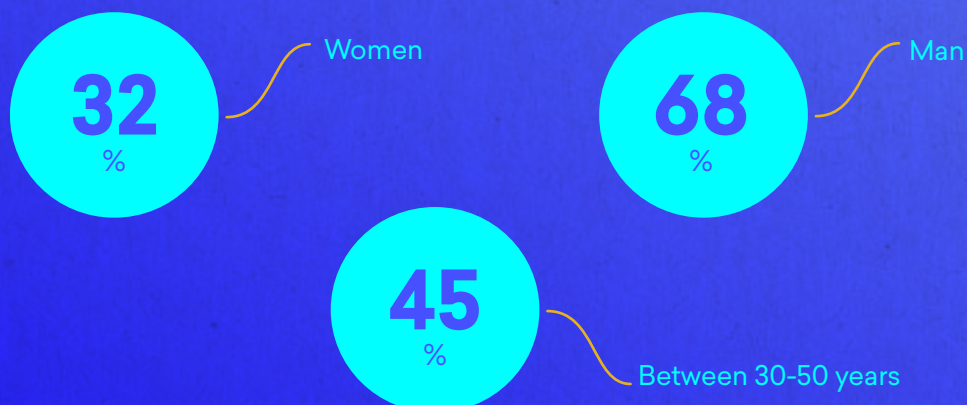
**100** %  
Waste  
recovered<sup>1</sup>

**45** %  
Waste  
incorporated  
(Works)

### SOCIAL & GOVERNANCE



### Gender and Age



1. Includes operations of valorisation and incorporation.

2. Includes Executive Committee members. Does not include trainees/interns, employees on fixed-term contracts or unpaid leave, or members of other governing bodies. Employees from all Floene Group companies are taken into account.

## 1.3. Evolution of the main indicators

Operational indicators	Unit.	2024	2023	Δ	Δ%
Connection points	#	1,129,966	1,131,566	(1,600)	(0.1%)
Gas volume distributed	GWh	15,566	15,653	(87)	(0.6%)
Total network size	Km	13,911	13,800	110	0.9%
Primary Network	Km	790	790	0	-
Secondary Network	Km	13,121	13,010	110	0.9%
Service lines	#	376,390	371,810	4,580	1.2%

Thousands of EUR

Financial indicators (thousands of EUR)	2024	2023	Δ	Δ%
EBITDA	102,602	102,622	(20)	(0.0%)
EBIT	52,405	53,449	(1,044)	(2.0%)
Net income	10,050	17,025	(6,975)	(41.0%)
Free cash flow <sup>1</sup>	49,250	28,433	20,817	73.2%
Net debt <sup>2</sup>	609,053	591,835	17,218	2.9%
Net fixed assets <sup>3</sup>	1,121,270	1,120,897	374	0.0%
CAPEX	49,496	41,077	8,418	20.5%

1. Cash flows from operating activities - Cash flows from investment activities

2. Bank debt + Bond loans - Cash and equivalents

3. Tangible assets + Intangible assets (excluding Goodwill)

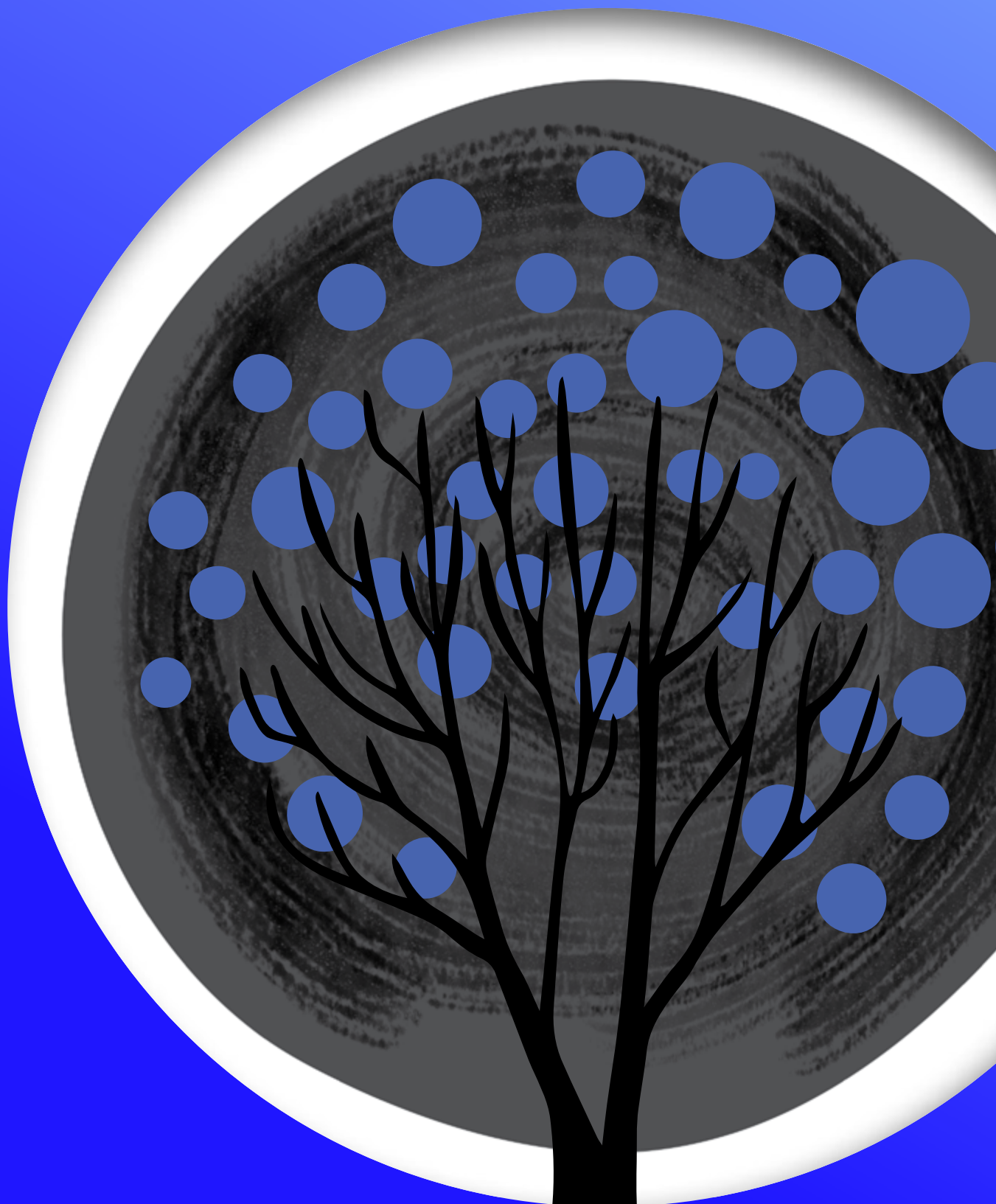
ESG Information	2024	2023	Δ	Δ%
<b>GREENHOUSE GASES EMISSIONS (TCO<sub>2</sub>EQ)</b>				
Scope 1+2	20,386	23,470	(3,084)	(13.1%)
Scope 3	7,131	7,553	(422)	(5.6%)
Scope 1+2+3	27,517	31,023	(3,506)	(11.3%)
GHG Emissions Intensity Scope 1+2 (tCO <sub>2</sub> /GWh)	1,3	1,5	(0,2)	(12.7%)
GHG Emissions Intensity Scope 1+2 (tCO <sub>2</sub> /km network)	1,5	1,7	(0,2)	(13.8%)
<b>PEOPLE</b>				
No. of employees <sup>1</sup>	395	408	(13)	(3.2%)
% of women vs men	32%	32%	-	-
% of women in top management positions <sup>2</sup>	31%	31%	-	-
Training per employee (h) <sup>3</sup>	46	35	11	30.4%
Employee Retention	90%	94%	(4.0%)	(4.3%)
Employee turnover	10%	6%	4.0%	66.7%

1. Includes Executive Committee members. Does not include trainees/interns, employees on fixed-term contracts or unpaid leave, or members of other governing bodies. Employees from all Floene Group companies are taken into account. Accounting is performed at the end of the reporting period.

2. Top management includes the Executive Committee, Directors, and Managers.

3. Training per employee includes members of the Executive Committee.

In 2023, the number of employees was revised following a change in the applied criteria, and the reported scope 1+2+3 of greenhouse gas emissions was updated due to a correction in the calculation.



#### **THE ENVIRONMENT • Natural harmony**

The pieces aim to translate the balance between sustainable vitality and effervescence with the robustness of Floene's goals and desire to grow. The canopy symbolises constant energy and renewal, while the trunk evokes firmness and resilience. This contrast is enhanced by the choice of distinct materials between the top and bottom, where the lighter elements of the canopy contrast with the robust materials at the base, creating a rhythmic harmony between lightness and stability.



# 02



**Our  
business**

**FL****ENE**

## 02. Our business



**Floene's distribution network stands out as one of the most modern and efficient in Europe**

### 2.1. Activity and business model

Floene Group is the leading gas distribution operator in Portugal, directly managing nine Gas Distribution Network Operators (DSO) – Beiragás, Dianagás, Duriensegás, Lisboagás, Lusitaniagás, Medigás, Paxgás, Setgás and Tagusgás. With more than EUR 1.1 million residential, tertiary and industrial customers, it is present in 106 municipalities from the north to the south of the country, with a market share of around 72% in terms of connections points.

Floene manages the concession and licences responsible for operating the gas networks in nine of Portugal's eleven regional concessions. The nine DSOs operate under a common management team and share operational systems, which allows for greater efficiency and consistency in operation.

Five of the DSOs operate under Concession contracts signed with the Portuguese state in 2008, valid for 40 years, while the others operate under Licences with an operating period of 20 years.

Floene's distribution network stands out as one of the most modern and efficient in Europe. Consisting mainly of polyethylene pipes (94%) and with an average age of less than 18 years, this infrastructure guarantees a completely safe supply and allows us to offer a high-quality service, fully complying with the requirements of the Energy Services Regulatory Authority (ERSE) and the sector's legislation.

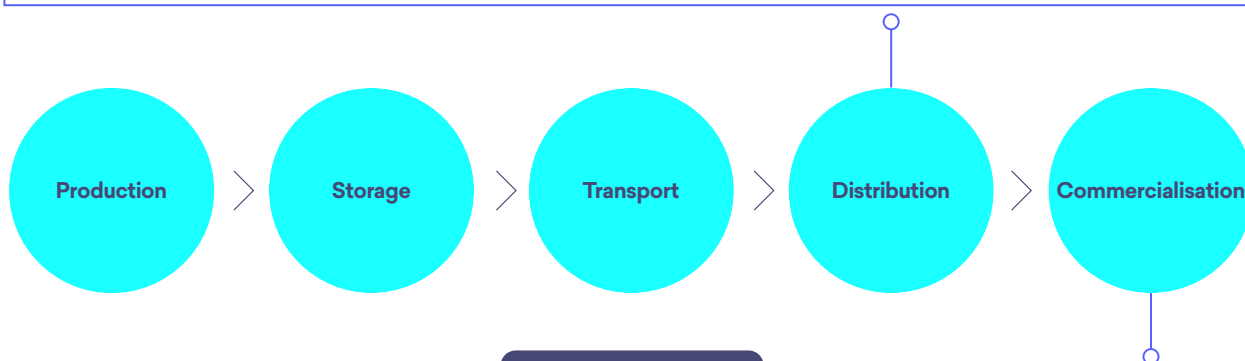


**Floene Group is the leading gas distribution operator in Portugal, directly managing nine Gas Distribution Network Operators (DSO)**

## How and where we operate

### Distribution

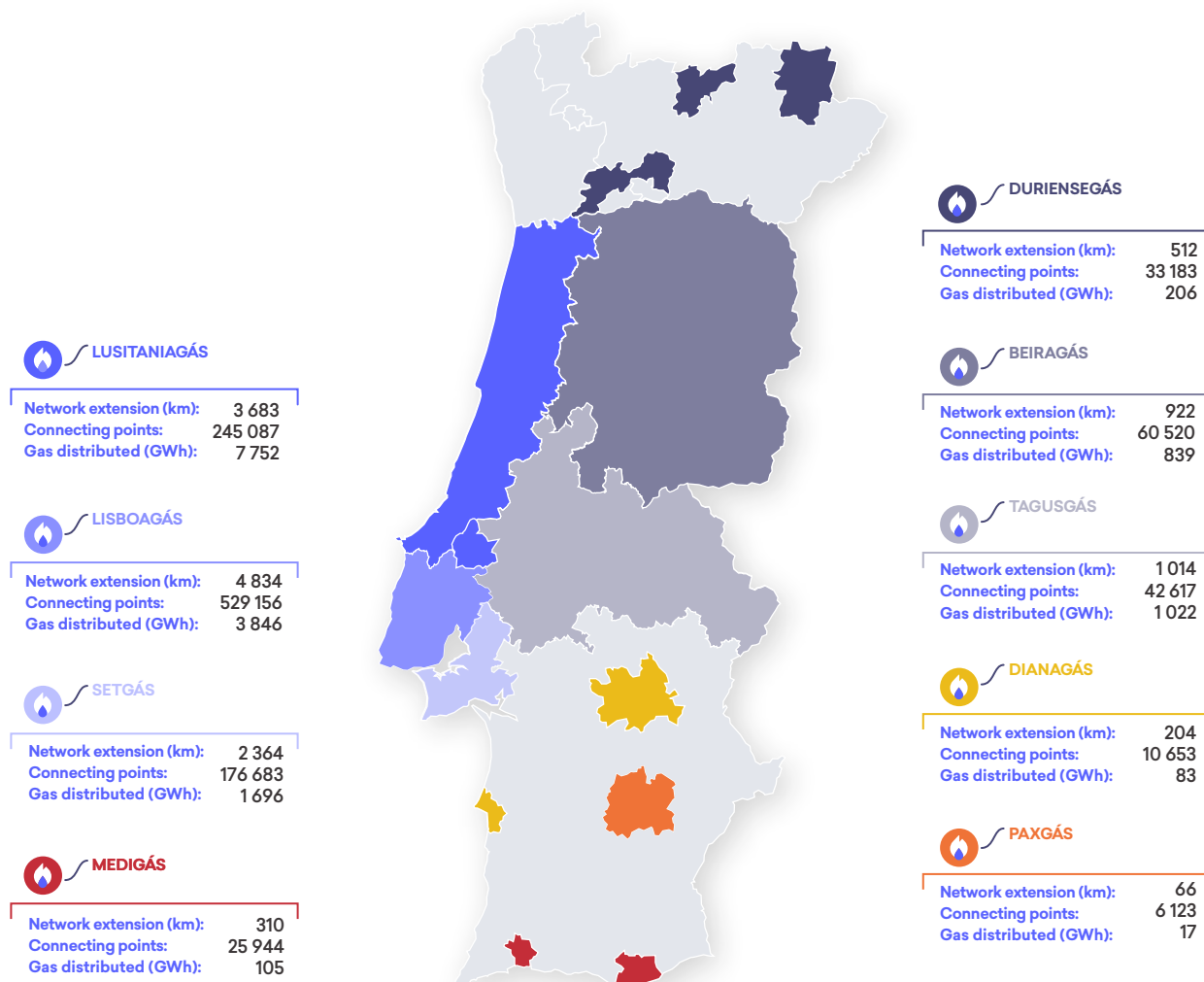
Distribution ensures the flow of natural gas from the high-pressure (HP) transmission network into the medium-pressure (MP: between 20 and 4 bar) and low-pressure (LP: below 4 bar) distribution networks, all the way to the consumption facilities (delivery points). These networks are also referred to as interconnected networks, in contrast to other local distribution networks that are supplied by liquefied natural gas (LNG) storage units (UAG), delivered by tanker trucks.



### Commercialisation

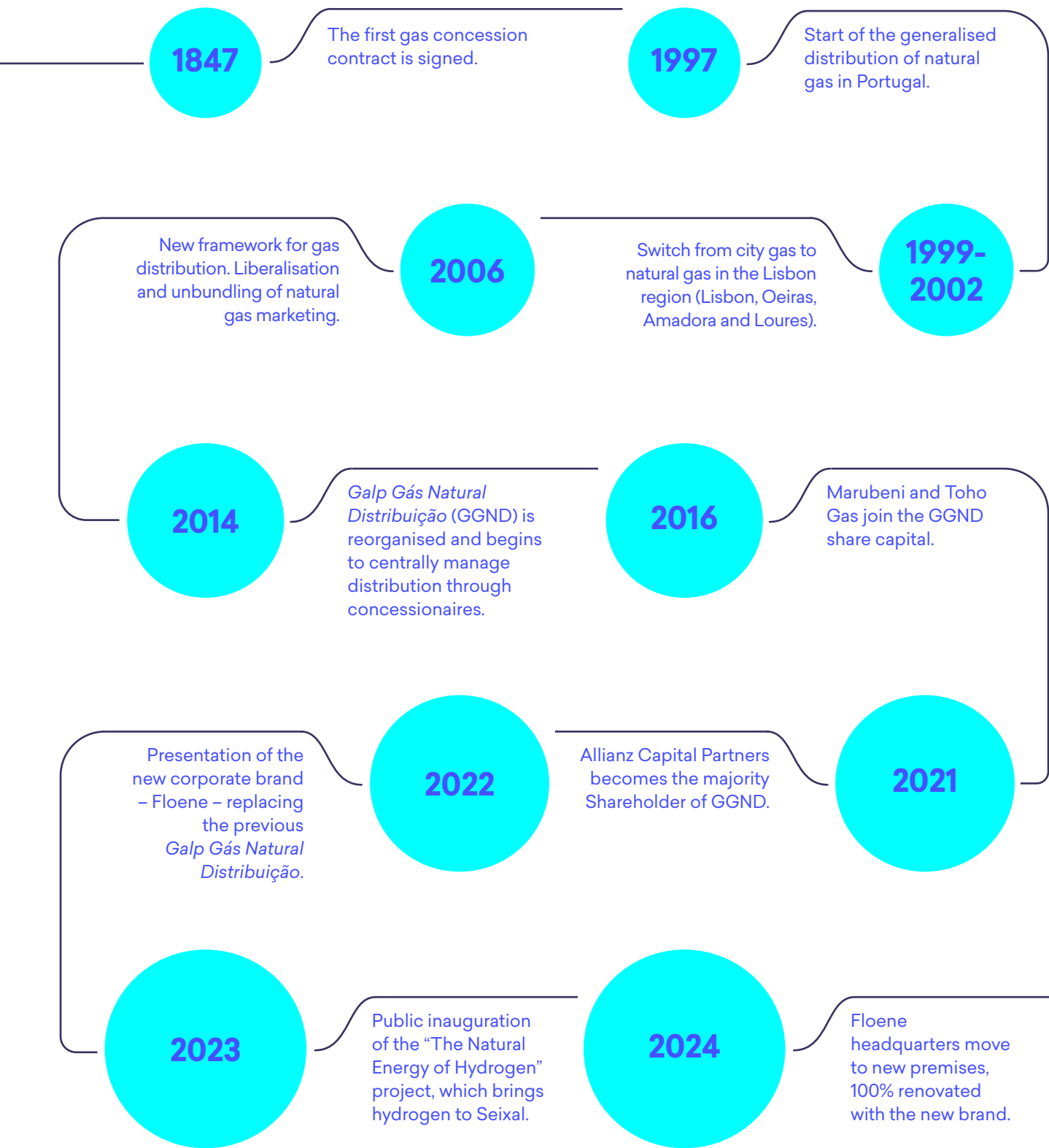
The DSOs supplying gas to **fewer than 100,000 customers** (Beiragás, Duriensegás, Dianagás, Tagusgás, Paxgás, and Medigás) also engage in gas commercialization activities. This includes acting as retail last resort suppliers (CURr), with corresponding financial reporting obligations.

### Where we are



## 2.2. History and presence

We are new energies with more than 175 years of experience:



## 2.3. Purpose, Mission, Values and Strategy

Our Purpose, Mission, Commitment and Values make up our identity and lead us to want to promote a fair and responsible energy transition.



### Purpose

We promote sustainable communities.

We've been around since 1847, we're here to stay and we embrace the transformation and sustainable progress of the communities in which we operate.



### Mission

We are new energy with 175 years of experience.

We lead by example and by our ability to bring ever more efficient and cleaner energy solutions.



### Commitment

To be the best partner in energy transformation.

We expand and innovate – to realise the energy transformation. We promote sustainability – to grow together and encourage doing things differently – to continue to have a future.



### Values

**Collaboration**  
We are all one.

**Respect**  
We take care of our surroundings.

**Audacity**  
We imagine and realise.



### Strategy

To be one of the main promoters of the energy transition.

Floene is at the forefront of **decarbonisation** and the **energy transition**, meeting all the conditions for the distribution of **renewable gases**. Its **13,911-kilometre** network, mostly made of polyethylene, is prepared to transport **green hydrogen** and **biomethane**, reinforcing its role

as a key player in the transition to a low-carbon economy in Portugal. Committed to **sustainability**, Floene aims to grow responsibly, creating value and promoting the well-being of communities by integrating the new energies of the future.



#### **THE ENVIRONMENT • Natural harmony**

The pieces aim to translate the balance between sustainable vitality and effervescence with the robustness of Floene's goals and desire to grow. The canopy symbolises constant energy and renewal, while the trunk evokes firmness and resilience. This contrast is enhanced by the choice of distinct materials between the top and bottom, where the lighter elements of the canopy contrast with the robust materials at the base, creating a rhythmic harmony between lightness and stability.



# 03



## Highlights of the year

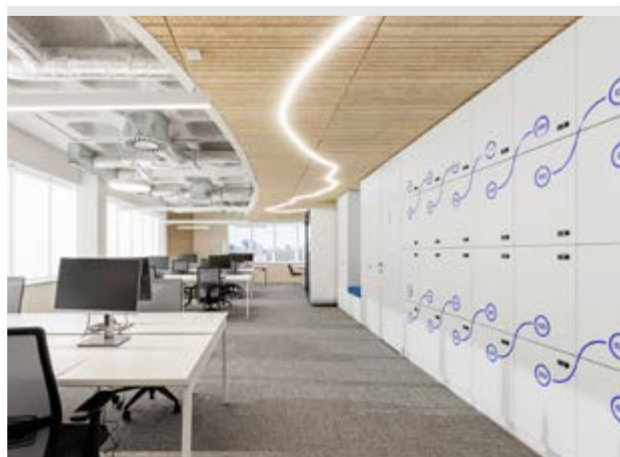
## 03. Highlights of the year

“


The inauguration of Floene's new headquarters in 2024 marked a milestone in the Company's transformation process

Reaffirming its commitment to the energy transition, in 2024 Floene developed innovative initiatives to promote renewable gases, supporting strategic partnerships with local producers, municipalities, industrial associations, academia and other relevant

players. The aim is to contribute to a more sustainable energy future for Portugal, leveraging the current natural gas distribution network, which is 100% capable of receiving and distributing the renewable gases of the future.




**Floene new headquarters – 100% renovated with the new brand**



**“Dá-lhe Gas” programme**

Energy literacy


Learn more on [page 41](#)



**National Agriculture Fair**


Floene 1<sup>st</sup> Participation

Learn more on [page 52](#)



**Injection of green H<sub>2</sub> into the Rio Maior distribution network**

Learn more on [page 52](#)



**Gas Quality Tracking System (GQTS)**

Learn more on [page 53](#)



**Floene joins the Oil and Gas Methane Partnership 2.0 (OGMP 2.0)**

Learn more [here](#).



**Future Industry**  
End of the cycle of the Roadmap for the Introduction of Renewable Gases in the National Industrial Sector

Learn more on [page 55](#)



**We continued to promote “Communities of the Future”**

Learn more on [page 37](#)



**We continued to promote Natural Hydrogen Energy through the Green Pipeline project (GPP)**

Learn more [here](#).



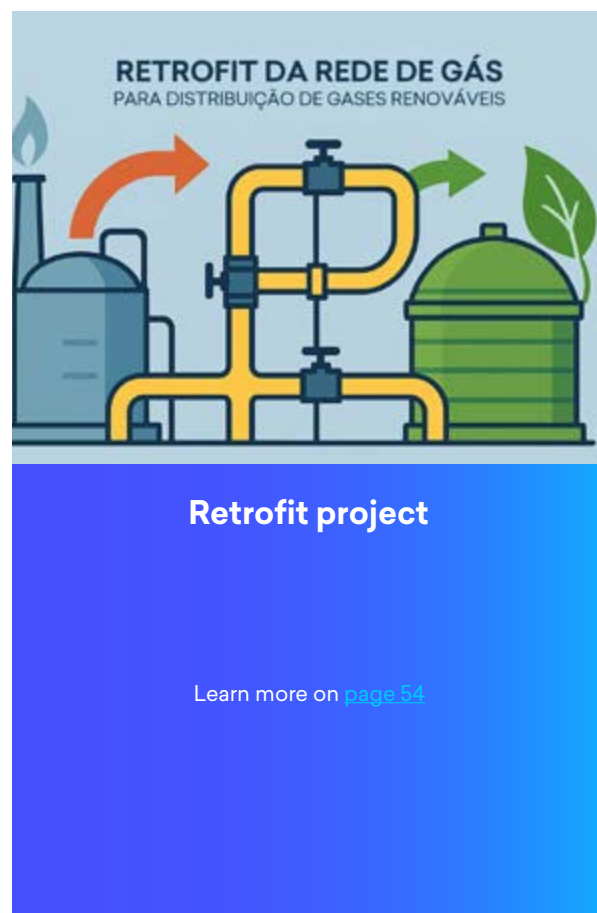


**TROCA DE CALDEIRAS**

O PROGRAMA FINANCIADO  
PARA MELHORAR A  
EFICIÊNCIA ENERGÉTICA  
DA SUA CASA

**Boiler Exchange (PPEC)**

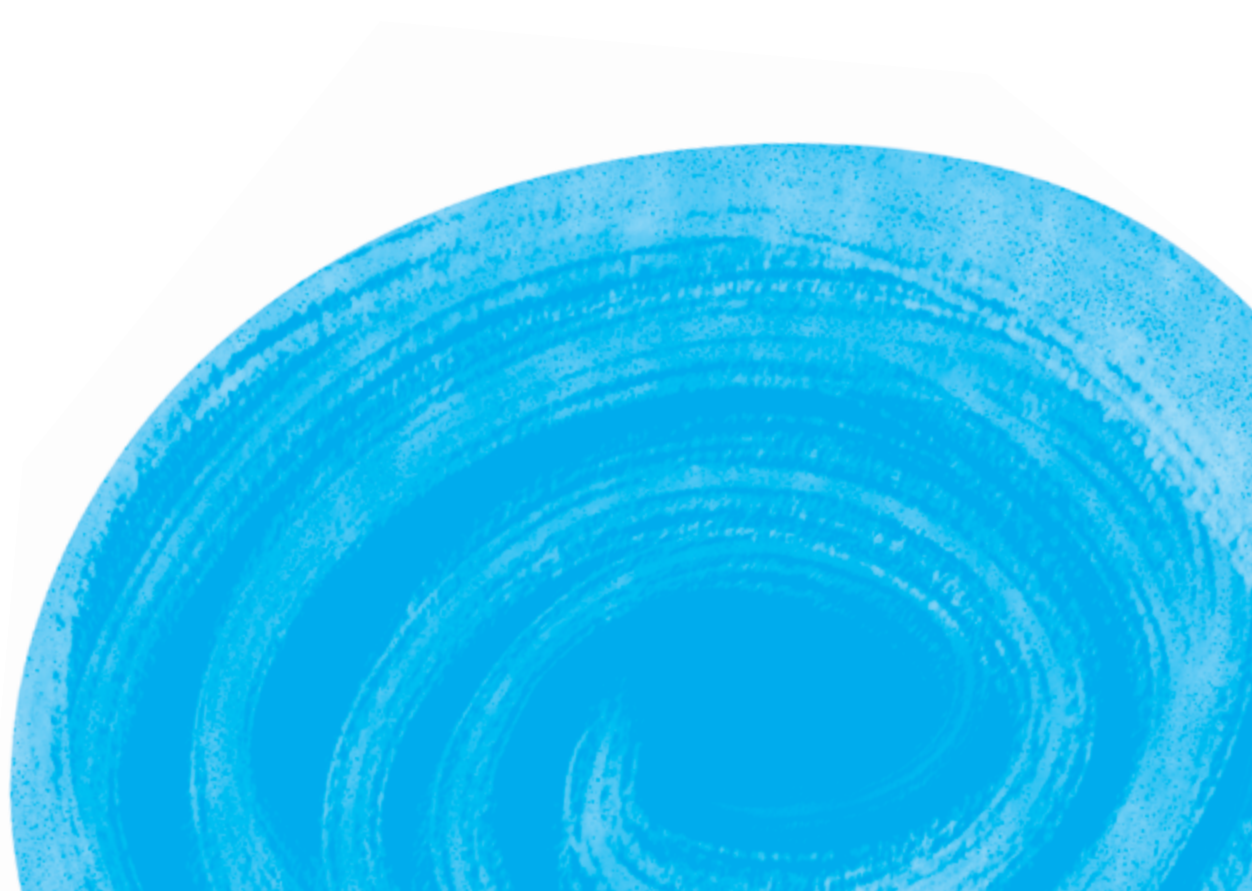
Learn more on [page 54](#)

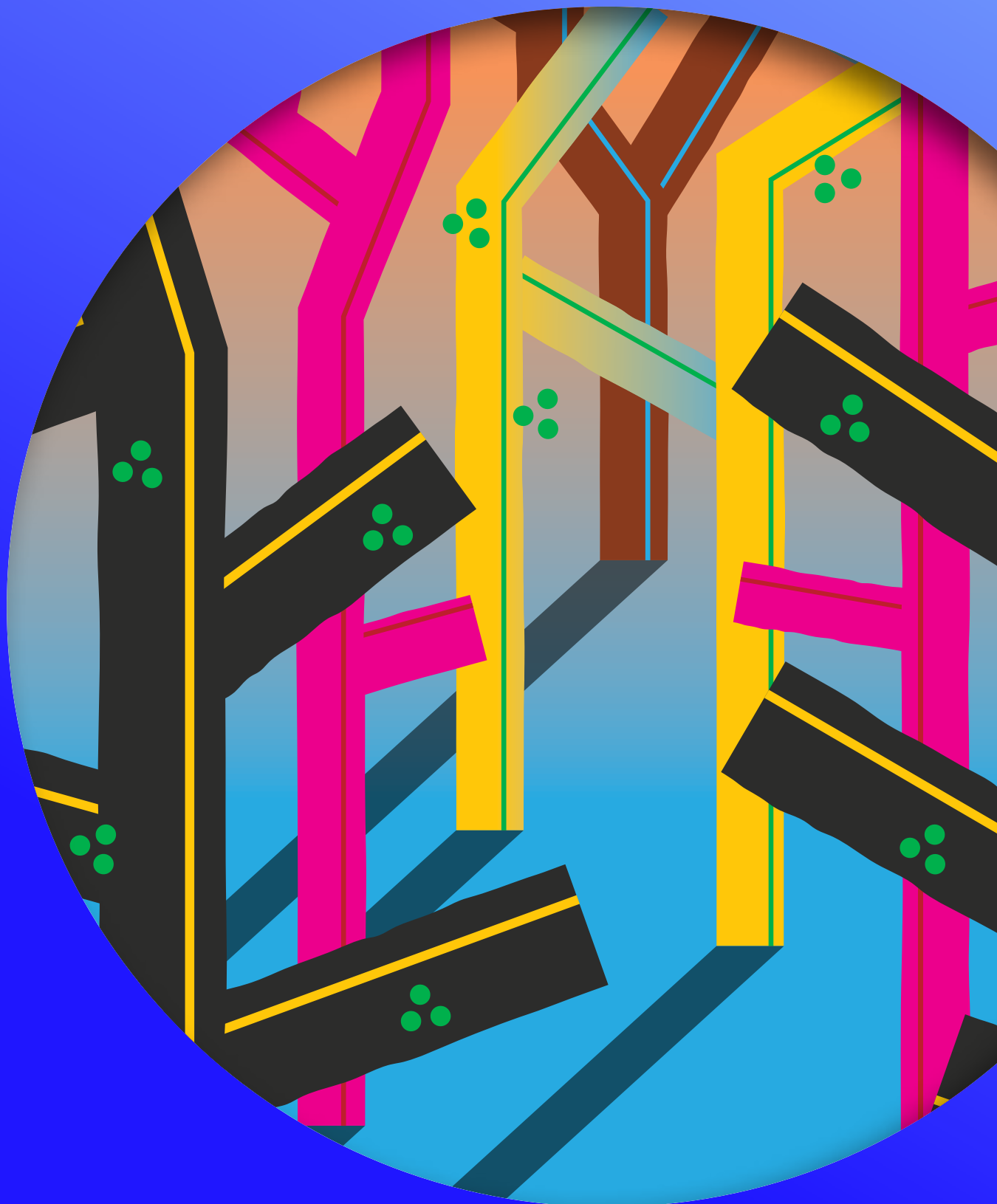


**RETROFIT DA REDE DE GÁS**  
PARA DISTRIBUIÇÃO DE GASES RENOVÁVEIS

**Retrofit project**

Learn more on [page 54](#)





#### **THE NETWORK • Living Flows**

This piece reimagines the invisible path of gas through the pipelines that extend across the territory, bringing energy to consumers' homes. The intense colour symbolises vitality, transformation, and constant movement. Each shade celebrates the energy flowing through these networks, reminding us that, more than mere transportation, the flow of gas represents a dynamic connection between technology and life, between source and destination.



# 04



## Our Governance

## 04. Our Governance

### 4.1. Governance structure and model

#### 4.1.1. Shareholder structure

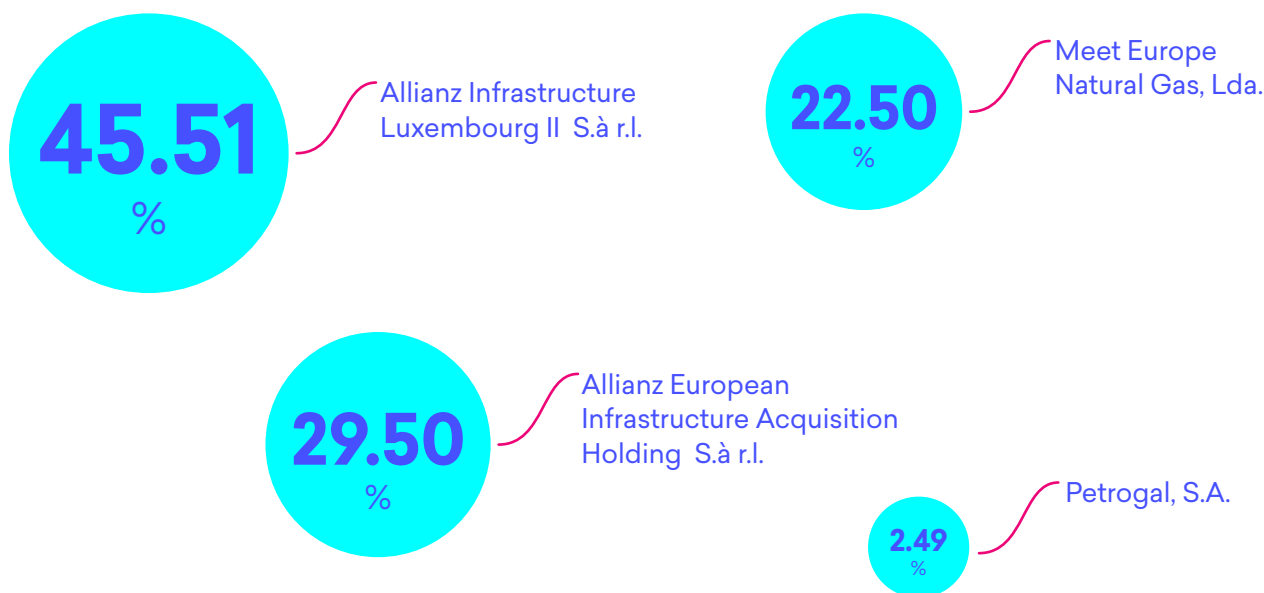
Floene Shareholder structure underwent a significant change in 2021, with the entry of Allianz Capital Partners, which holds 75.01% of the capital, through its subsidiaries Allianz Infrastructure Luxembourg II S.à r.l. and Allianz European Infrastructure Acquisition Holding S.à r.l. The remainder of Floene share capital is held by Meet Europe Natural Gas, Lda. (a consortium formed by the Japanese companies Marubeni Corporation and Toho Gas Co.Ltd.) and Petrogal, S.A. (Galp Group), with 22.50% and 2.49% respectively.

Floene Group is made up of the Company Floene Energias, S.A., five concessionaires and four licencees, whose shareholdings are shown below.

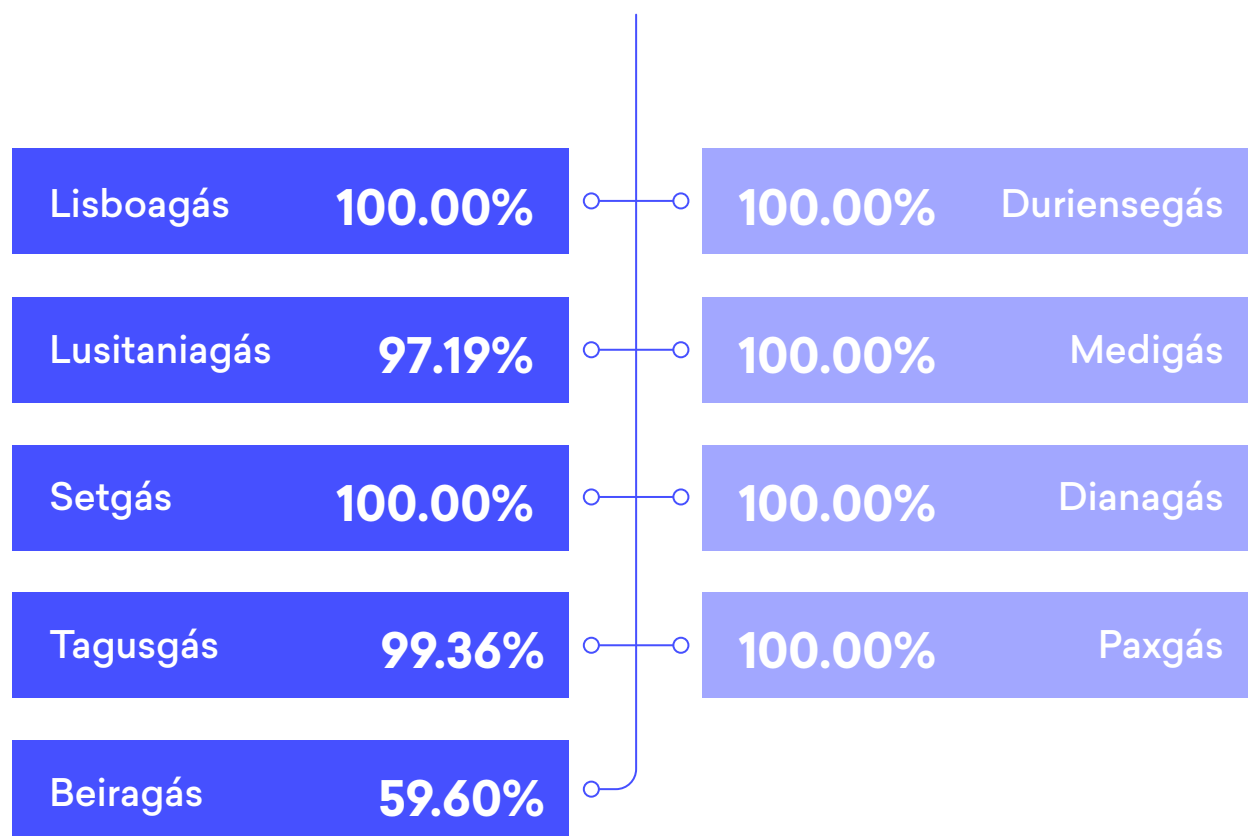
“

In 2021, Allianz Capital Partners acquired 75.01% of Floene's share capital, significantly altering the Group's Shareholder structure

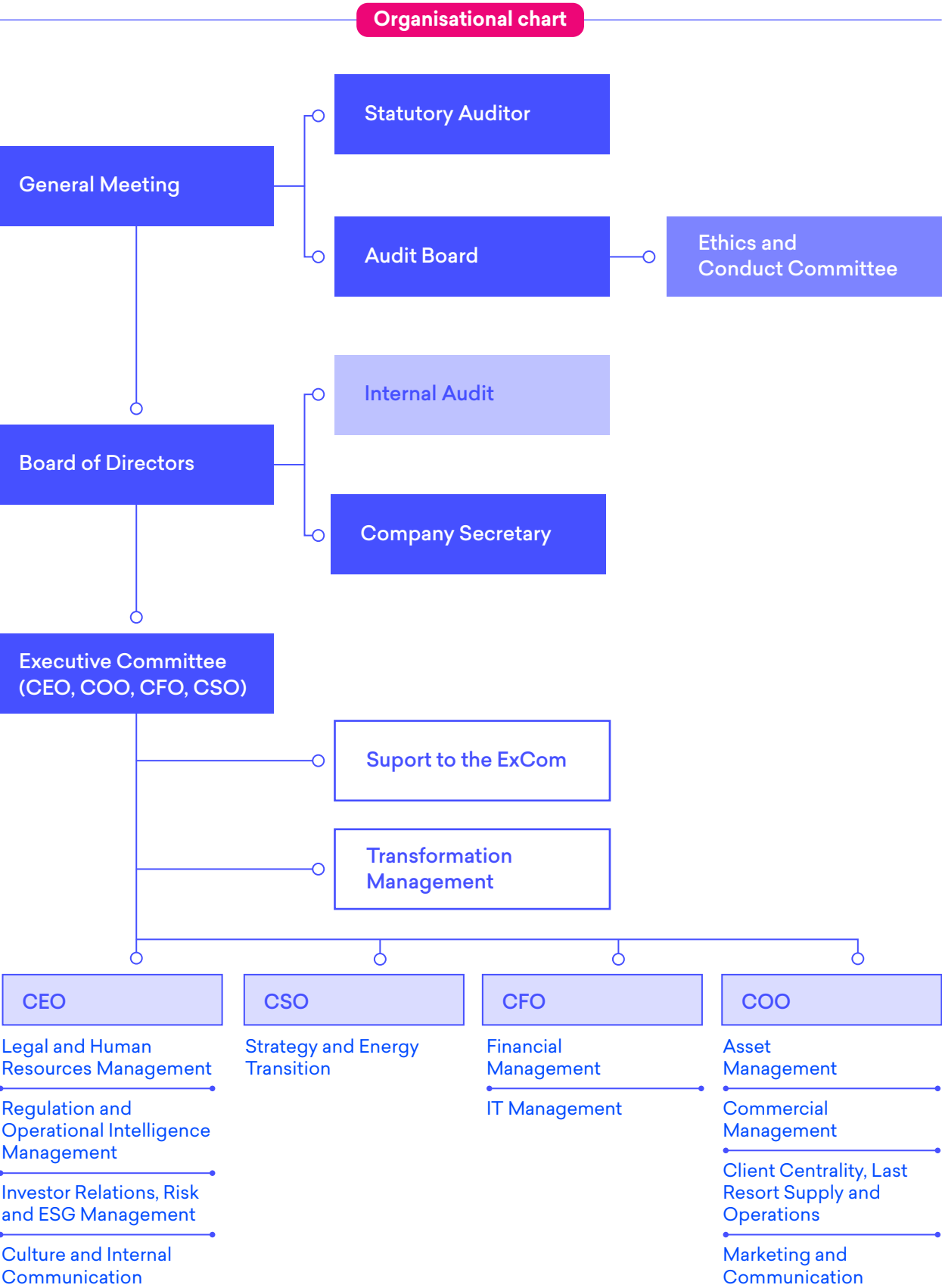
”



DISTRIBUÍMOS ENERGIAS DE FUTURO



4.1.2. Corporate Governance Model



Floene adopts a classic monist corporate model, as provided for in the Commercial Companies Code, which aims for transparency, effective decision-making and a clear separation of powers between the various governing bodies. This model includes the following bodies:

- **General Meeting** – the Company’s highest governing body, which brings together Shareholders to participate in the Group’s decisions;
- **Board of Directors** – responsible for managing the Company; made up of nine members, including four executives and five non-executives; makes the Group’s main strategic decisions, supervises and delegates day-to-day management to the Executive Committee;
- **Executive Committee** – made up of the four members of the Executive Board of Directors, it has powers delegated by the Board of Directors to carry out the day-to-day management of the Group;
- **Audit Board** – made up of three permanent members and one alternate member, elected by the General Meeting, this is the body responsible for supervising the Group’s activities;
- **Statutory Auditor** – external entity responsible for auditing the financial statements, ensuring the compliance of the information provided as required for the legal review of the Company’s accounts, as well as exercising other powers granted by law.
- **Company Secretary** – in charge of providing specialised support to the Governing Bodies, ensuring compliance with legal and administrative formalities.

The composition of the Governing Bodies for the current term of office (2022-2024) is detailed in Appendix I.

The Internal Audit Department is hierarchically dependent on the Board of Directors and reports functionally to the Audit Board. This department plays a crucial role in the independent and systematic assessment of the internal control and risk management system.

The Company has an Ethics and Conduct Committee, made up of three members appointed by the Supervisory Board, on a proposal from the Board of Directors, whose mandate corresponds to the term of office of the Audit Board.

As of **31 December 2024**, Floene **organisational structure** had **twelve directorates**, ensuring efficient management of its areas of activity, as shown in the organisational chart.

To strengthen **strategic internal communication** and the **sharing of knowledge** between management, the Company organised various committees throughout the year, with different topics for discussion, ranging from Strategy and Market, Innovation and Information Technologies and Performance, ESG and Stakeholders, Risk and Internal Control.

From the **second half of 2024**, to streamline the topics under discussion and allow regular monitoring of the main strategic and operational issues, Floene held monthly board meetings with senior management, while maintaining the four-monthly ESG and Stakeholders committees, as well as the Risk and Internal Control committee. From 2025 onwards, the Company will hold a biannual committee dedicated to Safety.

#### 4.1.3. Integrating Sustainability into our Organisation

Overall management of ESG issues is the responsibility of the **Investor Relations, Risk and Sustainability Department**, which reports to the Executive Committee. Its responsibilities include promoting the Company’s sustainability, best corporate management practices and information disclosure. Its integrated approach to environmental, social and governance performance management focuses on **protecting and creating sustainable value** for all Stakeholders.

At the operational level, all departments are **aligned and committed** to implementing best practices, ensuring **sustainable performance** in the economic, environmental, social and governance dimensions.

The **Board of Directors**, as the highest governance body, is responsible for **reviewing and approving the sustainability report**, including the list of

material topics, on an annual basis. It also monitors environmental issues at quarterly meetings through the ESG Report, as well as interacting two to three times a year on issues relating to the **decarbonisation and energy transition plan**.

In 2024, Floene reinforced its commitment to sustainability by launching a **dedicated ESG area on the intranet**, making sustainability issues more accessible to all employees.

## 4.2. Ethics and transparency

Floene identity is based on fundamental ethical principles: we embrace the transformation and sustainable progress of the communities in which we operate.

Floene is committed to ensuring an environment where its values – collaboration, respect and audacity – are lived by all employees and expressed in everyday behaviour.

So, at the end of 2023, the Company developed a new Code of Ethics, which reflects our new identity, purpose, mission and values, and which directly addresses issues that are essential to Floene and its people's integration into an increasingly complex and demanding society.

At the same time, a new communication channel was launched for reporting episodes of misconduct – *ComunicaÉtica*. Available on the intra homepage and on the [Floene website](#), this channel guarantees the strictest confidentiality of the information provided and total anonymity.

In the same line, in addition to subscribing to Floene Code of Ethics and Conduct, the DSOs also have their own codes of conduct. These documents establish the principles and general rules of behaviour to be observed by the managers and other employees of the DSOs, ensuring absolute respect for the rules of independence and transparency in the performance of their duties, as well as guaranteeing the absence of discriminatory behaviour.

**Floene Ethics and Conduct Committee (ECC)** is an **internal and independent structure**, reporting

to the Audit Board, responsible for monitoring the implementation of the Code of Ethics, as well as clarifying any doubts about its application. The ECC receives and processes information transmitted via *ComunicaÉtica* – Communication of Irregularities – regarding alleged offences or violations of the Code of Ethics or internal rules and regulations. It is also responsible for promoting training for employees in matters of ethics and conduct.

The transparent, open and constructive culture we want for our Company is based on understanding and recognising the principles that guide it. Following the publication of the new Code of Ethics and the launch of the whistleblowing channel in 2024, the Ethics Committee organised the webinar “We Talk – Ethics”, broadcast online on the theme “Building healthy environments – Understanding and combating the different types of corporate harassment”. This webinar was attended by the Chairman of the Ethics Committee, Adolfo Mesquita Nunes, and the member, Joana Appleton, in a live broadcast to the entire Company. The session was attended by around 270 employees, who had the possibility to submit their questions to the panel.

In 2024, the number of complaints received by the Ethics and Conduct Committee was significantly higher than the previous year, a clear sign of trust and openness regarding the new means made available to whistleblowers. Of the 11 complaints received, five were considered out of scope because they were commercial and technical complaints. In the remaining cases, all the complaints were analysed and considered concluded after the respective investigations.

## 4.3. Risk management and internal control

Floene has implemented an **Internal Control and Risk Management System** integrated into the organisational structure, which provides reasonable assurance that its objectives will be met in relation to (i) the continuity and sustainability of its operations; (ii) the safeguarding and protection of assets; (iii) the prevention and detection of fraud and errors; (iv) compliance with applicable legislation and regulations; and (v) financial and non-financial reporting.

Floene internal control and risk management system is part of a regulatory framework that includes a set of policies and an Internal Control Manual, approved by the Board of Directors, which follows the COSO Framework (Internal Control – Integrated Framework) and ISO 31000 reference model, as well as the organisational model associated with the integrated and global management of internal control and risk management in the Company.

Floene internal control and risk management governance structure is based on the **three lines of defence model**, which ensures the complete allocation of responsibilities, as well as an adequate segregation of duties and reporting within the scope of internal control and risk management.

Floene adopts a dynamic, comprehensive and continuous risk management methodology, which includes activities to identify and assess threats and opportunities, as well as defining action plans to mitigate and monitor the main risks associated with its activities.



This process is carried out periodically, at least once a year, based on the importance of the risk and any changes in the context, involving the Executive Committee, the Risk and Internal Control Committee, the Risk Management area and those responsible for identifying risks and mitigation action plans. The Internal Audit Department and the Audit Board are responsible for assessing the adequacy and efficiency of the internal control and risk management system, focussing primarily on the risks with the greatest impact highlighted by the Risk Management Model adopted.

The Internal Control and Risk Management system is overseen by the Board of Directors which, on an annual basis, approves the matrix of critical risks (highest probability of occurrence and impact).

During 2024, the Risk and Internal Control Committee held three meetings; its mission is to support the Board of Directors and the Executive Committee in the review and regular monitoring of the Floene Group's risks and opportunities, ensure the application of the risk management policy and guarantee the implementation of an appropriate action plan.

In recent years, new challenges in the energy sector have resulted in an increase in the overall risk assessment of Floene activity. The context of regulated gas activities has become more adverse, both in Europe and in Portugal, driven by the growing trend towards electrification in the energy strategy.

Risk	Risk Level <sup>1</sup>	Evolution vs 2023
Regulatory	Critical	↑
Market/Gas Demand	Critical	↑
Energy Transition	High	↑
Recruitment and Retention	High	↓
Financial	High	↓

1. Risk Level: Low/Medium/High/Critical

The updated risk assessment led to an upward revision of three risks: i) Regulatory Risk; ii) Market Risk and iii) Energy Transition Risk. The latter rose due to the delay in the development of renewable gases, namely in the implementation of the Biomethane Action Plan, published in March and with no progress until the end of 2024. Recruitment and Retention Risk fell to "High", due to the consolidation of the carve-out process, as did ii) Financial Risk, following the successful early renegotiation of the EUR 180 million financing line, which was originally due in March 2026.

Regarding mitigation measures, the first risk mentioned is managed through systematic monitoring of national and European regulatory and legislative trends, as well as legal, compliance and regulatory advice in close liaison with the Company, in order to guarantee compliance with statutory, legal and regulatory provisions.

For its part, the market risk and reduction in gas consumption is managed by promoting and developing low carbon, innovative and more efficient solutions, reinforcing the message of the need for energy alternatives in the process of decarbonising society. Mitigation involves a range of initiatives such as programmes aimed at passing on knowledge, the creation of digital customer retention campaigns and simulators for saving money when using natural gas, among others.

In the context of the Energy Transition Risk, Floene, as the largest natural gas distribution operator in Portugal, has been a leader in developing initiatives to boost the decarbonisation of energy consumption. The Company recognises that renewable gases, such as biomethane, are a strategic opportunity to reduce greenhouse gas emissions and promote new dynamics in key sectors such as agriculture and industry.

With regard to **adapting to climate change**, Floene is fully aware of the risks and opportunities associated with this phenomenon. For this reason, since the **second half of 2024**, it has undertaken a **robust assessment of the physical climate risks** to its assets, with a particular focus on the vulnerability of gas distribution infrastructures to extreme weather events.

Although most of the gas infrastructure is buried, reducing exposure to adverse weather events, Floene is **further analysing the risks** associated with extreme temperature conditions, natural disasters and other severe weather events, considering their likelihood and the financial and operational impacts.

The Company also has **mitigation and adaptation**

**actions** underway, including emergency response plans, insurance for catastrophic events and specific strategies for infrastructure. The quantification of the costs of these actions is being developed as part of this assessment process.

To minimise exposure to various risks resulting from claims arising from its operational activity, Floene Group takes out the insurance policies it deems necessary. These instruments cover the risks that may occur during the course of business, with a view to transferring the risk and minimising potential operational and financial damage, including civil liability property insurance, social, financial and cybersecurity insurance, among others.

### 4.3.1. Certified management systems

Floene has implemented and certified its Environment, Quality, Safety and Health management system in the Group's DSOs, in accordance with the NP EN ISO 9001, NP EN ISO 14001 and ISO 45001 standards. This certification reinforces continuous improvement, which is essential for the sustainability of gas distribution, and emphasises Floene commitment to the environment, customer satisfaction and employee safety.

### 4.3.2. Legal and regulatory compliance

As part of legal compliance, operational and verification audits are carried out to check compliance with applicable legal requirements, as well as other environmental aspects of Floene. These audits also cover occupational health and safety, quality, energy and the protection of people and data. In addition, reviews of information systems are carried out to test the effectiveness of internal control mechanisms, guaranteeing the necessary conditions for maintaining a process of continuous improvement.

## 4.4. Involvement with Stakeholders

In order to drive the energy transition and generate a positive impact on the territories in which we operate and the communities we serve, we have

been building a relationship of trust, proximity and transparency with our Stakeholders, in different areas and sectors of activity, on a path that has always been based on creating shared economic, social and environmental value and promoting balanced and sustainable growth.

With a firm commitment to being the best partner in the energy transformation, we have worked daily to guarantee the safety, reliability and sustainability of our network, investing in the use of renewable gases and actively contributing to the decarbonisation of the economy and the construction of a fairer, more efficient and responsible energy sector.

The year 2024 was marked by the reinforcement of our mission to promote sustainable communities and by the many initiatives that, being aligned with the needs of people, families and companies, and with the global challenges of the energy transition, have helped us to consolidate a more sustainable future for Portugal, where ambition and responsibility go hand in hand.

## “Communities of the Future”

Conceived in 2022, Floene’s purpose materialised in 2023 with the launch of “Communities of the Future”, a versatile and dynamic social responsibility programme. Aware of the importance of stimulating the unique potential of each region to meet its energy needs, Floene continued its journey to promote Sustainable Communities in 2024.

With this programme, the Company is committed to contributing to the economic, environmental and social development of each location in which it operates, with a view to meeting two of its Sustainable Development Goals, SDG 4 – Quality education and SDG 17 – Partnerships for the goals. Floene is thus a facilitator of a just energy transition, fostering partnerships and increasing national awareness and education about renewable gases as a way of mitigating climate change.



**Floene is committed to contributing to the economic, environmental and social development of each location in which it operates, with a view to meeting two of its Sustainable Development Goals, SDG 4 – Quality Education and SDG 17 – Partnerships for the Goals**

The “Communities of the Future” programme takes place in two phases:

## 1. Conferences

The first step of this programme is the launching of conferences in each region where Floene operates, with the aim of making local communities aware of the opportunities of the energy transition and the positive impact of renewable gases and jointly defining priorities for action.

To ensure that the content and debates are relevant to the specific realities of each region, the panels are attended by national and local representatives.

Topics include the circular economy, the importance of renewable gases in reducing carbon emissions,

opportunities for new business ventures, emerging skills and innovative professions.

After the conferences held in 2023 in Aveiro, Leiria and Viseu, in 2024 the “Communities of the Future” travelled to the south of the country, with Évora and Faro hosting two other well-attended conferences.

As was the case in 2023, these conferences also aroused great interest in 2024, and various priorities for action in each community are being defined and worked on, as well as planning the next meetings to reach more regions.

### Évora



### Faro



## 2. Projects

In a second phase, intervention projects are developed in partnership with communities, promoting the active participation of all Stakeholders in favour of a more sustainable society.

Attentive to the particularities of each community, Floene intends to develop specific projects in the areas of education and training, the promotion of renewable gases and strengthening partnerships with local organisations. The main lines of action include the following initiatives:

- **“Dá-lhe Gás” programme** – a pioneering initiative in Portugal, raising awareness of the decarbonisation of the energy sector through renewable gases (biomethane and green hydrogen), preparing new generations for the energy transition and the circular economy;
- **Future Professions** – continued development and strengthening of partnerships with technical and vocational schools, polytechnics and universities, through participation in university fairs, debates on the energy transition, study visits to the Green Pipeline project, among other initiatives;

- **Biomethane Producers** – approaching the agricultural sector as a potential biomethane producer, namely through working meetings, webinars on energy/energy transition/renewable gases and presence at the National Agriculture Fair;
- **Relations with the main local players, “living forces”** – identifying and approaching local organisations with an environmental and social impact and creating partnerships;
- **Floene Renewable Gases Platform** – a project created to promote literacy about renewable gases, biomethane and green hydrogen, with the aim of stimulating business development by supporting market operators along the production and consumption value chain.

## Active participation in national and international associations

Floene recognises the importance of maintaining an active presence in various industry associations and collaborating with international partners to achieve the goals of energy transition and decarbonisation. This proactive approach reflects the commitment to contribute to a low-carbon economy, through transversal co-operation with various associations and national and international initiatives.

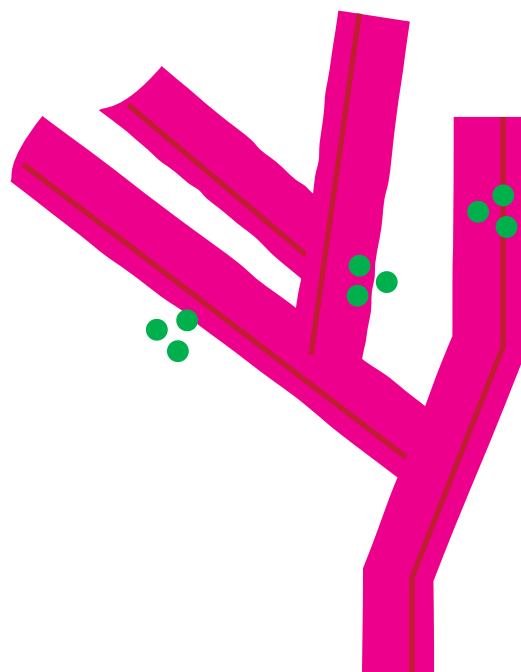
By participating in these associations, Floene co-operates with its peers and shares experiences with the aim of developing good practices, forming links and identifying future opportunities. In several of these associations, the Company has worked collaboratively, monitoring and analysing the impact of European Union (EU) political and legislative initiatives on the business and sector. In addition, to monitor developments in national and European energy policy, it participates as a member or leader of Working Groups and Committees in the above-mentioned associations.

Floene stepped up her participation in GD4S, leading the Industry Working Group (WG) and acting as Vice-Chair of the Distribution Committee and Chair of the Heating Working Group at Eurogas. Through

the Heating WG, it has led Eurogas positioning on the subject and the role of renewable gases, in position papers, meetings with sister associations and responses to EU consultations. In addition, different departments and areas participated in association WGs, such as the Renewable Gases - Engineering Department in BIP Task Force 4, the Commercial Department in the GD4S Building WG and the Eurogas Heating WG, and Asset Management in



**Floene has been working collaboratively, monitoring and analysing the impact of European Union policy and legislative initiatives on the business and the sector of the future**



the CH4 Industry WG.

### Eurogas



In May 2024, Floene CEO, Gabriel Sousa, was re-elected to the Eurogas Board. This achievement reflects Floene commitment to actively participating in the challenges and discussions of the energy sector at European level. The re-election is a testimony to the relevant role that Floene plays in the debates, as well as evidence of the recognition by its peers and partners. As a member of the Eurogas Board of Directors, Floene CEO will continue to defend the interests of the sector, driving important initiatives and contributing to shaping the future of the gases industry in Europe.

### GD4S

In November 2024, Floene hosted GD4S members in Lisbon for an event that included an internal meeting of the Executive Committee, a visit to the Green Pipeline project and various technical sessions on renewable gases. The event was attended by twenty representatives of GD4S member companies, an association that brings together the main gas distribution network operators in Europe, connecting more than 35.5 million customers, which corresponds to 35% of the EU gas market.

During the Executive Committee meeting, the association's strategic initiatives were discussed,

reinforcing alignment and collaboration between members. Events of this nature allow Floene to share its experience and vision of the future of decarbonisation in Portugal, while promoting collaboration between European gas distribution network operators, with the aim of boosting growth and innovation in the renewable gases sector. The event was attended by representatives from Italgas, Nedgia, Enexis, Alliander, Stedin, Gas Networks of Ireland (GNI), GRDF, Distrigaz, Cadent and Enaon. The opening of the Executive Committee meeting was attended by Floene CEO, while the technical sessions were attended by the Company's CSO.

### Biomethane Industrial Partnership (BIP)

Floene has been a BIP member since 2022 and is leading the TF 4.4 working group "How to optimise the injection of biomethane into the grid and the necessary grid reinforcements (reverse flow technology, grid extensions)". The work in progress was presented at a joint BIP and EBA webinar on "Greening the Gas Grid". This webinar provided guidelines for connecting biomethane to gas grids, gave an overview of the positive changes brought about by the recently adopted Hydrogen and Decarbonised Gases Package, and addressed the national regulations that influence the connection of biomethane to the grid: grid connection, cost sharing, gas quality and injection rates.

The report, entitled "Optimising the cost of biomethane grid injection", explores the technical, regulatory and economic pathways for integrating biomethane into Europe's extensive gas grid. By addressing cost and regulatory barriers, this work will help unlock the potential for greater biomethane production and utilisation, contributing significantly to the EU's clean energy goals. Resolving these issues is essential to achieving the EU's biomethane production target by 2030.

## International Gas Union (IGU)

Floene took part in the International Gas Union's Distribution Committee. The aim of this initiative was to provide Committee members with the opportunity to share knowledge and experiences, taking advantage of the IGU's global network to strengthen international collaboration. Membership of the IGU allows access to exclusive information, facilitates networking with experts from different countries and sectors and makes it possible to influence the development of innovative solutions for sustainability in the gas sector, contributing to the advancement of good practices and global policies. Study Group 1 (SG1) of the International Gas Union's Distribution Committee, led by Floene CEO, is made up of 25 members from 12 countries and focuses on the role of smart gas networks in promoting sustainability and innovation.



Throughout 2024, work continued on the 2022-2025 triennium, culminating in face-to-face meetings of the Committee in March and November, which promoted the exchange of ideas between members, offering perspectives from different countries on specific issues.

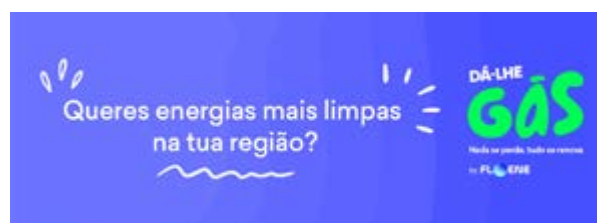
## Strategic collaboration for the development of biomethane

In 2024, Floene sought to **intensify its partnership with GRDF**, a leading gas distribution Company in France, with the aim of **strengthening co-operation in the field of renewable gases**, with the prospect

of **sharing knowledge and experience and joint actions**, helping to promote the development of biomethane and its integration into gas distribution networks in Portugal.

## “Dá-lhe Gás” programme – Energy literacy

As part of the “Communities of the Future” programme, and with a view to meeting two of its Sustainable Development Goals (SDG 4 – Quality Education and SDG 17 – Partnerships for the Goals), Floene is taking on the responsibility of training new generations by raising awareness among young people of the importance of decarbonisation through renewable gases.



The Company aims to create real awareness of the importance of renewable gases in changing the energy paradigm in Portugal, making their role more visible and promoting their contribution to the circular economy and to the economic, social and environmental development of the regions

involved. To this end, we launched the “Dá-lhe Gás” programme (which translates into “Give it Gas – Nothing is lost, everything is renewed”, an energy literacy initiative aimed at 9<sup>th</sup> grade school students. In this 2024/2025 school year, the project is present in three districts: Aveiro, Leiria and Viseu.

The programme is divided into two components:

**1. Training and mentoring** students in energy transition issues, with a focus on renewable gases, so that they can understand and apply the fundamental concepts related to this topic. The programme encourages students to “act locally to impact globally”, as it is implemented in local communities, outside of large urban centres, respecting their specificities and promoting a positive economic, social and environmental impact;

**2. A digital learning platform** that offers students the necessary path to realise their projects. It adopts a learning methodology based on projects, problems and collaboration, using active teaching methods.

In 2024, the registered teams submitted their projects and will be present at the final event (in 2025), which will bring together students from all the schools. Each team will present their solution in Pitch format to a jury representing the Education, Energy and Civil Society sectors. Prizes will be awarded to the first and second-placed teams, in accordance with the Programme regulations.

## Volunteering “Dá-lhe gás” – Energy literacy



As well as being an energy literacy programme, “Dá-lhe Gás” is also a volunteer programme that allows Floene employees to play an active role in the education of new generations. Employees act as “ambassadors” for renewable gases, supporting students throughout the development of their projects.

This initiative strengthens the corporate culture and the values of collaboration, respect and audacity through the direct involvement of the internal community in the fulfilment of Floene purpose.

During the training and mentoring phase, the volunteers held face-to-face sessions in the schools, sharing their knowledge and experiences. In addition, contact between volunteers and students is maintained throughout the programme via the digital learning platform, where they interact, exchange views and collaborate in the development of projects. Volunteering thus guarantees



ongoing mentoring, establishing a strong relationship between theory and practice.

In this first mobilisation of Floene internal community, 28 employees signed up for Corporate Volunteering:

- **8 Mentor Volunteers** responsible for accompanying a group of students in person and digitally throughout the various phases of the project;
- **10 Digital Mentor Volunteers** in charge of accompanying a group of online students during the ideation, development and preparation phases of the final output;
- **10 Activators Mentor Volunteers** responsible for logistical support at the final event, accompanying students and serving as jury members, among other duties.

## Corporate Social Responsibility Action – Volunteering



Floene volunteers at the “O Século” Foundation, in Lisbon

The focus of Floene business is the homes of the Portuguese, and its purpose is to promote sustainable communities, which includes housing dignity and combating energy poverty. As such, the Company seeks to combine the internal organisational objective - activation of the Collaboration value – with the relevance of current events, such as the housing crisis in Portugal. The Private Social Solidarity Institutions (IPSS) involved are supplied by natural gas, making the action carried out by Floene even more relevant. This initiative reflected the Company's values and its commitment to building sustainable communities, in line with Floene strategic Sustainable Development Goals (SDGs): SDG 10 – Reduced Inequalities, SDG 11 – Sustainable Cities and Communities and SDG 17 – Partnerships for the Goals.

The corporate social responsibility action was carried out in partnership with Just a Change, a non-profit organisation that (re)builds houses for needy people and IPSS in Portugal. For two days, with one team in Lisbon and another in Viseu, Floene organised a volunteer project for the rehabilitation of two private social solidarity institutions: the “O Século” Foundation and the Viseu Association of Santa



Floene volunteers at the Viseu Association of Santa Teresinha, in Viseu

Teresinha. Organised into work teams made up of employees from different departments and hierarchical levels, the volunteers restored and painted walls and doors, as well as cleaning and preparing spaces for intervention, both inside and out. In addition, Floene assessed the energy efficiency levels of the natural gas equipment in both IPSS.

The work carried out has helped to ensure a safer and more welcoming environment for the 74 beneficiaries of these institutions, significantly improving the conditions of six spaces at the **“O Século” Foundation** – a corridor, two bathrooms and three bedrooms – and three bedrooms at the **Viseu Association of Santa Teresinha**. In addition, the assessment of the energy efficiency levels of natural gas equipment reinforced Floene commitment to sustainability and the fight against energy poverty, promoting greater comfort and efficiency in energy consumption.

The initiative also generated a positive impact within Floene, strengthening the spirit of collaboration among employees by bringing together multidisciplinary teams in favour of a common goal, creating a positive social impact.



#### **THE NETWORK • Living Flows**

This piece reimagines the invisible path of gas through the pipelines that extend across the territory, bringing energy to consumers' homes. The intense colour symbolises vitality, transformation, and constant movement. Each shade celebrates the energy flowing through these networks, reminding us that, more than mere transportation, the flow of gas represents a dynamic connection between technology and life, between source and destination.



# 05



## Sustainability Declarations

# 05. Sustainability Declarations

## 5.1. Framework and commitment

Sustainability has become a global imperative, with challenges such as climate change and resource scarcity requiring an urgent and coordinated response at international level. The transition to a more sustainable economic model is essential to balance economic development, environmental protection and social justice.

The energy sector is in the midst of a transformation, driven by the need to decarbonise the economy and reduce greenhouse gas (GHG) emissions. Companies in this sector, including Floene, are facing profound change, seeking to achieve decarbonisation while maintaining competitiveness and ensuring a just, sustainable and economically viable transition for all.

It is in this context that Floene approach to sustainability is based on its purpose: **“We promote sustainable communities”**.

### The Sustainability Strategy defined by Floene

In 2024, Floene strengthened the alignment between its sustainability initiatives and the Group’s strategy, structuring its ESG journey in the

**2022-2025 Sustainability Agenda.** This strategy integrates the challenges identified in the dual materiality assessment and is based on four axes – **Governance, Planet, People** and **Prosperity** – which encompass the ten material topics and the initiatives to improve the Company’s performance:

1. Quality service, safe and efficient supply;
2. Energy efficiency and climate change;
3. Customer satisfaction;
4. Economic performance and financial sustainability;
5. Regulatory compliance;
6. Innovation, adaptation and resilience;
7. Safety, well-being and development of our people;
8. Involvement with the local community/Stakeholders
9. Ethics and transparency;
10. Sustainable supply chain management.

## Alignment with the SDGs and the Sustainability Agenda

Since 2022, Floene has been committed to the **United Nations 2030 Agenda** and the **Sustainable Development Goals (SDGs)**:

- **SDG 4 (Quality Education)**: Investment in training employees and communities, promoting literacy on renewable gases, energy transition and sustainability;

- **SDG 17 (Partnerships for the Goals)**: As the largest gas distributor in Portugal, Floene collaborates with various entities to boost the decarbonisation of the energy sector and the adoption of renewable gases.









Our approach to sustainability is based on our purpose: “We promote sustainable communities”





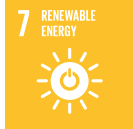



## Sustainability Roadmap



The structure of Floene positioning reflects the link between the strategic axes and the Company's values. The **2022-2025 Sustainability Agenda** associates each of the four axes – **Governance, Planet, People** and **Prosperity** – with the material topics valued by Stakeholders, translating them into commitments, initiatives and targets aligned with the SDGs.

The progress of the agenda is monitored through **65 KPIs**, which make it possible to assess the initiatives that have been completed, are underway and have yet to be started, ensuring that the strategic objectives are realised.

Axes	Material Topics	Commitments	No. of KPIs per SDG
<b>PEOPLE</b>	Safety, well-being and development of our people	<ul style="list-style-type: none"> <li>Promoting the safety, health and well-being of employees.</li> <li>Promoting employee involvement and development.</li> <li>Promoting an organisational culture and climate that is conducive to attracting and retaining talent.</li> <li>Promoting a culture of equality, diversity and inclusion, ensuring equal opportunities throughout the organisation.</li> </ul>	<div>10</div> <div>3 GOOD HEALTH</div> 
			<div>14</div> <div>5 GENDER EQUALITY</div> 
<b>GOVERNANCE</b>	Ethics and Transparency	<ul style="list-style-type: none"> <li>Fostering a culture of ethics and compliance.</li> <li>Ensuring the legal compliance of processes and operations, internal policies and regulations.</li> </ul>	<div>5</div> <div>4 QUALITY EDUCATION</div> 
	Regulatory compliance	<ul style="list-style-type: none"> <li>Fostering close relations with the local community.</li> <li>Strengthening renewable gas literacy.</li> </ul>	<div>2</div> <div>4 QUALITY EDUCATION</div>  <div>1</div> <div>17 PARTNERSHIPS FOR THE GOALS</div> 
	Involvement with the local community/ Stakeholders		<div>6</div> <div>17 PARTNERSHIPS FOR THE GOALS</div> 

Axes	Material Topics	Commitments	No. of KPIs per SDG	
PROSPERITY	Customer satisfaction	<ul style="list-style-type: none"> <li>Contributing to a low-carbon economy - Facilitating the market for renewable gases and decarbonisation and promoting inclusive and sustainable economic growth, full and productive employment and decent work for all.</li> </ul>	3	5
	Economic performance and financial sustainability	<ul style="list-style-type: none"> <li>Promote the Company's financial sustainability.</li> </ul>		
	Innovation, adaptation and resilience	<ul style="list-style-type: none"> <li>Fostering a culture of innovation in the Company.</li> <li>Promoting technological training, developing solutions aligned with sustainability challenges and fostering knowledge networks and partnerships.</li> </ul>		
	Quality service, safe and efficient supply	<ul style="list-style-type: none"> <li>Ensuring the quality and supply of the service provided.</li> <li>Developing a customer-centred culture, exceeding their needs and expectations.</li> </ul>		
PLANET	Energy efficiency and climate change	<ul style="list-style-type: none"> <li>Contribute to increasing energy efficiency.</li> <li>Mitigate climate change by reducing operational carbon emissions.</li> </ul>		
	Sustainable supply chain management	<ul style="list-style-type: none"> <li>Ensuring relationships with suppliers with transparency and integrity, integrating ESG criteria.</li> </ul>		
TOTAL KPI			65	

KPI status to 2024		
Completed <b>27 (42%)</b>	In progress <b>27 (42%)</b>	Planned <b>11 (16%)</b>

In 2024, Floene completed **42%** of its Sustainability Agenda, with **42%** of ongoing initiatives on schedule and **16%** planned to be implemented by 2025, in line with the targets and deadlines set.

Progress monitoring is integrated into the Corporate Strategy **2022-2025** and is regularly reported to the Management Bodies through **quarterly reports and four-monthly Committees**, which guarantees the Organisation’s ongoing commitment to these objectives, on a par with other strategic ambitions.

Adherence to Global Reporting Initiative (GRI) standards

This Sustainability Report has been drawn up in accordance with the guidelines of the Global Reporting Initiative (GRI) for the period from 1 January 2024 to 31 December 2024. The GRI is an international organisation that defines a set of standards for communicating sustainability information. Adherence to the GRI standards guarantees the comparability and reliability of the information provided, reflecting Floene commitment to sustainability.

Governance in Sustainability

**Sustainability governance** is essential for boosting performance in **sustainability KPIs**. Since 2022, Floene has organised its work on the basis of a structured model based on the following principles:

- **Top management commitment:** sustainability is integrated into the Company’s strategy and operations, with KPIs associated with the reduction of GHG emissions;
- **Integration into Risk Management:** sustainable risks and opportunities are identified, assessed and incorporated into the Company’s management;
- **Stakeholder Involvement:** dialogue with Stakeholders ensures that their expectations are taken into account when making decisions;
- **Transparency and Communication:** performance and sustainable initiatives are reported annually in the integrated report;
- **Scope of the Sustainability Report:** covers Floene activities in Portugal from **1 January to 31 December 2024**.

External evaluations

Floene has an unsolicited rating from MSCI, where the ESG risk rating methodology is based on Floene publicly available information, namely the Annual Report and Accounts and the official website.

In March 2025, Floene maintained its AAA rating (on an AAA-CCC scale) in MSCI’s ESG Ratings assessment<sup>1</sup>.



1. Floene use of any data from MSCI ESG Research LLC or its affiliates (“MSCI”), as well as the use of MSCI logos, trademarks, service marks or index names herein, does not constitute a sponsorship, endorsement, recommendation or promotion of Floene by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided “as is” and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

## 5.2. Environment

Floene places environmental protection as a priority, implementing practices to protect, conserve and restore the planet, and recognises its fundamental role in facilitating the energy transition and decarbonising the sector.

### 5.2.1. Energy transition

Floene sees the energy transition as an opportunity to optimise the infrastructure of the **National Gas System**.

We continue to develop initiatives that accelerate the introduction of **renewable gases** into the distribution network, aligning ourselves with the economy’s decarbonisation objectives. We believe that effective decarbonisation requires renewable energy alternatives in gas and electricity, as well as the decentralisation of energy production and distribution. This decentralisation is essential to promote the use of renewable or low-carbon gases, contributing to real decarbonisation.

In addition, **energy efficiency** and the use of renewable energies are at the centre of Floene sustainability strategy, namely through the monitoring of environmental performance indicators and the development of initiatives to promote more efficient use of energy and increased use of renewable gases.

Floene development plan keeps pace with emerging energy trends, promoting a fair and equitable energy transition while boosting economic and social growth in all regions of the country. The distribution network should reach **biomethane** and **green hydrogen** producers located in various regions of the country, facilitating their integration into the national energy system. By the end of 2024, the Company had received **226 requests**

for information on injecting renewable gases into Floene network, and it should be noted that during 2024 there was a considerable increase in requests related to biomethane.

Requests for Information – Renewable gas injection into the network	2024	Accumulated
Hydrogen	21	152
Biomethane	55	74
<b>Total</b>	<b>76</b>	<b>226</b>

### Main projects in the decarbonisation strategy and promotion of renewable gases

In 2024, Floene continued to develop projects focused on three main axes:

- **Integration of renewable gases** into the grid, including green hydrogen and biomethane;
- **Promoting energy efficiency**;
- **Promoting literacy on renewable gases** and their role in the energy transition.

The success of these projects depends on **strategic partnerships** with local producers, municipalities, industry associations, academia and other players, contributing to a more sustainable energy future in Portugal.

## The main initiatives developed in 2024 were:

### Injection of green H<sub>2</sub> into the Rio Maior distribution network

The injection of green hydrogen into the current natural gas network of Rio Maior and Caldas da Rainha is an important milestone on the road to decarbonisation in the country, with the distribution of renewable gases to a large number of customers, since this network covers around 13,700 consumers, including 65 industrial consumers.

The hydrogen will be produced by Essential Advantage, at an H<sub>2</sub> production plant located in Rio Maior, and this is the first commercial project to inject green hydrogen into the distribution network in Portugal. The promoter plans to inject 7.6 GWh/year of hydrogen into the grid, which will have an environmental impact equivalent to planting around 500 trees.

Throughout 2024, various construction works were carried out, including the connection section for the Essential Advantage producer's Mixing Station and Hydrogen Injection.



Aware of the pioneering nature of this first injection of green hydrogen into the network, Floene has developed a detailed communication plan about the project and the use of renewable gases by consumers. As part of this initiative, the Company has published a Technical Guide with information on the use of renewable gases in gas infrastructures, available on its website.

### Biomethane Roadmap 2024

Within the framework of biomethane, Floene has carried out a comprehensive programme of activities including high-level meetings, active participation in regulatory development, dialogue with the agricultural sector, presence at sectoral events, holding conferences and webinars on topics related to energy, the energy transition and renewable gases, involving local communities in the theme of the energy transition through renewable gases and establishing new partnerships.

One of the main focuses of this tour was to bring Floene closer to the agricultural sector, which materialised with its participation for the first time in the National Agriculture Fair. As well as having a stand where it presented the role of infrastructure and renewable gases in the energy transition and the main advantages of biomethane, Floene, in close partnership with the Confederation of Farmers of



Portugal, organised a seminar on the opportunities and challenges of recovering agricultural waste to produce biomethane, which was attended by more than 120 people.

## Adherence to the “Oil and Gas Methane Partnership 2.0” (OGMP 2.0)

In December 2024, Floene completed the process of joining the “Oil and Gas Methane Partnership 2.0 (OGMP 2.0)”, an initiative of the United Nations Environment Programme (UNEP), internationally recognised as a benchmark for promoting transparency and reducing methane emissions in the energy sector.

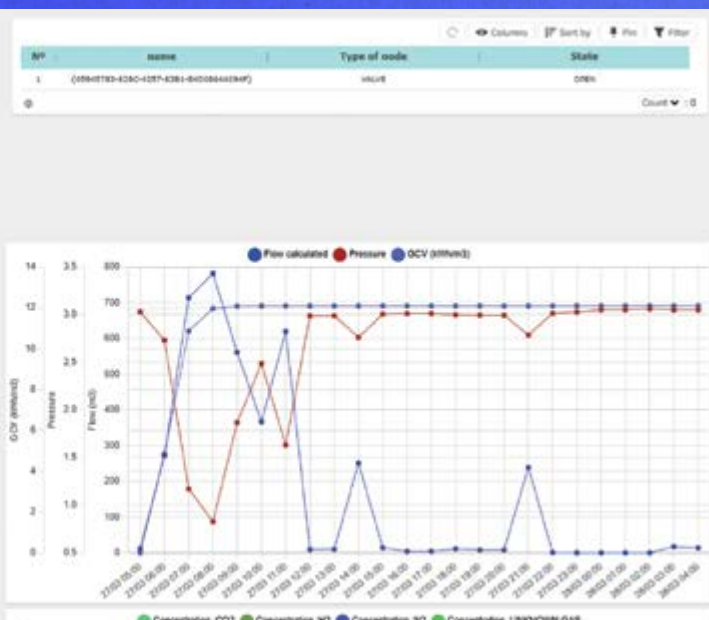
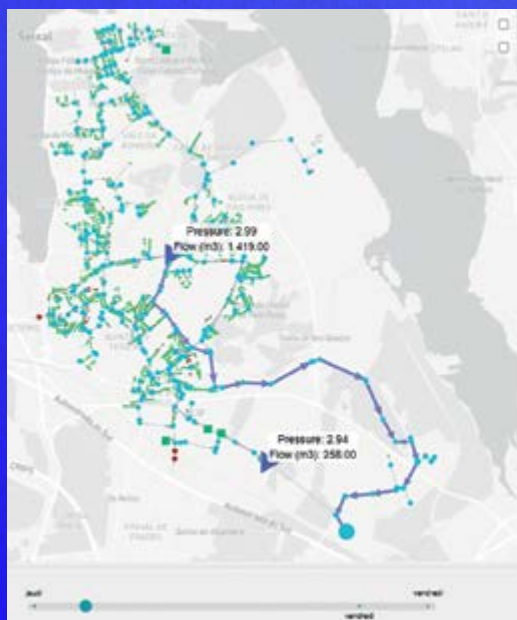
As the largest gas distribution network operator in Portugal, Floene is thus reinforcing its commitment to sustainability and the energy transition, contributing to a more transparent, responsible future in line with global standards of excellence.



## “Gas Quality Tracking System” (GQTS)

Launched in July 2024, this project aims to ensure accurate measurements of the gas consumed, without the need to invest in extensive physical sensors. Pilot tests have begun on a system to monitor gas characteristics in networks where biomethane and hydrogen are mixed, using a “digital twin” of

the network, which makes it possible to estimate the Higher Calorific Value (HCV). This system guarantees greater transparency in measurement and fair billing.



Throughout 2024, Floene deepened and continued a wide range of initiatives launched in previous years, including the following:

### “Natural Hydrogen Energy”

Started in 2022 and lasting two years, the Natural Hydrogen Energy project was the first to inject green hydrogen into the gas network in Portugal. The hydrogen is produced locally, using 100% renewable energy, and travels 1400 meters in a polyethylene network to a station, where it is mixed with natural gas and distributed to around 80 customers. Since the start of the project, the percentage of hydrogen has already risen to 15%, with the aim of reaching a maximum of 20% vol. Officially opened in March 2023, this project has attracted huge interest from both national and international players and has received a considerable number of visitors, with almost a thousand visitors in 2024.



### Retrofit project

This project aims to validate the suitability of networks for receiving gases of renewable origin, identifying the best solutions to consider. The ultimate goal is to ensure that gas distribution networks are able to distribute gases of renewable origin with a guarantee of safe supply to customers. By 2024, a roadmap has been defined for adapting existing networks, preparing them for hydrogen contents of up to 20% and up to 100%.



### “Boiler Replacement” (PPEC)

This programme was created as part of the Energy Consumption Efficiency Promotion Plan (PPEC), approved by ERSE, in response to the objective of improving energy efficiency. The programme defines tangible measures for the gas sector, such as the replacement and scrapping of energy inefficient equipment with more efficient alternatives in the residential segment. Aimed at customers supplied with natural gas who have atmospheric or other conventional (non-condensing) gas central heating boilers from before 2015, the programme offers them the opportunity to replace this equipment with new, more efficient models. The project began operating



in 2023 and is expected to replace 942 pieces of equipment and reduce CO<sub>2</sub> emissions by 14%. By the end of 2024, the replacement rate had already reached around 63% of the total planned volume.

## Roadmap for the Introduction of Renewable Gases in the National Industrial Sector - “Industries of the Future”

Starting in 2022 and lasting two years, the Industries of the Future project, as part of the Plan to Promote Efficiency in Energy Consumption, approved by ERSE – the Energy Services Regulatory Authority, is a pioneer in Portugal. The aim of this roadmap was to boost the decarbonisation of the national economy using renewable gases in industry, with special emphasis on hydrogen. The focus was on building synergies at local and regional level, supporting and diagnosing the energy needs of energy-intensive industries, as well as promoting the impact of renewable gases on decarbonisation and the development of the Portuguese economy. At the end of 2024, the balance of this initiative was clearly positive. The results highlighted below reflect the interest and timeliness of this roadmap:

- **More than 280** participating companies
- **More than 30 sectors of** activity, especially the ceramics, chemical, metallurgical and metalworking industries;
- **10** awareness-raising and training **events** with more than **2,300 registrations**;
- **30 registered for the Energy Diagnostics**, which included technical visits and the subsequent characterisation and presentation of efficiency and decarbonisation measures for each industrial unit visited;
- **100 professionals accredited with Professional Training Certificates** in the **6 advanced training courses**, with a view to providing qualifications focused on renewable gases;
- **7 sectoral action plans**, presented jointly with partners for energy efficiency and decarbonisation, covering the metallurgical, glass, ceramics, cogeneration, chemical, paper and food industries;
- **More than 90** national and international **speakers**;
- Floene has also provided a **digital simulator**, allowing industries to better understand the results of integrating renewable gases into different industrial processes and, above all, the benefits of this integration.



## 5.2.2. Carbon footprint

Floene recognises its responsibility to reduce the emissions, waste and resource consumption generated by its activity. This commitment is reflected in the continuous improvement of efficiency and the transformation of its operations and value chain, ensuring a reduced environmental footprint as the business grows.

In addition to the sector's global decarbonisation initiatives, Floene is also committed to reducing its carbon footprint. **Scope 1 and 2** emissions have been disclosed since 2021, based on the year 2020, and **scope 3 emissions** were included for the first time in 2023.

- **Scope 1 emissions:** direct GHG emissions from sources controlled by the Company, such as methane from the distribution network, gas consumption in the administrative buildings and AGU, and the Company's fleet.
- **Scope 2 emissions:** GHG emissions associated with the generation of electricity purchased and consumed by the Company.
- **Scope 3 emissions:** indirect emissions resulting from the Company's activities, occurring from sources outside its direct control, such as the value chain.

The carbon footprint is an essential indicator for identifying opportunities to reduce GHG emissions. It is calculated based on the **Greenhouse Gas Protocol**, following the **Corporate Transparency and Accounting Standards** issued by the **World Resources Institute (WRI)** and the **World Business Council for Sustainable Development (WBCSD)**.

### Scope 1 and 2 emissions

Greenhouse gas emissions (tCO <sub>2</sub> eq)	2024	2023	2022
<b>SCOPE 1</b>			
Fleet	1,198	1,228	1,137
Network fugitive emissions <sup>1</sup>	19,081	22,122	13,746
Equipment's fugitive emissions	6	0	27
Natural gas – boilers	65,4	77	67
Natural gas – administrative buildings	36	43	31
<b>Total Scope 1</b>	<b>20,386</b>	<b>23,470</b>	<b>15,008</b>
<b>SCOPE 2</b>			
Electricity (Market based) <sup>2</sup>	0*	0*	0*
Electricity (Location based) <sup>3</sup>	130	121	151
<b>Total Scope 2<sup>4</sup></b>	<b>0*</b>	<b>0*</b>	<b>0*</b>
<b>Total Scope 1 + 2</b>	<b>20,386</b>	<b>23,470</b>	<b>15,008</b>

1. Natural gas losses to the atmosphere in the distribution network

2. Market-based calculation using our supplier's emission factor.

3. Location-based calculation, where the APA's emission factors were taken into account, given that our activity takes place in Portugal.

4. In accordance with the GHG Protocol Standard, the preferred calculation method is market based, while the location based method was disregarded.

\* Since 2022 with 100% renewable guarantee of origin contract.

Regarding 2023, adjustments were made to the fleet emissions value.



Sustainability declarations

Overall, there was a decrease in emissions compared to 2023 (-13%). This decrease is mainly due to the reduction in fugitive methane emissions in the network, whose values are estimated based on a methodology approved and used by Sedigas.

Currently, the entire network is searched for leaks every five years and a different section is analysed each year. The results obtained vary greatly due to the specific characteristics of the section in question (type of network material, age, location of the leak and its pressure). It is noteworthy that **medium-pressure networks (4 to 20 bar) have a leakage flow three to eight times higher than low-pressure networks (below 4 bar).**

As mentioned, fugitive emissions in the network vary considerably depending on the characteristics of the section. Therefore, a precise comparison can only be made after five years, when the same section is analysed again.

As far as the Company's fleet is concerned, Floene remains committed to electrification in order to reduce its emissions. Currently, 12% of vehicles are plug-in hybrid electric vehicles. For this reason, fleet emissions saw a slight reduction in 2024 compared to 2023 (approximately -3%), in line with the goal of reaching a 30% hybrid fleet by 2025, as defined in our decarbonisation plan.

### Short-term decarbonisation plan

In 2021, targets were set for reducing emissions (scopes 1 and 2) through a short-term decarbonisation plan (2022-2025), with the aim of reducing emissions by 25% by 2025 (compared to the base year of 2020). This plan includes various operational initiatives, such as:

Actions	Status	Observation
Purchasing electricity with certificates of 100% renewable origin	Completed in 2022	-
Fleet conversion to 30% hybrid	Ongoing and aligned	12% of the fleet converted
Conversion of the existing iron and steel network to polyethylene and implementation of a leak detection improvement programme in order to reduce the occurrence of leaks in the network and, consequently, its emissions	Ongoing and aligned	72% of network renewal plan completed  32% reduction in the number of leaks detected and repaired (LDAR) in 2024 vs. 2020.
Initiatives developed by the working group – Damage by third parties, in order to reduce the occurrence of PTSD in the network and, consequently, its emissions	Ongoing and aligned	14% average reduction in incidents

## Scope 3 emissions

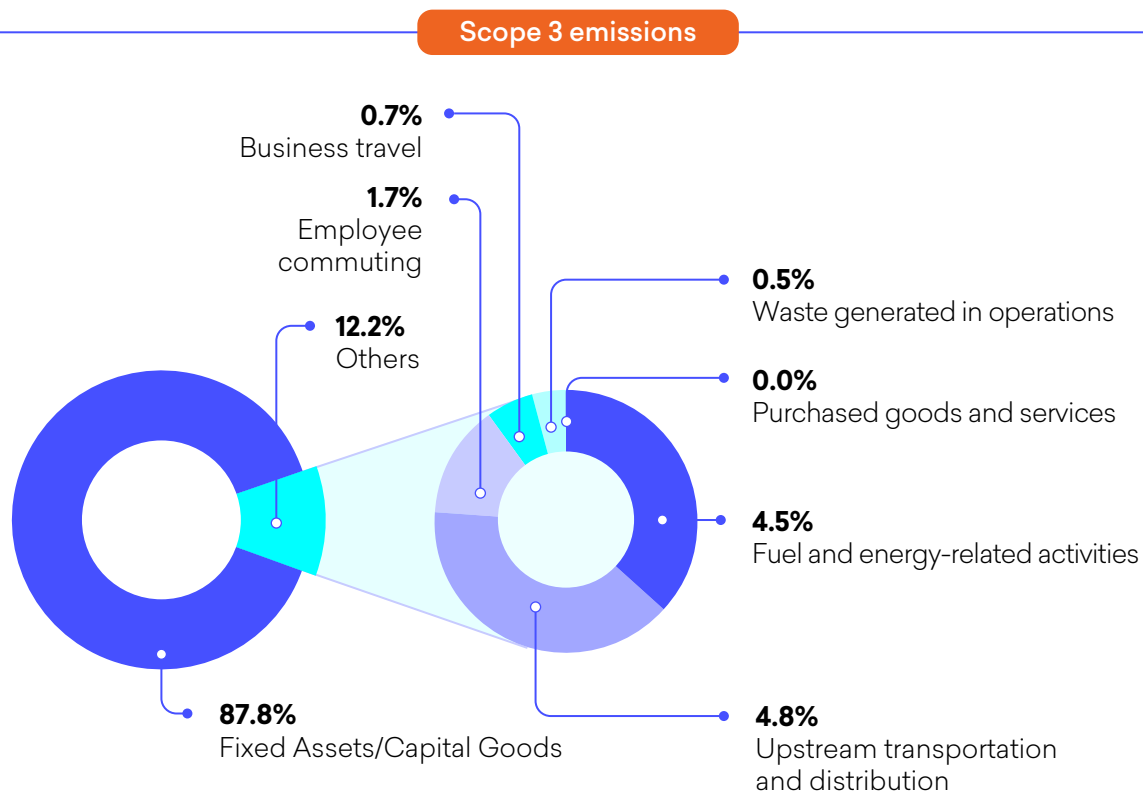
Since 2023, Floene has been calculating its scope 3 emissions, taking into account the applicable categories. As with scope 1 and 2 emissions, this calculation covers the nine DSOs and follows the methodology approved by the GHG Protocol, making it possible to estimate the emissions of its value chain with a high degree of utilisation of emission factors specific to its activity.

Scope 3 emissions can cover up to 15 categories. In Floene footprint, emissions from seven categories were considered.

Scope 3 emissions (tCO <sub>2</sub> eq)	2024	2023	2022
C1 – Purchased goods and services <sup>1</sup>	-	-	-
C2 – Fixed assets/Capital goods <sup>2</sup>	6,259	6,760	6,544
C3 – Fuel and energy-related activities	324	322	464
C4 – Upstream transport and distribution	341	265	376
C5 – Waste generated in operations	34	41	33
C6 – Business travel	49	57	70
C7 – Employee commuting	124	110	120
<b>Total</b>	<b>7,131</b>	<b>7,553</b>	<b>7,607</b>

1. The assets acquired by Floene (Category 1) that materially represent its activity as a natural gas distributor are network construction services and the acquisition of meters. However, in accordance with the GHG Protocol, as these goods/ services are classified as fixed assets, they should be considered in category 2.

2. Regarding 2023, the C2 emissions value was corrected due to an error in the calculation.



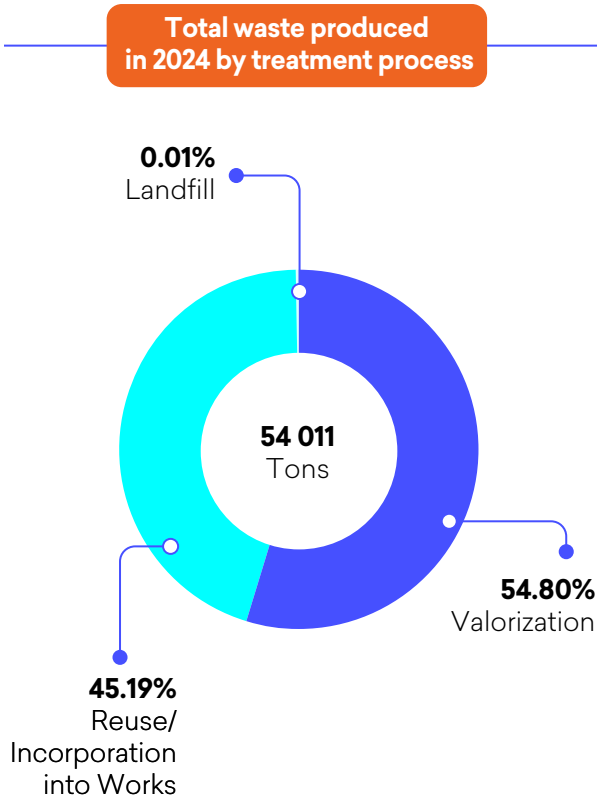
In 2024, Floene scope 3 emissions totalled 7,131 tCO<sub>2</sub>eq, representing 26% of the Company’s over-all emissions. Around 88% of these emissions come from the fixed assets category, due to the construction of the gas distribution network and other related works. At this level, emissions associated with the production of polyethylene pipes used in the construction of the network (19%) stand out.

As part of its sustainability strategy, and with a view to mitigating the environmental impacts associated with its activities, Floene has also been strengthening its commitment to the circular economy through efficient management of the waste it generates. The Company has a very positive performance in waste management, with almost 100% of the waste generated in its contracts fully recovered. These materials are subjected to reuse, re-utilisation or incorporation into the works themselves, promoting a sustainable approach. The residual fraction of administrative waste destined for final disposal in landfill is insignificant, representing less than 0.01% of the total waste generated.

The following graph illustrates Floene positive impact on this recovery strategy, showing a waste incorporation rate of around 45%.

Floene is committed to improving the calculation of its Scope 3 emissions by investing in improving the data collection process and interaction with the value chain, guaranteeing more accurate information that is aligned with the services and products provided.

“Floene has a very positive performance in waste management, with almost 100% of the waste generated in its contracts fully recovered



Greenhouse gas emissions (tCO <sub>2</sub> eq)	2024	2023	2022
Scope 1	20,386	23,470	15,008
Scope 2	0	0	0
Scope 3	7,131	7,553	7,607
<b>Total</b>	<b>27,517</b>	<b>31,023</b>	<b>22,615</b>

### 5.2.3. Sustainable supply chain

Floene recognises the impact of its activity and is committed to creating **sustainable value** throughout its supply chain. With **94% national suppliers**, it boosts the local economy and the creation of direct and indirect jobs.

**Supplier management** is centralised in the Group's purchasing department, guaranteeing uniform criteria and total transparency. Floene adopts a rigorous methodology for selecting, qualifying and evaluating suppliers, ensuring reliability and ethics in the supply chain.

In addition, **GDPR and cybersecurity risks** are managed through the One Trust platform, integrated into the Purchasing system, allowing for structured monitoring and effective mitigation plans.

#### STAR" programme – promoting safety and excellence

The annual **"STAR" programme** recognises and values the performance of our suppliers, especially contractors, highlighting good practices and promoting safety. The initiative includes periodic awards and ongoing assessments, contributing to the development of skills and the improvement of operation.

## 5.3. Social

We are committed to continually raising standards of safety, fairness, inclusion and healthy labour practices. Safety is our top priority, materialised through a culture focused on continuously protecting the health of our employees and partners. At the same time, we invest in programmes that promote the well-being of our professionals and enrich the experience of working for the Company.

### 5.3.1. Safety and well-being

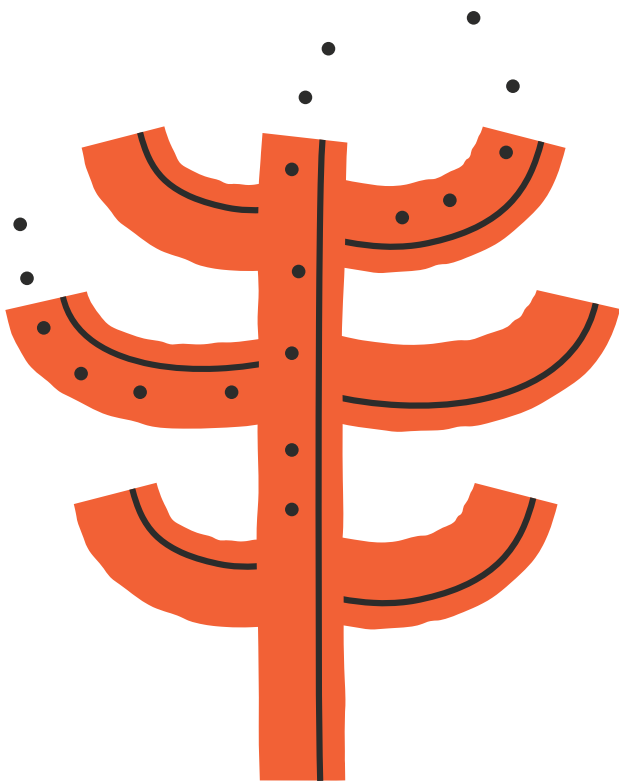
#### Occupational safety

We work hard to guarantee decent working conditions and fair employment, in line with international and local laws and guidelines. Its basic principle is to comply with and, where possible, exceed existing legal and regulatory requirements in terms of Occupational Health and Safety (OHS).

People are Floene most important asset, which is why ensuring safe and healthy workplaces is a priority. The Company has implemented a safety culture to prevent accidents and occupational illnesses, protecting both its employees and the service providers who work on its behalf.

Our commitment to OSH is formalised through a system certified to the internationally recognised ISO 45001 standard (Occupational Safety and Health Management System – OSHMS). Certification is granted by APCER, an external organisation.

In addition, the Group's Code of Ethics and Conduct forms the basis for working conditions, reinforced by a complete set of global human resources policies and procedures that make fair hiring possible.



### Sustainability declarations

Prevention is a daily management based on various actions, such as:

1. Identifying and managing the hazards and risks of activities;
2. Carrying out assessments to check compliance with occupational health and safety requirements, such as indoor air quality, radon and illuminance;
3. Regular OSH technical checks by qualified in-house specialists, site safety coordinators, occupational physicians and external specialists;
4. Carrying out internal and external audits and legal compliance checks to assess compliance with legal, regulatory and other requirements;
5. Careful investigation and determination of the root causes of incidents, definition and monitoring of the implementation of corrective actions;

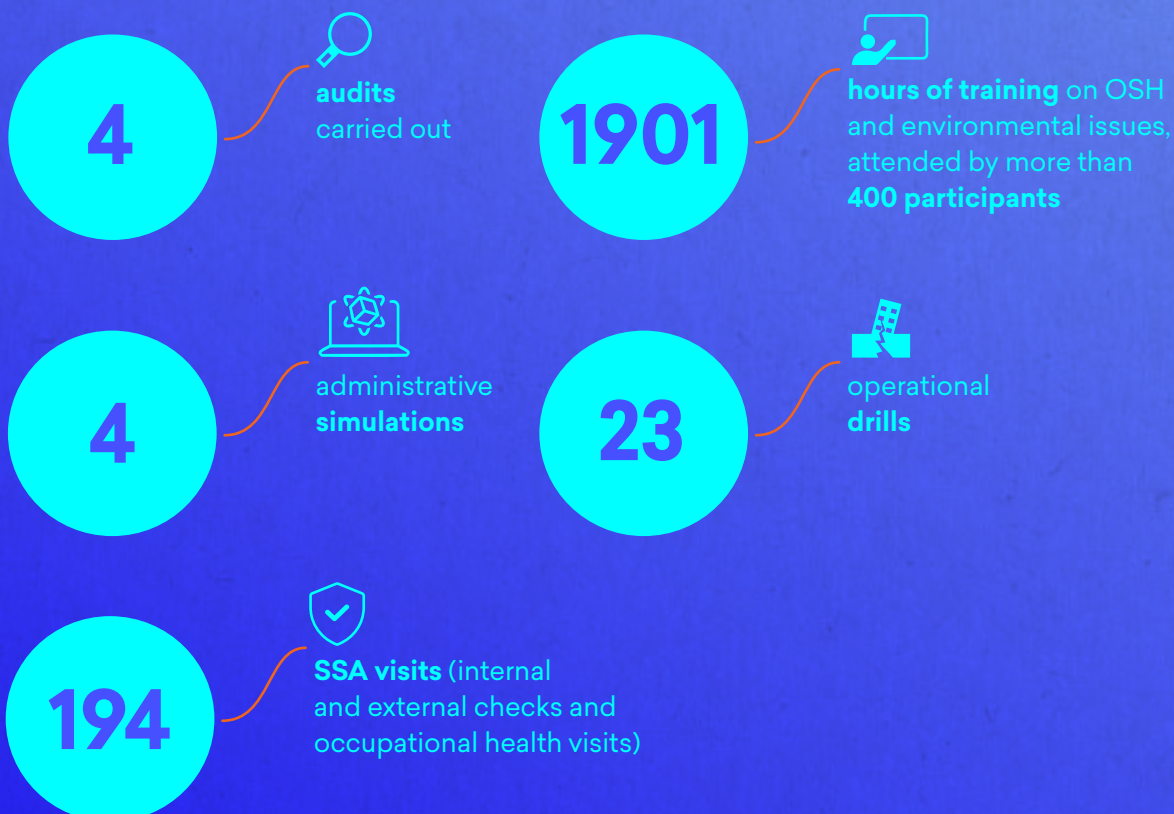
6. Carrying out training and drills for proper emergency management;

7. Training for employees and service providers in matters of safety at work;
8. Control and document management of service providers;
9. Monitoring compliance with the prevention plans defined by the areas.

In line with previous years, no serious accidents involving Floene employees were recorded. This result indicates that employees are familiar with the current safety procedures and instructions and apply them in the performance of their duties.

### Security in numbers

In 2024, the in-house OSH team strengthened its presence in the field, stepping up site visits to check on the implementation of prevention measures and compliance with legal requirements, thus promoting greater proximity to Stakeholders.



In 2024, Floene intranet, in the area dedicated to Quality, Safety and Environment, became the main internal communication channel for OSH, providing employees with all the information on the performance of the health and safety management system.

Aware of the importance of everyone’s role in safety at work, the **“Safety Dialogues”** project was launched in the second half of the year, promoting the prior identification of tasks, risks and mitigation measures before work begins on site. This initiative involves both Floene supervisors/coordinators and contractors, reinforcing the adoption of safe practices in an autonomous manner.

Senior management reinforced its commitment to OSH through visits to the field, promoting the exchange of experiences and good practices and thus strengthening proximity to Stakeholders.

Number of accidents in 2024

There was an overall decrease of 71% in the number of accidents compared to the previous year. There were no accidents involving lost working days among Floene employees. However, there were two lost-time accidents among contractors and service providers.

Frequency Index

In 2024, Floene frequency rate was zero accidents per one million hours worked, which represents the best possible result for an organisation.

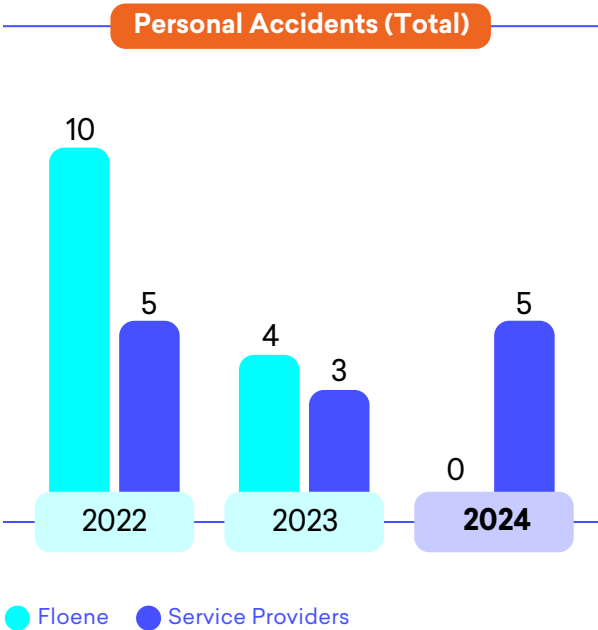
Overall, (Floene, contractors and service providers), the accident frequency rate was 1.1 accident per million hours worked, which, according to the International Labour Organisation (ILO), is a performance classified as Very Good (<20).

Since 2022, Floene has seen a positive evolution in its Frequency Index, which is the result of greater monitoring of works in the field by multidisciplinary teams, as well as audits carried out by internal and external safety specialists.

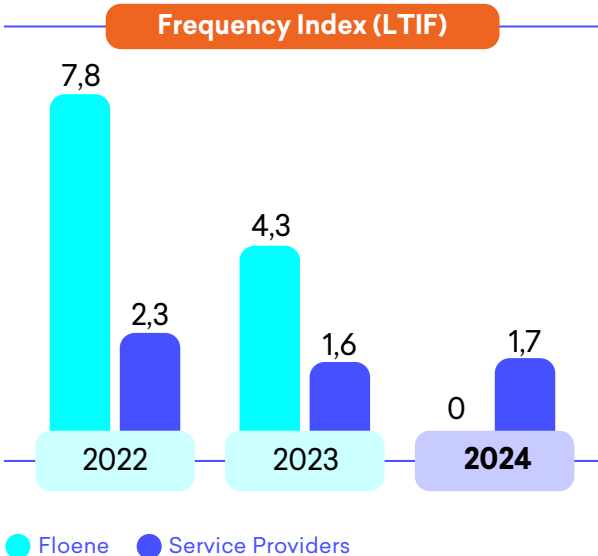
Floene therefore has a **very positive Frequency Index**, not only in general terms, but also when compared to other companies in the same sector.



In 2024, Floene frequency rate was zero accidents per one million hours worked, which represents the best possible result for an organisation



Note: Personal accidents of Floene employees (on duty or In Itinere) or service providers (on duty), visitors or the community.



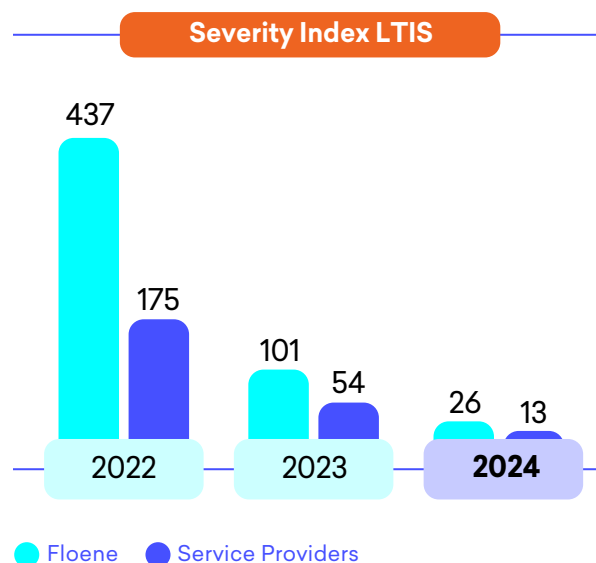
Note: Factor for normalizing the number of hours worked: 1,000,000; for the calculation of the indices shown in the graph above.

The **Severity Index** reflects the number of days lost due to accidents at work, normalised per million hours worked.

According to the ILO, a severity index **below 500 is classified as Very Good**. Since 2022, Floene has seen a positive evolution in this index, which shows progress in its safety culture, with an emphasis on prevention and greater awareness among employees and service providers of the risks of the activities they carry out.

Benchmark 2023	LTIF	LTIS
Company A	3.9	0.04
Company B	1.6	0.5
Company C	4.6	0.25
Floene <sup>1</sup>	2.6	0.07
<b>Floene 2024<sup>1</sup></b>	<b>1.1</b>	<b>0.02</b>

1. Floene Employee + Service Providers



Note: Factor for normalising the number of hours worked: 1,000,000; for the calculation of the indices shown in the graph above, only accidents with days lost were taken into account.

## The main elements of Floene safety culture include:



## Health and well-being

Floene encourages its employees to take care of their health and well-being by creating a safe environment that fosters open dialogue about mental health at work and by providing them with the necessary support. In addition to occupational health services, in 2024 the Company continued the wellbeing promotion activities started in 2023 and launched new initiatives:

- Publicising and Promoting Access to Online Medicine – 133 employees used the Multicare Online service in 2024;
- Vaccination – Seasonal Flu – Reduction in sick leave and absenteeism;
- New benefits package;
- Multicare Vitality;
- Promoting participation in races.

### New benefits package

With the aim of fostering a work environment in which people feel compensated, valued and happier, promoting individual and collective success, a package of additional benefits for employees has been approved and publicised. This measure aims to contribute to improving employees' quality of life, providing a better balance between personal and professional life, and includes:

- Merit Scholarship for employees' children – a monetary prize awarded to the five students with the best averages at each of the following levels of education: third cycle, secondary, bachelor's, master's and beginning of doctorate;
- Time off on employees' birthdays;
- Time off on employees' children's birthdays (under 18 inclusive).

This initiative has resulted in an increase in social peace in the Company, raising employee satisfaction levels, promoting greater commitment to the Organisation and encouraging education.

## Promoting participation in races

To encourage employees to adopt a more active and healthier lifestyle, Floene promotes participation in races and has set up internal running clubs. These initiatives help to reduce diseases related to obesity and sedentary lifestyles, as well as encouraging socialising and strengthening mental health.

## 5.3.2. Development and training

### 5.3.2.1. Internal transformation

2024 was undoubtedly one of the most demanding years in the transformation process that has been underway since 2021, with the acquisition of the majority stake by Allianz Capital Partners. In 2024, the transfer of responsibilities from Galp Energia to Floene was ensured for all processes that are not totally dependent on technology, such as the Corporate Secretary's Office, Legal Services, Facilities Management, among others. In this context, we highlight the inauguration of Floene new headquarters, a milestone in the Company's transformation process, reflecting its commitment to innovation and sustainability.

During the first half of 2024, the contracting processes for the various pieces of technology that will enable Floene to leverage its positioning into a new dimension of modernity, replacing critical applications that are at the end of their life cycle (more than 30 years in operation), were finalised.

The implementation of the technological component entered cruising speed in the second half of 2024, with the conditions to fulfil the extremely ambitious execution schedule. The new infrastructure and the applications supporting the operation will all be in operation during the first half of 2025. At the same time, during October 2024, the migration of the operational management of CURr activity (Beiragás, Dianagás, Duriensegás, Medigás, Paxgás and Tagusgás) to Floene sphere of responsibility was ensured.

In order to contribute to the robustness of the Organisation in the medium and long term, and leveraging the investment in technological evolution underway, the transition plan has entered its critical implementation phase.

The conclusion of Floene transformation process (2021-2025) will translate into a totally different reality for the Organisation at the beginning of 2026. Floene will have total autonomy from Galp Energia, modern systems and processes in line with the best market practices, people fully prepared for the new challenges, geared towards implementing a strategy of universal adoption of renewable gases and decarbonisation of the network.

### Recruitment and Mobility Policy

Floene has defined a Recruitment and Mobility Standard, aligned with the United Nations SDGs, in particular SDGs 5 and 8.

With the implementation of this standard, 21 recruitment processes were completed in 2024 (vs. 39 in 2023, ↓ 46%), distributed as follows

- **1 (4.8%) internal mobility** (vs. 12 in 2023, 30.8%);
- **18 (85.7%) for permanent positions** (vs. 33 in 2023, 84.6%);
- **9 (42.8%) for women** (vs. 16 in 2022, 41.0%).

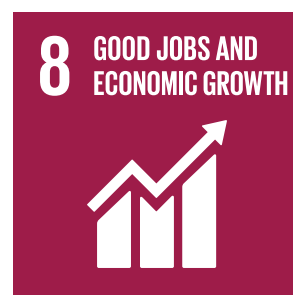
### Outreach initiatives to universities and vocational schools

Continuing to create and strengthen relationships with higher education institutions and vocational schools, Floene took part in various initiatives throughout 2024, such as:

- University and vocational school fairs;
- Workshop on hydrogen, as part of the MecanIST Fair;
- Debate on the energy transition, with Bosch and REN, as part of the MecanIST Fair;
- Study visits to the Green Pipeline project, with a total of 49 participants;
- Presentation of Floene at technical vocational schools;
- Curricular and extracurricular internships, totaling four.



**In 2024, 21 recruitment processes were completed under the Recruitment and Mobility Standard, aligned with the United Nations SDGs**



Through these initiatives, Floene aims to:

- Increase the Company's visibility and strengthen its employer brand in order to attract young talent;
- Fulfilling recruitment needs for gas-related technicians on the national market;
- Create awareness of renewable gases;
- Create a bridge between academia and professional practice.

### Diversity and inclusion workshops

In line with SDG 4 – Quality Education, which provides for inclusive and equitable education throughout life, in 2023 Floene began talks with the institutions A Voz do Autista (“The Autistic Voice”), LinkedOut, Valor T and Casa Qui (“Qui Home”), with the aim of promoting more diverse and inclusive recruitment. The Company's recruitment standard, published in June of the same year, emphasises the importance of diversity in teams, highlighting its positive impact on business competitiveness.

To strengthen ties with these organisations, Floene set out to help participants improve their CVs and prepare for job interviews, thus facilitating their access to the job market.

**Trainee Programme – 2<sup>nd</sup> Edition**

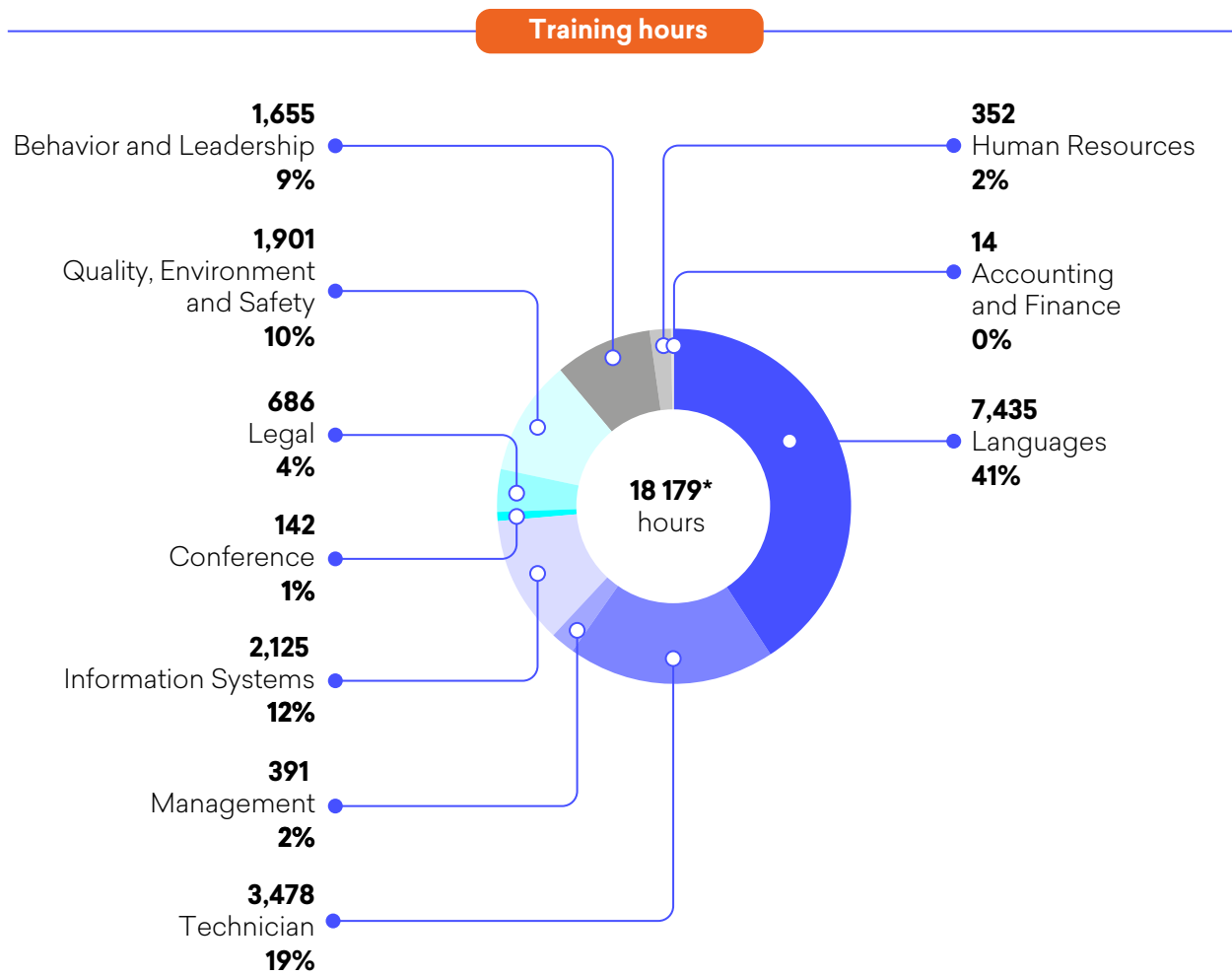
The 2nd edition of the trainee programme began in September 2023 and, throughout 2024, Floene promoted various initiatives the aim of strengthening the development of skills, practical knowledge of the business and the integration of trainees into the organisational culture. The following stand out:

**Field Trips** – visits to the field, which provided a practical insight into the business. These activities allowed the trainees to understand how processes work and the impact of daily operations, reinforcing the link between theory and practice;

**Annual Project** – launch of the strategic challenge “How can Floene leverage the production and injection of biomethane into gas networks, becoming a key player in this new sector?”.

**5.3.2.2. Training**

In 2024, in the context of ongoing training and skills development, Floene significantly increased the volume of training hours, totalling 18,179 hours, which represents an increase of 24% compared to 2023. It also reinforced the design of programmes tailored to the needs of its professional community, with the aim of developing technical and behavioural skills that are essential for the future of the Organisation. The training had a special focus on technical competences, with an emphasis on the following topics:



\*Includes the training hours of the trainees/interns.

Several training actions are worth highlighting throughout 2024, namely:

- **Transversal English programme** – 185 employees;
- **“Hydrogen Training” Programme (Operational Strand)** – 6 classes, 14 training hours/class;
- **Operational Leadership Programme** – 1 class, 29.5 hours of training, 9 hours of coaching.

#### Team-Building with Sales Management

With the aim of strengthening cohesion, teamwork, trust and communication between employees from different teams, as well as developing more specific skills in line with Floene Values (Respect, Collaboration and Audacity), a team-building event was held in June 2024 with the Sales Department under the slogan “The whole, greater than the sum of the parts”.

It was a dynamic and motivational behavioural training programme. During the team-building session, the experience of high-performance sports coaches was shared, as they apply their approach to building high-performance teams in the business world.

#### Security Training Programme

In 2024, Floene continued with its Safety Training Plan, which consists of various relevant actions to promote safety in the Company’s activities. This plan included numerous actions, of which the following stand out for their relevance and scope:

- Defensive driving;
- Chemical agents;
- Decree-Law no. 50/2005 (Machinery and Equipment Directive);
- Internal Emergency Plan;
- Safety Management System for the Prevention of Major Accidents (SGSPAG).

## 5.4. Taxonomy

### Context

The European Union Taxonomy is a classification system that defines technical criteria to identify economic activities considered “environmentally sustainable”. Governed by **Regulation (EU) 2020/852** of the European Parliament and of the Council of 18 June 2020, it aims to direct public and private investment towards activities that promote the transition to a more sustainable economy.

Floene is subject to the **Taxonomy Regulation** because it is covered **by the Corporate Sustainability Reporting Directive (CSRD)** and because it fulfils two of the three eligibility criteria:

1. **It employs more than 250 workers;**
2. **It has a turnover of more than 40 million euros.**

In this way, Floene is obliged to report its share of **eligible** activities **aligned** with the European Taxonomy in 2026, compared to the 2025 tax year, using the disclosure requirements defined by the **Delegated Acts for Climate and the Environment**.

### 5.4.1. Floene Taxonomy Status

Although the regulatory obligation only applies from 2026 (FY 2025), in 2024 Floene began implementing the EU Taxonomy Regulation in advance of the same year’s fiscal year, recognising the complexity of the process and the need for internal preparation to ensure compliance and transparency in future reporting.

Meanwhile, in February 2025, the Omnibus legislative package was published, which proposes restricting Taxonomy reporting to companies with more than **1,000 employees**, which would exclude Floene from its scope. However, this proposal **has not yet been formally approved**, and its implementation may take some time.

Floene has therefore chosen to continue the work it has already started, ensuring a robust survey of **eligible** activities and a structured **alignment** analysis. This approach makes it possible to maintain a high standard of **transparency** and to prepare the Company for potential future developments in the regulatory framework.

### Eligible Floene Activities

The analysis carried out identified the following activities as **eligible** under the European Taxonomy, based on their sales, investments and operating costs:

Activities identified as eligible *	Description of the activity carried out by Floene
MAC 4.14 Renewable and low-carbon gas transport and distribution networks	Floene started the pilot project "The Natural Energy of Hydrogen – Green Pipeline Project" in 2023, which consists of injecting hydrogen into the distribution network (mixed with natural gas). As part of this project, Floene operates 1,400 metres of network dedicated to hydrogen
MAC 6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Hire and leasing of vehicles for the Group's fleet
MAC 7.3. Installation, maintenance and repair of energy-efficient equipment	Contracted services for the installation, maintenance and repair of energy-efficient equipment, including LED lights, HVAC and low water and energy consumption devices
MAC 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and monitoring the energy performance of buildings	Contracted services for the installation, maintenance and repair of sensor equipment (motion control and daylight)
MAC 7.7. Acquisition and ownership of buildings	Building operation and management
MAC 8.1. Data processing, information hosting and related activities	Data centre costs
OMC 9.1. Research, development and innovation activities close to the market	R&D within the scope of the GQTS (Gas Quality Tracking System) software project, which aims to increase the potential for injecting renewable gases into the grid and thus reduce GHG emissions
EC 3.2. Renovation of existing buildings	Building renovation works

\* MAC: Climate Change Mitigation Objective; CE: Circular Economy Goal.

### Considerations on the eligibility analysis carried out:

Floene core activity, gas distribution, was excluded from the eligible activities because it is not included in Annexes I and II of the Climate Delegated Act and the Environmental Delegated Act.

### 5.4.2. Next steps

Floene will continue to carry out the **alignment** exercise, analysing the activities identified in detail to check that they meet the technical criteria required by the Taxonomy. This assessment considers the **substantial contribution** to environmental objectives and ensures that these activities do not cause negative impacts in other areas.

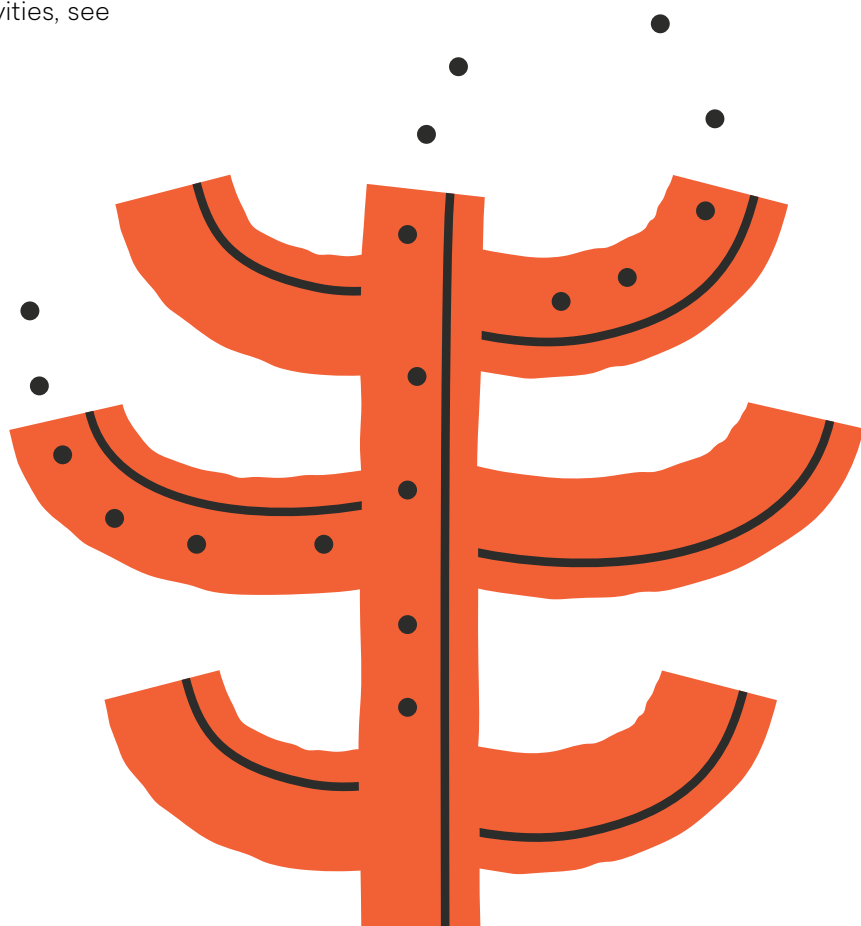
Based on the eligibility and alignment assessment, Floene will publish the respective KPI (sales, CAPEX and OPEX) in accordance with the requirements of the Delegated Act on disclosure, which complements Article 8 of the Taxonomy Regulation.

Despite the ongoing regulatory changes, Floene maintains its commitment to **transparency and preparedness**, guaranteeing that it will be ready for any future legislative developments.

For more information on the developments already made in analysing the alignment of activities, see Annex VI.



Although the regulatory obligation only applies from 2026 (FY 2025), in 2024 Floene began implementing the EU Taxonomy Regulation in advance of the same year's fiscal year





### **THE NETWORK • Living Flows**

This piece reimagines the invisible path of gas through the pipelines that extend across the territory, bringing energy to consumers' homes. The intense colour symbolises vitality, transformation, and constant movement. Each shade celebrates the energy flowing through these networks, reminding us that, more than mere transportation, the flow of gas represents a dynamic connection between technology and life, between source and destination.



# 06



## Financial Performance

# 06. Financial Performance



Floene's EBITDA stood at EUR 103 million, broadly stable compared to the previous year

## 6.1. Innovation and resilience

### 6.1.1. Information Systems

Floene is committed to the continuous improvement of its business processes, with a special focus on its carbon footprint. The evolution of its IT systems plays a strategic role in this objective, as it contributes to the digitisation of a growing number of tasks, minimising the need for paper printouts, as well as unnecessary travel, by allowing remote services to be provided.

Floene digital and technological transformation journey is based on three fundamental axes:

- **Sustainability**

With the aim of developing and implementing digital solutions that have a positive impact on the environment and climate, Floene prioritise the selection of technological partners who share its concern for reducing the carbon footprint. Business processes, supported by information systems, are continually analysed with a view to optimising energy efficiency, promoting remote activities and minimising face-to-face travel. At the same time, the digitalisation of operations will contribute to reducing the environmental footprint.

- **Safety and security**

The digital transformation journey is an ongoing process in which the security of IT systems is a

priority. The Company is committed to ensuring the privacy of personal data and protecting the assets that support its operational processes.

Aware of cybercrime threats such as data breaches and cyberattacks, Floene invests in protecting digital identities from usurpation or manipulation and implements measures to prevent disruption to its operations.

In 2024, Floene continued to invest in protecting its business processes and the services it provides to customers and partners. The Company keeps its cybersecurity management processes up to date, with continuous monitoring of its IT systems, and promotes training and awareness-raising among employees of the importance of information security and associated prevention.

- **People**

Floene digital and technological transformation is primarily aimed at serving and benefiting all the parties involved in its processes. This includes increasing the transparency of the services provided, bringing them closer to the end users and, ultimately, valuing human talent.

For 2024, Floene has continued to develop more, and better processes supported by automation, as well as providing users with better personal productivity tools, always with the aim of valuing

human talent and increasing the quality and performance of the services provided.

The Company believes that digital and technological transformation is fundamental to its success and is committed to continuing to invest in this direction.

## 6.2. Operating and financial results

### 6.2.1. Regulatory framework

Under Directive No. 18/2024, ERSE published in *Diário da República* 136/2024 of 16 July, the “Gas Tariffs and Prices for the Gas Year 2024-2025”, based on the parameters proposed for the 2024-2027 regulatory period. This includes distribution network access tariffs, regulated services prices, and demand forecast for the period from 1 October 2024 to 30 September 2025.

The published tariffs aim to enable the recovery of revenues by regulated companies, reflecting the efficient costs of the activities within the national gas system, as calculated by ERSE in accordance with the current regulatory methodologies.

A general increase in network access tariffs across all segments was observed, primarily driven by declining demand in recent years and the incorporation of the final adjustment for 2022. This period was also characterised by significant fluctuations in Portuguese Treasury Bonds, which had a direct impact on the rate of return.

For the Floene Group companies, the allowed revenues for the 2024-2025 period, excluding adjustments from previous periods, show a slight decrease compared to the previous gas year.

Regarding the rate of return calculated on a calendar year basis, the rate considered by the regulated companies of the Floene Group at the end of 2024 was 5.64 %, slightly below the 5.66% rate published by ERSE for the same year. This reduction results from the evolution of Portuguese Treasury Bonds (OT), as well as from the methodological revision implemented by ERSE for their definition, to be applied in the new regulatory period starting in 2024.

The allowed revenues for the gas distribution activity results from the sum of the following components:

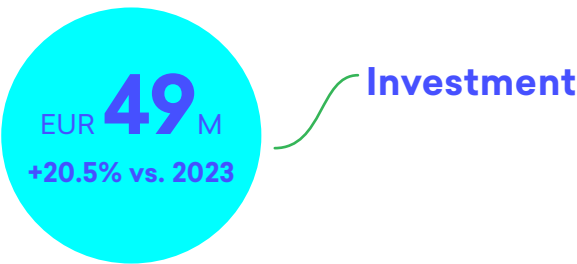
- Cost of capital, defined as the product of the Regulated Asset Base (RAB) and the Rate of Return (RoR) published by ERSE, plus the amortisation and depreciation of those assets. The RoR is determined through a methodology that combines fixed parameters with a variable component indexed to the average daily yield of 10-year OT, subject to a maximum and a minimum value;
- Recovery of net allowed operating costs (OPEX) indexed to efficiency factors established by the regulator and adjusted based on the GDP deflator and market trends (e.g. number of active customers and energy demand);
- Adjustments to the allowed revenues, corresponding to the difference between actual revenues collected and the allowed revenues calculated by ERSE for calendar year two years prior (n-2).

For the last resort supply activity, the value of the allowed revenues results from the sum of the following components:

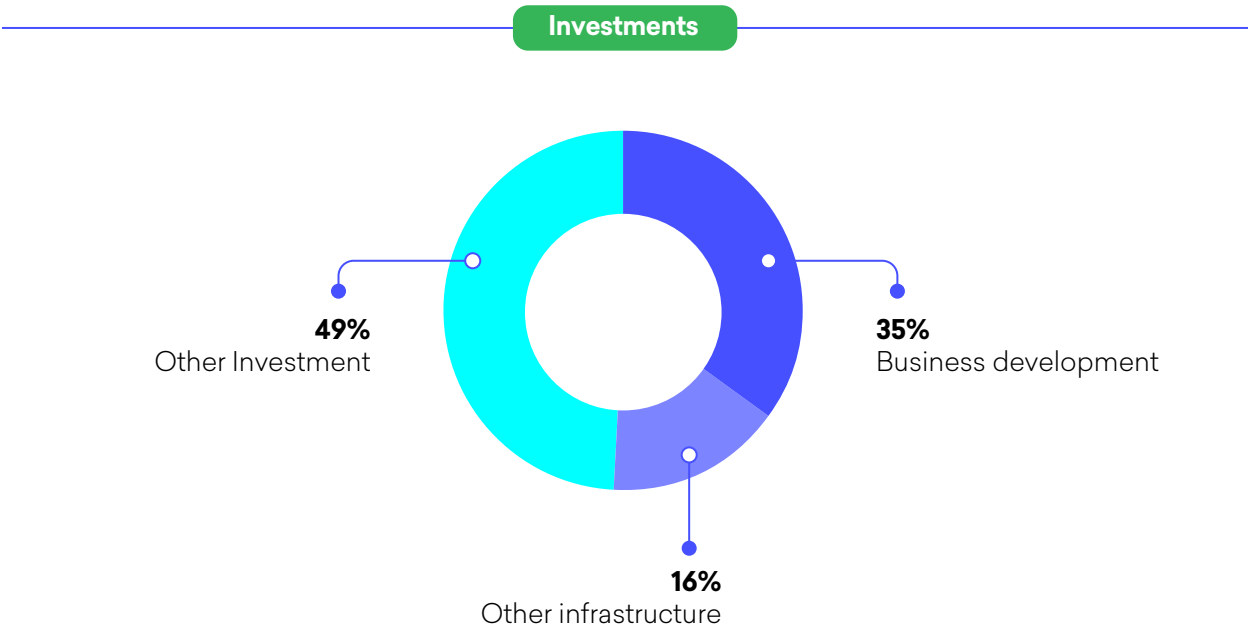
- Recovery OPEX, indexed to the efficiency factors defined by the regulator, adjusted for the GDP deflator and by regulated market evolution (e.g. number of active customers);
- Additional revenue established in the supply licence;
- Differential between average payment and collection terms; and
- Adjustments to allowed revenues, reflecting the difference between actual revenues collected and the allowed revenues calculated by ERSE for calendar year n-2.

According to current regulatory assumptions, the gas year runs from 1 October of one year to 30 September of the next, during which the regulated tariffs apply. Therefore, in 2024, the applicable gas tariffs and prices were those from the 2023-2024 gas year (1 January to 30 September) and the 2024-2025 gas year (1 October to 31 December), both published by ERSE.

6.2.2. Investments



	2024	2023	Δ	Δ%
Business development	17,490	19,285	(1,795)	(9.3%)
Other Infrastructure	7,784	7,523	260	3.5%
Other Investments	24,222	14,269	9,952	69.7%
<b>CAPEX</b>	<b>49,496</b>	<b>41,077</b>	<b>8,418</b>	<b>20.5%</b>
IFRS 16	6,649	238	6,411	2 693.7%
<b>CAPEX + IFRS 16</b>	<b>56,145</b>	<b>41,315</b>	<b>14,829</b>	<b>35.9%</b>



In 2024, Floene invested EUR 49.5 million (excluding IFRS 16), representing a year-on-year (YoY) increase of 20.5%. The main investment focus was on “Other investments”, which accounted for 49% of the total investment. “Business development” represented 35% of the total, while investments in “Other infrastructure” reached 16%.

“Other investments” amounted to EUR 24.2 million (+69.7% YoY) and, as anticipated, focused on the optimisation and efficiency programme within Floene Group’s internal transformation process (carve-out from the previous Shareholder). This process includes investment in information systems, reflecting Floene’s commitment to promoting operational excellence through the implementation of an ecosystem that enables the technological and digital transformation of its operations to ensure value creation for all Stakeholders.

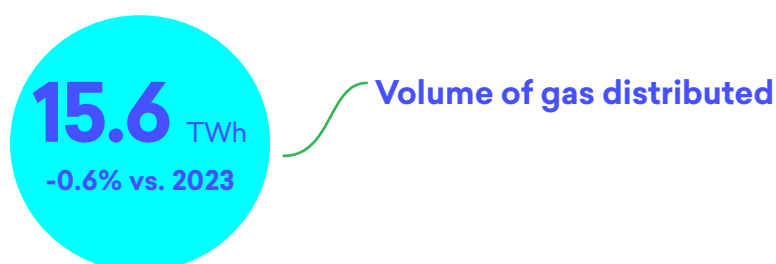
Floene believes that injecting renewable gases, such as biomethane and green hydrogen, into existing networks is key to enabling a swift and fair energy transition and to supporting a more balanced energy mix, particularly for energy-intensive industries. The network that currently distributes natural gas to over 1.1 million customers will, in the future, distribute renewable gases.

For this reason, Floene continues to drive business development, with total investment reaching EUR 17.5 million (-9.3% YoY), 67% of which was allocated to the expansion of 110 km of the gas distribution network, including 4,580 service connections. By the end of 2024, the gas distribution network had reached a total length of 13,911 kilometres. The remaining 33% of the investment was absorbed to connect 13,232 new connection points to the distribution network, providing households, services and industries access to more efficient energy source through a continuous and reliable supply.

Investment in “Other infrastructures” totalled EUR 7.8 million (+3.5% YoY) and resulted from the identification of opportunities or needs for intervention to ensure the continued supply security, proper operation of the entire infrastructure, and reliability of the equipment associated with the gas distribution system. During this period, investment was also made in the renewal of an additional 10 kilometres of network, as well as reinforcements and restructuring of the existing network, continuing the plan to replace steel and iron networks with polyethylene, with completion scheduled for 2026.

Regarding the PDIRD-G 2024, a revised version was submitted in December 2024. Its approval is the responsibility of the Government, following discussion in the Portuguese Parliament.

### 6.2.3. Volume of gas distributed



	2024	2023	Δ	Δ%
Domestic [< 10 m m <sup>3</sup> ]	2,743	2,735	9	0.3%
Tertiary [10m-100m m <sup>3</sup> ] + Industrial [100 m-1 M m <sup>3</sup> ]	765	779	(14)	(1.8%)
Industrial [> 1 M m <sup>3</sup> ]	12,057	12,139	(82)	(0.7%)
<b>Total</b>	<b>15,566</b>	<b>15,653</b>	<b>(87)</b>	<b>(0.6%)</b>

GWh

The volume of natural gas distributed through the distribution network reached 15,566 GWh, showing a decrease of 0.6% compared to the same period in the previous year.

In 2024, the demand for natural gas slightly increased in the domestic segment (+0.3% YoY), with this segment representing 60% of the revenues for the Floene Group.

In the tertiary and industrial segments, natural gas demand decreased by 1.8 % and 0.7 % respectively. The industrial segment continues to represent about 78% of the volume distributed on the network. In 2024, the ceramics, glass and food/beverage sectors consumed around half of the volumes distributed through the distribution network.

Nationally, the demand for natural gas in the low and medium pressure system remained stable at 23 TWh, with 69% of this being distributed by Floene. Natural gas is an affordable and comfortable energy source, which remains a more efficient and cleaner alternative when compared to other fossil energy sources, underscoring its strategic importance in the energy transition process.

## 6.2.4. Results in 2024



Thousands of EUR

	2024	2023	Δ	Δ%
<b>Regulated revenues (net of pass-through revenues) 1</b>	<b>154,389</b>	<b>153,194</b>	<b>1,195</b>	<b>0.8%</b>
Retailer last resort gas sales	1,851	1,765	86	4.9%
Use of gas distribution network	152,538	151,429	1,109	0.7%
<b>Others Revenues</b>	<b>1,214</b>	<b>1,015</b>	<b>199</b>	<b>19.6%</b>
<b>Net operational Costs<sup>1</sup></b>	<b>(52,858)</b>	<b>(50,439)</b>	<b>(2,420)</b>	<b>4.8%</b>
External costs	(34,692)	(33,932)	(761)	2.2%
Personnel costs	(27,768)	(25,602)	(2,166)	8.5%
Other operational income (costs)	9,602	9,095	507	5.6%
<b>Impairment losses on other receivables</b>	<b>(143)</b>	<b>(1,148)</b>	<b>1,005</b>	<b>(87.5%)</b>
<b>EBITDA</b>	<b>102,602</b>	<b>102,622</b>	<b>(20)</b>	<b>(0.0%)</b>

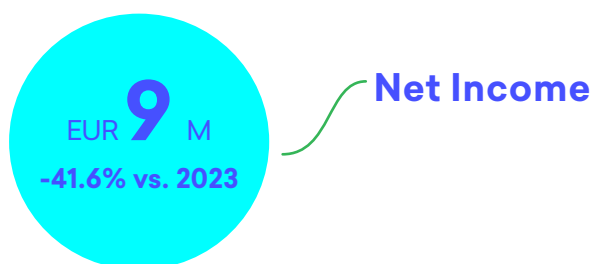
1. Non-core revenues/expenses accepted by the tariff with a neutral impact on EBITDA.

The increase of EUR 1.2 million in allowed revenues, including adjustments from the 2022 calendar year (s-2), is primarily driven by the increase resulting from the final s-2 year adjustment published by ERSE. This adjustment helped offset the impact of the reduction in the base return on remuneration (RoR) from 5.9 % to 5.64 %, following the decrease in interest rates of Portuguese 10-year government bonds. The allowed revenues were recorded based on the actual value as of 31 December 2024, and the variables contributing to their calculation, in accordance with the methodology published by ERSE for the current regulatory period.

Net operational costs, excluding pass-through effects (non-core costs accepted by the tariff), increased by 4.8% compared to 2023, totalling EUR 52.9 million, mainly reflecting the higher costs associated with the ongoing internal transformation process and the Group's transition to autonomy from its previous Shareholder, particularly in the increase in personnel costs.

The favourable variance of EUR 1.0 million in the "Impairments" item is explained by the reduction in impairments related to the pass-through tariff deviation of the Last Resort Supply activity (CURr), compared to the previous year.

As a result, Floene's EBITDA stood at EUR 102.6 million, broadly stable compared to the previous year.



	2024	2023	Δ	Δ%
Thousands of EUR				
<b>EBITDA</b>	<b>102,602</b>	<b>102,622</b>	<b>(20)</b>	<b>(0.0%)</b>
Amortisation, depreciation and impairment <sup>1</sup>	(49,991)	(49,446)	(545)	1.1%
Provisions	(206)	272	(478)	(175.7%)
<b>EBIT</b>	<b>52,405</b>	<b>53,449</b>	<b>(1,044)</b>	<b>(2.0%)</b>
<b>Financial results<sup>1</sup></b>	<b>(31,183)</b>	<b>(22,850)</b>	<b>(8,333)</b>	<b>36.5%</b>
<b>Profit before tax</b>	<b>21,222</b>	<b>30,599</b>	<b>(9,377)</b>	<b>(30.6%)</b>
Taxes	(6,400)	(8,299)	1,900	(22.9%)
Energy sector extraordinary contribution	(4,773)	(5,275)	503	(9.5%)
<b>Consolidated net income</b>	<b>10,050</b>	<b>17,025</b>	<b>(6,975)</b>	<b>(41.0%)</b>
Non-controlling interests	(720)	(1,049)	329	(31.4%)
<b>Net income to FLOENE</b>	<b>9,330</b>	<b>15,976</b>	<b>(6,646)</b>	<b>(41.6%)</b>

1. Includes IFRS 16.

EBIT decreased by 2.0% YoY, to EUR 52.4 million, reflecting a EUR 0.5 million increase in amortisation and depreciation and a EUR 0.5 million increase in provisions.

Net financial results were negative by EUR 31.2 million in 2024, representing a 36.5% YoY increase, driven by higher financial costs. This increase was mainly due to the full-year impact of the financial cost associated with the EMTN 2023 bond, issued in July 2023, whereas the 2023 results still benefited from the significantly lower interest rate of the EMTN 2016 bond. As a result, in 2024, the average cost of debt rose from 3.15 % to 4.41 % (+1.26 basis points vs. 2023), also influenced by an increase in net debt, which reached EUR 609 million.

Income tax expenses decreased by 22.9% to EUR 6.4 million, reflecting the EUR 9.4 million decline in profit before tax, corresponding to an effective tax rate of 30%.

In 2024, the Extraordinary Contribution on the Energy Sector (CESE) continued to significantly impact the Group's results, amounting to EUR 14.5 million, of which EUR 8.8 million relates to the 2024 CESE and EUR 5.7 million corresponds to interest on late payments. The Group has opted not to pay this contribution, as its constitutionality remains under legal challenge. This impact was partially offset by the reversal of a EUR 9.8 million provision, following three final favourable rulings by the Constitutional Court, which declared the 2019 CESE unconstitutional, as well as a ruling related to the 2020 CESE (see Note 19 in the Notes to the Financial Statements).

In 2024, Floene Group's net income totalled EUR 9.3 million, representing a 41.6% decrease, due the factors mentioned above.

## 6.2.5. Cash Flow



### Free Cash Flow

Thousands of EUR

	2024	2023	Δ	Δ%
<b>Cash and cash equivalents at the beginning of the period</b>	<b>79,505</b>	<b>87,523</b>	<b>(8,018)</b>	<b>(9.2%)</b>
<b>Cash flow from operating activities</b>	<b>97,840</b>	<b>62,901</b>	<b>34,939</b>	<b>55.5%</b>
<b>Cash flow from investing activities</b>	<b>(48,590)</b>	<b>(34,468)</b>	<b>(14,122)</b>	<b>41.0%</b>
<b>Free Cash Flow</b>	<b>49,250</b>	<b>28,433</b>	<b>20,817</b>	<b>73.2%</b>
Loans obtained	39,300	599,160	(559,860)	(93.4%)
Loan repayments	(82,667)	(601,042)	518,375	(86.2%)
Financial charges <sup>1</sup>	(34,175)	(19,515)	(14,660)	75.1%
Payment of dividends	(31,503)	(15,054)	(16,449)	109.3%
<b>Net cash variation</b>	<b>(59,794)</b>	<b>(8,017)</b>	<b>(51,777)</b>	<b>645.8%</b>
Effect of exchange rate differences	0	(1)	1	(100.0%)
<b>Cash and cash equivalents at the end of the period</b>	<b>19,711</b>	<b>79,505</b>	<b>(59,828)</b>	<b>(75.2%)</b>

1. Includes lease payments and lease interest (IFRS 16).



Operating Cash Flow reached EUR 97.8 million, representing a 55.5% YoY increase. This performance was mainly driven by the following factors:

- i) An increase of EUR 34.6 million (+15.7% YoY) in cash received from customers, resulting from an average rise of approximately 19% in regulated tariffs. This includes both distribution networks access tariffs and transmission networks access tariffs charged by the Transmission System Operator. This effect offset the EUR 11.7 million increase (+17.7% YoY) in payments to suppliers. These revenues and corresponding costs are neutral in the consolidated income statement (pass-through effect);
- ii) A reduction of EUR 14.9 million YoY in income tax payments, due to a lower current tax for 2023, considering the advance payments made during that year. This resulted in a receivable balance, which was carried over to 2024, leading to a reduction in tax payments in that year.

Cash flow from investment activities increased by 41 % YoY to EUR 48.6 million.

Free Cash Flow amounted EUR 49.2 million, registering an increase of EUR 20.8 million (+73.2% YoY), explained by the increase in Cash Flow from operating activities mentioned above.

As for Cash Flow from financing activities, the negative variation of EUR 72.6 million is explained by the following reasons: i) early refinancing of the EUR 70 million bond loan and the EUR 4.1 million Project Finance loan of the Group Company Beiragás, replaced by financing through the issuance of commercial paper in the amount of EUR 30.8 million; ii) payment of net financial charges, which increased to EUR 34.1 million (+75.1% YoY), following the rise in interest rates resulting from the worsening of financial market conditions at the time of the EMTN renegotiation in July 2023 compared to the negotiation date of the previous EMTN being refinanced, in September 2016; and iii) payment of EUR 31.5 million in dividends to Shareholders.

Net cash variation was negative by EUR 59.8 million. Considering that cash at the beginning of the period amounted to 79.5 million euros, Floene ended the period with cash and cash equivalents of EUR 19.7 million.



**Operating Cash Flow reached EUR 97.8 million, representing a 55.5% YoY increase. This performance was mainly driven by an increase of EUR 34.6 million (+15.7% YoY) in cash received from customers, resulting from an average in regulated tariffs, and a reduction of EUR 14.9 million YoY in income tax payments, among other factors. As for Cash Flow from financing activities amounted EUR 49.2 million, registering an increase of EUR 20.8 million**

## 6.2.6. Financial situation

Thousands of EUR

	2024	2023	Δ
Net fixed assets	1,121,270	1,120,897	374
Active use rights (IFRS 16)	11,491	10,279	1,212
Working capital <sup>1</sup>	24,674	26,470	(1,796)
Subsidies to investment	(180,526)	(189,070)	8,544
Other non-current assets (liabilities)	(121,320)	(106,142)	(15,178)
<b>Capital employed</b>	<b>855,589</b>	<b>862,432</b>	<b>(6,843)</b>
Short-term debt	30,831	71,444	(40,613)
Long-term debt	597,933	599,896	(1,963)
<b>Total debt</b>	<b>628,764</b>	<b>671,340</b>	<b>(42,576)</b>
Cash and equivalents	19,711	79,505	(59,794)
<b>Net Debt</b>	<b>609,053</b>	<b>591,835</b>	<b>17,218</b>
<b>Leases (IFRS 16)</b>	<b>12,414</b>	<b>11,016</b>	<b>1,398</b>
<b>Equity</b>	<b>234,122</b>	<b>259,581</b>	<b>(25,459)</b>
<b>Equity, net debt and leases</b>	<b>855,589</b>	<b>862,432</b>	<b>(6,843)</b>
<b>Net Debt to equity</b>	<b>2.6x</b>	<b>2.3x</b>	<b>-</b>

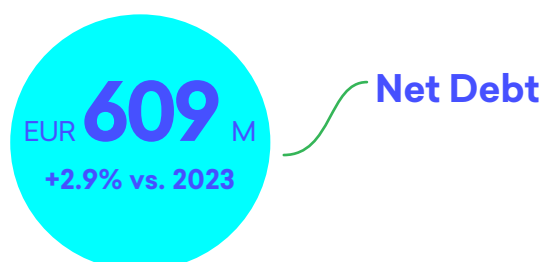
1. Working capital = Current Assets - Current Liabilities (excluding Cash and equivalents, Short-term debt, Short-term leases and Short-term subsidies)

As of 31 December 2024, Floene's net fixed assets amounted to EUR 1,121.3 million, representing an increase of EUR 0.4 million compared to the end of the previous year, driven by the increase in investment recorded during the year.

Capital employed decreased compared to the previous year to EUR 855.6 million, mainly reflecting: i) a reduction in working capital to EUR 25 million, explained by a EUR 7.9 million variation in income tax; and ii) a decrease in other non-current assets/liabilities, due to a EUR 7.7 million reduction in the medium and long-term tariff deviation.

The balance of recoverable tariff deviation, related to regulated distribution and pass-through activities, stood at EUR 40.4 million, down EUR 3.9 million YoY.

## 6.2.7. Financing and debt



Thousands of EUR

Sources of Financing	2024	2023
EMTN 2024 - Notes	420,000	420,000
Syndicated Bond Loan	180,000	180,000
Bond Loans	0	70,000
Bank Loans	0	4,167
Commercial Paper	30,800	0
Other	(2,036)	(2,827)
<b>Total</b>	<b>628,764</b>	<b>671,340</b>
Cash and Equivalent	19,711	79,505
<b>Net Debt</b>	<b>609,053</b>	<b>591,835</b>

During 2024, the following refinancing operations were carried out, improving commercial conditions in several dimensions, including pricing, flexibility of use, and extended maturity. With the execution of these transactions – alongside a new Syndicated Bond Loan of EUR 180 million, which finance the early repayment of the 2023 Syndicated Bond Loan, formalised in February 2025 (see Chapter 9 – Relevant facts occurring after the close of the Financial Year) – the Floene Group successfully completed its refinancing process initiated in 2022. This process encompassed seven transactions amounting EUR 1,650 million, positioning the Company with a strong financial position to face future challenges:

- On 8 March 2024, the Company formalised a Commercial Paper Programme totalling EUR 79 million, aimed at strengthening its financial position. The Programme has a four-year term (from the date of the first issuance) and features a floating interest rate indexed to Euribor plus a contractually agreed spread. As of 31 December 2024, commercial paper issuance under this programme amounted EUR 23.8 million, with a maturity of less than one year;
- On 24 April 2024, the Company early repaid a EUR 70 million bond loan originally maturing on 1 August 2024 using cash and cash equivalents;
- In June 2024, the Group Company Beiragás, early repaid its Project Finance loan, originally contracted in 2005 and maturing in 2027, in the amount of EUR 4.1 million, also using available cash and cash equivalents. Following this repayment, the Company is no longer subject to compliance with financial covenants;
- Additionally, Beiragás formalised a separate Commercial Paper Programme amounting of EUR 12.5 million, indexed to Euribor plus a contractually agreed spread. The goal was to refinance the above-mentioned Project Finance loan and strengthen the Company's financial position. As of 31 December 2024, issuances under this programme amounted to EUR 7.0 million, with maturity of less than one year.

At the end of 2024, net debt totalled EUR 609.1 million, an increase of 2.9% YoY. Fixed-rate debt accounted for 61% of Floene's total financial debt, based on the total value of the credit lines negotiated.

### 6.2.8. Rating

Floene's financial policy is based on the active management of debt and cash and equivalents, with the objective of maintaining a strong liquidity position and a long-term debt profile that supports the Company's strategy of maintaining an investment grade rating.

In May 2024, S&P reaffirmed Floene's investment grade rating (BBB-), with a stable outlook.

## 6.3. Quality of service and customer satisfaction

### 6.3.1. Quality service, safe and efficient supply

Floene is committed to ensuring a reliable, high-quality gas supply, ensuring consumer satisfaction and the preservation its assets. To this end, safety and accident prevention are fundamental priorities in our operations, protecting not only our employees and partners, but also the communities in which we operate, and the entire infrastructure associated with our activities.

#### Compliance and development projects

In addition to the various initiatives previously described, several works were carried out at the facilities of the Autonomous Gas Units in Service, with the goal of improving operating and safety conditions. These efforts reflect current technological advancements and best practices. The implementation of this project, initially scheduled to run until 2025, was concluded in 2024.

#### Maintenance and operation of the distribution network

Managing Floene's distribution network requires continuous monitoring, with gas network maintenance being primary preventative in nature. As a DSO, our main mission is to enhance the overall quality of the system, ensuring high standards of

safety, operational reliability, service quality and supply continuity.

To meet these goals, we have implemented a preventive maintenance plan that includes regular inspections across most of the networks, leak detection and other targeted activities. These include visual inspection and functional control of the Pressure Reduction and Metering Stations (PRM), checking the operability of valves, systematic leak detection across the network, adjusting parameters and reversing PRM lines, as well as identifying coating faults on steel pipelines.

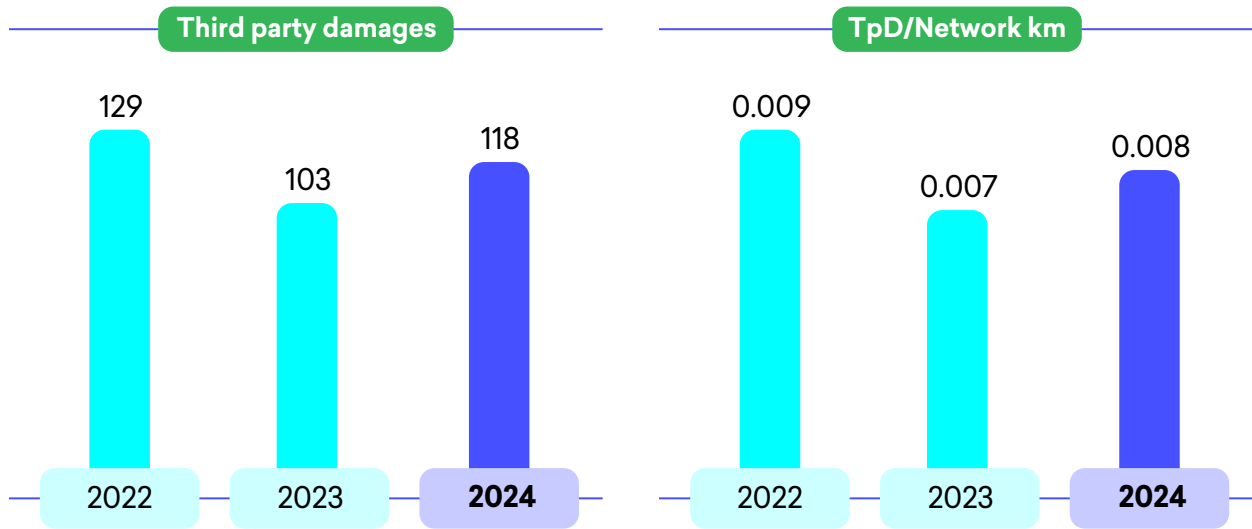
We also provide technical resources to monitor works on public roads, with the aim of preventing third-party damage to our infrastructure.

#### Third Party Damages

Interventions carried out by entities external to Floene, in close proximity to the gas distribution network, such as construction projects or upgrades to communication, water supply, and other utilities, represent one of the main risk factors for the integrity of the network. In 2024, 118 Third-Party Damages (TPD) were recorded.

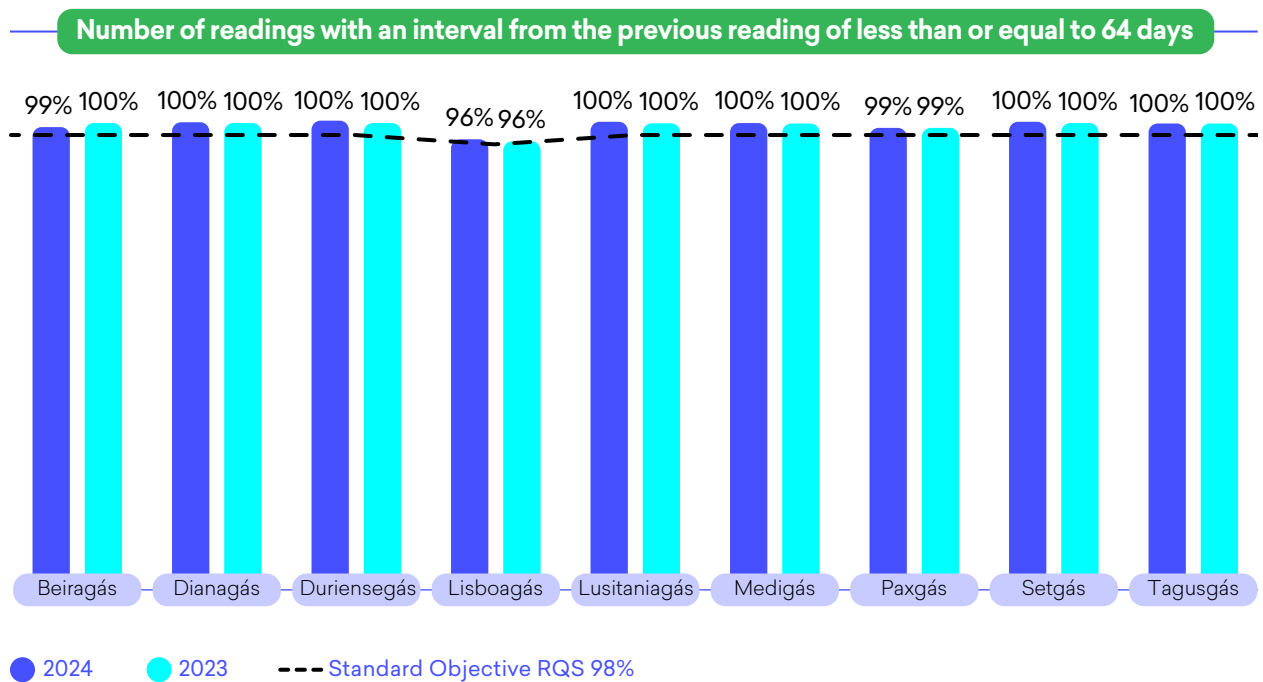
To mitigate these risks, Floene has a dedicated working group responsible for continuously tracking and analysing the evolution of such damages, characterising the incidents and identifying their root causes and developing and implementing corrective and preventive measures. This group also monitors the effectiveness of ongoing preventive actions, including:

- Enhance monitoring and awareness campaigns for third-party works;
- Improve access to and availability of network registry data for external Stakeholders;
- Engagement with municipal authorities to emphasise the importance of early notification and reporting of construction works, especially in areas containing gas infrastructure.



### Performance in service quality indicators

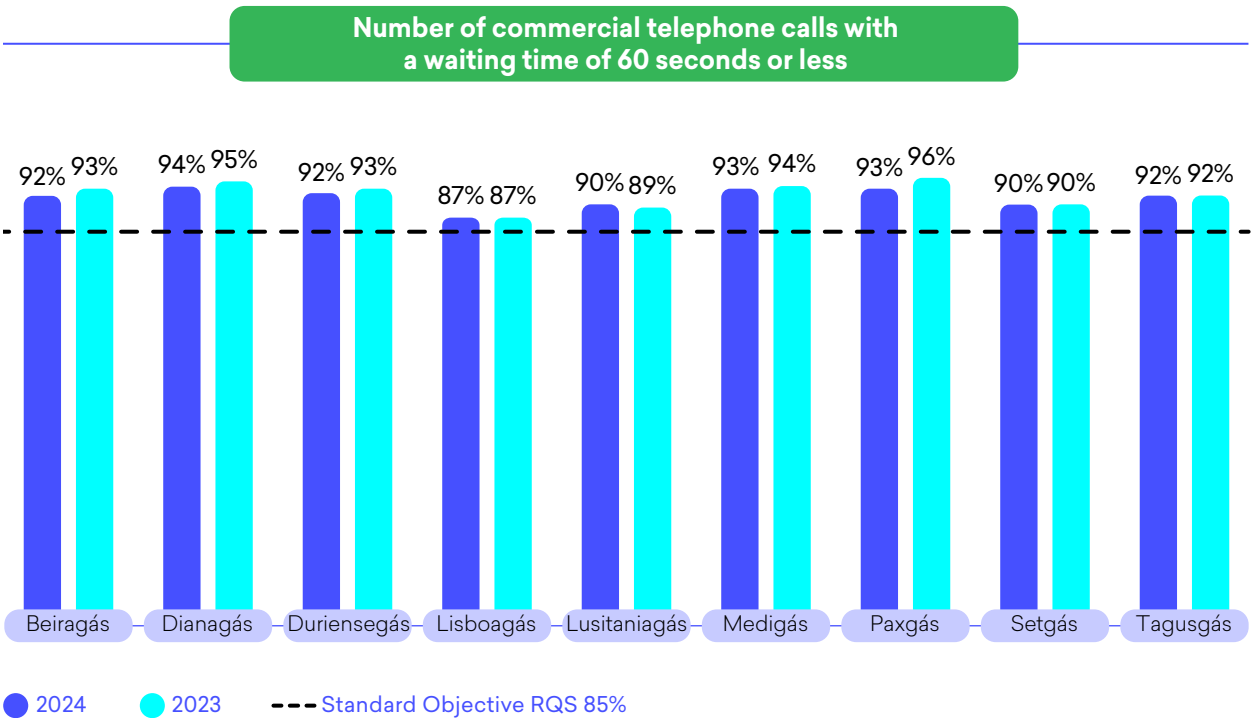
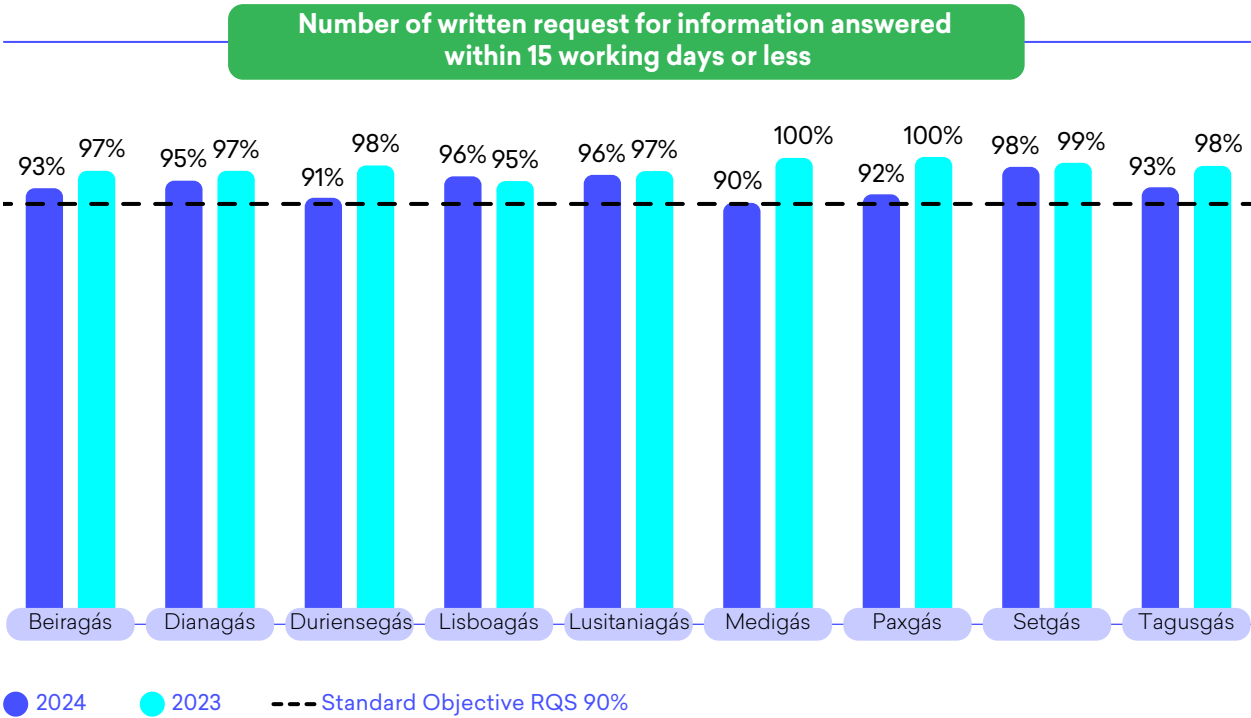
In 2024, the Floene Group companies complied with the standards established by ERSE under the Gas Sector Quality of Service Regulation (RQS), as shown in the following charts. The service quality reports of the companies are publicly available and can be accessed on Floene's website.



NOTE: with the publication of the RQS of July 2023, article 86 and annex I, the standard value of this indicator for Lisboagás was changed to 96%.



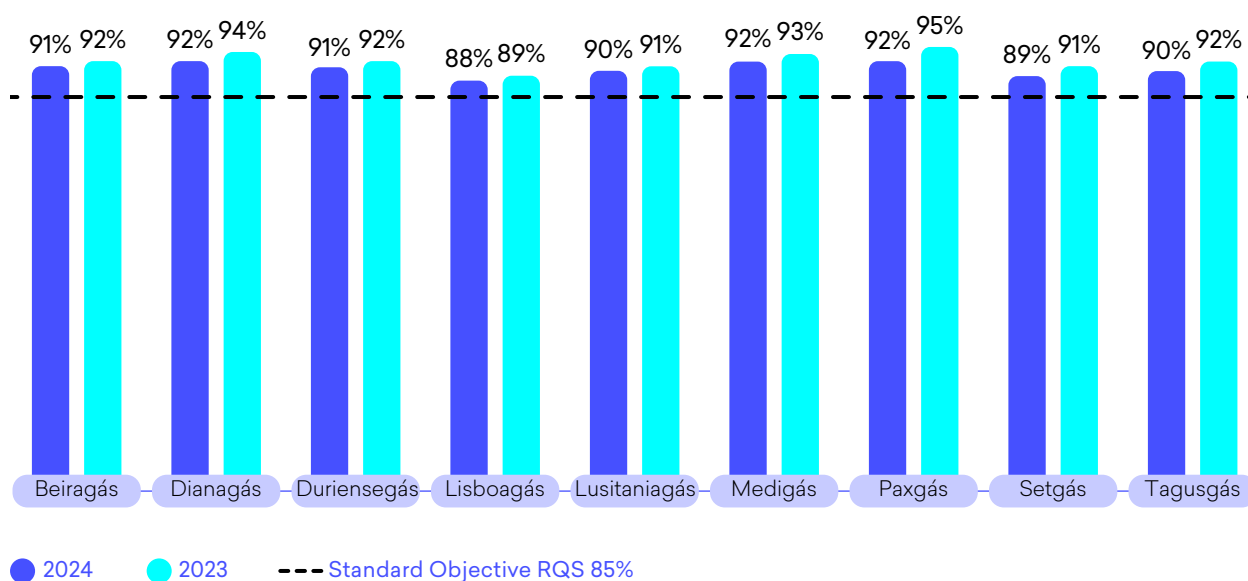
In 2024, the Floene Group companies complied with the standards established by ERSE under the Gas Sector Quality of Service Regulation



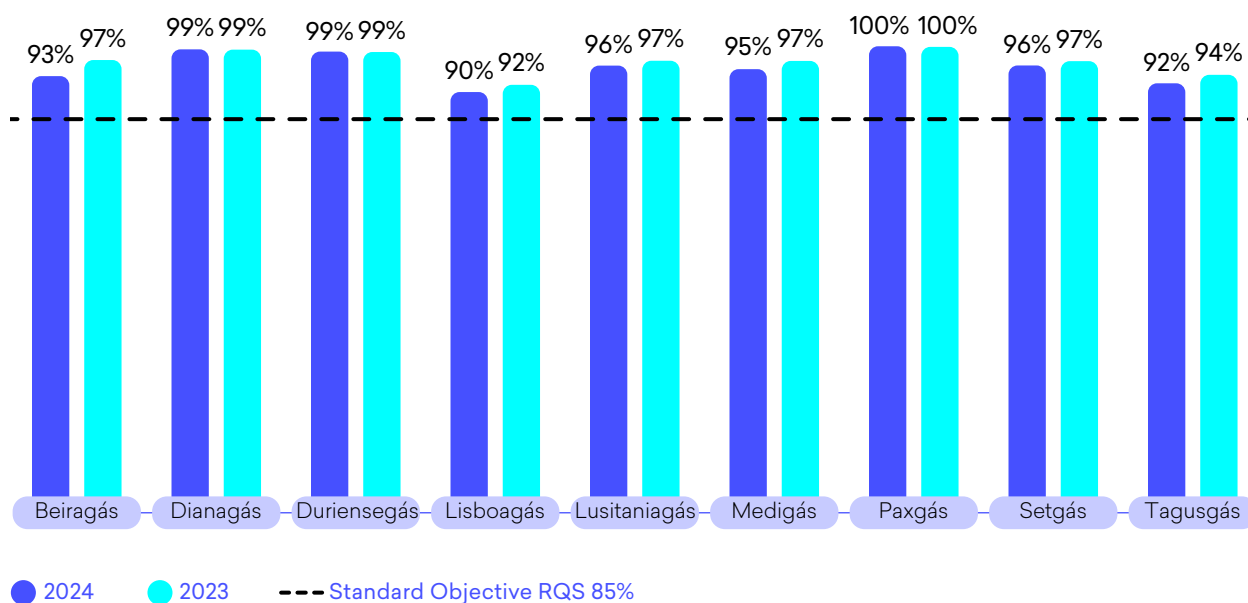
## Our emergency response system

The Floene Group's DSOs provide their customers with a free, continuous emergency system, available 24 hours a day, 365 days a year. When triggered via phone contact, an initial triage is conducted, followed by the dispatch of an on-call team to the location within a maximum of 60 minutes. Upon arrival, the team assesses the situation and takes the necessary measures to ensure the safety of people and property, including, if necessary, temporarily interrupting the gas supply. In 2024, the Floene Group met the standard target set by the Quality-of-Service Regulation (RQS) for emergency response.

### Number emergency and breakdown telephone calls with waiting time less than or equal to 60 seconds



### Number of emergency situations with arrival time at the location of less than or equal to 60 minutes



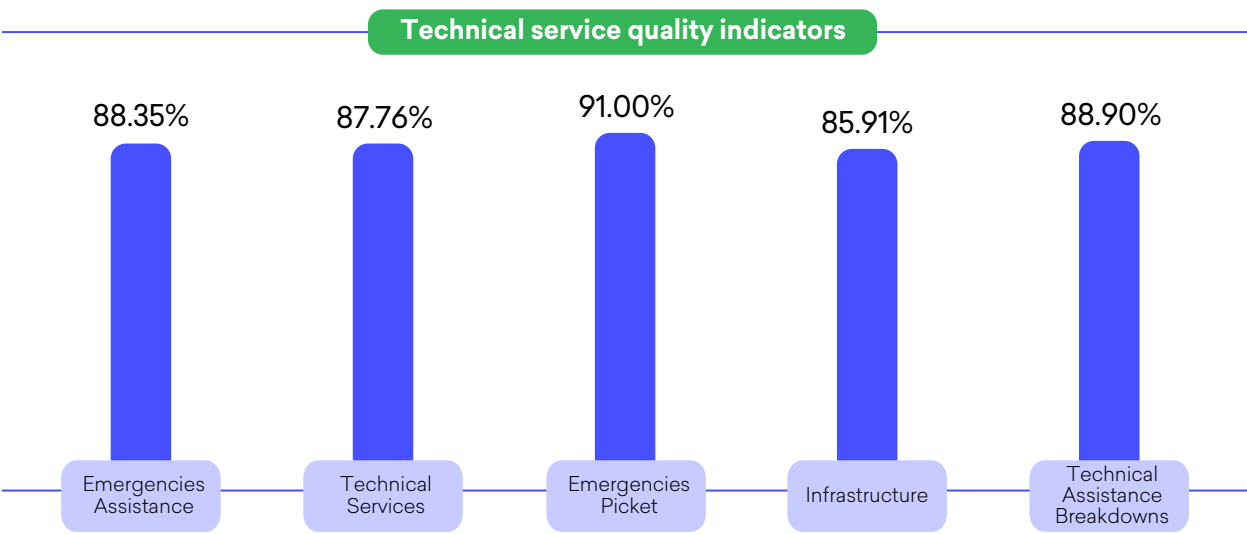
6.3.2. Customer satisfaction

Floene remains focused on its approach to generating and capturing value for the gas consumer/customer, particularly through the service it provides and the experience it offers, aiming to maximise customer satisfaction.

As part of the service quality provided to customers, as a distribution network operator, Floene monitors issues such as service continuity and the characteristics of the natural gas supply (technical service quality) as well as customer service (commercial service quality). The service quality indicators regularly monitored by the Company, as outlined in the RQS, demonstrate high levels of service quality over the years.



In 2024, Floene achieved very positive results, clearly reflecting its commitment to continuous improvement centered on the customer experience



Floene provided training for all field technicians who interact with customers, aiming to standardise and improve service quality

With this focus, in 2024, Floene achieved very positive results, clearly reflecting its commitment to continuous improvement centered on the customer experience. Highlights include:

- **Recommended Brand of the Year**, in the Electricity and/or Gas – Distribution category, recognised awarded by Consumer Trust in January 2025, based on consumer evaluations on the *Portal da Queixa* (“Complaints Portal”) platform throughout 2024;
- **+1.4% improvement** in **customer satisfaction indicators** compared to 2023;
- **-22% reduction in complaints** received by Distribution Network Operators compared to the previous year.

In 2024, Floene took a significant step forward in enhancing the service provided by its Last Resort Suppliers (CURr), with the aim of maximising customer satisfaction and delivering a more efficient experience. The Company brought services operations in-house, developed a new dedicated commercial system, redesigned its corporate image and invoices, and launch a new Customer Portal along with a mobile application (App).

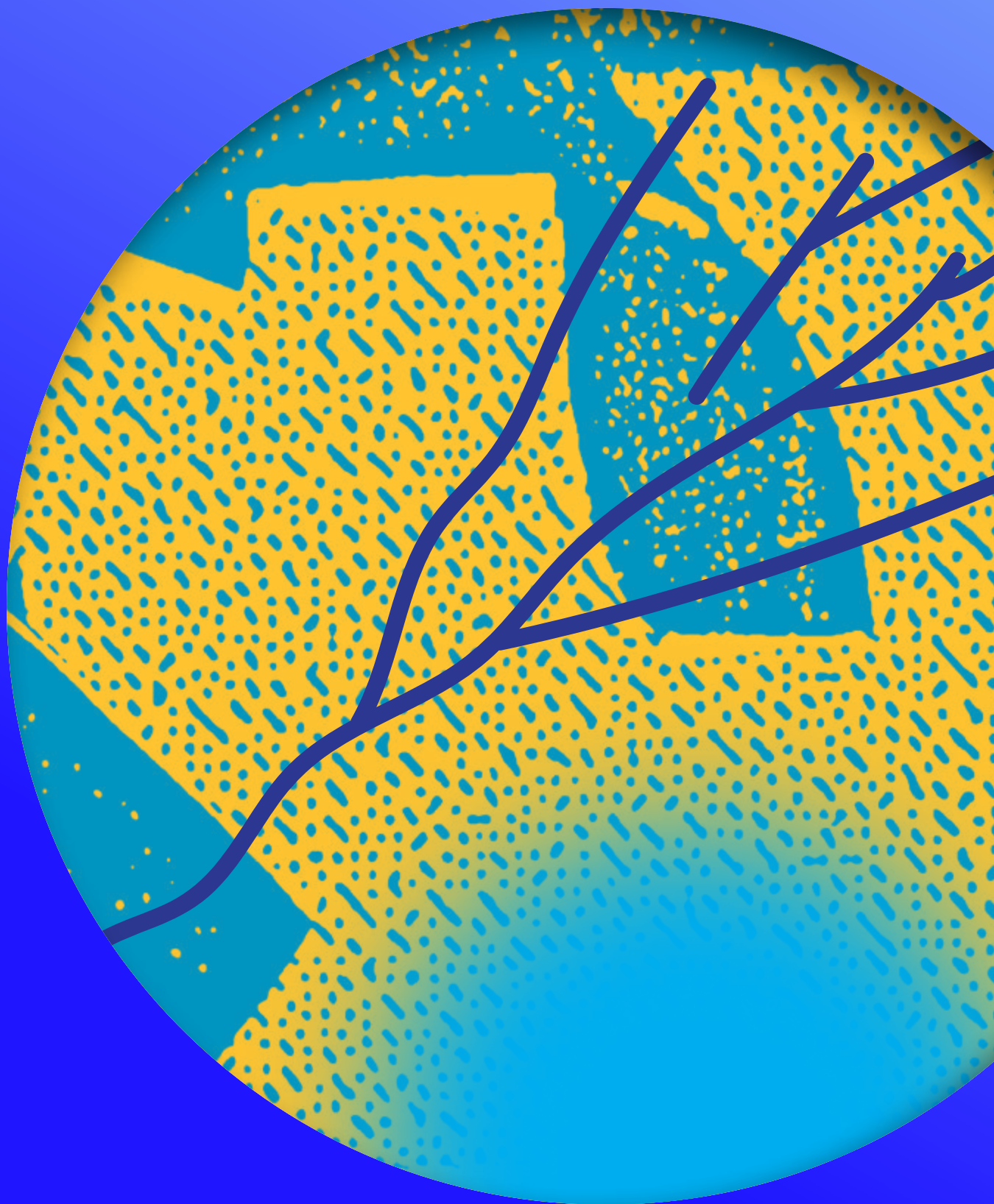
Building on the work started in 2023 with the creation of the Best Practices Manual, Floene provided training for all field technicians who interact with customers, aiming to standardise and improve service quality.

Additionally, at the end of the year, Floene launched an Artificial Intelligence pilot project focused on

Sentiment Analysis. This initiative seeks to generate valuable insights to support informed decision-making and enhance strategic planning. The key focus areas include:

- **Customer perception:** understanding preferences, critical points and behavioural trends;
- **Performance monitoring:** analysing CURr and DSO calls interactions to gain a dual perspective on the effectiveness of internal processes and network operations;
- **Service optimisation:** extracting insights from call interactions to identify opportunities for improving the DSO service delivery and CURr operations, addressing inefficiencies and enhancing the customer experience;
- **Churn reduction:** identifying customer concerns during calls to enable proactive measures aimed at addressing dissatisfaction.





### **THE TERRITORY • Pulsing network**

A symbol of Floene's capillarity and its connection across the territory.  
Each line, each shape, celebrates the commitment to reaching ever further,  
sustaining the future.



# 07



## Proposed allocation of results

## 07. Proposed allocation of results

Floene closed the 2024 financial year with a positive net result of EUR 45,539,038.54 (forty-five million, five hundred and thirty-nine thousand, thirty-eight euros and fifty-four cents), determined on an individual basis in accordance with the International Financial Reporting Standards (IFRS).

In November 2024, Floene distributed, as an advance dividend on the 2024 financial year's profit, the amount of EUR 15,643,838.77, corresponding to EUR 0.17473460 per share.

The Board of Directors proposes, in accordance with the legal requirements, that the remaining amount of the net result for the 2024 financial year of EUR 29,895,199.77 be allocated as follows:

- Appropriation to the legal reserve in the amount of EUR 2,276,951.93;
- Transfer to retained earnings in the amount of EUR 27,618,247.84.

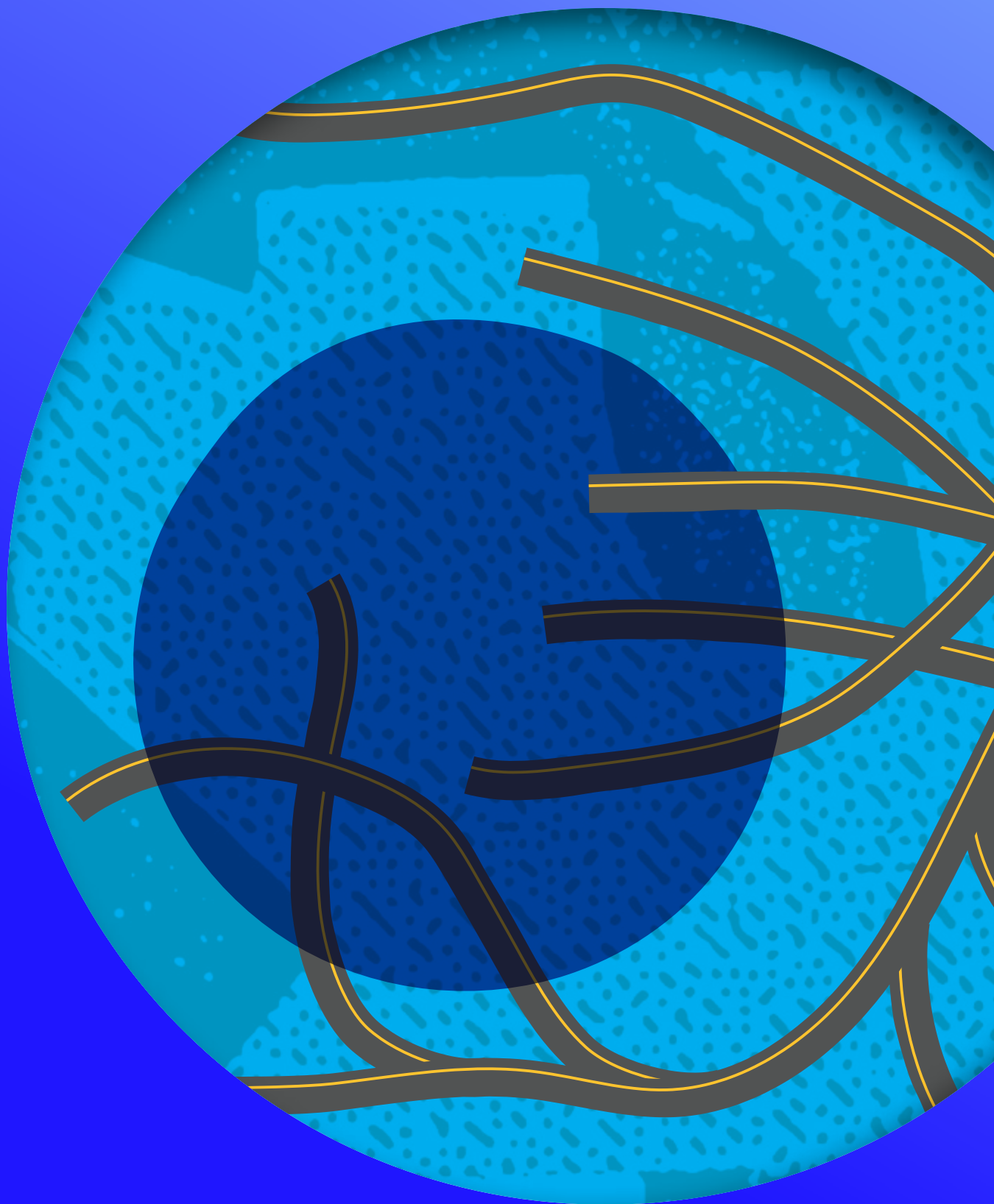
It is also proposed that a maximum amount of up to EUR 2,890,000.00 be distributed to Floene Group employees and the Company's executive directors as a share in the 2024 results. This amount has already been recognised and expressed in the Floene Group's consolidated financial statements and in the individual financial statements of each of its subsidiaries, and the calculation of the respective net results for 2024 has already included this amount.

The allocation of this amount among the Group's companies, for distribution to their respective employees, will be determined by Floene's Executive Committee, under the terms of the applicable internal rules, while the amount directed to Floene's executive directors will be determined by the General Shareholders' Meeting, under the applicable legal terms.



Proposed allocation of results





**THE TERRITORY • Pulsing network**

A symbol of Floene's capillarity and its connection across the territory.  
Each line, each shape, celebrates the commitment to reaching ever further,  
sustaining the future.



# 08



## Future Prospects

## 08. Future Prospects



**Portugal's existing gas network will play a key role in enabling the distribution of renewable gases such as biomethane and hydrogen in the future**

On a geopolitical level, international tensions are expected to remain high, reflecting the uncertainty over ceasefire negotiations in ongoing conflicts, as well as the growing fragmentation of global trust that characterises the current scenario.

On a national level, Portugal is facing a challenging political context, with a crisis that has resulted in the calling of early legislative elections, increasing uncertainty about the country's political and economic direction.

Internally, Floene will be completing its journey of transformation, digitalisation and autonomy, a process that will optimise internal operations and improve operational efficiency. This phase represents an excellent opportunity to improve the performance of its systems and services, aligning them with the new demands of the market.

With the growing focus on energy transition issues in Portugal, Floene will reinforce its commitment to decarbonisation targets by investing in the expansion of various initiatives to promote renewable gases, such as biomethane and hydrogen, through

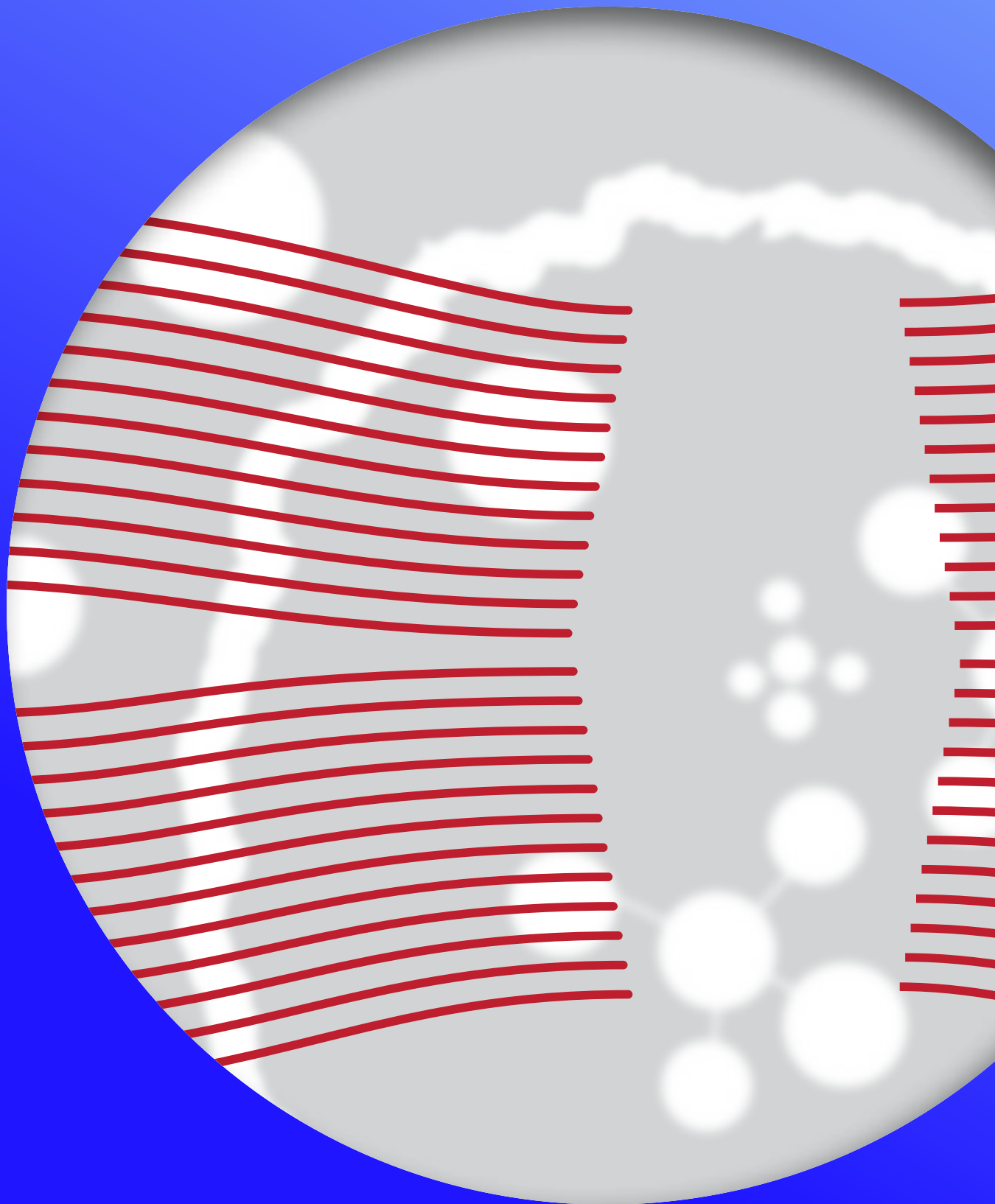
strategic partnerships. The essential role of renewable gases in the country's decarbonisation and the need to accelerate their development are more urgent than ever to ensure greater energy independence and security.

In January 2025, Floene, through its concessionaire Lisboaagás, signed a contract with HyChem for the injection of green hydrogen into the gas distribution network in the Lisbon region, which covers the municipalities of Lisbon, Amadora, Oeiras, Cascais, Mafra, Sintra and Loures. The distribution of green hydrogen mixed with natural gas is expected to begin in 2027, benefiting approximately half a million domestic customers and around 1,300 industrial customers.

In February 2025, Floene and Gaz Réseau Distribution France (GRDF), the largest gas distribution network operators in Portugal and France respectively, strengthened their strategic partnership for the development of renewable gases. This step is crucial to speeding up the production of biomethane in Portugal and is part of a series of bilateral agreements signed during French President Emmanuel Macron's visit to Porto, which strengthened cooperation between the two countries in the field of energy transition.

The energy transition will not be possible without a competitive gas system and the integration of renewable gases. Portugal's existing gas network will play a key role in enabling the distribution of renewable gases such as biomethane and hydrogen in the future. This will give consumers more options for decarbonising their consumption, without the need to replace existing equipment.





#### **THE COMMUNITIES • Connections that transform**

Composed of three unique pieces, it represents Floene's spirit and its catalytic role in promoting sustainable communities. The presence of predominantly parallel lines creates a synergistic rhythm. Each of the colours represents the multiplicity of communities — their stories, aspirations, and diversity — united by the same direction, the same desire. Floene positions itself as an invisible force, acting as the link that fosters a continuous flow of growth and innovation.



# 09



**Relevant facts  
occurring after  
the close of the  
financial year**

## 09. Relevant facts occurring after the close of the financial year

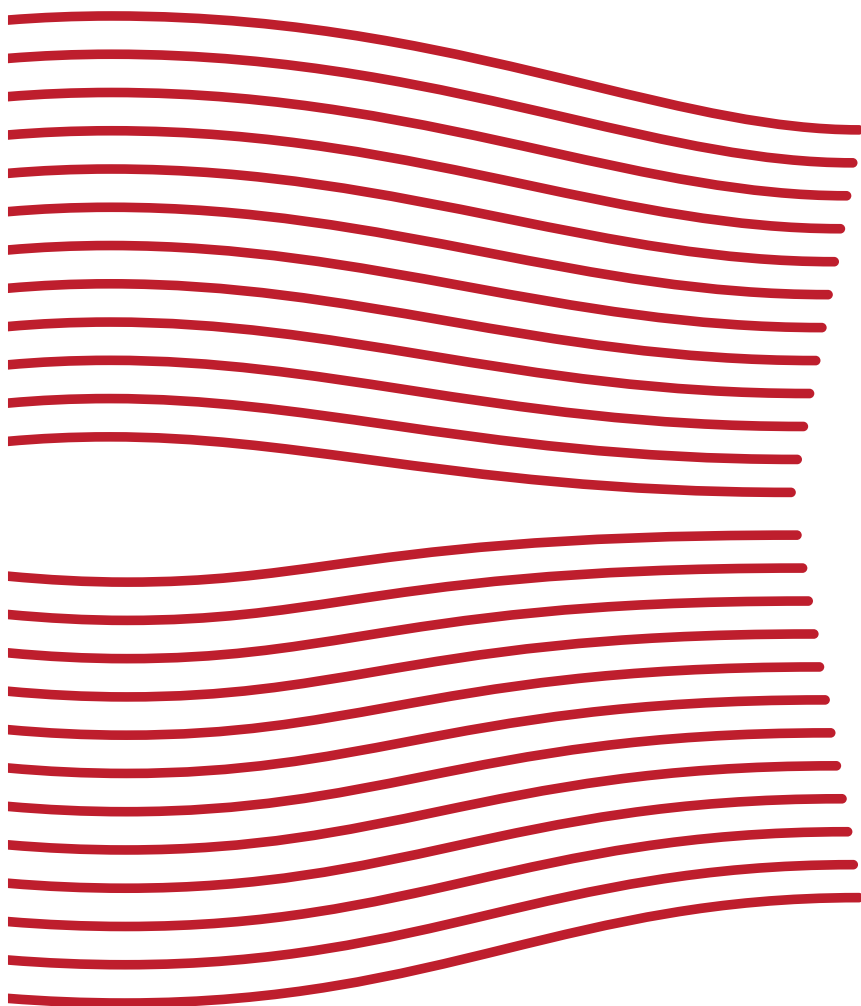
On 14 February 2025, Floene formalised a new Syndicated Bond Loan in the amount of EUR 180 million, with the aim of financing the early repayment of the entire 2023 Syndicated Bond Loan. The full amount was drawn on 27 February 2025. The Syndicated Bond Loan contracted in 2025 has a term of five years from the date of issue (i.e. it matures on 27 February 2030) and a variable interest rate, indexed to Euribor and a contracted spread. On 7 March 2025, the Company repaid in advance the 2023 Syndicated Bond Loan, which matured on 7 March 2026.

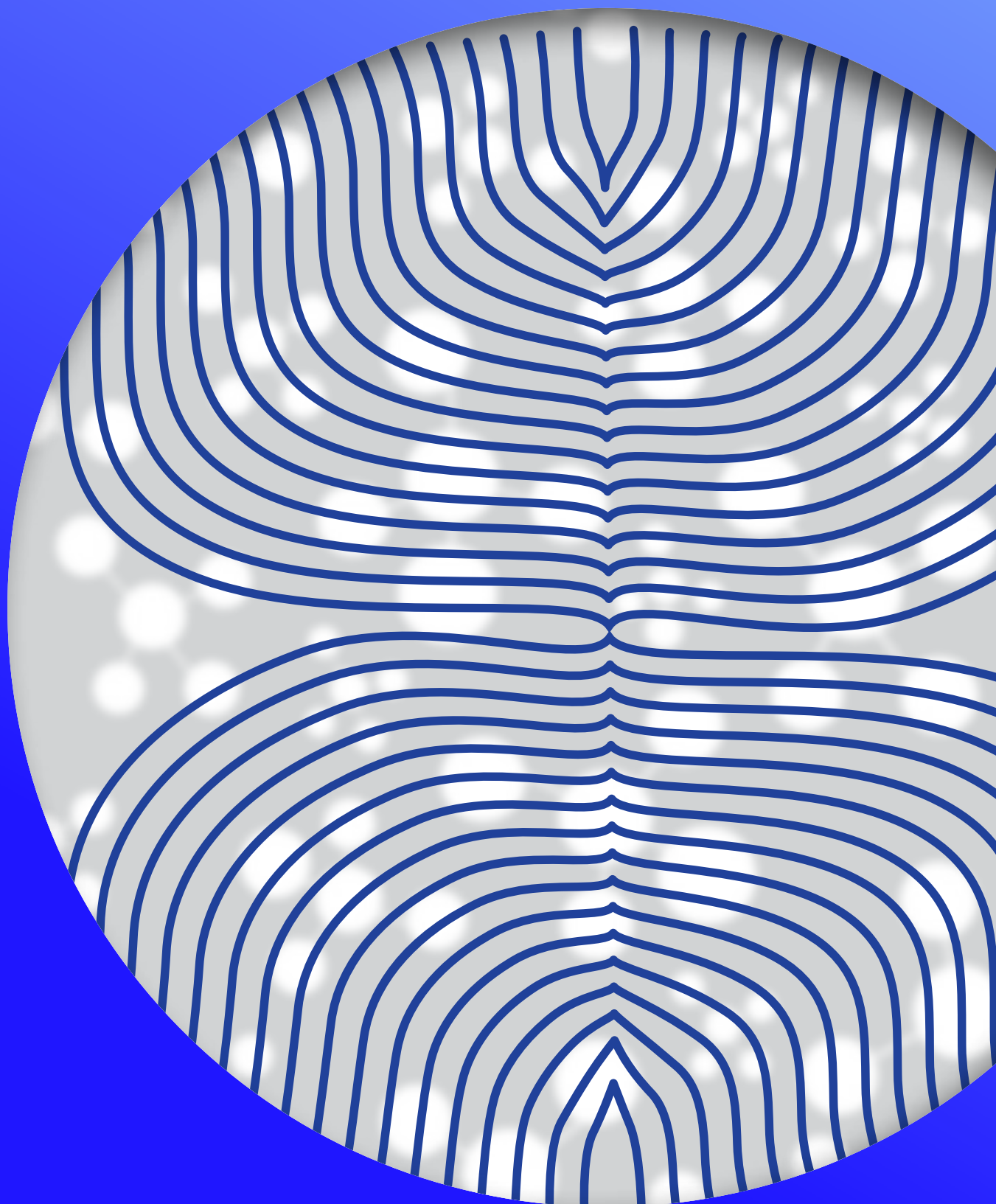
On 20 February 2025, Medigás was notified to make the payment for the 2014 CESE, following Ruling no. 915/2024, of 17 December 2024, issued by the Constitutional Court with an unfavourable decision against the Company that has already become final, whose financial impact amounts to EUR 228 thousand, including interest on late payment, the amount of which is fully provisioned.

There were no additional subsequent events after 31 December 2024, with a material impact on the accompanying financial statements



Relevant facts occurring after the close of the financial year





#### **THE COMMUNITIES • Connections that transform**

Composed of three unique pieces, it represents Floene's spirit and its catalytic role in promoting sustainable communities. The presence of predominantly parallel lines creates a synergistic rhythm. Each of the colours represents the multiplicity of communities — their stories, aspirations, and diversity — united by the same direction, the same desire. Floene positions itself as an invisible force, acting as the link that fosters a continuous flow of growth and innovation.



# 10



**Additional  
information**

# 10. Additional information

## Report methodology

Floene Energias S.A. is publishing its Management Report and Consolidated and Individual Accounts 2024, as required by the regulations and standards in force, which includes the reporting of financial and non-financial/sustainability information.

This report has been prepared in accordance with the applicable globally recognised standards and guidelines, namely the Commercial Companies Code (CSC) guidelines on the content of the management report and transparency and market abuse regulations on Issuers' Information Duties, as well as the Euronext Dublin Listing Rules.

Regarding the reporting of financial information, the consolidated and individual financial statements were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

With regard to the reporting of non-financial/sustainability information, this report complies with the principles of the AA1000 Stakeholders Engagement Standard, with a view to materiality analysis, and in accordance with the GRI (Global Reporting Initiative) standards version 2021, and includes Floene's

commitments, strategies, initiatives, projects and programmes for the period between 1 January and 31 December 2024. This report is published annually.

Included in this report are all the activities of the Floene Energias S.A. Group, namely the activities of its nine Regional Distribution Operators, including the gas marketing activity, carried out as a retailer of last resort (CURr) for companies that supply gas to less than 100,000 customers.

Throughout the report, there are hyperlinks to internal chapters and external websites that provide additional information on the topics covered, available in the digital version of this document.

## Acknowledgements

Floene's Board of Directors would like to extend a word of thanks to all those who, individually or jointly, contributed to the results achieved and to the preparation of this report. Floene is committed to constantly improving the quality of its services and its social and environmental impact.

## Feedback and contacts

We value and are interested in hearing the opinions of all our Stakeholders. To this end, should you require any clarification or additional information on the topics covered in this report, please contact:

### Management of Investor Relations, Risk and ESG

[ir@floene.pt](mailto:ir@floene.pt)  
[ESG@floene.pt](mailto:ESG@floene.pt)

**Telephone:**  
(+351) 219 023 417

**Address:**  
Rua Tomás da Fonseca,  
Torre A, 15.º Piso,  
1600-209 Lisboa,  
Portugal

Lisbon, 28 April 2025

### The Board of Directors

---

**Diogo António Rodrigues da Silveira**  
Chairman

---

**Gabriel Nuno Charrua de Sousa**  
Member

---

**Roxana Tataru**  
Member

---

**Pedro Álvaro de Brito Gomes Doutel**  
Member

---

**Karl Klaus Liebel**  
Member

---

**Carlos Miguel Faria da Silva**  
Member

---

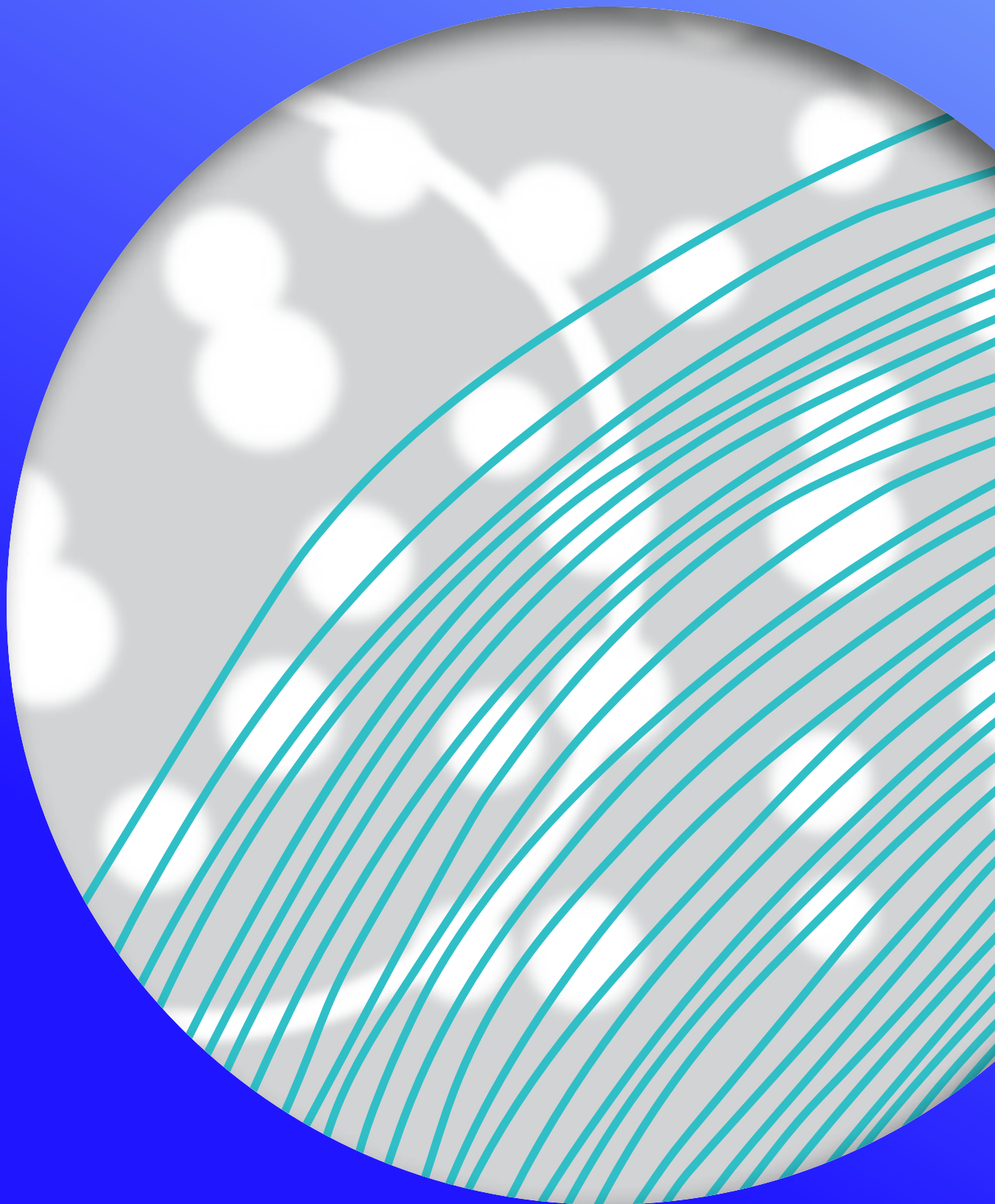
**Ippei Kojima**  
Member

---

**Satoshi Kanomata**  
Member

---

**Francisco Maria Metello de Almeida e Brito de Moraes**  
Member



**THE COMMUNITIES • Connections that transform**

Composed of three unique pieces, it represents Floene's spirit and its catalytic role in promoting sustainable communities. The presence of predominantly parallel lines creates a synergistic rhythm. Each of the colours represents the multiplicity of communities — their stories, aspirations, and diversity — united by the same direction, the same desire. Floene positions itself as an invisible force, acting as the link that fosters a continuous flow of growth and innovation.



# 11



## Annexes

# 11. Annexes

## Annex I – Declarations

As of today, the composition of Floene's governing bodies for the current 2022-2024 term is as follows:



### A. Governing Bodies

#### General Meeting Board

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

#### Company Secretary

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

#### Board of Directors

Diogo António Rodrigues da Silveira, Chairman  
Roxana Tataru, Member  
Karl Klaus Liebel, Member  
Ippei Kojima, Member  
Francisco Maria Metello de Almeida e Brito de Moraes (1), Member  
Gabriel Nuno Charrua de Sousa, Member (CEO)  
Pedro Álvaro de Brito Gomes Doutel, Member (CFO)  
Carlos Miguel Faria da Silva, Member (COO)  
Satoshi Kanomata, Member (CSO)

1. Board of Directors' resolution of 24 January 2025 (Co-option)

### 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 I

Amável Alberto Freixo Calhau, 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

## B. Qualifying holdings in the Company's share capital on 31 December 2024

Hareholders	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%
<b>Total</b>	<b>89,529,141</b>	<b>1.00 EUR</b>	<b>100.00%</b>

## C. Own shares

(Article 66(d) and 325-A (1) of the Companies Code)

During the 2024 financial year, Floene did not acquire or sell any of its own shares.

On 31 December 2024, Floene did not hold any own shares.

## D. Shareholding position of the members of the management and supervisory bodies as of 31 December 2024

(Article 447(5) of the Companies Code)

None of the members of the management and supervisory bodies held any Floene shares or bonds on 31 December 2024.

## E. Annual amount of remuneration received, both in aggregate and individually, by the members of the Company's management, supervisory, and General Meeting boards in 2024

The gross annual amount of remuneration earned in aggregate and individually in 2024 by the members of the Company's management and supervisory bodies and the Board of the General Meeting currently in office is shown in the table below.

Directors

EUR						
Name	Position	Period	Fixed Remuneration <sup>1</sup>	Other Remuneration <sup>2</sup>	Variable Remuneration <sup>3</sup>	Total
Diogo da Silveira	Chairman of the Board of Directors non-executive	Year 2024	213,000	0	0	213,000
Gabriel Sousa	Executive director (CEO)	Year 2024	180,000	2,939	57,260	240,199
Pedro Doutel <sup>4</sup>	Executive director (CEO)	Year 2024	139,048	2,417	42,683	184,148
Satoshi Kanomata	Executive director (CEO)	Year 2024	108,000	62,526	16,013	186,539
Miguel Faria	Executive director (CEO)	Year 2024	154,000	2,714	23,229	179,943
Total			794,048	70,596	139,185	1,003,829

1. Includes amounts related to Salary, Holiday Allowance and Christmas Allowance.  
 2. Includes amounts related to Food Allowance and amounts associated with expatriation.  
 3. Includes amounts relating to the Profit Sharing Bonus.  
 4. Includes period of unpaid leave.

Audit Board

EUR			
Name	Position	Period	Fixed Remuneratio
Pedro Falcão	Chairman	Year 2024	30,000
Carlos Brites	Member	Year 2024	25,000
João Augusto	Member	Year 2024	15,000
Total			70,000

Board of the General Meeting

EUR			
Name	Position	Period	Attendance fees
Pedro Schiappa Cabral	Chairman	Year 2024	1,500
Rafael Lucas Pires	Secretary	Year 2024	500
Total			2,000

**Statutory Auditor/External Auditor**

The value of audit services provided by the Statutory Auditor in 2024 amounted to EUR 128,679, while the value of non-audit services totaled EUR 78,485.

In 2024, the following non-audit services were provided by the Statutory Auditor/External Auditor and by the entities belonging to their network to the Company and to the companies under its control:

- Limited Review of Floene's half year accounts;
- Assurance and agreed-upon procedures regarding physical quantities, underground occupancy rates, and regulated accounts of the Group Companies for regulatory purposes;
- Assurance services related to the Expense Maps within the scope of the Energy Consumption Efficiency Promotion Plan (PPEC);
- Certification of Floene's interim balance sheet as of 30 September 2024, for the purpose of early dividend payment;
- Assurance services regarding the sustainability report;
- Support in the implementation of the European environmental taxonomy directive

Following the amendment of Article 3 of the Legal Framework for Audit Supervision, approved by Law 99-A/2021 of 31 December and effective from 1 January 2022, Floene ceased to meet the criteria to be classified as a Public Interest Entity in Portugal as of that date. Under these circumstances, the limit for non-audit services provided under Article 4(2) of EU Regulation No. 537/2014 no longer applies. Until the issuance of bonds under the EMTN 2023 Programme, Floene was not an issuer of securities admitted to trading on a regulated market in the European Union.

**F. Provision of services to Group companies and creditor positions with subsidiaries**

(Article 5 no. 4 of Decree-Law no. 495/88 of 30 December, as amended by Decree-Law no. 318/94 of 24 December)

See Note 28 of the notes to the individual financial statements and Note 30 of the notes to the consolidated financial statements.

## Annex II – Declaration of compliance by the members of the Board of Directors

In accordance with the reporting principles applicable to annual financial information, each of the members of the Board of Directors listed below hereby declare that, to the best of their knowledge, the management report, the individual and consolidated annual accounts, the auditor's report and other accounting documents relating to the 2024 financial year were prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, the financial position, and the results of Floene and the companies included in the consolidation perimeter. It is also stated that the management report faithfully describes the evolution of the business, the performance, and the position of Floene, and the companies included in the consolidation perimeter, as well as contain a description of the main risks and uncertainties that Floene and the companies included in the consolidation perimeter face in their activity.

Lisbon, 28 April 2025

### The Board of Directors

---

**Diogo António Rodrigues da Silveira**  
Chairman

---

**Gabriel Nuno Charrua de Sousa**  
Member

---

**Roxana Tataru**  
Member

---

**Pedro Álvaro de Brito Gomes Doutel**  
Member

---

**Karl Klaus Liebel**  
Member

---

**Carlos Miguel Faria da Silva**  
Member

---

**Ippei Kojima**  
Member

---

**Satoshi Kanomata**  
Member

---

**Francisco Maria Metello de Almeida e Brito de Moraes**  
Member

## Annex VIII - Glossary

### FINANCIAL GLOSSARY | ACRONYMS

#### ADG

Gas Distribution Activity

#### CAPEX

Capital Expenditure (investment in the acquisition and/or improvement of tangible and intangible assets)

#### CESE

Extraordinary Contribution to the Energy Sector

#### CMVM

Securities Market Commission

#### CSC

Commercial Companies Code

#### EBIT

Earnings Before Interest and Taxes (operating profit)

#### EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortisation (operating profit, excluding depreciation and amortisation costs)

#### EMTN

Euro Medium Term Notes

#### FCA

Financial Conduct Authority

#### ERDF

European Regional Development Fund

#### IAS

International Accounting Standard

#### IASB

International Accounting Standard Board

#### IASC

International Accounting Standards Committee

#### IFRIC

International Financial Reporting Interpretations Committee

#### IFRS

International Financial Accounting Standards

#### OPEX

Operational Expenditure

#### OT

Treasury Bonds

#### RAB

Regulatory Asset Base

#### RCSD

Debt Service Coverage Ratio

#### RETGS

Special Taxation Regime for Groups of Companies

#### RoR

Rate of Return

#### SIC

Standing Interpretation Committee

#### S&P

Standard & Poor's – financial rating agency

#### SPPI

Solely Payments of Principal & Interest

#### TOS

Subsoil Occupation Fees

#### WACC

Weighted Average Cost of Capital

## TECHNICAL GLOSSARY | ACRONYMS

### **AA1000 Stakeholders Engagement Standard**

Standard for assessment, design, implementation and communication for quality Stakeholder engagement

### **AAR**

Network access

### **APA**

Portuguese Environment Agency

### **APCER**

Portuguese Certification Association

### **EPA**

Portuguese Energy Association

### **APEG**

Portuguese Association of Gas Companies

### **AP2H2**

Portuguese Association for the Promotion of Hydrogen

### **ATEX**

Explosive Atmospheres

### **BCSD**

Business Council for Sustainable Development Portugal

### **BIP**

Biomethane Industrial Partnership

### **CIP**

Portuguese Business Confederation

### **COSO**

Internal Control Integrated Framework

### **CURr**

Retail supplier of last resort

### **DEFRA**

Department for Environment, Food and Rural Affairs

### **DGEG**

Directorate-General for Energy and Geology

### **EBA**

European Biogas Association

### **EMI**

Measurement and Integration Station

### **ERSE**

Energy Services Regulatory Authority

### **FTE**

Full-Time Equivalent

### **GD4S**

Gas Distributors for Sustainability

### **GEE**

Greenhouse gases

### **GHG Protocol**

Greenhouse Gas Protocol

### **GRI**

Global Reporting Initiative

### **IGU**

International Gas Union

### **IPCC AR6**

Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) – Fifth Assessment Report of the Intergovernmental Panel on Climate Change

### **ISAE**

International Standard on Reliability Assurance Work

**ISQ**

Interface and Technology Centre

**ITIL**

Information Technology Infrastructure Library

**LDAR**

Leak Detection and Repair

**MRV**

Monitoring, Reporting and Verification

**NIR**

National Inventory Report

**PDIRD-G 2024**

Indicative Five-Year Plan for Development and Investment in Gas Distribution Networks for the period 2025-2029

**PPEC**

Consumption Efficiency Promotion Plan

**PRM**

Reduction and Measuring Station

**PRP**

Pressure Regulating Station

**RAIE**

Regulation on the Misappropriation of Energy

**QHSSE**

Quality, Health, Safety, Security and Environment

**Ready4H2**

Ready for Hydrogen Initiative

**QSS**

Quality of Service Regulations for the Electricity Sector and the Natural Gas Sector

**RPA**

Robotic Process Automation

**RSB**

Fire Brigade Regiment

**SDO**

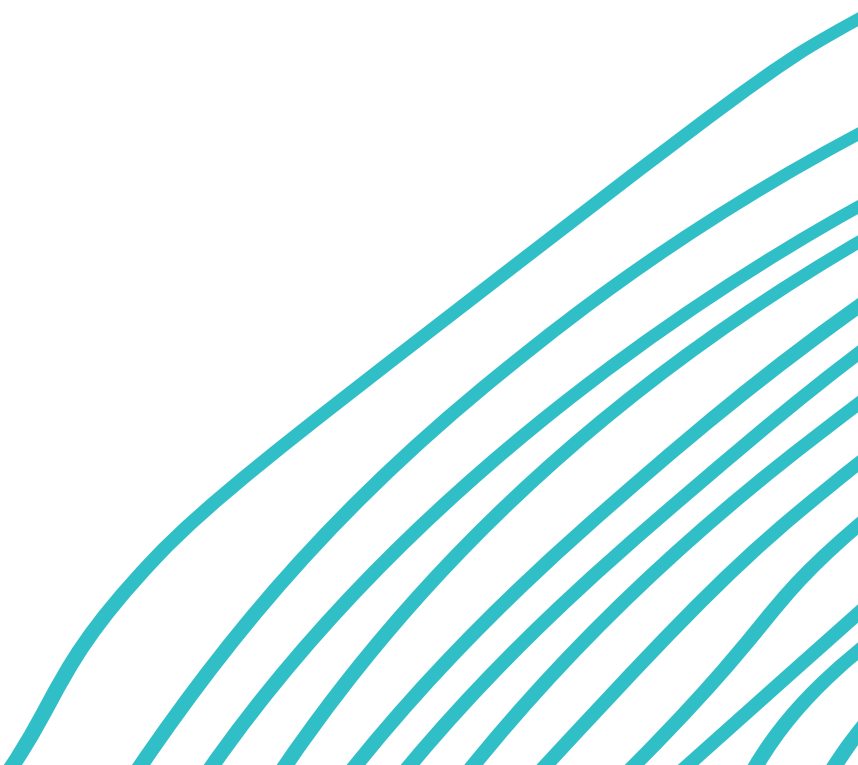
Ozone Depleting Substances

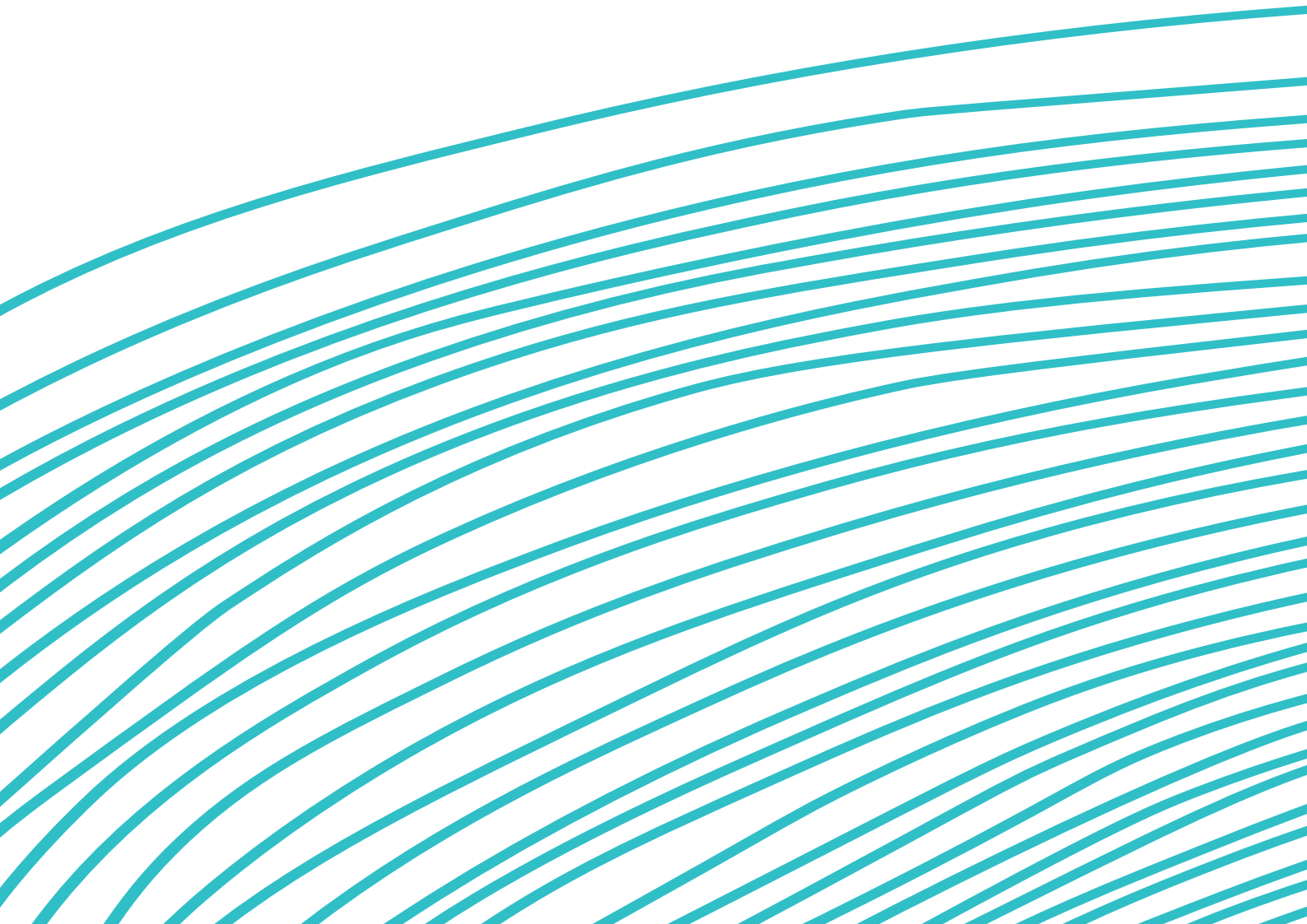
**TRI**

Total Recordable Incidents

**UAG**

Autonomous Gas Units





## **2024 ANNUAL REPORT**

Floene  
Rua Tomás da Fonseca, Torre A, 15.º Piso,  
1600-209 Lisboa, Portugal  
floene.pt

N.P.C./M.C.R.C. 509 148 247  
Capital social 89 529 141 euros

**Design and graphic production:**  
Choice – Comunicação Global, Lda.  
choice@choice.pt  
[www.choice.pt](http://www.choice.pt)

**Published:**  
April 2025



**[floene.pt](http://floene.pt)**