



NATURGY FINANCE B.V.

*(incorporated with limited liability in The Netherlands
and having its statutory domicile in Amsterdam)*

and

NATURGY CAPITAL MARKETS, S.A.

(incorporated with limited liability in the Kingdom of Spain)

Guaranteed by

NATURGY ENERGY GROUP, S.A.

(incorporated with limited liability in the Kingdom of Spain)

euro 12,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

This supplement (the “**Supplement**”) to the Base Prospectus dated 15 December 2022 (the “**Base Prospectus**”), constitutes a supplement pursuant to Article 23(1) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and is prepared in connection with the €12,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by Naturgy Capital Markets, S.A. and Naturgy Finance B.V. (each an “**Issuer**”, and together the “**Issuers**”) guaranteed by Naturgy Energy Group, S.A. (the “**Guarantor**” and, together with its consolidated subsidiaries, the “**Group**”). Capitalised terms and expressions used in this Supplement shall, save to the extent otherwise defined therein, have the meanings given to them in the Base Prospectus.

The Base Prospectus as supplemented by this Supplement constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the European Council of 14 June 2017 (the “**Prospectus Regulation**”) and was approved in Luxembourg by the Commission de Surveillance du Secteur Financier (the “**CSSF**”) in its capacity as competent authority under the Prospectus Regulation for the approval of the Base Prospectus. This Supplement constitutes a supplement to the Base Prospectus for the purpose of article 23 of the Prospectus Regulation.

The CSSF only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuers, the Guarantor or of the quality of the Notes.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Supplement. The information contained in this Supplement is, to the best of the knowledge of each of the Issuers and the Guarantor, in accordance with the facts and this Supplement contains no omission likely to affect the import of such information.

This Supplement has been produced for the purposes of supplementing the sections entitled (i) “*Alternative Performance Measures*” (page 5 et seq. of the Base Prospectus); (ii) “*Risk Factors*” (page 8 et seq. of the Base Prospectus); (iii) “*Documents incorporated by reference*” (page 28 et seq. of the Base Prospectus) in order to incorporate by reference (a) the English language translation of the condensed

interim consolidated financial statements of Naturgy Energy Group, S.A. for the six-month period ended 30 June 2023, including the consolidated interim directors' report and the auditor's limited review report thereon (the "**2023 Interim Financial Statements**"), (b) the results presentation of Naturgy Energy Group, S.A. for the six-month period ended 30 June 2023 (the "**1H 2023 Results Presentation**"), (c) the 2022 Annual Consolidated Financial Report of Naturgy Energy Group, S.A., including the English language translation of the audited consolidated annual accounts as at and for the year ended 31 December 2022 together with the audit report thereon, (d) the annual financial report of Naturgy Finance B.V. as at and for the year ended 31 December 2022 and (e) the English language translation of the audited annual accounts of Naturgy Capital Markets, S.A., and the auditor's report thereon in relation to the year ended 31 December 2022; (iv) "*Description of Naturgy Energy Group, S.A*" (page 130 et seq. of the Base Prospectus); (v) "*Taxation and Disclosure of Information in Connection with the Notes*" (page 146 et seq. of the Base Prospectus) and (vi) "*General information*" (page 164 et seq. of the Base Prospectus).

With effect from the date of this Supplement, the information set out in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented, as the case may be, in the manner described below.

Save as disclosed in this Supplement, there has been no other significant new factor and there is no material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

To the extent that there is any inconsistency between (i) any statement in this Supplement and (ii) any other statement in or incorporated by reference into the Base Prospectus, the statements referred to in (i) above will prevail.

A copy of this Supplement and the document incorporated by reference will be available on the website of the Guarantor (www.naturgy.com).

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IMPORTANT NOTICES

The text set out below shall replace, by virtue of this Supplement, in its entirety the last paragraph of the section entitled “*Alternative Performance Measures*” on page v of the Base Prospectus:

“For the definitions and reconciliations of such APMs, see “Alternative performance metrics” in Appendix I to the consolidated annual directors’ report of the Guarantor for the years ended 31 December 2022 and 2021, Appendix III to the 1H 2023 Results Presentation and Appendix I to the interim consolidated directors’ report of the Guarantor for the six-month period ended 30 June 2022, which are all incorporated by reference in this Base Prospectus.”

RISK FACTORS

Both the Issuers and the Guarantor consider advisable, pursuant to Article 23 of the Prospectus Regulation, to update the section entitled “**Risk Factors**” on pages 8 to 27 of the Base Prospectus. To that end, and by virtue of this Supplement, the following risk factors set forth under “(I) Risk factors that may affect the Issuers’ and the Guarantor’s ability to fulfil their obligations under the Notes” shall be replaced in their entirety with the wording set out further below:

- “Risks related to increasing levels of taxes in certain jurisdictions where the Group operates” on page 11 of the Base Prospectus and set forth under “1. Legal and regulatory risks”
- “The uncertain macroeconomic climate” on pages 18 and 19 of the Base Prospectus and set forth under “4. Risks relating to macro-economic conditions and country risks”

“Risks related to increasing levels of taxes in certain jurisdictions where the Group operates

In the context of the current uncertain macroeconomic environment, and as a response to rising consumer prices, certain governments have introduced certain measures, including temporary taxes (“windfall taxes”) on oil and gas companies and/or financial institutions that are deemed to have made unreasonably high profits due to unusually favourable market factors (such as global commodity prices or interest rates hikes).

For example, in December 2022, the Spanish Parliament approved Law 38/2022, of December 27, which, among other measures, created a temporary energy levy (*Gravamen Temporal Energético*, the “GTE”) that certain operators in the energy sectors must pay on a temporary basis for two years. The energy levy will be a 1.2% on the net turnover (*importe neto de la cifra de negocios*) from activity carried out in Spain for the years 2022 and 2023 with certain adjustments. The GTE will be paid in 2023 and 2024. At the end of 2024, an evaluation of its application will be made and the possibility of making it permanent will be considered.

Moreover, as a result of negotiations between Portugal, Spain and the European Commission, the Spanish government approved a further measure to cap gas prices in order to benefit Spanish consumers. This measure entered into force on 14 June 2022 following the European Commission’s approval and will remain in force until 31 May 2023. In April 2023, Spain and Portugal notified to the Commission their intention to prolong the original measure until 31 December 2023 with certain modifications.

The Group cannot predict changes to such laws or regulations or their interpretation, or the implementation of certain policies or taxes.

Any of the above measures, or changes to such measures, could materially and adversely impact the Group’s profits and, as a result, have a material adverse effect on the Group’s business, prospects, financial condition and results of operations.”

“The uncertain macroeconomic climate

The Group is directly and indirectly subject to inherent risks arising from general economic conditions in Spain, the other countries in which it operates and the global economy more generally.

As at the date of this Supplement, there is a higher than usual degree of uncertainty in the current economic context, mainly due to the heightened geopolitical tensions following Russia’s invasion of Ukraine, which have exacerbated inflationary pressures and volatility in commodity and financial markets. This has resulted in inflation rates higher than those seen for several decades, tightening monetary policies and a further slowdown in global economic growth.

Following Russia’s invasion of Ukraine that started on 24 February 2022, economies around the world, including the United States, the European Union and the United Kingdom, announced the imposition of comprehensive trade sanctions targeting Russian individuals, companies and institutions. Such sanctions, as well as the countersanctions imposed by Russia, have resulted in a significant reduction in trading volumes between these economies and Russia, which has led to increased commodity prices on global markets for oil, natural gas and grain, among other products.

The combined effect of the fallout from the COVID-19 pandemic and the sanctions imposed in the context of the conflict in Ukraine are likely to have an adverse effect on business and consumer confidence and the global economy generally. There is a risk that lower business and consumer confidence and activity and an energy-fuelled inflation shock could result in higher unemployment rates and lower global economic growth at a time when the global economy is still recovering from the effects of the COVID-19 pandemic. For example, as at the date of this Supplement, inflation levels remain particularly high as the conflict in Ukraine continues to keep commodity prices high, weakening households' purchasing power and firms' ability to invest. The ECB also decided to raise the three key ECB interest rates by 25 basis points in June 2023 and has indicated that its future decisions will ensure that the policy rates will be brought to levels sufficiently restrictive to achieve a timely return of inflation to the 2% medium-term target.

In addition, the recent turmoil in the banking sector has reinforced a tightening of financial conditions and heightened uncertainty in financial markets globally following the collapse of Silicon Valley Bank as well as the forced sale of Credit Suisse to UBS in March 2023. Concerns about the stability of the global financial system could lead to a worsening of credit conditions and negatively affect businesses and consumers.

Moreover, the Group is particularly exposed to the economic and political situation in Spain. Following the general elections held in Spain on 23 July 2023, which resulted in a hung parliament, there is uncertainty about the ability of Spain's major parties to form a government and there is a possibility that another general election may take place later in 2023. Such political uncertainty could have an adverse impact on the Spanish economy generally and, in particular, the business and financial situation of the Group.

The Group is exposed to the uncertain macroeconomic climate in a number of ways:

- An economic downturn in any of the countries in which the Group operates negatively affects business and consumer confidence, unemployment trends and the state of the residential and commercial real estate sector. This in turn, may impact the Group's customers, resulting in their inability to pay amounts owed to the Group and may affect demand for the Group's goods and services. What is more, given that as at 30 June 2023, more than half of the Group's operating assets were located in Spain, any economic downturn affecting the Spanish economy would have a material adverse effect on the Group's business.
- An economic downturn also negatively affects the state of the equity, bond and foreign exchange markets, including their liquidity. This might affect the reasonable value of financial assets and liabilities and increase the Group's financing costs, all of which could give rise to an impairment of the goodwill and the intangible or tangible fixed assets of the Group.
- A sharp economic recovery may create short to mid-term disbalances, including supply-demand disbalances, which may increase procurement costs and the Group may not be able to pass on such cost increases to its customers. In general, sudden increases in the spot markets where the Group operates due to energetic supply-demand disbalances, can generate inefficiency in the pass-through of the volatility of the energy scenario to its customers.
- The current energy transition transformation may adversely impact the Group's activities, in particular due to increasing governmental intervention in the energy sector.

The Group is not able to predict how the economic cycle is likely to develop in the short term or the coming years, including as a result of the impact of COVID-19, the conflict in Ukraine or otherwise. Any further deterioration or a rapid change of the current economic situation in the markets in which the Group operates could have a material adverse effect on the Group's business, prospects, financial condition and results of operations."

The text set out below shall replace, by virtue of this Supplement, in its entirety the last two sentences of paragraph four of the risk factor entitled "*Business strategy*", set forth under "(I) Risk factors that may affect the Issuers' and the Guarantor's ability to fulfil their obligations under the Notes—5. Risks relating to the Group's strategy" in the section "**Risk Factors**" on pages 20 to 22 of the Base Prospectus:

"Project Gemini was designed to simplify and focus the management of each of the resulting business groups to accelerate the Strategic Plan, boosting growth and their contribution to the energy transition. As

at the date of this Supplement, Naturgy's management team has updated the status of Project Gemini and the Guarantor's Board of Directors has confirmed its strategic sense and requested the team to continue analysing the possible execution alternatives and its associated calendars. The analysis undergone to date has confirmed the suitability and strategic sense of Project Gemini.”

DOCUMENTS INCORPORATED BY REFERENCE

Both the Issuers and the Guarantor consider advisable, pursuant to Article 23 of the Prospectus Regulation, to update the section entitled “*Documents Incorporated by Reference*” on pages 28 to 32 of the Base Prospectus. To that end, and by virtue of this Supplement, the four (4) following documents shall be added as new paragraphs (Q), (R), (S), (T) and (U) in the list of documents on pages 28 and 29 of the Base Prospectus and the cross-reference list on pages 29 to 32 of the Base Prospectus.

“In case of the document listed under (Q) in the table below:

https://stpropwebcorporativangy.blob.core.windows.net/uploads/2023/07/Memoria_Junio_2023_INGLES_RESUMIDOS_ENTN.pdf

In case of the document listed under (R) in the table below:

https://stpropwebcorporativangy.blob.core.windows.net/uploads/2023/07/Naturgy_1H23_results.pdf

In case of the document listed under (S) in the table below:

https://stpropwebcorporativangy.blob.core.windows.net/uploads/2023/07/NEG_2022_Consolidated_Accounts_EMTN.pdf

In case of the document listed under (T) in the table below:

https://stpropwebcorporativangy.blob.core.windows.net/uploads/2023/07/FS-Naturgy-Finance_2022_EMTN.pdf

In case of the document listed under (U) in the table below:

<https://stpropwebcorporativangy.blob.core.windows.net/uploads/2023/07/Traduccion-Capital-Markets-CCAA-2022.pdf>

The page references indicated for documents (Q), (R), (S), (T) and (U) below are to the page numbering of the electronic copies of such documents as available at the links set forth above.

Information incorporated by reference	Page references
(Q) The 2023 Interim Financial Statements:	
(a) <i>Report on Limited Review of Condensed Consolidated Interim Financial Statements</i>	2-3
(b) <i>Condensed interim consolidated financial statements as at 30 June 2023</i>	6-70
- Interim consolidated balance sheet	7
- Interim consolidated income statement	8
- Interim consolidated statement of comprehensive income	9
- Interim consolidated statement of changes in equity	10
- Interim consolidated cash flow statement	11
- Notes to the condensed interim consolidated financial statements	12-61
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(c) <i>Consolidated Interim Directors’ Report as at 30 June 2023</i>	71-101
- Appendix I: Alternative performance metrics	102-105
(d) <i>Auditor’s Report on Naturgy Energy Group, S.A.</i>	106-108
(e) <i>Interim Financial Statements as at 30 June 2023</i>	109-141
- Interim balance sheet	111-112
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-	Interim statement of changes in equity	114-115
-	Interim cash flow statement.....	116
-	Notes to the interim financial statements.....	117-141
(f)	<i>Interim directors' report as at 30 June 2023</i>	142-146
(R)	The sections listed below of the 1H 2023 Results Presentation:	
(a)	<i>Executive summary</i>	3-5
(b)	<i>Key comparability factors</i>	6
(c)	<i>Consolidated results</i>	7-8
(d)	<i>Results by business unit</i>	9-17
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(f)	<i>Financial position</i>	20-21
(g)	<i>ESG metrics and highlights</i>	22
(h)	<i>Annexes</i>	23-41
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-	Annex II: Communications to the CNMV.....	36
-	Annex III: Alternative Performance Metrics	37
(S)	The sections listed below of the 2022 Annual Consolidated Financial Report of Naturgy Energy Group, S.A., including the English language translation of the audited consolidated annual accounts as at and for the year ended 31 December 2022 together with the audit report thereon:	
(a)	<i>Independent Auditors' report on the consolidated annual accounts</i>	2-9
(b)	<i>Consolidated annual accounts of Naturgy Energy Group, S.A. and subsidiaries comprising the Naturgy Energy Group, S.A. Group for the financial year 2022:</i>	10-184
-	Consolidated balance sheet at 31 December 2022.....	12
-	Consolidated income statement for the year ended 31 December 2022	13
-	Consolidated statement of comprehensive income for the year ended 31 December 2022.....	14
-	Statement of changes in consolidated equity for the year ended 31 December 2022.....	15
-	Consolidated cash flow statement for the year ended 31 December 2022	16
-	Notes to the consolidated annual accounts for 2022.....	17-153
-	Appendices	154-184
(c)	<i>Annual Consolidated Directors' Report 2022</i>	185-750
(T)	The annual financial report of Naturgy Finance B.V. as at and for the year ended 31 December 2022:	
(a)	<i>Annual Report</i>	1-14
-	Board of Managing Directors Report	3-11
-	Supervisory Board Report	12-14
(b)	<i>Financial Statements</i>	15-43

-	Balance Sheet as at 31 December 2022.....	15
-	Statement of Income for the year ended 31 December 2022.....	16
-	Notes to the financial statements for the year ended 31 December 2022.....	17-43
(c)	<i>Other Information</i>	44-56
-	Other information to the financial statements for the year ended 31 December 2022.....	44
-	Independent auditor's report.....	45-56
(U)	The English language translation of the audited annual accounts of Naturgy Capital Markets, S.A., and the auditor's report thereon in relation to the year ended 31 December 2022:	
(a)	<i>Independent Auditor's Report on the Annual Accounts</i>	1-6
(b)	<i>Annual Accounts</i>	7-35
-	Balance Sheet at 31 December 2022	9
-	Income Statement for the year ended 31 December 2022	10
-	Statement of changes in equity for the year ended 31 December 2022	11
-	Cash Flow Statement for the year ended 31 December 2022	12
-	Notes to the Annual Accounts for the year ended 31 December 2022	13-35
(c)	<i>Directors' Report 2022</i>	36-40

DESCRIPTION OF NATURGY ENERGY GROUP, S.A.

The text set out below shall replace, by virtue of this Supplement, in its entirety the sub-section entitled “Recent Developments” in the section “*Description of Naturgy Energy Group, S.A.*” on pages 132 to 133 of the Base Prospectus:

“On 10 February 2022, Naturgy communicated the decision of its Board of Directors to launch Project Gemini, which consists of the significant reorganisation of the Group’s group of companies, of which the Guarantor is the parent company. Specifically, the project consisted of a spin-off from the Guarantor under the provisions of Title III (Articles 68 et seq.) of Law 3/2009, of 3 April, on structural modifications of commercial companies, to create two large groups that would be listed on the Spanish Stock Exchanges and have clearly differentiated business profiles whilst maintaining the same shareholder composition, at least initially, as a result of the proposed transaction.

The first of the groups resulting from the proposed spin-off would be headed by Naturgy itself (MarketsCo, after the spin-off), as the surviving company, and would encompass, in an integrated manner, the deregulated businesses comprising the development of renewable energies, the portfolio of energy customers and associated services, the conventional generation fleet and trading in wholesale energy markets. The second of the groups resulting from the proposed spin-off would be headed by a newly-created company (NetworksCo), as the beneficiary of the spin-off, encompassing all the businesses involved in managing regulated gas and electricity distribution and transmission infrastructures.

Project Gemini was designed to simplify and focus the management of each of the resulting business groups to accelerate the Strategic Plan, boosting growth and their contribution to the energy transition.

In July 2023, Naturgy’s management team updated the status of Project Gemini and the Guarantor’s Board of Directors confirmed its strategic sense and requested the team to continue analysing the possible execution alternatives and its associated calendars. The analysis undergone to date has confirmed the suitability and strategic sense of Project Gemini.

Moreover, on 12 July 2023 and in line with the targets established in July 2021, the Guarantor’s Board of Directors revised the annual dividend floor for the years 2023-2025 to €1.40 per share, subject to maintaining a BBB credit rating by S&P.”

TAXATION AND DISCLOSURE OF INFORMATION IN CONNECTION WITH THE NOTES

The text set out below shall replace, by virtue of this Supplement, the text contained in the section entitled “*Taxation and Disclosure of Information in Connection with the Notes*” on pages 148 to 157 of the Base Prospectus from and including the heading entitled “*Taxation in Spain – Issues by Naturgy Capital Markets, S.A.*” until the end of that section:

“Taxation in Spain – Issues by Naturgy Capital Markets, S.A.

The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete overview of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.

This taxation summary solely addresses the principal Spanish tax consequences of the acquisition, the ownership and disposal of Notes issued by the Issuer after the date hereof held by a holder of Notes. It does not consider every aspect of taxation that may be relevant to a particular holder of Notes under special circumstances or who is subject to special treatment under applicable law or to the special tax regimes applicable in the Basque Country and Navarra (*Territorios Forales*). Where in this summary English terms and expressions are used to refer to Spanish concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Spanish concepts under Spanish tax law. This summary assumes that each transaction with respect to the Notes is at arm’s length.

This overview is based on the law in effect on the date of this Supplement and is subject to any change in law that may take effect after such date.

References in this section to Noteholders include the beneficial owners of the Notes, where applicable.

Any prospective investors should consult their own tax advisers who can provide them with personalised advice based on their particular circumstances. Likewise, investors should consider the legislative changes which could occur in the future.

1. Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this document:

- (i) of general application, Additional Provision One of Law 10/2014, of 26 June, on supervision and solvency of credit entities (“**Law 10/2014**”) as well as Royal Decree 1065/2007 of 27 July (“**Royal Decree 1065/2007**”), as amended by Royal Decree 1145/2011 of 29 July (“**Royal Decree 1145/2011**”);
- (ii) for individuals resident for tax purposes in Spain which are subject to the Personal Income Tax (“**PIT**”), Law 35/2006 of 28 November, on the PIT and on the Partial Amendment of the Corporate Income Tax Law, the Non-Residents Income Tax Law and the Net Wealth Tax Law, as amended, and Royal Decree 439/2007 of 30 March promulgating the PIT Regulations, as amended, along with Law 19/1991 of 6 June, on Wealth Tax, along with Law 29/1987, of 18 December on the Inheritance and Gift Tax;
- (iii) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax (“**CIT**”), Law 27/2014, of 27 November governing the CIT, and Royal Decree 634/2015, of 10 July promulgating the CIT Regulations; and
- (iv) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax (“**NRIT**”), Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the NRIT Law, and Royal Decree 1776/2004 of 30 July promulgating the NRIT Regulations, along with Law 29/1987, of 18 December on the Inheritance and Gift Tax.

Whatever the nature and residence of the Noteholder, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, *i.e.*, exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree

1/1993, of 24 September and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December regulating such tax.

2. **Individuals with Tax Residency in Spain**

2.1 **Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)**

Individuals with tax residency in Spain are subject to PIT on a worldwide basis. Accordingly, income obtained from the Notes will be taxed in Spain when obtained by persons that are considered resident in Spain for tax purposes. The fact that a Spanish company pays interest or guarantee payments under a Note will not lead an individual or entity being considered tax-resident in Spain.

Both interest payments periodically received and income derived from the transfer, redemption or exchange of the Notes constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Article 25 of the PIT Law, and therefore must be included in the investor's PIT savings taxable base pursuant to the provisions of the aforementioned law and taxed at a flat rate of 19 per cent. on the first €6,000, 21 per cent. for taxable income between €6,000.01 and €50,000, 23 per cent. for taxable income between €50,000.01 and €200,000, 27 per cent for taxable income between €200,001 and €300,000 and 28 per cent. for any taxable income exceeding €300,000.

As a general rule, both types of income are subject to a withholding tax on account at the current rate of 19 per cent.

However, it should be noted that Royal Decree 1065/2007 provides for information which are explained under section "*Taxation in Spain—Disclosure of Information in Connection with the Notes*" below and that, in particular, in the case of debt listed securities issued under Law 10/2014 and initially registered in a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state, as the Notes issued by Naturgy Capital Markets, S.A.:

- (i) it would not be necessary to provide the Issuer with the identity of the Noteholders who are individuals resident in Spain for tax purposes or to indicate the amount of income attributable to such individuals; and
- (ii) interest paid to all Noteholders (whether tax resident in Spain or not) should be paid free of Spanish withholding tax provided that the information procedures are complied with.

Therefore, Naturgy Capital Markets, S.A. understands that, according to Royal Decree 1065/2007, it has no obligation to withhold any tax amount for interest paid on the Notes corresponding to Noteholders who are individuals with tax residency in Spain provided that the information procedures (which do not require identification of the Noteholders) are complied with.

Nevertheless, Spanish withholding tax at the applicable rate (currently 19 per cent.) may have to be deducted by other entities (such as depositaries or financial entities), provided that such entities are resident for tax purposes in Spain or have a permanent establishment in the Spanish territory.

The amounts withheld, if any, may be credited by the relevant investors against its final PIT liability.

However, regarding the interpretation of Royal Decree 1065/2007 and the information procedures, please refer to section "***Error! Reference source not found.—Risks Relating to Withholding Tax***" above.

2.2 **Net Wealth Tax (Impuesto sobre el Patrimonio)**

Net Wealth Tax may be levied in Spain on resident individuals on a worldwide basis. In particular, individuals with tax residency in Spain are subject to Net Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which they hold as at 31 December each year, the applicable rates ranging

between 0.2 per cent. and 3.5 per cent., although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

2.3 **Temporary Solidarity Tax on Large Fortunes (Impuesto Temporal de Solidaridad a las Grandes Fortunas)**

The Temporary Solidarity Tax on Large Fortunes may be levied in Spain on tax resident individuals, on a worldwide basis.

In particular, individuals with tax residency in Spain are subject to the Temporary Solidarity Tax on Large Fortunes to the extent that their net worth exceeds €3,000,000. Therefore, they should take into account the value of the Notes which they hold as of 31 December each year, the applicable rates ranging between 1.7 per cent. and 3.5 per cent.

Since the autonomous regions apply the current regional Wealth Tax (as described above), in order to avoid double taxation, the amount paid for the current regional Wealth Tax should be deductible from the Temporary Solidarity Tax on Large Fortunes.

The Temporary Solidarity Tax on Large Fortunes is established for an initial period of two years, so that it is applicable in the first two fiscal years in which such tax is accrued. However, the law regulating such tax incorporates a review clause to evaluate its results at the end of the initially foreseen period of validity in order to assess its maintenance or elimination.

2.4 **Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)**

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The applicable effective tax rates currently range between 0 per cent. and 81.6 per cent. depending on relevant factors.

3. **Legal Entities with Tax Residency in Spain**

3.1 **Corporate Income Tax (Impuesto sobre Sociedades)**

Legal entities with tax residency in Spain are subject to CIT on a worldwide basis.

Both, interest periodically received and income deriving from the transfer, redemption or repayment of the Notes constitute a return on investments for tax purposes obtained from the transfer to third parties of own capital and must be included in the profit and taxable income of legal entities with tax residency in Spain for corporation tax purposes in accordance with the CIT tax rules. The current general tax rate according to CIT Law is 25 per cent.

Pursuant to Article 61.s of the CIT Regulations, there is no obligation to make a withholding on income obtained by taxpayers subject to Spanish CIT (which for the avoidance of doubt, include Spanish tax resident investment funds and Spanish tax resident pension funds) from financial assets traded on organised markets in OECD countries. However, in the case of Notes held by a Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest and income deriving from the transfer may be subject to withholding tax at the current rate of 19 per cent. Such withholding may be made by the depositary or custodian if the Notes do not comply with the exemption requirements specified in the ruling issued by the Spanish Tax Authorities (*Dirección General de Tributos*) dated 27 July 2004 (that is, placement of the Notes outside of Spain in another OECD country and admission to listing of the Notes on an organised market in an OECD country other than Spain). The amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

Notwithstanding the above, according to Royal Decree 1065/2007 (as amended), in the case of listed debt instruments issued under Law 10/2014 and initially registered in a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state (such as the Notes issued by Naturgy Capital Markets, S.A.), interest paid to investors should be paid free of Spanish withholding tax. The foregoing is subject to certain information procedures having been fulfilled. These procedures are described in “*Taxation in Spain—Disclosure of Information in Connection with the Notes*” below.

Therefore, Naturgy Capital Markets, S.A. considers that, pursuant to Royal Decree 1065/2007 (as amended), it has no obligation to withhold any tax on interest paid on the Notes in respect of Noteholders who are Spanish CIT taxpayer, provided that the information procedures are complied with.

However, regarding the interpretation of Royal Decree 1065/2007 (as amended) and the information procedures, please refer to section “*Risk Factors—Risks Relating to Withholding Tax*” above.

3.2 **Net Wealth Tax (Impuesto sobre el Patrimonio)**

Legal entities resident in Spain for tax purposes are not subject to Net Wealth Tax.

3.3 **Temporary Solidarity Tax on Large Fortunes (Impuesto Temporal de Solidaridad a las Grandes Fortunas)**

Legal entities resident in Spain for tax purposes are not subject to the Temporary Solidarity Tax on Large Fortunes.

3.4 **Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)**

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax.

4. **Individuals and Legal Entities with no Tax Residency in Spain**

4.1 **Non-Resident Income Tax (Impuesto sobre la Renta de no Residentes)**

(a) **With permanent establishment in Spain**

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those previously set out for Spanish CIT taxpayers. See “*Taxation in Spain—Legal Entities with Tax Residency in Spain—Corporate Income Tax (Impuesto sobre Sociedades)*”.

(b) **With no permanent establishment in Spain**

Both, interest payments periodically received and income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or legal entities who have no tax residency in Spain, being NRIT taxpayers with no permanent establishment in Spain, are exempt from such NRIT on the same terms laid down for income from Public Debt.

In order for such exemption to apply, it is necessary to comply with the information procedures, in the manner detailed under “*Taxation in Spain—Disclosure of Information in Connection with the Notes*” as set out in Article 44 of Royal Decree 1065/2007 (as amended by Royal Decree 1145/2011).

4.2 **Net Wealth Tax (Impuesto sobre el Patrimonio)**

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Net Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights are located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Net Wealth Tax, the applicable rates ranging between 0.2 per cent. and 3.5 per cent., although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

However, non-Spanish tax resident individuals will be exempt from Wealth Tax in respect of the Notes whose income is exempt from NRIT as described above.

Noteholders tax resident in a State of the European Union or of the European Economic Area may be entitled to apply the specific regulation of the autonomous region where their most valuable assets are located and which trigger this Spanish Net Wealth Tax due to the fact that they are located or are to be exercised or must be fulfilled within the Spanish territory.

Non-Spanish resident legal entities are not subject to Net Wealth Tax.

4.3 **Temporary Solidarity Tax on Large Fortunes (Impuesto Temporal de Solidaridad a las Grandes Fortunas)**

Non-Spanish resident individuals whose properties and rights are located in Spain, or that can be exercised within the Spanish territory, and exceed €3,000,000 may be subject to the Temporary Solidarity Tax on Large Fortunes. In such event, Noteholders should take into account the value of the Notes which they hold as at 31 December each year, the applicable rates ranging between 1.7 per cent. and 3.5 per cent.

Since the autonomous regions apply the current regional Net Wealth Tax (as described above), in order to avoid double taxation, the amount paid for the current regional Net Wealth Tax should be deductible from the Temporary Solidarity Tax on Large Fortunes. Noteholders should consult their own tax advisors regarding how this tax may apply to their investment in the Notes.

4.4 **Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)**

Individuals who do not have tax residency in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy will be subject to Inheritance and Gift Tax in Spain in accordance with the applicable Spanish regional and state rules, unless they reside in a country for tax purposes with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax. In such case, the individual will be subject to the relevant double tax treaty.

Non-Spanish tax resident individuals are subject to Spanish Inheritance and Gift Tax according to the rules set forth in the Spanish state-level or relevant autonomous region law. If the deceased, the heir or the donee is resident outside of Spain, the applicable rules will be those corresponding to the relevant autonomous regions as per the rules set out in the law. As such, prospective investors should consult their tax advisors.

The effective tax rate, after applying all relevant factors, ranges between 0 per cent. and 81.6 per cent.

Non-resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to Inheritance and Gift Tax. They will be subject to Non-Resident Income Tax. If the entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of the treaty will apply. In general, tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

Taxation in Spain - Payments under the Guarantee

On the basis that payments of principal and interest made by the Guarantor under the Deed of Guarantee should be characterised as an indemnity under Spanish law, such payments may be made free of withholding or deduction on account of any Spanish tax.

However, although there is no precedent or regulation on the matter, if the Spanish tax authorities take the view that the Guarantor has effectively assumed the obligations of the relevant Issuer under the Notes (whether contractually or by any other means) the following tax consequences may derive:

- (i) in the case of unlisted Notes issued by Naturgy Finance B.V., the Spanish tax authorities may attempt to impose withholding tax in Spain on any payments made by the Guarantor in respect of interest, unless the recipient is (i) resident for tax purposes in a Member State of the European Union other than Spain or in another state member of the European Economic Area with which there is an effective exchange of information with Spain (or is a permanent establishment of such resident situated in another Member State of the European Union or in another state member of the European Economic Area with which there is an effective exchange of information with Spain) and it is not resident in or acting through a territory considered as a non-cooperative jurisdiction pursuant to Spanish Law (currently as set out in Order HFP/115/2023, dated 9

February) or through a permanent establishment in Spain or in a country outside the European Union or outside a country in the European Economic Area with which there is an effective exchange of information with Spain, or (ii) resident for tax purposes in a State with which Spain has entered into a Double Tax Treaty which makes provision for full exemption from tax imposed in Spain on such payment under the Double Tax Treaty, provided that, in either case, such recipient submits to the Guarantor a tax residence certificate duly issued by the tax authorities in its own jurisdiction stating its residence for tax purposes either within the relevant EU Member State or in the relevant country for the purposes of the Double Tax Treaty, such certificate being valid for a period of one year from the date of issue under Spanish law and therefore new certificates needing to be issued periodically; and

- (ii) in the case of listed Notes issued by Naturgy Finance B.V. and Notes issued by Naturgy Capital Markets, S.A., the Spanish tax authorities may determine that interest payments made by the Guarantor, relating to the Notes, will be subject to the same tax rules set out above for payments made by Naturgy Capital Markets, S.A. Therefore, under this scenario, it would also be necessary to comply with the information procedures, in the manner detailed under “*Taxation in Spain—Disclosure of Information in Connection with the Notes*” below.

Obligation to inform the Spanish Tax Authorities of the Ownership of the Notes

With effects as of 1 January 2013, Law 7/2012, of 29 October, as implemented by Royal Decree 1558/2012, of 15 November, introduced annual reporting obligations applicable to Spanish residents (*i.e.* individuals, legal entities, permanent establishments in Spain of non-resident entities) in relation to certain foreign assets or rights.

Consequently, if the Notes are deposited with or placed in the custody of a non-Spanish entity, Noteholders resident in Spain will be obliged, if certain thresholds are met as described below, to declare before the Spanish Tax Authorities, between 1 January and 31 March every year, the ownership of the Notes held on 31 December of the immediately preceding year (e.g., to declare between 1 January 2023 and 31 March 2023 the Notes held on 31 December 2022).

This obligation would only need to be complied with if certain thresholds are met: specifically, if the only rights/assets held abroad are the Notes, this obligation would only apply if the value of the Notes together with other qualifying assets held on 31 December exceeds €50,000 (with the corresponding valuation to be made in accordance with Wealth Tax rules). If this threshold is met, a declaration would only be required in subsequent years if the value of the Notes together with other qualifying assets increases by more than €20,000 as against the declaration made previously. Similarly, cancellation or extinguishment of the ownership of the Notes before 31 December should be declared if such ownership was reported in previous declarations.

Taxation in Spain - Disclosure of Information in Connection with the Notes

Disclosure of Information in Connection with Interest Payments

In accordance with section 5 of Article 44 of Royal Decree 1065/2007 as amended by Royal Decree 1145/2011 and provided that the Notes issued by Naturgy Capital Markets, S.A. are initially registered for clearance and settlement in Euroclear and Clearstream Luxembourg, the Paying Agent designated by Naturgy Capital Markets, S.A. would be obliged to provide Naturgy Capital Markets, S.A. (or the Guarantor in relation to the payments made under the Deed of Guarantee) with a declaration (the form of which is set out in the Agency Agreement), which should include the following information:

- (i) description of the Notes (and date of payment of the interest income derived from such Notes);
- (ii) total amount of interest derived from the Notes; and
- (iii) total amount of interest allocated to each non-Spanish clearing and settlement entity involved.

According to section 6 of Article 44 of Royal Decree 1065/2007, the relevant declaration will have to be provided to Naturgy Capital Markets, S.A. (or the Guarantor, as the case may be) on the business day immediately preceding each Interest Payment Date. If this requirement is complied with, Naturgy Capital Markets, S.A. (or the Guarantor) will pay gross (without deduction of any withholding tax other than any

withholding tax under FATCA) all interest under the Notes to all Noteholders (irrespective of whether they are tax resident in Spain).

In the event that the Paying Agent designated by Naturgy Capital Markets, S.A. were to fail to provide the information detailed above, according to section 7 of Article 44 of Royal Decree 1065/2007, Naturgy Capital Markets, S.A. (or the Guarantor, as the case may be) or the Paying Agent acting on its behalf would be required to withhold tax from the relevant interest payments at the general withholding tax rate (currently, 19 per cent.). If on or before the 10th day of the month following the month in which the interest is payable, the Paying Agent designated by Naturgy Capital Markets, S.A. were to submit such information, Naturgy Capital Markets, S.A. (or the Guarantor) or the Paying Agent acting on its behalf would refund the total amount of taxes withheld.

Notwithstanding the foregoing, Naturgy Capital Markets, S.A. has agreed that in the event that withholding tax were required by law, Naturgy Capital Markets, S.A., failing which the Guarantor, would pay such additional amounts as may be necessary such that a Noteholder would receive the same amount that he would have received in the absence of any such withholding or deduction, except as provided in “**Error! Reference source not found.**—10. Taxation”.

In the event that the current applicable procedures were to be modified, amended or supplemented by, amongst others, a Spanish law, regulation, interpretation or ruling of the Spanish Tax Authorities, Naturgy Capital Markets, S.A. would inform the Noteholders of such information procedures and of their implications, as Naturgy Capital Markets, S.A. (or the Guarantor, as the case may be) may be required to apply withholding tax on interest payments under the Notes if the Noteholders were not to comply with such information procedures.

The Guarantor is subject to the same reporting requirements in relation to listed Notes issued by Naturgy Finance B.V.

Disclosure of Noteholder Information in Connection with the Redemption or Repayment of Zero Coupon Notes

In accordance with Article 44 of Royal Decree 1065/2007, in the case of Zero Coupon Notes with a maturity of 12 months or less, the information obligations established in Article 44 (see “*Disclosure of Information in Connection with Interest Payments*” above) will have to be complied with upon the redemption or repayment of the Zero Coupon Notes.

If the Spanish tax authorities consider that such information obligations must also be complied with for Zero Coupon Notes with a longer term than 12 months, the Issuer will, prior to the redemption or repayment of such Notes, adopt the necessary measures with the Clearing Systems in order to ensure its compliance with such information obligations as may be required by the Spanish tax authorities from time to time.

The proposed European financial transactions tax

The European Commission published in February 2013 a proposal for a Directive for a common financial transaction tax (“**EU FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (excluding Estonia, the “**participating Member States**”). Estonia has since stated that it will not participate.

The proposed EU FTT has very broad scope and could, if introduced, apply to certain dealings in financial instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the current proposals, the EU FTT could apply in certain circumstances to persons both within and outside of participating Member States. Generally, it would apply to certain dealings in financial instruments where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

In the ECOFIN meeting of 17 June 2016, the EU FTT was discussed between the EU Member States. It was reiterated in this meeting that participating Member States envisage introducing an EU FTT by means of the so-called enhanced cooperation.

The proposed Directive defines how the EU FTT would be implemented in participating Member States. It involves a minimum 0.1% tax rate for transactions in all types of financial instruments, except for derivatives that would be subject to a minimum 0.01% tax rate.

The EU FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. It may therefore be changed prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and participating Member States may withdraw. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

The Spanish financial transactions tax

On 16 October 2020, the Spanish Parliament approved the Law 5/2020, of 15 October, on the Tax on Financial Transactions (“**Spanish FTT Law**”) introducing the Spanish Financial Transaction Tax (“**Spanish FTT**”) that has entered into force on 16 January 2021. However, the Spanish Council of Minister stated that Spain would continue to participate in the enhanced co-operation for the approval of the EU FTT and, if finally approved, Spain would adapt the Spanish FTT to align it with the EU FTT.

The Spanish FTT is aligned with the French and Italian financial transactions tax. Specifically, the Spanish FTT is an indirect tax levied at a tax rate of 0.2 per cent. on the acquisitions for consideration of shares issued by Spanish companies regardless of the residency of the parties involved in the transaction, or of the jurisdiction where the shares are traded, provided that they comply with the following conditions: (i) the shares should be admitted to trading on a regulated market under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (or in a foreign market declared equivalent by the European Commission), and (ii) the stock market capitalization value of the company should exceed €1,000 million. The Spanish FTT will be payable on a monthly basis.

However, according to the Spanish FTT Law, the Spanish FTT should not apply in relation to an issue of Notes under the Programme.

U.S. Foreign Account Tax Compliance Withholding Act

Pursuant to sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the “**Code**”), the regulations thereunder and official interpretations thereof, agreements entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (collectively, “**FATCA**”), a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements.

Custodians or intermediaries in the payment chain leading to the ultimate investor that are not entitled (or fail to establish eligibility) to receive payments free of withholding under FATCA may be subject to withholding under FATCA. A number of jurisdictions, including Spain and the Netherlands, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

The Issuer does not believe payments on the Notes will be subject to FATCA because the relevant Issuer does not believe it is a foreign financial institution for purposes of FATCA. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to payments made prior to the date that is two years after the date on which the final regulation defining “foreign passthru payments” are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining

“foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional notes (as described under “*Terms and Conditions—Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no additional amounts will be paid in respect of such withholding.”

GENERAL INFORMATION

The text set out below shall replace, by virtue of this Supplement, in its entirety sub-paragraphs 7(a), 7(b) and 7(c) in the section entitled “*General Information*” on page 165 of the Base Prospectus:

“7.

- (a) There has been no material adverse change in the prospects of Naturgy Finance B.V. since 31 December 2022 nor has there been any significant change in the financial position or financial performance of Naturgy Finance B.V. since 31 December 2022 (being the date of the latest available financial statements of Naturgy Finance B.V.).
- (b) There has been no material adverse change in the prospects of Naturgy Capital Markets, S.A. since 31 December 2022 nor has there been any significant change in the financial position or financial performance of Naturgy Capital Markets, S.A. since 31 December 2022 (being the date of the latest available financial statements of Naturgy Capital Markets, S.A.).
- (c) There has been no material adverse change in the prospects of the Guarantor since 31 December 2022 nor has there been any significant change in the financial position or financial performance of the Group since 30 June 2023 (being the date of the latest available financial information of the Group).”