ANNUAL ACCOUNTS 2024

REN FINANCE B.V.

AMSTERDAM

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Board of Managing Directors report

The Board of Managing Directors herewith presents to the shareholder the annual accounts of REN Finance B.V. (the "Company") for the year 2024.

General

The Company, with its head office in De Cuserstraat 93, Unit 205, 1081 CN Amsterdam, the Netherlands, was established by deed of incorporation executed on 10 May 2013 with its legal seat in Amsterdam.

The objectives of the Company are:

- to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises;
- to provide advice and other services;
- to acquire, use and /or assign industrial and intellectual property rights and real property;
- to provide guarantees and security, warrant performance or otherwise assume liability, whether jointly and severally or otherwise, for or in respect of obligations of group companies;
- to provide security for the debts of legal persons or of other companies with which the Company is affiliated or for the debts of third parties;
- to invest funds; and
- to undertake all actions that are deemed to be necessary to the foregoing, or in furtherance thereof.

The Company belongs to a corporate group ("the Group") controlled by REN - Redes Energéticas Nacionais, SGPS, S.A., ("REN SGPS") set up in Lisbon, Portugal, which holds 100% of the Company's shares.

The Company employs one full time employee and a Board of Directors of four members that oversees the governance of the company. Two of the Board members are provided by CSC (formerly "Intertrust (Netherlands) B.V.")

Both the Company and REN SGPS act as issuers under a EUR 5,000,000,000 Euro Medium Term Note Programme. More details about it can be found in the base prospectus dated 12 November 2024 available on the Group´s website. Parallel to it, both the Company and REN SGPS act as issuers under a EUR 600,000,000 European Commercial Paper Programme for the issuance of Commercial Paper.

The financial information of the Company is included in the consolidated financial statements of the shareholder, REN SGPS.

Results and overview

The net profit for the year ended 31 December 2024 amounts to EUR 8,495,677 (year ended 31 December 2023: EUR 18,609,627). Even though the net profit is commonly driven by the result of the margin between the interest income and interest expense and the incurring of costs like fees, in 2023, there was an extraordinary impact with a tax reimbursement in the amount of EUR 8,933,458 by Dutch tax authorities.

The Board of Managing Directors evaluated the Company's going concern capability, based on all the relevant information, facts and circumstances, of financial, commercial and other natures, including subsequent events occurred after the financial statement report date.

Particularly, as at 31 December 2024, current liabilities in the amount of EUR 528,903,026 (31 December 2023: EUR 18,981,819) are lower than current assets, which total EUR 731,787,176 (31 December 2023: EUR 229,690,499).

In addition to the consistent results that the Company has been presenting throughout the years, in line with the expectation, the Company has, as per 31 December 2024, committed Revolving Credit Facilities with SMBC Bank EU AG in the amount of EUR 150,000,000, with the Industrial and Commercial Bank of China (Europe) S.A. in the amount of EUR 140,000,000 with EUR 85,000,000 available for use, with the Bank of China Limited, Luxembourg Branch in the amount of EUR 250,000,000 and with Mediobanca International (Luxembourg) S.A., in the amount of EUR 50,000,000.

In September 2023, REN SGPS and REN Finance signed together as issuers the update to the EUR 600,000,000 European Commercial Paper Programme for the issuance of notes.

In February 2024, under the EUR 5,000,000,000 Euro Medium Term Note Programme, REN Finance issued a EUR 300,000,000 Green Bond due on 27 February 2032.

In July 2024, the Company negotiated an amendment to the EUR 120,000,000 facility agreement with Industrial and Commercial Bank of China (Europe) S.A. that increased the size of the facility to EUR 140,000,000 and extended the maturity of the agreement until July 2029. The previous contract was valid until July 2027.

In October 2024, the Company negotiated an amendment to the EUR 50,000,000 facility agreement with Mediobanca International (Luxembourg) S.A. that extended the maturity of the agreement until October 2029. The previous contract was valid until July 2026.

In December 2024, the Company negotiated an amendment to the EUR 250,000,000 facility agreement with Bank of China Limited, Luxembourg Branch that extended the maturity of the agreement until December 2029. The previous contract was valid until February 2028.

Furthermore, in order to guarantee the current treasury needs of the Company and to have the necessary dynamic and flexibility to fulfil the current liquidity needs, the Company, as at 31 December 2024, has a Master Money Market loan agreement contracted and not used in the amount of EUR 100,000,000 with Société Générale, and a EUR 5,000,000,000 Euro Medium Term Note Programme with EUR 3,600,000,000 available for issuing additional bonds on the capital markets.

In result of this assessment, the Board concluded that the Company has the adequate resources to proceed its activity, not intending to cease its operations, and therefore considers adequate the use of a going concern basis in the preparation of the Company's Financial Statements.

For more information about the Company financial and credit risks, please see 'Credit Risk' section below.

Audit Committee

The Company is a so-called Public Interest Entity ("Organisatie van Openbaar Belang") which requires the establishment of an audit committee. The Company however makes use of an exemption regulation according to Article 41 (1) of Directive 2006/43/EC of the European Parliament and of the Council, whereby the Parent Company's audit committee fulfills the required tasks.

Financial Risk Management

The Company's objective concerning capital management, is to uphold an optimal equity structure, through a rational use of debt and consistently adhering to a low-risk appetite.

Considering that the purpose of the Company is to participate, finance, collaborate and lead the management of group companies, the necessity of debt increases is analysed periodically considering the funding needs and liquidity position of the group companies. Furthermore, given the Company purpose and the constant need of leveraging its capital structure to meet the funding needs of the group companies, it was decided by the Group and the Company Board that 8% of the outstanding loans (receivables) should be held as equity on the Company's balance sheet. As at 31 December 2024, the Company has a total amount of EUR 189,020,400 (31 December 2023: EUR 189,020,400) of share premium received from REN SGPS, representing 13.17% of the outstanding loans (receivables) as of 31 December 2024 (31 December 2023: 16.65%).

Financial Instruments

The Company's principal financial instruments comprise loans granted, borrowings and bank balances. During the financial year 2024 the Company did not undertake trading in financial instruments.

Currency Risk

The Company’s cash inflows and outflows, as well as receivable and payable balances are denominated in Euros. The currency risk exposure is therefore absent.

Market and Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The interest rate risk for the Company is limited due to the fact that its main objective is to obtain funding to finance group companies. Funding raised is lent out to group companies on an arm´s length basis. Terms of funding obtained are mirrored by the terms of the loans given to group companies. The only distinction is the margin between the interest on the amounts borrowed and the interest on the amounts that have been lent out.

Furthermore, the Company actively monitors changes in interest rates in the currencies in which its cash, investments and borrowings are denominated.

A sensitivity analysis was made based on the Company’s total interest income due to the subscribed Commercial Paper for the period until 31 December 2024 with the assumption that changes in market interest rates affect interest income. The interest received from Commercial Paper is the only subject to market risk, the remaining interest income/expense has a mirrored transaction with a counterparty which mitigates the risk.

Under these assumptions, a positive variation of 0.25% in market interest rates would result in a profit before tax increase of around EUR 87,500 for 2024 (2023: EUR 87,500). Conversely, a negative variation of the same rate, would result in a profit before tax decrease on the same amount.

The sensitivity analysis is merely projected, and does not represent any present real gain or loss, neither other real variations in the net results nor in equity.

Given the size and nature of the interest rate risk, the Company has decided not to hedge the interest rate risk exposure.

Credit Risk

Financial instruments, which potentially expose the Company to credit risk, amount to EUR 1,661,486,717 (31 December 2023: EUR 1,363,752,147) and relate to receivables from the parent company. While the Company may be subject to losses up to the contract value of the instruments in the event of non-performance by its counterparts, it does not expect such losses to occur. No collateral is required by the Company to support financial instruments subject to credit risk.

Credit risk is managed by the Company in accordance with the Group’s policy (REN SGPS’ current rating as attributed by Moody’s, Fitch and S&P is Baa2, BBB and BBB, respectively). Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company on an annual basis, and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty’s potential failure to make payments. The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

REN SGPS always makes funds available before the due date of every payment obligation or borrowing, to enable REN Finance to meet all its obligations. As per 31 December 2024, there is no indication that the loans given to the Company will be impaired in the near future or that the loans receivable will not be received. Furthermore, current bank borrowings outstanding are bounded by several covenants that REN SGPS, as the ultimate beneficiary of the operations, has to comply with, among which stand out: Cross default, Pari Passu and Negative Pledge. As of the same date, REN SGPS complied with all these covenants.

The Company's counterparty risk on bank deposits is mitigated by the selection of well-known Dutch institutions, which are considered at the time of deposit to have minimal risk of default. The Company´s management actively and regularly monitors the credit counterparty risk and undertakes financial transactions with entities that are solvent.

Liquidity Risk

Liquidity risk is the risk that the Company may encounter in raising funds to meet commitments associated with its financial liabilities. Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

As funding of the Company is solely used to finance group companies, the terms of loans taken are mirrored by the terms of loans given to group companies. As such, when loans taken are due, loans given to group companies are due as well. Furthermore, the interest due dates for loans taken and loans given are equal while the Company earns a spread.

Ultimate responsibility for liquidity risk management rests with the Board of Managing Directors, which has established an appropriate liquidity risk management framework for the management of the Company´s short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Future Outlook

The prediction of future trends and the quantification of developments is inherently a difficult task, full of uncertainties.

The Group operates primarily in two business areas – Electricity and Gas – under concession contracts regulated by the respective Regulatory Authorities. These regulatory measures serve as a protective mechanism, linking the Group's pricing policy to operational costs and thereby mitigating potential impacts of unrestrained inflation.

Furthermore, the Company's financial and operational activities are closely tied to the overall performance of the Group, which minimizes the potential adverse consequences arising from the uncertainties in monetary policy. This strategic alignment between pricing and operational costs positions the Group to navigate challenges posed by the dynamic economic environment effectively.

With respect to the effects of climate change and its rising threats, the Group is committed to being an active agent for environmental protection, implementing reforesting policies, promoting environmental education, preserving biodiversity, defending the rational use of natural resources and the prevention of pollution, while also playing an active role in the prevention of climate change. The Group recognizes the existence of risks and opportunities for its activities relating to climate change. Along with it, the Group's sustainable and consistent growth in the past years have empowered it with a robust operational structure and the enough financial tools to buffer the short-term waves of the market retrenchments.

Given the above, Management remains confident that the current level of activities will be sustained in the near future, with no significant deviations anticipated. Funding and re-financing of existing loans will take place, according to the investment needs of the Group, even in more adverse markets.

Compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and also in accordance with Part 9 of Book 2 of the Dutch Civil Code. In its preparation judgments and estimates were made using assumptions that affect the amounts recognized as assets and liabilities, as well as the amounts recorded relating to gains and losses of the period. The estimates and underlying assumptions were determined with reference to the reporting date based on the best knowledge available as of the date of approval of the Financial Statements of the events and transactions in process, as well as experience of past and/or current events. However, situations can occur in subsequent periods that were not predictable as of the date of approval of the Financial

Statements and so were not considered in the estimates. Changes in the estimates that occur after the date of the Financial Statements will be corrected on a prospective basis. Therefore, given the degree of uncertainty, actual results of the transactions can differ from the corresponding estimates.

Furthermore, these Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and this Annual Report includes a fair view of the development and performance of the business and the position of the Company, together with a description of the principal risks that the Company faces.

In addition to the annual accounts, the Group's website gathers the array of codes of conduct adhered to and enforced by the Company. Furthermore, it outlines references to relevant international conventions and guidelines to which the Company adheres.

Control System & Board of Managing Directors

The Company belongs to a corporate group controlled by REN SGPS set up in Lisbon, Portugal, which holds 100% of the Company's shares.

The shareholder's meetings are attended by the Board of Managing Directors and all decisions are taken unanimously.
The Board of Managing Directors is composed by:

- Mr. G.J. Figueira Morais Soares
- Mr. N.M. da Silva Alves do Rosário
- Mr. H.R.T. Kröner
- Mr. E.M. van Ankeren

Amsterdam, 2 April 2025

Board of Managing Directors:

Mr. G. J. Figueira Morais Soares

Mr. N. M. da Silva Alves do Rosário

Mr. H.R.T. Kröner

Mr. E.M. van Ankeren

Financial Statements

Statement of comprehensive income for the years ended 31 December 2024 and 2023

	Note	31/Dec/24	31/Dec/23
		EUR	EUR
Interest income	6	41,909,489	39,985,643
Interest income net		**41,909,489**	**39,985,643**
Interest expense	7	(30,485,045)	(27,380,928)
Interest margin		**11,424,444**	**12,604,715**
Other income	8	885,614	51,574
Salaries, wages and taxes	9	(127,182)	(107,006)
General and administrative expenses	10	(751,505)	(947,492)
Charge to allowance for impairment	15	-	(333,541)
Profit before taxation		**11,431,371**	**11,268,250**
Corporate Income tax	11	(2,935,694)	7,341,377
Net Profit for the year		**8,495,677**	**18,609,627**
Other comprehensive income, net of income tax		**-**	**-**
Total comprehensive income for the year		**8,495,677**	**18,609,627**
Profit attributable to owners of the Company		**8,495,677**	**18,609,627**
Total comprehensive income attributable to owners of the Company		**8,495,677**	**18,609,627**

Statement of financial position as at 31 December 2024 and 31 December 2023

(Before appropriation of current year's result)

	Note	31/Dec/24	31/Dec/23
		EUR	EUR
Assets			
Non-Current Assets			
Long-term loans to group companies	12	929,974,821	1,134,297,239
Total Non-Current Assets		**929,974,821**	**1,134,297,239**
Current assets			
Short-term loans to group companies	13	698,094,775	203,900,000
Receivables from group companies	14	33,417,120	25,554,908
Cash and cash equivalents	16	275,281	235,591
Total Current Assets		**731,787,176**	**229,690,499**
TOTAL ASSETS		**1,661,761,997**	**1,363,987,738**
Shareholder's Equity and Liabilities			
Shareholder´s Equity			
Share capital	17	20,000	20,000
Share premium	17	189,020,400	189,020,400
Retained Earnings	17	8,101,823	4,492,196
Profit for the year		8,495,677	18,609,627
Total Shareholder´s Equity		**205,637,900**	**212,142,223**
Non-Current Liabilities			
Long-term borrowings	18	927,221,071	1,132,863,696
Total Non-Current Liabilities		**927,221,071**	**1,132,863,696**
Current Liabilities			
Tax payable	19	2,065,773	705,936
Short-term borrowings	20	500,159,150	-
Interest payable	21	26,255,754	17,413,900
Payables to group companies	22	333,541	783,199
Other liabilities and accrued expenses	23	88,808	78,784
Total Current Liabilities		**528,903,026**	**18,981,819**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		**1,661,761,997**	**1,363,987,738**

Statement of changes in Equity for the years ended 31 December 2024 and 2023

	Share Capital	Share Premium	Retained Earnings	Profit for the year	Total
01/Jan/23	**20,000**	**189,020,400**	**4,042,595**	**8,949,601**	**202,032,596**
Appropriation of profit	-	-	8,949,601	(8,949,601)	**-**
Profit for the year	-	-	-	18,609,627	**18,609,627**
Dividends	-	-	(8,500,000)	-	**(8,500,000)**
31/Dec/23	**20,000**	**189,020,400**	**4,492,196**	**18,609,627**	**212,142,223**

	Share Capital	Share Premium	Retained Earnings	Profit for the year	Total
01/Jan/24	**20,000**	**189,020,400**	**4,492,196**	**18,609,627**	**212,142,223**
Appropriation of profit	-	-	18,609,627	(18,609,627)	**-**
Profit for the year	-	-	-	8,495,677	**8,495,677**
Dividends	-	-	(15,000,000)	-	**(15,000,000)**
31/Dec/24	**20 000**	**189,020,400**	**8,101,823**	**8,495,677**	**205,637,900**

Statement of cash flows for the years ended 31 December 2024 and 2023

	Note	31/Dec/24	31/Dec/23
		EUR	EUR
Cash flows from operating activities:			
Interest received		35,200,266	42,748,180
Interest paid		(20,892,370)	(30,269,791)
Suppliers and Wages paid		(1,068,045)	(1,001,824)
Corporate Income Tax paid		(1,569,543)	(878,531)
Value Added Tax paid		(282,519)	(113,586)
Other tax payments/receipts		(37)	8,933,362
Net cash generated by operating activities		**11,387,752**	**19,417,810**
Cash flows from investing activities:			
Long-term loans provided to group companies	12	(300,000,000)	-
Short-term loans provided to group companies	13	(521,900,000)	(456,900,000)
Repayments short-term and long-term loans by group companies	12 and 13	527,900,000	1,005,900,000
Income from other fees received		3,859,233	1,418,198
Net cash generated by / (used in) investing activities		**(290,140,767)**	**550,418,198**
Cash flows from financing activities:			
Proceeds from issue of bonds and borrowings	18 and 20	300,000,000	-
Repayment loans of third parties	18 and 20	-	(560,000,000)
Expense from other fees paid		(6,207,295)	(1,348,653)
Dividends paid		(15,000,000)	(8,500,000)
Net cash generated by / (used in) financing activities		**278,792,705**	**(569,848,653)**
Net change in cash and cash equivalents		**39,690**	**(12,645)**
Foreign currency fluctuations		-	-
Cash and cash equivalents at the beginning of the year	16	235,591	248,236
Cash and cash equivalents at the end of the year	16	**275,281**	**235,591**

The accompanying notes are an integral part of these Financial Statements.

Notes to the Financial Statements

1. General

REN Finance B.V. (referred to in this document as "the Company"), with its office in De Cuserstraat 93, Unit 205, 1081 CN Amsterdam, the Netherlands, was established by deed of incorporation executed on 10 May 2013 with its legal seat in Amsterdam and registered in the Trade Register at Chamber of Commerce under number 57903093.

The objectives of the Company are:

- to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises;
- to provide advice and other services;
- to acquire, use and /or assign industrial and intellectual property rights and real property;
- to provide guarantees and security, warrant performance or otherwise assume liability, whether jointly and severally or otherwise, for or in respect of obligations of group companies;
- to provide security for the debts of legal persons or of other companies with which the Company is affiliated or for the debts of third parties;
- to invest funds; and
- to undertake all actions that are deemed to be necessary to the foregoing, or in furtherance thereof.

The Company belongs to a corporate group controlled by REN - Redes Energéticas Nacionais, SGPS, S.A. (“REN SGPS”), set up in Lisbon, Portugal, which holds 100% of the Company's shares.

The Financial Statements of the Company are included in the consolidated financial statements of the shareholder, REN SGPS.

2. Accounting Framework for the preparation of the Financial Statements

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the EU and also in accordance with Part 9 of Book 2 of the Dutch Civil Code. In its preparation judgments and estimates were made using assumptions that affect the amounts recognized as assets and liabilities, as well as the amounts recorded relating to gains and losses of the period. The estimates and underlying assumptions were determined with reference to the reporting date based on the best knowledge available as of the date of approval of the Financial Statements of the events and transactions in process, as well as experience of past and/or current events. However, situations can occur in subsequent periods that were not predictable as of the date of approval of the Financial Statements and so were not considered in the estimates. Changes in the estimates that occur after the date of the Financial Statements will be corrected on a prospective basis. Therefore, given the degree of uncertainty, actual results of the transactions can differ from the corresponding estimates.

The functional currency of the Company is the currency of the primary economic environment in which the Company operates. The functional currency and the presentation currency of the Company is the Euro.

In the following paragraphs the Company has analyzed the effects of the new IFRS Standards. These are effective for annual periods beginning on or after 1 January 2024. Please note that the adoption of the below mentioned amendments does not have any material impact on the disclosures or on the amounts reported in these financial statements.

The following standards, interpretations, amendments and revisions have been endorsed by the EU with mandatory application for annual periods beginning on or after 1 January 2024.

2.1 New Accounting Standards

The following standards, interpretations, amendments and revisions have been endorsed by the European Union with mandatory application in effective for annual periods beginning on or after 1 January 2024:

2.1.1 Amendments to IAS 16 – Leases: Lease Liability in a sale and leaseback

Effective for annual period beginning on or after 1 January 2024.

These amendments included requirements for seller-lessees to measure the lease liability in a sale and leaseback transaction, in order to not recognizing any gain or loss on the right of use retained.

The adoption of this standard does not result in any impact on the Company's Financial Statements.

2.1.2 Amendments to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

Effective for annual period beginning on or after 1 January 2024.

These amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current, and include clarifying the classification requirements for debt a company might settle by converting it into equity. These amendments clarify, not change, existing requirements, and so are not expected to affect companies' financial statements significantly. However, they could result in companies reclassifying some liabilities from current to non-current, and vice versa.

The adoption of this standard does not result in significant impacts on the Company's Financial Statements.

2.1.3 Amendments to IAS 7 - Statement of Cash Flows: Supplier Finance Arrangements

Effective for annual period beginning on or after 1 January 2024.

The amendments supplement requirements already in the IFRS Accounting Standards and require a company to disclose: the terms and conditions; the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet; ranges of payment due dates; and liquidity risk information.

The adoption of this standard does not result in any impact on the Company's Financial Statements.

2.2 New Accounting Standards already endorsed by European Union

The following standards, interpretations, amendments and revisions, with mandatory application in future years, have already been endorsed by the European Union:

2.2.1 Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (new standard to be applied for periods beginning on or after 1 January 2025)

These amendments aimed to clarify the circumstances under which a currency is considered exchangeable and provide guidelines on how to proceed with the calculation of the exchange rate when a currency cannot be exchanged for another. It establishes that it must be disclosed how the financial performance, financial position, and cash flows of the entity may be affected by a currency that is not exchangeable. This amendment has retroactive effects without restating the comparative, and the impact of the transposition of financial information should be considered in transferred results or foreign exchange reserve.

The adoption of this standard is not expected to have significant impacts on the Company's Financial Statements.

2.3 Future Accounting Standards

The following standards, interpretations, amendments and revisions, with mandatory application in future years, have not, until the date of preparation of these financial statements, been endorsed by the European Union:

2.3.1 Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments - Disclosures: Classification and Measurement of Financial Instruments (new standard to be applied for periods beginning on or after 1 January 2026)

The future adoption of this standard is not expected to have significant impacts on the Company's Financial Statements.

2.3.2 Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments - Disclosures: Contracts Referencing, Nature-dependent Electricity (new standard to be applied for periods beginning on or after 1 January 2026)

The future adoption of this standard is not expected to have significant impacts on the Company's Financial Statements.

2.3.3 IFRS 18 Presentation and Disclosure in Financial Statements (new standard to be applied for periods beginning on or after 1 January 2027)

The future adoption of this standard is not expected to have significant impacts on the Company's Financial Statements.

2.3.4 IFRS 19 Subsidiaries without Public Accountability: Disclosures (new standard to be applied for periods beginning on or after 1 January 2027)

The future adoption of this standard is not expected to have significant impacts on the Company's Financial Statements.The Company did not use any early adoption option of any of the above on the Company's Financial Statements for the year ended 31 December 2024.

2.3.5 Annual Improvements Volume 11 (issued on 18 July 2024) (Improvements to be applied for periods beginning on or after 1 January 2026)

The adoption of this standard is not expected to have significant impacts on the Company's Financial Statements.

3. Main Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention. In principle, unless otherwise stated, assets and liabilities are stated at amortized cost.

3.2 Financial Instruments

The Company recognizes financial assets and liabilities on its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are recognized using the transaction date.

Financial instruments are classified as current, except when the Company has an unconditional right to defer the payment of the correspondent liability for, at least, 12 months after the reporting date, being this liability in these circumstances classified as non-current.

3.2.1. Classification and measurement

IFRS 9 presents an approach on how to classify and measure financial assets that reflects the business model used in its management and the characteristics of contractual cash flows.

IFRS 9 determines three main categories to classify financial assets: measured at amortized cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit (FVTPL).

In accordance with IFRS 9, whenever the host contract is a financial asset within the scope of the standard, embedded derivative contracts are not separately accounted for at FVTPL, on the other hand, financial liabilities may be separately accounted. Instead, the hybrid financial instrument should be evaluated and classified as a single financial asset measured at fair value through profit or loss.

All financial instruments are measured at Amortized Cost.

3.2.2. Impairment

3.2.2.1. General Approach

The Company recognizes Expected Credit Losses (ECL) on its financial assets as a loss allowance.

The impairment model is applied to financial assets measured at amortized cost or FVOCI, except for investments in equity instruments.

In accordance with IFRS 9, losses will be measured on one of the following bases:

- 12-month ECL, which results from possible default events within 12 months after the reporting date; and
- Lifetime ECLs, which result from all default events during the expected life of a financial instrument.

The determination of the required ECL depends on a contract's allocation to one of the three stages in the "Three stage model". At initial recognition, every contract is allocated to Stage 1 (except for Purchased or Originated Credit Impaired

– POCI). For each of the following reporting dates, an assessment of the change in the risk of a default occurring over the expected life of the financial instrument is required for that contract.

A change in the risk of a default may result in a transfer from Stage 1 to Stage 2 or 3. As long as the risk of default of an instrument is low or did not increase significantly since initial recognition, it remains in Stage 1 with a 12-months ECL. Otherwise, if the instrument's current PD (Probability of default) compared with the PD at initial recognition increased significantly, the result would be a transfer into Stage 2 and recognition of the lifetime ECL. A transfer into Stage 3 is required when objective evidence for a credit loss appears.

If the criteria of significant increase in credit risk no longer applies, a transfer back to a "better" stage is possible.

According with IFRS 9, the information used for the compliance with the impairment requirements should be obtained without "undue cost or effort".

3.2.2.2. Determining whether credit risk has increased significantly since initial recognition (stage 2)

The credit risk on a financial instrument is considered low, and the financial instrument can be classified in stage 1, when the following requirements are met:

1. Financial instrument has a low risk of default;

2. The borrower has a strong capacity to meet its contractual cash flow obligations in the near term;

3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset shall be classified in stage 2 when the debt can no longer be considered as investment grade and it had a downgrade of more than 2 notches in any rating agency, or when it comes to the attention of the Management any of the events referred above.

All financial instruments of the Company are exposed to the credit risk of REN SGPS, which has an external rating of Baa2 by Moody's. This rating has been stable since the initial recognition. An external rating of 'investment grade' is an example of a financial instrument that meets the requirements to be considered low. Applying the practical expedient, the Company determines that the credit risk has not significantly increased since initial recognition.

3.2.2.3. Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

A financial asset shall be classified in stage 3 when there is an event of default according with the rating agencies definition, or when one of the events referred above is verified.

3.2.2.4. Assessment of the Expected credit loss

REN Finance is an entity fully owned by REN SGPS, with the exclusive purpose of raising funds in the debt market to be subsequently transferred, in the form of Commercial Paper and Bonds to REN SGPS, providing the required liquidity to meet the Group investment needs. Therefore, merely as a funding instrument of the Group, REN Finance's exposure consist solely of its counterparty risk driven by the financial operations with REN SGPS, which, consecutively bears all other risks and exposures related to the same operations.

The credit risk of REN SGPS is considered stable (investment grade), and, as such, considered to be in stage 1.

Management executed an impact analysis based on estimated Probabilities of Default and Loss Given Default for the considered exposures (considering REN's rating – Baa2 by Moody's). The calculation resulted in an immaterial impact and, as such, no credit allowance was recorded.

3.3 Financial assets

The Company has the following financial assets: subscribed Bonds, subscribed CP, receivables and cash and bank balances. The Company's subscribed Bonds to REN SGPS are classified as long-term loans to Group Companies.

Financial assets at amortized cost are measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company determines the classification and measurement of investments in financial assets at the time of initial recognition, in accordance with financial asset's contractual cash flow characteristics and the Company's business model for managing them.
Investments in financial assets may be classified under the following categories:

- Financial assets at amortized cost – The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- Financial assets at fair value through other comprehensive income (equity instruments) - The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- Financial assets at fair value through profit or loss - Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as non-current, except when: (i) the Company expects to realize or dispose of in the normal course of its operating cycle; (ii) holds the asset primarily for trading purposes; (iii) expects to realize the asset within twelve months after the reporting date; or (iv) the asset is cash or cash equivalent.

Purchases and sales of investments in financial assets are recognized on the transaction date – the date on which the Company commits itself to purchase or sell the asset.

Financial assets classified as Long and Short-term loans to group companies and other receivables in the statement of financial position, are initially recorded at fair value, and subsequently measured at amortized cost using the effective interest rate method, less any expected credit loss.

Financial assets are derecognized when the rights to receive cash flows from the investments expire or the rights has been transferred to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement. Also, financial assets are derecognized if the Company has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

REN Finance measured assets and liabilities in accordance with the following hierarchy levels of fair value:

- Level 1: the fair value of financial instruments is based on net market prices as of the date of the statement of financial position;
- Level 2: the fair value of financial instruments is not determined based on active market quotes but using valuation models;
- Level 3: the fair value of financial instruments is not determined based on active market quotes, but using valuation models, whose main inputs are not observable in the market.

The fair value of the Bonds and Commercial Paper subscribed is calculated by the method of discounted cash flows, using the curve of interest rate on the date of the statement of financial position in accordance with the characteristics of each operation. The fair value calculation assumes the credit risk to be covered by the parent company. There has been no change in the evaluation method since last year and these instruments are still included in level 2 on the fair value hierarchy.

As these assets are not traded in secondary market, there are not available active market quotes that would allow for a valuation according with the level 1 of the hierarchy. In this sense, as long as the market conditions remain stable and the valuation model sound, the Company assets should continue to be valued by the valuation model implemented and included in the level 2 of the fair value hierarchy.

3.4 Financial liabilities

Financial liability is any liability that is:

- a contractual obligation:
- to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is
- a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

IFRS 9 establishes the classification of financial liabilities in two categories:
i. Financial liabilities at fair value through profit and loss;
ii. Other financial liabilities.

Other financial liabilities include “Borrowings (long-term and short-term)” and Trade and Other Payables (“Payables to Group Companies”, “Interest receivable” and “Other liabilities and accrued expenses”).

Trade and other payables are initially measured at fair value and subsequently at amortized cost, using the effective interest rate method.

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost, the difference between the nominal value and the initial fair value being recognized in the statement of profit and loss over the term of the borrowing, using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date, in which case they are classified as non-current liabilities.

Financial liabilities are derecognized when the related obligations are extinguished through payment, are cancelled or expire.

3.5 Other receivables

Other receivables in the statement of financial position, are initially recorded at fair value, and subsequently measured at amortized cost using the effective interest rate method, less any allowance for impairment.

3.6 Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, bank deposits and other short-term highly liquid investments with original maturity of not more than three months readily convertible to known amount of cash and subject to insignificant risk of change in value.

3.7 Statement of Cash Flows

The statement of cash flow is prepared according to the direct method, being presented the collections and payments in operating activities, investment and financing activities.

3.8 Loans and Borrowings

Loans and Borrowings are classified as current, except when the Company has an unconditional right to defer the payment of the correspondent liability for, at least, 12 months after the reporting date, being this liability in these circumstances classified as non-current.

3.9 Liabilities and other payables

Liabilities and other payables are initially measured at fair value and subsequently at amortized cost, using the effective interest rate method.

3.10 Interest Income and other income

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate method, which is the rate that exactly discounts estimated future risk receipts through the expected life of the financial asset to that asset's net carrying amount.

The effective interest rate method calculates the amortized cost of a financial asset or liability and allocates the interest income or interest expense over the relevant period.

Other income is recognized as incurred and is reported in the Financial Statements in the period to which they relate.

3.11 Expense recognition

Expenses are recognized as incurred and are reported in the Financial Statements in the period to which they relate.

3.12 Corporate income tax

Corporate income tax is calculated at the applicable rate based on income reported in these Financial Statements, taking into account permanent differences between profit calculated according to the statement of comprehensive income and profit calculated for taxation purposes.

The Global Minimum Tax Regime or "RIMG" was published as a consequence of the transposition of the Directive (EU) 2022/2523, of 14 December ("Minimum Taxation Directive"). This new set of rules aims to ensure that large MNE groups are subject to a minimum effective tax rate of 15% in all jurisdictions where they operate and, in those jurisdictions where this is not verified, a payment of a top-up tax in relation to their excess profits may be required. In accordance with the RIMG and considering that the Group's consolidated revenues exceed 750 million euros in two of the last four financial years, this new set rules is already applicable to the Group in 2024. Notwithstanding, it is the Group's expectation that no top-up tax will be due in the jurisdictions in which it is present with reference to fiscal year 2024. This conclusion is based on the potential application of the transitional CbCR safe harbour rules in 2024. In addition, when calculating its excess profits subject to the top-up tax rate, the Group also expects to benefit from the substance-based income exclusion from the amount of the Globe income in each of these jurisdictions.

This new set of rules about the Global Minimum Tax Regime or "RIMG" is primarily verified in terms of the Group, and is the Group's expectation that no top-up tax will be due in the jurisdictions in which it is present with reference to fiscal year 2024.

Deferred tax is recognized using the liability method based on the statement of financial position considering the temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements. Deferred taxes are calculated using the tax rates in force or substantially enacted at the statement of financial position date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be used.

4. Significant accounting judgments and estimates and key sources of estimation uncertainty

In the preparation of the accompanying Financial Statements, judgements and estimates were made using assumptions that affect the amounts recognized as assets and liabilities, as well as the amounts recorded relating to gains and losses of the period.

The estimates and underlying assumptions were determined with reference to the reporting date based on the best knowledge available as of the date of approval of the Financial Statements of the events and transactions in process, as well as experience of past and/or current events. However, situations can occur in subsequent periods that were not predictable as of the date of approval of the Financial Statements and so were not considered in the estimates. Changes in the estimates that occur after the date of the Financial Statements will be corrected on a prospective basis. Therefore, given the degree of uncertainty, actual results of the transactions can differ from the corresponding estimates.

Estimates and assumptions are included in at least the following judgments:

- estimate of the allowance for credit losses on loans receivables (Note 12 to 14)
- estimate of the fair value of loans receivables and borrowings (Note 12, 13, 18 and 20)
- estimate of the assessment of uncertain tax positions (Note 11)
- estimate of the collectable amount of receivables (Note 15)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

4.1 Going concern evaluation

The Board of Managing Directors evaluated the Company's going concern capability, based on all the relevant information, facts and circumstances, of financial, commercial and other natures, including subsequent events occurred after the financial statement report date.

Associated with the large-scale military invasion by Russia against Ukraine on February 24, 2022, the escalation of violence in the conflict between Israel and Gaza, and the crisis in the Red Sea related to maritime transportation, there has been a widespread worsening of the global climate of uncertainty with negative effects on the prospects for the global economy and financial markets.

REN Group is actively monitoring the situations, has activated all necessary plans, and, despite the unpredictable situation, there are currently no significant effects on its operability and regulatory duties, nor are significant effects estimated. It is noteworthy that the REN Group operates primarily in two business areas, Electricity and Gas, according to concession contracts awarded to the Group and regulated, which somewhat minimizes the possible impacts of these conflicts.

REN Group remains strongly committed and assumes a facilitating role in the energy transition and environmental protection, recognizing that the integrated and synergistic adaptation of gas and electricity infrastructure is crucial to achieving the decarbonization goals established by national energy policy. The development of the necessary infrastructure for the energy transition and the mission of ensuring uninterrupted energy supply to the entire country, contributing to the engagement and development of the communities in which it operates, is realized through the establishment of high criteria for protection, conservation, and environmental restoration, acting in accordance with best practices regarding its contribution as an environmentally responsible company. On the other hand, the continuous development of innovation projects, some focused on emerging themes such as sustainability and circular economy, hydrogen and renewable gases, digitization, and cybersecurity, which are "incorporated" into different companies of the REN Group, significantly contributes to positioning and realizing the energy transition.

5. Financial Risks Management

The objective relating to the capital management, which is a broader concept than the equity disclosed on the face of the statement of financial position, is to maintain an optimal equity structure, through rational use of debt.

The necessity of debt increases is analyzed periodically considering the Group financing needs and its liquidity position.

5.1 Currency Risk

The Company's cash inflows and outflows, as well as receivable and payable balances are denominated in Euros. The currency risk exposure is therefore minimal.

5.2 Credit risk

The company's maximum exposure to credit risk amounted to EUR 1,661,486,716 (31 December 2023: EUR 1,363,752,147) and relate to receivables from parent company. While the Company may be subject to losses up to the contract value of the instruments in the event of non-performance by its counterparties, it does not expect such losses to occur. No collateral is required by the Company to support financial instruments subject to credit risk. Cash is placed in financial institutions, which are considered at the time of deposit to have minimal risk of default.

Credit risk is managed by the Company in accordance with the Group's policy (REN's current rating as attributed by Moody's, Fitch and S&P is Baa2, BBB and BBB, respectively), Loans are considered to be low credit risk investment and no changes have occurred. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company on an annual basis, and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

REN SGPS always makes funds available before the due date of every payment obligation or borrowing, to enable the REN Finance to meet all its obligations. As per 31 December 2024, there is no indication that the loans given to the REN SGPS will be impaired in the near future or that the loans receivable will not be received. The bank borrowings have the following main types of covenants and securities: Cross default, Pari Passu and Negative Pledge, which REN SGPS complies with.

The Company's counterparty risk on bank deposits is mitigated by the selection of well-known domestic institutions, which are considered at the time of deposit to have minimal risk of default. The Company´s management actively and regularly monitors the credit counterparty risk and undertakes financial transactions with entities that are solvent.

5.3 Interest rate risk

The interest rate risk for the Company is limited due to the fact that its main objective is to obtain funding to finance group companies. Funding raised is lent out to group companies on an arm´s length basis. Terms of funding obtained are mirrored by the terms of the loans given to group companies. The only distinction is the margin between the interest on the amounts borrowed and the interest on the amounts that have been lent out.

Furthermore, the Company actively monitors changes in interest rates in the currencies in which its cash, investments and borrowings are denominated.

Given the size and nature of the interest rate risk, the Company has decided not to hedge the interest rate risk exposure.

A sensitivity analysis was made based on the Company's total interest income for the period until 31 December 2024 with the assumption that changes in market interest rates affect interest income and expense.

Under this scenario, a positive variation of 0.25% in market interest rates would result in a profit before tax increase of around EUR 87,500 for 2024 (2023: EUR 87,500). Conversely, a negative variation of the same rate, would result in a profit before tax decrease on the same amount.

The sensitivity analysis is merely illustrative and does not represent an actual gain or loss, neither other real variations in the net profit nor in equity.

5.4 Liquidity risk management

Liquidity risk is the risk that the Company may encounter in raising funds to meet commitments associated with its financial liabilities. Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

As funding of the Company is solely used to finance group companies, the terms of loans taken are mirrored by the terms of loans given to group companies. As such, when loans taken are due, loans given to group companies are due as well. Furthermore, the interest due dates for loans taken and loans given are equal while the Company earns a spread.

Ultimate responsibility for liquidity risk management rests with the Board of Managing Directors, which has established an appropriate liquidity risk management framework for the management of the Company´s short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

5.5 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables are based on the undiscounted cash flows of financial liabilities taking into account the earliest date on which the Company may be required to pay. The tables include both interest and principal cash flows.

31/Dec/24

	Less than 1 year	1-5 years	Over 5 years	Total
	EUR	EUR	EUR	EUR
Borrowings				
Bank borrowings	2,114,674	39,973,380	-	42,088,054
Bonds	529,750,000	663,750,000	331,500,000	1,525,000,000
Total	**531,864,674**	**703,723,380**	**331,500,000**	**1,567,088,054**
Payables to group companies	333,541	-	-	333,541
Total	**532,198,215**	**703,723,380**	**331,500,000**	**1,567,421,595**

31/Dec/23

	Less than 1 year	1-5 years	Over 5 years	Total
	EUR	EUR	EUR	EUR
Borrowings				
Bank borrowings	1,459,132	37,878,476	-	39,337,608
Bonds	19,250,000	839,500,000	301,500,000	1,160,250,000
Total	**20,709,132**	**877,378,476**	**301,500,000**	**1,199,587,608**
Payables to group companies	333,541	-	-	333,541
Total	**21,042,673**	**877,378,476**	**301,500,000**	**1,199,921,149**

6. Interest income

	2024	2023
	EUR	EUR
Interest on bonds subscribed	35,383,717	30,545,787
Interest on commercial paper subscribed	6,752,124	7,591,181
Amortization of Fees	(226,352)	1,848,675
Total	**41,909,489**	**39,985,643**

Interest income is calculated using the effective interest rate method.

7. Interest expense

	2024	2023
	EUR	EUR
Interest on bank borrowings	1,604,958	1,437,649
Interest on bonds issued	28,122,272	23,228,930
Amortization of Fees	757,815	2,714,349
Total	**30,485,045**	**27,380,928**

Interest expense is calculated using the effective interest rate method.

8. Other income

	2024 EUR	2023 EUR
Invoices recharged to REN SGPS	-	51,572
Upfront payment CIT discount	-	2
Financial services rendered	885,614	-
Total	**885,614**	**51,574**

The Company provides financial intermediation services to its sole shareholder, which include support during the contractual stage, operational management, oversight of ongoing operations, and risk monitoring and management, among other services.

With the MAP implementation as of 1 January 2024, it was agreed that the remuneration for the Company's services, functions performed for the Group, risks assumed, and assets employed would be adjusted to reflect an arm's length mark-up. This adjustment pertains solely to the remuneration structure, while the scope of the services provided remains unchanged.

Along with it, costs incurred with third parties (e.g., rating agencies expenses or legal services fees) shall be recharged to REN SGPS, without a mark-up, as foreseen in the OECD Guidelines.

9. Salaries, wages and taxes

	2024 EUR	2023 EUR
Salary	113,439	94,356
Charges on remuneration (Wage taxes and Social Security charges)	11,964	11,133
Insurance	1,779	1,517
Total	**127,182**	**107,006**

During 2024 and 2023, the Company had one employee and hence incurred salaries and related social security charges.

The Company did not pay any pension premium in 2024 and 2023.

10. General and administrative expenses

	2024	2023
	EUR	EUR
External suppliers:		
Office rent	21,642	20,508
Audit fees(*)	52,636	61,562
Tax advice fees	53,437	84,286
Law firm fees	58,904	25,519
Rating agency fees	93,000	52,804
Other fees and expenses	195,681	190,435
Invoices recharged by REN SGPS	-	449,658
Reversed VAT charge	276,205	62,720
Total	**751,505**	**947,492**

*** Audit Fees**	**EY Accountants B.V.**	**Total**
	EUR	EUR
2024		
Other audit engagements	13,709	13,709
Audit of the financial statements	38,927	38,927
Total	**52,636**	**52,636**
2023		
Other audit engagements	21,780	21,780
Audit of the financial statements	39,782	39,782
Total	**61,562**	**61,562**

The Invoices recharged by REN SGPS include costs incurred by REN SGPS for the benefit of the Company, namely the hire of financial, accounting and legal services with regard to the debt issuance under the EMTN and bank facility agreements, including but not limited to the services of rating agencies and the services of accounting and law firms.

11. Corporate income tax

	2024	2023
	EUR	EUR
CIT of the year	2,935,694	1,567,099
Taxes received from Dutch Tax Authorities	-	(8,933,458)
Correction of previous year's	-	20,096
Deferred income tax	-	4,886
Total	**2,935,694**	**(7,341,377)**

	2024	2023
	EUR	EUR
Profit before taxation	11,431,371	11,268,250
MAP Adjustment	-	(5,475,049)
Fiscal lower result on depreciation deferred interest	-	(19,543)
Non-deductible operating expenses above the EUR 825,000 cap	-	353,081
	11,431,371	**6,126,739**
CIT 19% for the first EUR 200,000	38,000	38,000
CIT 25.8%	2,897,694	1,529,099
Total	**2,935,694**	**1,567,099**

31/Dec/24	**Expense**	**Deferred Tax (25%)**
	EUR	EUR
Assets - amortization deferred interest	-	-
Liabilities - amortization deferred interest	-	-
Total	**-**	**-**

31/Dec/23	**Expense**	**Deferred Tax (25%)**
	EUR	EUR
Assets - amortization deferred interest	268,576	67,144
Liabilities - amortization deferred interest	(249,032)	(62,258)
Total	**19,544**	**4,886**

Since 19 September 2018, the Company has been committed with an APA with the Dutch Tax Authorities concerning the minimum margin required between the proceeds received from loans and the loans granted to REN SGPS. This agreement remained valid until 31 December 2022. For the financial years ending at 31 December 2023 and 31 December 2024, the Company's taxable profit, as estimated, is in accordance with the methodology and principles agreed under the MAP, as explained next.

Taxes received from Dutch Tax Authorities - 2023

Following a tax audit in Portugal, as part of a Mutual Agreement Procedure (MAP) requested by the entity in May 2020, the Competent Authorities of Portugal and the Netherlands reached agreement in 2022 on (the adjustment of) the remuneration that the Company should receive from REN SGPS with respect to its loans to REN SGPS, for the financial years 2015, 2016 and 2017, which has been accepted by the Company.

Following the MAP, it was subsequently discussed with the Dutch tax authorities by REN Finance B.V. (as well as with the Portuguese tax authorities by REN SGPS) to apply the same methodology for the years 2018 up to and including 2022. As both the Dutch and the Portuguese tax authorities agreed with the approach, ex officio adjustments resulted in a reduction of taxable income, and a refund of corporate income tax of the Company of EUR 2,194,964 for 2018, EUR 1,910,172 for 2019, EUR 1,887,149 for 2020, EUR 1,779,734 for 2021 and EUR 1,161,439 for 2022 (total amount of EUR 8,933,458). The final tax assessments of the Company for these years were reduced by the Dutch tax inspector accordingly and the tax, including interest (if applicable), was refunded in 2023.

MAP Methodology

The Company's taxable profit for the financial year ending 31 December 2023, as estimated, is in accordance with the methodology and principles agreed under the MAP, as applied for the years 2018 to 2022, which the tax authorities (the Dutch and Portuguese tax authorities) have agreed with, i.e., REN Finance B.V. shall, for corporate income tax purposes be remunerated through the sum of the following components: i) cost of funding and ii) remuneration for the equity at risk.

With MAP methodology, the taxable income of the Company for the financial year ended 31 December 2023, is estimated at EUR 6,126,741 resulting in estimated corporate income tax due of EUR 1,567,099. In other words, a MAP tax adjustment to the amount of EUR 5,475,049 was included in the corporate income tax return of the Company in 2023.

For the financial year 2024, the Company incorporated the MAP-methodology in the commercial accounts. Considering the incorporation of the MAP-methodology in the commercial accounts, no MAP tax adjustment will be necessary for Dutch tax purposes in the 2024 Dutch corporate income tax return. As such, a taxable income of EUR 11,431,371 was calculated. A 19% corporate income tax has been calculated for the first EUR 200,000, and a 25.8% income tax has been calculated for the remainder value, which resulted in a charged CIT of EUR 2,935,694.

The Company has concluded that possible corrections to the tax returns resulting from tax reviews and/or inspections carried out by the tax authorities will not have a significant effect on the Financial Statements as of 31 December 2024 and 2023.

12. Long-term loans to group companies

	31/Dec/24	31/Dec/23
	EUR	EUR
Bonds	929,974,821	1,134,297,239
Total	**929,974,821**	**1,134,297,239**

Bonds		
Movement during the financial year:		
Opening balance	**1,134,297,239**	**1,145,706,453**
Reclassification from long to short-term	(500,000,000)	-
Bonds subscribed	300,000,000	-
Bonds paid	-	(10,000,000)
Movement capitalized deferred expenses	(4,322,418)	(1,409,214)
Closing balance	**929,974,821**	**1,134,297,239**

The interest rates on the loans to group companies, in long and short-term, are between 0.8% and 4.1% (31 December 2023: 0.7% and 5.0%) and the weighted average interest is 2.7% (2023: 2.7%).

The credit risk of REN SGPS is considered stable (investment grade), and, as such, considered to be in stage 1.

The Board of Managing Directors executed an impact analysis based on estimated Probabilities of Default and Loss Given Default for the considered exposures (considering REN's rating – Baa2 by Moody's). The calculation resulted in an immaterial impact and, as such, no credit allowance was recorded.

Fair Value

	Carrying value	Fair value
	EUR	EUR
31/Dec/24		
Bonds	948,078,436	933,289,871
Total	**948,078,436**	**933,289,871**
31/Dec/23		
Bonds	1,155,762,801	1,111,436,205
Total	**1,155,762,801**	**1,111,436,205**

The fair value of the Bonds subscribed is calculated using their implied spreads. The fair value of borrowings is calculated by the method of discounted cash flows, using the curve of interest rate on the date of the statement of financial position in accordance with the characteristics of each loan. The fair value calculation assumes the credit risk to be covered by the parent company. There has been no change in the evaluation method since last year and these instruments are still included in level 2 on the fair value hierarchy.

13. Short-term loans to group companies

	31/Dec/24	31/Dec/23
	EUR	EUR
Short term bonds	500,194,775	-
Commercial paper	197,900,000	203,900,000
Total	**698,094,775**	**203,900,000**
Bonds Movement during the financial year:		
Opening balance	**-**	**548,073,367**
Bonds repaid	-	(550,000,000)
Reclassification from Long to Short-term bonds	500,000,000	-
Movement capitalized deferred expenses	194,775	1,926,633
Closing balance	**500,194,775**	**-**
Commercial paper Movement during the financial year:		
Opening balance	**203,900,000**	**192,900,000**
CP subscribed	521,900,000	456,900,000
CP repaid	(527,900,000)	(445,900,000)
Closing balance	**197,900,000**	**203,900,000**

The interest rates on the loans to group companies, in long and short-term, are between 0.8% and 4.1% (31 December 2023: 0.7% and 5.0%) and the weighted average interest is 2.7% (2023: 2.7%).

The Board of Managing Directors executed an impact analysis based on estimated Probabilities of Default and Loss Given Default for the considered exposures (considering REN's rating - Baa2 by Moody's). The calculation resulted in an immaterial impact and, as such, no credit allowance was recorded.

Fair Value

	Carrying value	Fair value
	EUR	EUR
31/Dec/24		
Short term bonds	513,428,936	512,887,677
Commercial paper	199,064,730	201,077,743
Total	**712,493,666**	**713,965,420**
31/Dec/23		
Short term bonds	-	-
Commercial paper	207,967,375	208,765,174
Total	**207,967,375**	**208,765,174**

The fair value of borrowings is calculated by the method of discounted cash flows, using the curve of interest rate on the date of the statement of financial position in accordance with the characteristics of each loan. The disclosure of the fair value is made based on a set of relevant observable data, which fall within level 2 of the fair value hierarchy. The range of market rates used to calculate the fair value ranges between 2.924% and 2.460% (2023: 3.900% and 3.513%) with maturities of one week and one year, respectively.

14. Receivables from group companies

	31/Dec/24	31/Dec/23
	EUR	EUR
Interest receivable bonds	31,207,768	21,369,548
Interest receivable commercial paper	1,164,730	4,067,375
Receivable fees	130,008	96,014
Receivable recharged invoices from REN SGPS	29,000	21,971
Financial Services rendered	885,614	-
Total	**33,417,120**	**25,554,908**

The Board of Managing Directors executed an impact analysis based on estimated Probabilities of Default and Loss Given Default for the considered exposures (considering REN's rating - Baa2 by Moody's). The calculation resulted in an immaterial impact and, as such, no credit allowance was recorded.

15. Other receivables

	31/Dec/24	31/Dec/23
	EUR	EUR
Receivable Portuguese withholding tax	333,541	333,541
Impairment Allowance	(333,541)	(333,541)
Total	**-**	**-**

Requests for refund of the amount EUR 3,468,161 concerning the Portuguese tax withheld and paid in previous years were made with the Portuguese tax authorities in 2017. In the beginning of 2021, a formal response of the Tax Authorities was received. Concerning the amount withheld in 2013 of EUR 71,541, it was received a favorable decision to the refund in full of such amount, which was received in May 2021.

With respect to the amount withheld in 2014 and 2015 exercises, it was received a favorable decision for the reimbursement of EUR 3,063,079, duly received in May 2021. For the remaining parcel of EUR 333,541 yet to be reimbursed to the Company, the discussion with Portuguese Tax Authorities is still going on.

Given the delay in concluding this process, the company decided to record an impairment for allowance for the amount still to be received.

16. Cash and cash equivalents

	31/Dec/24	31/Dec/23
	EUR	EUR
Current accounts EUR	275,281	235,591
Total	**275,281**	**235,591**

The funds maintained in the current account are freely available to the Company.

17. Shareholder´s Equity

The authorized share capital of the Company amounts to EUR 20,000 and is divided into 20,000 ordinary shares of EUR 1 each. Issued and paid in are 20,000 shares.

Given the Company purpose and the constant need of leveraging its capital structure to meet the funding needs of the group companies, 8% of the outstanding loans (receivables) should be held as equity on the Company's balance sheet. As at 31 December 2024, the Company has a total amount of EUR 189,020,400 (31 December 2023: EUR 189,020,400) of share premium received from REN SGPS, representing 13.17% of the outstanding loans (receivables) as of 31 December 2024 (31 December 2023: 16.65%).

During the Shareholders General Assembly meeting, held on 14 March 2024, the Shareholders approved the distribution EUR 15,000,000 as dividends of the net profit for the year 2023 amounting to EUR 18,609,627. In the same meeting, it was also decided to add the remainder of the profit EUR 3,609,627 to Retained Earnings. The dividend was distributed to the Shareholders on 22 March 2024.

Management proposes to distribute the net profit for the year 2024 amounting to EUR 8,000,000 as dividends and the amounts of EUR 495,677 to the caption “Retained Earnings”. This has not yet been reflected in 2024 statement of financial position.

18. Long-term borrowings

	31/Dec/24	31/Dec/23
	EUR	EUR
Bank borrowings	34,260,182	34,227,720
Bonds	892,960,889	1,098,635,976
Total	**927,221,071**	**1,132,863,696**

Bank borrowings

Movement during the financial year	31/Dec/24	31/Dec/23
	EUR	EUR
Opening balance	**34,227,720**	**44,265,154**
Loans repaid	-	(10,000,000)
Movement capitalized deferred expenses	32,462	(37,434)
Closing balance	**34,260,182**	**34,227,720**

Bonds

Movement during the financial year	31/Dec/24	31/Dec/23
	EUR	EUR
Opening balance	**1,098,635,976**	**1,099,459,735**
Bonds issued	300,000,000	-
Reclassification from long to short-term Bonds	(500,000,000)	-
Movement capitalized deferred expenses	(5,675,087)	(823,759)
Closing balance	**892,960,889**	**1,098,635,976**

The interest rates charged on the borrowings from third parties are between 0.5% and 3.8% (31 December 2023: 0.5% and 4.8%) and the weighted average interest is 2.2% (2023: 1.8%).

The Company's bank borrowings have the following main types of covenants: Cross default, Pari Passu and Negative Pledge. The Company has consistently complied with every covenants, either in 2023 and 2024.

Fair Value

	Carrying value	Fair value
	EUR	EUR
31/Dec/24		
Bank borrowings	34,510,968	35,468,059
Bonds	907,900,283	877,950,269
Total	**942,411,251**	**913,418,328**
31/Dec/23		
Bank borrowings	34,508,923	35,775,343
Bonds	1,115,768,673	1,060,302,450
Total	**1,150,277,596**	**1,096,077,793**

The fair value is calculated by the method of discounted cash flows, using the curve of interest rate on the date of the statement of financial position in accordance with the characteristics of each loan. The disclosure of the fair value is made based on a set of relevant observable data. Despite the recent market volatility and rising interest rates environment, these fall within level 2 of the fair value hierarchy. The range of market rates used to calculate the fair value ranges between 2.924% and 2.460% (2023: 3.900% and 3.513%) with maturities of one week and one year, respectively.

In September 2023, REN SGPS and REN Finance signed together as issuers the update to the EUR 600,000,000 European Commercial Paper Programme for the issuance of Notes.

In February 2024, under the EUR 5,000,000,000 Euro Medium Term Note Programme, REN Finance issued a EUR 300,000,000 Green Bond due on 27 February 2032.

In July 2024, the Company negotiated an amendment to the EUR 120,000,000 facility agreement with Industrial and Commercial Bank of China (Europe) S.A. that extended the maturity of the agreement until July 2029. The previous contract was valid until July 2027.

In October 2024, the Company negotiated an amendment to the EUR 50,000,000 facility agreement with Mediobanca International (Luxembourg) S.A. that extended the maturity of the agreement until October 2029. The previous contract was valid until July 2026.

In December 2024, the Company negotiated an amendment to the EUR 250,000,000 facility agreement with Bank of China Limited, Luxembourg Branch that extended the maturity of the agreement until December 2029. The previous contract was valid until February 2028.

19. Tax payable

Tax Payable	31/Dec/24 EUR	31/Dec/23 EUR
Value Added tax	11,056	17,370
Corporate Income Tax	2,054,717	688,566
Total	**2,065,773**	**705,936**

20. Short-term borrowings

	31/Dec/24 EUR	31/Dec/23 EUR
Bonds	500,159,150	-
Total	**500,159,150**	**-**

Bonds **Movement during the financial year**	31/Dec/24 EUR	31/Dec/23 EUR
Opening balance	**-**	**547,755,713**
Reclassification from long to short-term bonds	500,000,000	-
Bonds redemption	-	(550,000,000)
Movement capitalized deferred expenses	159,150	2,244,287
Closing balance	**500,159,150**	**-**

The interest rates charged on the borrowings from third parties are between 0.5% and 3.8% (31 December 2023: 0.5% and 4.8%) and the weighted average interest is 2.2% (2023: 1.8%).

Fair Value

	Carrying value	Fair value
	EUR	EUR
31/Dec/24		
Bonds	511,224,724	510,801,415
Total	**511,224,724**	**510,801,415**
31/Dec/23		
Bonds	-	-
Total	**-**	**-**

The fair value is calculated by the method of discounted cash flows, using the curve of interest rate on the date of the statement of financial position in accordance with the characteristics of each loan. The disclosure of the fair value is made based on a set of relevant observable data, which fall within level 2 of the fair value hierarchy. The range of market rates used to calculate the fair value ranges between 2.924% and 2.460% (2023: 3.900% and 3.513%) with maturities of one week and one year, respectively.

21. Interest payable

	31/Dec/24	31/Dec/23
	EUR	EUR
Payable interest on bank borrowings	147,778	185,189
Payable interest on bonds	26,004,968	17,132,697
Payable fees	103,008	96,014
Total	**26,255,754**	**17,413,900**

22. Payables to group companies

	31/Dec/24	31/Dec/23
	EUR	EUR
Payable withholding tax to REN SGPS	333,541	333,541
Payable recharged invoices by REN SGPS	-	449,658
Total	**333,541**	**783,199**

As disclosed in Note 15, the Company is engaged in discussions with the Portuguese Tax Authorities regarding the reimbursement of taxes withheld during the periods of 2014 and 2015, amounting to EUR 333,541. Since this amount was withheld and paid by REN SGPS on behalf of the Company to the same Tax Authorities, once the process is concluded and the amount is reimbursed, it should be returned to REN SGPS.

23. Other liabilities and accrued expenses

	31/Dec/24	31/Dec/23
	EUR	EUR
Tax advisor fees	20,456	21,682
Audit fees	38,927	37,785
Law firm fees	27,000	-
Other expenses	2,425	19,317
Total	**88,808**	**78,784**

24. Contingent liabilities

There are no current legal proceedings or other claims outstanding, which could have a material effect on the result of operations or financial position of the Company and which have not been accrued or disclosed in these Financial Statements.

25. Related-party transactions

The Company is wholly owned by REN SGPS since 10 May 2013, which holds 100% of its issued and outstanding shares.

During the year, there were various related party transactions between the Company and its shareholder, REN SGPS. The related party transactions are disclosed under Note 6, 8, 10, 12, 13, 14 and 22.

	Note	2024	2023
		EUR	EUR
Assets			
Long-term loans to group companies	12	929,974,821	1,134,297,239
Short-term loans to group companies	13	698,094,775	203,900,000
Receivables from group companies	14	33,417,120	25,554,908
Total		**1,661,486,716**	**1,363,752,147**
Liabilities			
Payables to Group Company	22	333,541	783,199
Total		**333,541**	**783,199**

		2024	2023
		EUR	EUR
Income Statement:			
Interest income	6	41,909,489	39,985,643
Other income	8	885,614	51,572
Invoices recharged by REN SGPS	10	-	(532,374)
Total		**42,795,103**	**39,504,841**

The above table shows all the amounts related to party relationship divided between captions included in the Financial Statements and captions included in the Statement of Comprehensive Income. All loans to group companies amounts in captions “Long-term loans to group companies” and “Short-term loans to group companies” are provided against an at arms’ length mark-up, refer to notes 12 and 13. The “Receivable from group companies” amount is related to interest and fees concerning the agreements with the parent company along with the amounts recharge to the Company, refer to note 14.

CSC provides several services to the Company, including management services, namely has two members of the Board of Managing Directors.

CSC also provides administrative services to the Company. During the year, CSC charged EUR 73,423 (2023: EUR 77,491) for administrative services.

The remuneration paid to the Directors was EUR 11,344 (2023: EUR 10,926). The Directors who receive remuneration from the parent company do not receive any remuneration from the Company for their directorship.

No other remunerations and benefits have been given to the key management.

26. Directors

The Board of Managing Directors which is also key management consists of:

- Mr. G.J. Figueira Morais Soares
- Mr. N.M. da Silva Alves do Rosário
- Mr. H.R.T. Kröner
- Mr. E.M. van Ankeren

27. Subsequent events

On 5 February 2025, amendments were signed to the commercial paper and all programme agreements between REN SGPS as the issuer and REN Finance as the sole subscriber. These amendments served to formalize the new pricing structure of the internal agreements following the implementation of the MAP on 1 January 2024.

On the same day, a financial intermediation service agreement was also signed, formalizing the terms and conditions for the charging and pricing of services provided by REN Finance to REN SGPS. This agreement revoked the previous agreement for recharging service fees between the same entities dated 18 January 2017.

These agreements follow communications already carried out with both the PTA and the DTA, in compliance with the regulations in force, and reflect the application of this methodology since January 2024.

On 12 February 2025, under the EUR 5,000,000,000 Euro Medium Term Note Programme, REN Finance repaid at maturity a EUR 500,000,000 Bond. On the same day, REN SGPS repaid at maturity its EUR 500,000,000 Bond, fully subscribed by REN Finance.

28. Approval of the Financial Statements

The Financial Statements were approved by the Board of Managing Directors on 2 April 2025.

Amsterdam, 2 April 2025

Board of Managing Directors:

Mr. G. J. Figueira Morais Soares

Mr. N. M. da Silva Alves do Rosário

Mr. H.R.T. Kröner

Mr. E.M. van Ankeren

Other information

Statutory rules concerning appropriation of the profit

According to Article 14.1 of the Company's Articles of Association, the net profit for the year is, provided the approval of the Board of Managing Directors is given, at the disposal of the shareholder.

Independent auditor´s report

Independent auditor's report

To: the shareholder and the board of the managing directors of REN Finance B.V.

Report on the audit of the financial statements 2024 included in the annual accounts

Our opinion

We have audited the accompanying financial statements 2024 of REN Finance B.V. based in Amsterdam, the Netherlands.

In our opinion the financial statements give a true and fair view of the financial position of REN Finance B.V. as at 31 December 2024 and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The statement of financial position as at 31 December 2024
- The following statements for 2024: the statements of comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of REN Finance B.V. (the company) in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for professional accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

REN Finance B.V. is incorporated as a wholly-owned subsidiary of REN – Redes Energéticas Nacionais, SGPS, S.A. (REN SGPS) to assist REN SGPS in raising funds and on-lending money to companies within the group. REN SGPS' main activities are the transmission of electricity, transmission and storage of natural gas and LNG and other related activities in Portugal. The main income of REN Finance B.V. is the interest income on the loans to REN SGPS. There are no changes in the company or its environment compared to the previous reporting period.

We paid specific attention in our audit to a number of areas driven by the operations of the company and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€8.3 million (2023: €6.8 million)
Benchmark applied	0.5% of total assets as at 31 December 2024
Explanation	We determined materiality based on our understanding of the company's business and our perception of the financial information needs of users of the financial statements. We considered that total assets reflects the source of income and repayments to the holders of the bonds and the commercial paper issued by the company and to other lenders. We determined materiality consistent with prior financial year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the board of managing directors that misstatements in excess of €415 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Teaming and use of specialists

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a listed finance company. We have made use of specialists in the area of income taxes including transfer pricing.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the board of managing directors' process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes. We refer to pages 4 through 6 of the board of managing directors report for the board of managing directors' risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the REN SGPS code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 4. "Significant accounting judgements and estimates and key sources of estimation uncertainty" to the financial statements, including the allowance for credit losses on loans receivables. Furthermore, we have used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions and transactions with related parties. We also evaluated whether transactions with related parties were accounted for at-arm's length and in accordance with transfer pricing documentation and contractual agreements.

We did not identify a risk of fraud in revenue recognition, other than the forementioned risks related to management override of controls.

We considered available information and made enquiries of relevant executives, directors, and the group auditor of REN SGPS.

The consideration of the potential risk of management override of controls or other inappropriate influence over the financial reporting process, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of managing directors, reading minutes, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected (internal) lawyers' letters, correspondence with regulatory authorities, and enquired with the group auditor of REN SGPS. We remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern
As disclosed in Note 4.1 "Going concern evaluation" to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the board of managing directors made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the board of managing directors exercising professional judgment and maintaining professional skepticism. We considered whether the board of managing directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern, including considerations relating to the financial position of REN SGPS in cooperation with the group auditor.
If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern.
Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the board of managing directors. The key audit matter is not a comprehensive reflection of all matters discussed.

In comparison with previous year, the nature of our key audit matter did not change.

Valuation of loans issued to the parent company	
Risk	The company is exposed to the risk that the parent company, REN SGPS, defaults on meeting its obligations. As loans to the parent company (Long-term and Short-term loans to group companies) represent the most significant portion of the company's current and non-current assets, any credit losses may have a material impact on the company's financial position and results. We consider the valuation of the loans issued to the parent company and determination of the expected credit losses a key audit matter because this is an area that involves significant judgment and determines the ability of the company to fulfil its obligations and to continue as a going concern. We refer to Note "3.2.2. Impairment" to the financial statements, where the board of managing directors disclosed the policies and procedures in respect of the expected credit loss assessment on loans issued to the parent company. The board of managing directors concluded that the calculated impact of expected credit loss is not material as at 31 December 2024 and therefore decided not to recognize an allowance for expected credit losses in the financial statements, as disclosed in "3.2.2.4 Assessment of the Expected credit loss".
Our audit approach	Our audit procedures included, amongst others, evaluating the appropriateness of the company's accounting policies related to recognition of expected credit losses in accordance with of IFRS 9 "Financial Instruments", and the low credit risk simplification of paragraph 5.5.10 in particular. We evaluated whether the accounting policies and methods applied for making estimates have been applied consistently. We also evaluated the design of internal controls of the processes underlying the estimation process insofar relevant to our audit of the financial statements. Furthermore, we have performed the following substantive audit procedures: ▪ Recalculation and verification of the amortized cost calculation performed by the company and its alignment with the underlying contracts. ▪ Recalculation of the interest income recorded in the statement of comprehensive income and verification of the accuracy of the amounts accrued in the statement of financial position based on the contractually agreed terms. ▪ Confirming our understanding of the company's data, assumptions and method used to determine the expected credit losses on the loans issued to parent company. ▪ Evaluation of the financial position and determining that the parent company, REN SGPS, has met its financial obligations towards the company throughout the year and up to the date of this report and verifying the most recent ratings assigned by external credit rating agency to REN SGPS. ▪ Inspection of the outcome of the previous accounting estimate and the subsequent re-estimation and performing sensitivity analyses on the key assumptions. ▪ Recalculation of the expected credit losses and, using an independent credit default study, challenging the key assumptions in the model, i.e. the probability of default and loss given default rates. Verification that the board of managing directors' appropriately measured the loss allowance at an amount equal to 12-month expected credit losses, instead of the lifetime expected credit losses.

Valuation of loans issued to the parent company	
	▪ Finally, we challenged whether the board of managing directors' conclusion that the calculated expected credit losses are immaterial is appropriate in the circumstances and evaluated the related disclosure.
Key observations	Based on procedures performed, we did not identify evidence of material misstatement in the valuation of loans issued to the parent company.

Report on other information included in the annual accounts

The annual accounts contain other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of managing directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the shareholder as auditor of REN Finance B.V. on 18 September 2018, as of the audit for the year 2018 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the board of managing directors for the financial statements

The board of managing directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of managing directors is responsible for such internal control as the board of managing directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of managing directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of managing directors should prepare the financial statements using the going concern basis of accounting unless the shareholder either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of managing directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.
Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of managing directors
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the board of managing directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee of REN SGPS in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the audit committee of REN SGPS and the board of managing directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of managing directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements.
We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 2 April 2025

EY Accountants B.V.

signed by P. Sira

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with confidence

Publication of auditor's report

1 Conditions

Authorization to publish the auditor's report is granted subject to the following conditions:

- Further consultation with the auditor is essential if, after this authorization has been granted, facts and circumstances become known which materially affect the view given by the financial statements.
- The authorization concerns inclusion of the auditor's report in the annual report to be tabled at the Annual General Meeting (hereafter AGM) incorporating the financial statements as drawn up.
- The authorization also concerns inclusion of the auditor's report in the annual report to be filed with the Trade Registrar, provided consideration of the financial statements by the AGM does not result in any amendments.
- Financial statements for filing at the offices of the Trade Registrar which have been abridged in accordance with Section 397 of Book 2 of the Dutch Civil Code must be derived from the financial statements adopted by the AGM and a draft version of these financial statements for filing purposes must be submitted to us for inspection.
- The auditor's report can also be included if the financial statements are published electronically, such as on the internet. In such cases, the full financial statements should be published and these should be easily distinguishable from other information provided electronically at the same time.
- If the published financial statements are to be included in another document which is to be made public, authorization to include the auditor's report must again be granted by the auditor.

2 Explanations to the conditions

2.1 Board of supervisory directors and board of executive directors

The auditor usually forwards his report to the board of supervisory directors and to the board of executive directors. This is pursuant to Book 2 of the Dutch Civil Code, section 393 which stipulates inter alia: "The auditor sets out the outcome of his examination in a report". "The auditor reports on his examination to the board of supervisory directors and the board of executive directors".

2.2 Annual General Meeting (AGM)

Publication of the auditor's report will only be permitted subject to the auditor's express consent. Publication is understood to mean: making available for circulation among the public or to such group of persons as to make it tantamount to the public. Circulation among shareholders or members, as appropriate, also comes within the scope of the term "publication", so that inclusion of the auditor's report in the annual report to be tabled at the AGM similarly requires authorization by the auditor.

2.3 Auditor's reports and financial statements

The authorization concerns publication in the annual report incorporating the financial statements that are the subject of the auditor's report. This condition is based on the auditors' rules of professional practice, which state that the auditor will not be allowed to authorize publication of his report except together with the financial statements to which this report refers.
The auditor will also at all times want to see the rest of the annual report, since the auditor is not allowed to authorize publication of his report if, owing to the contents of the documents jointly published, an incorrect impression is created as to the significance of the financial statements.

2.4 Events between the date of the auditor's report and the AGM

Attention should be paid to the fact that between the date of the auditor's report and the date of the meeting at which adoption, as appropriate, of the financial statements is considered, facts or circumstances may have occurred which materially affect the view given by the financial statements. Under COS 560, the auditor must perform audit procedures designed to obtain sufficient audit evidence to ensure that all events occurring before the date of the auditor's report that warrant amendment of or disclosure in the financial statements have been identified.

If the auditor becomes aware of events that may be of material significance to the financial statements, the auditor must consider whether those events have been adequately recognized and sufficiently disclosed in the notes to the financial statements. If between the date of the auditor's report and the date of publication of the financial statements, the auditor becomes aware of a fact that may have a material impact on the financial statements, the auditor must assess whether the financial statements should be amended, discuss the matter with management and act as circumstances dictate.

2.5 Trade Registrar

The financial statements are tabled at the AGM (legal entities coming within the scope of Title 9 of Book 2 of the Dutch Civil Code table the directors' report and the other information as well). The AGM considers adoption of the financial statements. Only after the financial statements have been adopted, do they become the statutory (i.e., the company) financial statements. As a rule, the statutory financial statements will be adopted without amendment. The auditor's report must be attached to the statutory financial statements as part of the other information. As a rule, the text of this report will be the same as that issued earlier. The documents to be made public by filing at the offices of the Trade Registrar will consist of the statutory financial statements, the directors' report and the other information. The auditor's report which refers to the unabridged financial statements will then have to be incorporated in the other information. If consideration of the financial statements by the AGM does not result in any amendments, the auditor's report may be attached to the financial statements adopted, by the AGM and, provided the annual report and financial statements are filed promptly at the offices of the Trade Registrar, published as part of these annual report and financial statements.

2.6 Other manner of publication

The financial statements may also be published other than by filing at the offices of the Trade Registrar. In that event, too, inclusion of the auditor's report is permitted, provided the financial statements are published in full. If publication concerns part of the financial statements or if the financial statements are published in abridged form, publication of any report the auditor has issued on such financial statements will be prohibited, unless:

a. He has come to the conclusion that, in the circumstances of the case, the document concerned is appropriate
   Or
b. Based on legal regulations, publication of the document concerned is all that is required

If less than the full financial statements are published, further consultation with the auditor is essential. If the financial statements and the auditor's report are published on the internet, it should be ensured that the financial statements are easily distinguishable from other information contained on the internet site. This can be achieved, for example, by including the financial statements as a separate file in a read-only format or by including a warning message when the reader exits the financial statements document.

2.7 Inclusion in another document

If the published financial statements are to be included in another document which is to be made public, this is considered a new publication and authorization must again be obtained from the auditor. An example of this situation is the publication of an offering circular which includes the financial statements, after these financial statements have been filed at the office of the Trade Registrar together with the other annual reports. For each new publication, authorization must again be obtained from the auditor.

2.8 Events after the AGM

Even if facts and circumstances have become known after the adoption of the financial statements as a result of which they no longer give the statutory true and fair view, the auditor must stand by the report issued on the financial statements as adopted and by the auditor's report filed at the offices of the Trade Registrar. In that event, the legal entity is required to file a statement at the offices of the Trade Registrar on these facts and circumstances accompanied by an auditor's report. In this situation, too, further consultation with the auditor is essential.