Annual Report 2024

Annual Report
2024

EMPRESA NAVIERA ELCANO, S.A.

Annual report
2024

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The Company

Elcano was established in 1943 by Instituto Nacional de Industria (INI) with the name Empresa Nacional Elcano de la Marina Mercante, S.A. It owes its name to Juan Sebastian Elcano, the Spanish navigator , who was the first seafarer to complete a travel around the world in 1522. Although Elcano was created with the dual vocation of shipbuilder and shipping company, in 1964 it split up and since then has focused exclusively on shipping.

The company operated in the Spanish public sector until 1997, when it was entirely privatised.

Since then, the Company has launched a challenging programme of diversification, expansion and growth through which, apart from consolidating the company, it has doubled its fleet and operates sucessfully in diferent countries, particularly in Brazil and Argentina.

Over its more than 80 year history, Elcano has owned and operated more than 230 vessels of all types: cargo ships, cable ships, wood transport ships, bulkcarriers, refrigerating ships, oil tankers, chemical, LPG, LNG, etc, building a recognized prestige as ship operator and owner and an excellent reputation as a shipping company.

Currently Elcano is parent company of an international maritime group with subsidiaries in Portugal, Malta, Brazil and Argentina. It manages its own fleet of 21 vessels, with a total tonnage of more than 1.3 million dwt, which Elcano has renewed and increased very significantly since its privatization in 1997. This fleet, which is fully managed by the Group companies Elcano is made up of LNG, oil tankers, product tankers and chemical tankers, LPG and bulk carriers.

The activity of Elcano is focused on international maritime transport of raw materials and energy and chemical products, to satisfy the logistical needs of our clients with the highest level of quality and service flexibility.

Board of Directors

Chairwoman

Ms. Mª del Rosario Martín Alonso

Vice-chairman and Managing Director

Mr. Juan M. Cordeiro Rodríguez

Directors

Mr. Julio César Silveira Martín

Mr. José Bernardo Silveira Martín

Torre de Hércules Inversiones Corporativas S.L.U
(representada por D. Javier Carral Martínez)

Mr. Juan Manuel Arana Arechabala

Secretary (non-director)

Mr. Jesús Rayón Gutiérrez

Vice-secretary (non-director)

Mr. Máximo Gutiérrez Hurtado


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FORTE DOS REIS MAGOS
MANAUS

Letter to Shareholders

It is once again my pleasure to present the Company’s Annual Report for the 2024 financial year.

We have continued to operate in a highly complex and challenging environment that has evolved rapidly and continuously over the past several years. In response, we are adapting our business model to address emerging challenges and opportunities, as well as the growing market demands in this context of constant change.

The emergence of new technologies, together with increasingly stringent environmental requirements, has driven us to intensify our efforts, both commercially and in terms of innovation, in order to provide cutting-edge solutions and remain competitive, sustainable and reliable.

The international environment, marked by both armed conflicts and heightened geopolitical tensions, has not been favourable to us, with the liquefied natural gas transport segment being particularly affected. This sector ended 2024 trading at historic lows on the spot market.

We closed the year with a negative after-tax result of 12 million dollars. Although this represents a significant improvement compared to 2023, it compels us to redouble our efforts to return to the path of positive results that we have historically maintained.

Despite the context outlined above, it is worth noting the more than 12% increase in EBITDA from 2023 to 2024, which, together with the measures implemented throughout the year (which have delivered a significant reduction in general expenses), has strengthened our competitive position as we enter what promises to be a demanding 2025.

I remain deeply grateful for the dedication and commitment of the Company’s professionals, as well as for the continued support of our shareholders, clients, lenders and suppliers, many of whom have stood by the Group for decades.

This level of commitment and support was reflected at the end of the 2024 financial year in the signing of a new long-term contract with an established client, which led to the acquisition of the bulk carrier Castillo de Santa María, now in operation as of the first quarter of 2025.

Mª del Rosario Martín Alonso
Chairwoman


COMBUSTIBLE

Elcano Group Fleet

	Type of ship	DWT/m³
LAURIA SHIPPING, S.A. (Madeira)		
Castillo de Maceda	Chemical/Product	15.160 DWT
Castillo de Herrera	Chemical/Product	15.077 DWT
EMPRESA DE NAVEGAÇAO ELCANO, S.A. (Brazil)		
Forte de São Luiz	LPG Carrier	7.866 DWT
Forte de São Marcos	LPG Carrier	8.787 DWT
Forte de Copacabana	LPG Carrier	8.787 DWT
Forte de São Felipe	Bulkcarrier	83.486 DWT
Forte de São Jose	Bulkcarrier	78.384 DWT
Forte São Marcelo	Bulkcarrier	121.669 DWT
Forte dos Reis Magos	Bulkcarrier	121.659 DWT
EMPRESA PETROLERA ATLÁNTICA, S.A. (ENPASA) (Argentina)		
Recoleta	Oil Tanker	69.950 DWT
Caleta Rosario	Chemical/Product	15.110 DWT
VILLALBA LNG SHIPPING LIMITED (Malta)		
Castillo de Villalba	LNG	138.162 m³
JOFRE SHIPPING LIMITED (Malta)		
Castillo de Santisteban	LNG	173.887 m³
OJEDA SHIPPING LIMITED (Malta)		
Castillo de Pambre	Asphalt Carrier	8.353 DWT
IBERIAN BULKCARRIERS LIMITED (Malta)		
Castillo de Malpica	Bulkcarrier	119.612 DWT
Castillo de Navia	Bulkcarrier	119.611 DWT
IBERIAN BULKCARRIERS 2 LIMITED (Malta)		
Castillo de Santa Maria	Bulkcarrier	81.805 DWT
IBERIAN TANKERS 2 LIMITED (Malta)		
Castillo de Arteaga	Chemical/Product	37.538 DWT
IBERIAN TANKERS 3 LIMITED (Malta)		
Castillo de Tebra	Chemical/Product	13.021 DWT
MERIDA LNG SHIPPING LIMITED (Malta)		
Castillo de Merida	LNG	178.818 m³
CALDELAS LNG SHIPPING LIMITED (Malta)		
Castillo de Caldelas	LNG	178.804 m³


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Management Report

I am pleased to address you once again this year to share the latest results of the Elcano Group for the 2024 financial year.

In an exceptionally complex environment, marked by geopolitical tensions not seen in decades and widespread delays in the commissioning of most LNG production projects, this year has set an all-time negative record in the liquefied natural gas transport sector. This was the main factor behind our negative result of 12 million dollars at the consolidated Group level. Market conditions have even led to short-term negative freight rates (unprecedented in this sector), as well as ship lay-ups and scrapping at historically unparalleled levels.

The remainder of the fleet not linked to the gas business performed well, delivering results in line with expectations. It is also worth highlighting the addition of another ship to the fleet, the Castillo de Santa María, a second-hand bulk carrier acquired at the beginning of 2025, which has been allocated to a long-standing client of the Group under a long-term contract and reflects the continued confidence our clients place in our business model and professional capabilities. We expect new business opportunities to materialise during 2025, and we are already actively working towards them.

It is also worth noting that, despite the negative after-tax results mentioned above, both EBIT (Earnings Before Interest and Taxes) and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) improved significantly compared to 2023. EBITDA rose to 71.2 million dollars, up from 63.3 million dollars in 2023, while EBIT reached 16.9 million dollars, compared to a negative 5.4 million dollars in 2023.

Similarly, the Group's gross financial debt at the end of 2024 was reduced by 56.1 million dollars compared to the figure at year-end 2023.

We nevertheless face a challenging 2025 and remain hopeful that the recovery in the liquefied gas transport sector will materialise as soon as possible. We are committed to ensuring that the improvements in our financial ratios achieved throughout 2024 are further strengthened in 2025, with the aim of returning to positive results.

As always, I would like to express my sincere gratitude to our lenders, clients, shareholders, and employees, to whom I extend my appreciation for their continued support and trust.

1. General overview of the international economy and maritime transport

The economy began 2024 with signs that global inflation was progressively being brought under control. However, global economic growth remained subdued, hovering near recessionary levels. At the end of the year, global growth was stronger than initially expected at 2.6%.

However, this dynamism was uneven across regions, intensifying macroeconomic imbalances. While inflation has been trending downward, it remains above desired levels, maintaining pressure on the monetary policies of major central banks.

In advanced economies, the United States led with robust growth, buoyed by a strong labour market, in contrast to the more subdued performance of other developed economies. In particular, the European Union experienced weak growth, with Germany and France being the primary sources of deceleration, particularly evident in signs of weakness in the industrial sector.

Asia continues to record the highest growth rates globally, with forecasts indicating this trend is likely to continue in the long term. The Chinese economy is facing a structural slowdown, accentuated by a crisis in its real estate and financial sectors. In response, the Chinese government has implemented expansionary stimulus measures to counteract these economic downturns.

In Latin America and Africa, the economic outlook remains mixed, underscoring the need for structural reforms and increased financing to boost sustainable development.
World trade, a crucial indicator for the shipping industry, grew by 2.7 per cent in 2024, slightly outperforming initial forecasts. This moderate expansion mirrored a similar increase in demand for shipping most raw materials, which are fundamental to our company's business. Projections for 2025 suggest a continuation of this trend.

Nevertheless, the consensus expects that 2025 will maintain similar growth rates to the previous year, with a slight upward trend, while global trade is also anticipated to grow.

However, this time, more than ever, some risks and uncertainties cast doubt on the forecasts made so far. The new administration in the United States has generated significant volatility in financial markets due to its intense activity in the first weeks in office. The economic policies implemented suggest a potential imbalance in the fiscal deficit and have heightened trade tensions with other countries. The medium to long-term success of these new policies will be crucial for the evolution of the global economic landscape. It appears indisputable that we are at a turning point, poised to redefine international trade and financial balances, with direct consequences for strategic sectors such as shipping.

We must also remember other risks traditionally considered, including geopolitical, financial, regulatory, environmental and social risks, some of which have become even more unpredictable in the current context.

European regulatory framework, EU ETS and FuelEU Maritime

Exceptionally, this year, we will dedicate a section to these new European regulations, **EU ETS and FuelEU Maritime**, which aim to enhance the efficiency and cleanliness of maritime transport. They form part of the European Commission's legislative proposals to fulfil the objectives of the European Green Deal and were unveiled in July 2021 as components of the 'Fit for 55' package.

Both regulations pose considerable challenges to the maritime industry, particularly regarding operational costs and compliance with new environmental standards. They represent a pivotal moment in the environmental regulation of shipping.

<u>EU-ETS</u>

Phased in from 2024, the EU ETS is designed to reduce greenhouse gas emissions and promote more efficient and sustainable emissions management in the shipping industry. Similar to other sectors, it mandates a fee, the value of which fluctuates based on the volume and type of greenhouse gases emitted.

<u>FuelEU Maritime</u>

Since the beginning of 2025, the European Union has been progressively implementing this new framework, designed to reduce the carbon intensity of fuels used in the maritime sector and encourage the adoption of more sustainable fuels and alternatives.

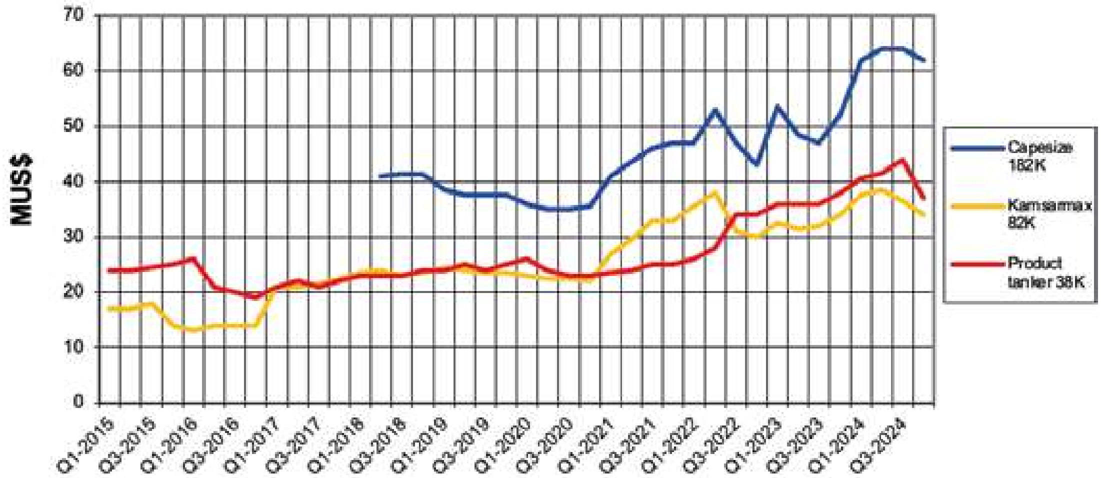
At Elcano, we have reaffirmed our commitment to sustainability and innovation, ensuring that our operations are aligned with European and international climate objectives. We have dedicated resources and efforts that position us at the forefront of shipowners complying with these new regulations.

1. The dry cargo market

In 2024, the bulk carrier market has seen a positive trend, with revenues 20% above the ten-year average. Tonne-mile demand has increased by 1.2 per cent this year, thanks to exports of iron ore and bauxite from the Atlantic, coupled with an increased demand for ships due to route diversions through the Red Sea and the Panama Canal.

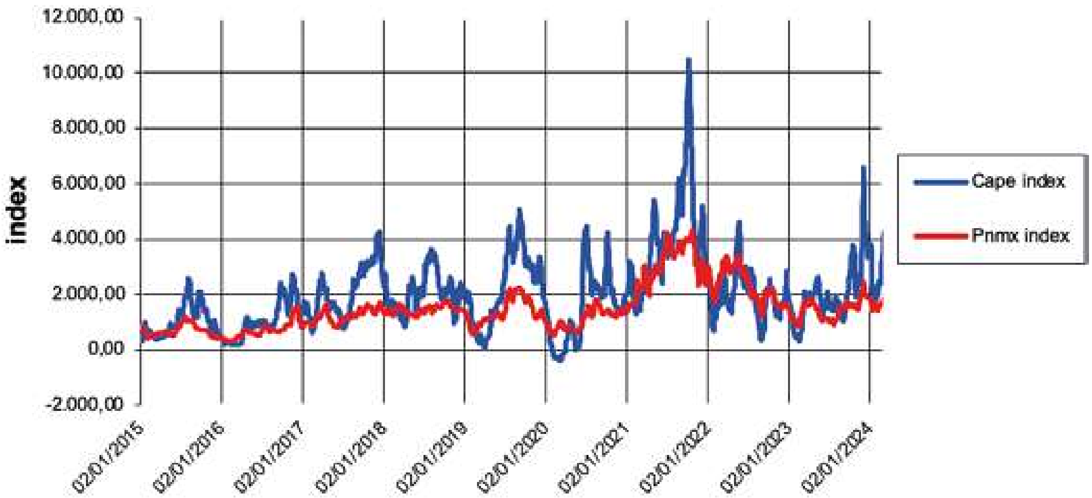
The world iron ore trade has experienced steady growth of around 4% in 2024, reaching 1.6 billion tonnes, driven by strong demand from China and consistent production from major exporters. China's imports of iron ore have grown by 5% this year, reaching 1.22 billion tonnes, fuelled by continuous steel production and favourable iron ore prices.

Price of 5-years-old second-hand ships



Additionally, the global seaborne trade of metallurgical coal is estimated to have grown by 8% in 2024, reaching 285 million tonnes transported. On the other hand, world trade in thermal coal has grown by 2% in 2024, reaching 1.076 million tonnes transported. This growth is driven by a recovery in key steel-producing regions, along with rising demand in China and India, which offsets declines in economies such as Europe and South Korea.

Baltic Exchange Capesize & Panamax Index

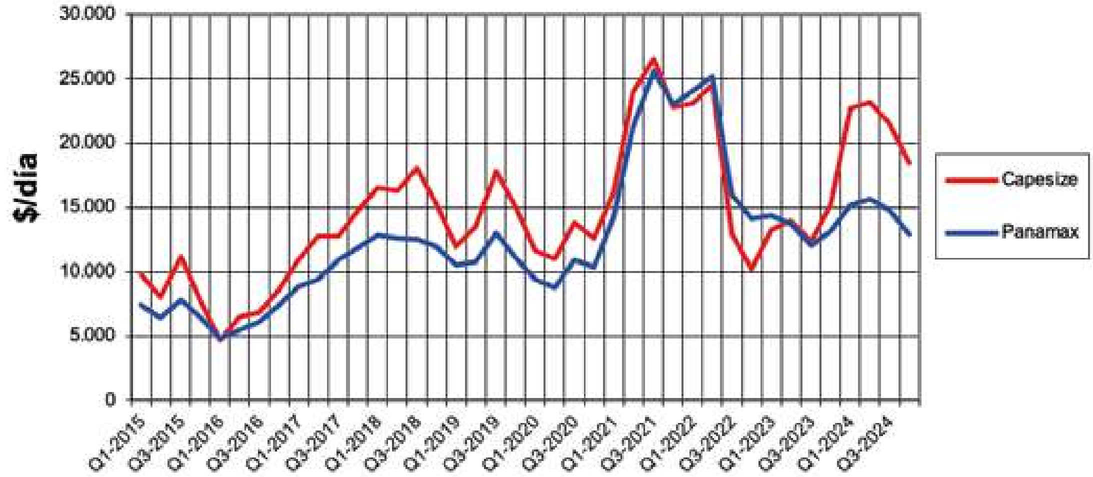


In 2024, the world seaborne grain trade grew by 3%, driven by recovering exports from the US and Ukraine, which have offset weakness in Brazil.

The global bulk carrier fleet stood at over 14,000 ships, totalling 1.034 million tonnes, with approximately 490 new ships delivered by the end of the year. On the other hand, an estimated 66 ships were sold for scrapping, representing a 30% drop compared to the previous year. The growth prospects for the bulk carrier fleet appear relatively moderate, with an order book accounting for around 11% of the fleet capacity at the start of 2025. Second-hand prices reached their highest level since 2010, marking a 20 per cent increase in 2024. Additionally, a record number of bulk carriers over 42.000 dwt were sold between January and August.

Looking ahead to 2025, moderate growth in demand and a fleet expansion of 3% year-on-year are expected. Chinese dry cargo imports are not expected to replicate the strong growth witnessed in 2023-2024, as high inventories and a lack of structural changes in demand are likely to constrain the market. Uncertainty persists regarding the return of ships to the Red Sea in 2025 and the stability of the ceasefire. Additionally, potential US tariffs on imports from China, Mexico and Canada could adversely affect trade in grains and other cargoes.

Time-Charter Bulkcarrier 1 year



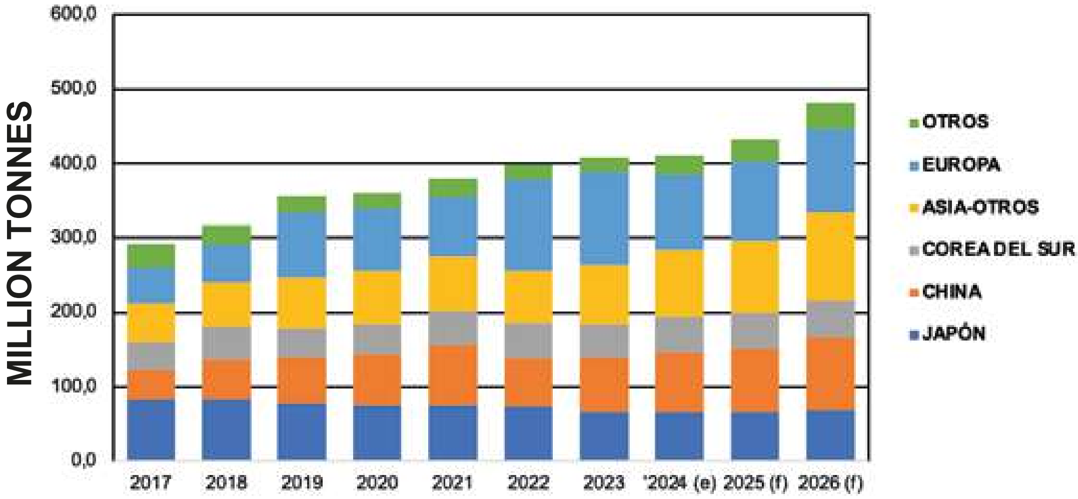
2. Liquefied natural gas (LNG) market

In 2024, the global transport of LNG saw a modest increase of 0.8% from the previous year, reaching 927 million cubic metres. In contrast, the tonne-mile figure rose significantly by 8.7%, marking the highest growth since 2021. This has been brought about by the stoppage in transit through the Suez Canal due to the Houthi terrorist attacks on ships sailing through the Red Sea and the need to sail to Asia via the Cape of Good Hope, thus extending LNG transport voyages. In 2025, the transport of natural gas is expected to increase by 4.8%, with even stronger growth anticipated in subsequent years.

The United States remained the largest exporter of LNG by sea for yet another year, recording a growth of 1.5%. It was closely followed by Australia and Qatar, both of which saw modest increases of 0.5% over the previous year. The US is projected to experience a significant increase of 11% this year and 16% in 2026, further cementing its position as a dominant exporter. In 2025, Qatar is expected to experience weak growth, similar to 2024, until exports from its new terminal commence in 2026. At that point, a 15% growth is anticipated, which will solidify its position as the world's second-largest LNG exporter.

In 2024, there has also been a 4.7% increase in both liquefaction and regasification infrastructure capacity. Furthermore, the outlook is optimistic regarding growth, as liquefaction capacity for LNG imports is expected to increase by 30% over the next three years. It should be noted that following the change in the US government, the freeze on the granting of permits for new terminals, imposed by the Biden administration, has been lifted.

LNG Imports



As for the main LNG-importing countries, a global paradigm shift is evident, marked by a significant drop of 18% in imports to European countries. This decline has reversed the high levels achieved over the last two years following the imposition of sanctions on Russia. Conversely, the Asian market has absorbed this shortfall and increased its LNG imports by 7%, surpassing the levels of 2021 and reaching a new peak. China, with a growth of 8.8%, remains the world’s largest gas importer, accounting for 19% of total gas transported by sea. Japan continues to be the second-largest importer for yet another year.

In terms of the total fleet, LNG carriers reached 808 units, resulting in an 8.2% increase in fleet capacity in 2024. Furthermore, 92 new LNG carriers are expected to be delivered by 2025, of which 90 are large vessels, each with a capacity exceeding 170,000 cubic metres. The current order book accounts for 49% of the existing fleet's capacity.

The second-hand sales of LNG carriers, totalling 21 units for either conversion or scrapping, remained at levels similar to the previous year. It is expected that by 2025, more of the older turbine ships will be sold for scrapping. Meanwhile, new construction prices have decreased slightly by 1.8%.

LNG fleet yields declined sharply by 55% in 2024, primarily due to a significant increase in fleet capacity, which far exceeded the modest growth in LNG transport demand. This imbalance between supply and demand, coupled with an increase in ships entering the short-term market without contracts and low gas prices throughout a relatively warm winter, has contributed to this downward trend. Meanwhile, future projects to convert older LNG carriers into floating storage units (FSU/FSRU) are gaining significant momentum.

Notably, the number of LNG bunkering vessels increased by 24% in 2024. Alongside an 8.2% increase in ports offering LNG as fuel, this underscores a robust commitment to LNG as a transitional fuel for the coming decades. This strategy not only reduces CO2 emissions but also ensures compliance with new environmental regulations.

Consequently, the rising number of ships being sold for scrapping, the introduction of new projects, and the growth in liquefaction capacity are expected to bring a balance between supply and demand in the seaborne LNG sector in the foreseeable future.

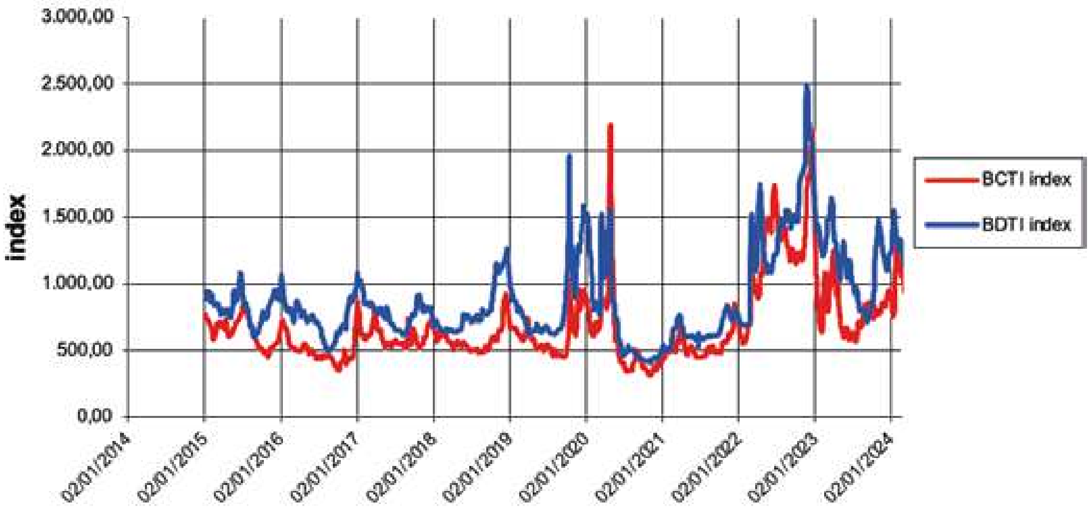
3. The liquid cargo market

During 2024, fleet demand for crude oil and refined products continued its upward trend, driven by geopolitical factors and the increasing need to diversify trade routes. Conflicts in the Red Sea and Ukraine, along with ongoing sanctions on Russia, significantly influenced market dynamics. These events led to an increase in the tonnage transported, resulting in a decrease in supply and a rise in global demand for crude oil.

Global demand for crude oil exceeded 102 million barrels per day, marking a 2% increase from 2023, while demand for refined products grew by 1.5% to 23.3 million barrels per day.

"In terms of supply, the crude oil fleet experienced moderate growth of 3%, while the refined products fleet increased by 1.8%. Low slot capacity at shipyards and high construction costs contributed to a limited order book, which prolonged the mismatch between supply and demand.

Baltic Clean & Dirty Tanker Index

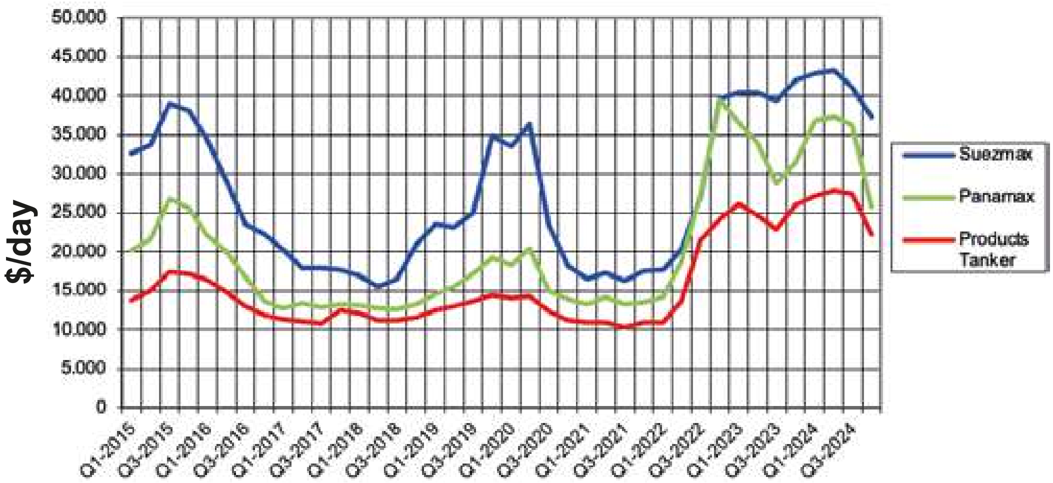


Given these factors, freight levels continued to rise, albeit with lower growth than expected, particularly in product tankers and VLCCs (Very Large Crude Carriers). Freight rates are expected to remain buoyant for the remainder of the year, owing to the scarcity of new ship deliveries and strong demand pressures. However, significant uncertainty persists due to geopolitical developments and the policies of the new US administration.

Additionally, new European regulations, such as the EU ETS (EU Greenhouse Gas Emissions Trading Scheme) and FuelEU Maritime (European Regulation to promote the use of biofuels), have impacted trade to and from the European Union. Shipowners and charterers faced higher operating costs due to the need to purchase emission allowances for their voyages and requirements to use more sustainable fuels or adopt disruptive technologies. This led to an increase in freight rates on European routes and prompted route optimisation to minimise additional costs.

Consequently, due to the rise in freight rates, low additions of new fleet vessels, and regulatory costs, second-hand prices continued their upward trend, with increases of up to 15% in some segments. This trend is expected to persist in the short to medium term, driven by uncertainty in the order book and rising freight rates in the crude oil and refined products shipping market.

Time-Charter Tankers 1 year



Time charter contracts continued to reflect the market's strength, with increases in freight rates for one-year periods, particularly in the crude oil market, which indicates operators' confidence in global demand despite the regulatory challenges in Europe.

2. The group's fleet performance

1. Capesize fleet performances

In early 2024, our Capesize ships, "Castillo de Valverde" and "Castillo de Catoira", were employed on iron ore voyages from Brazil to China and from South Africa to China, respectively. Subsequently, at the end of the first quarter of 2024, both ships were sold to Chinese interests, following the completion of their commercial cycle with us, capitalising on the strong momentum in the second-hand market.

2. Mini-cape fleet performances

The ship "Castillo de Malpica" continued to fulfil its transport commitments with iron ore voyages from Brazil and Canada to the United States, as well as cabotage voyages within Brazil. It also completed two coal voyages from the east coast of the United States to India.

Likewise, throughout 2024, the sister ship "Castillo de Navia" alternated between supplying iron ore from Brazil and Canada to the United States and transporting iron ore briquettes from the United States to Europe. In addition, it completed a coal journey from Colombia to Europe.

During 2024, the sister ships "Forte São Marcelo" and "Forte dos Reis Magos" continued their operations, serving the long-term cabotage contract for the supply of iron ore to the Pecém steel plant in the Brazilian state of Ceará.

3. Panamax fleet performances

The Panamax ships, "Forte de São Felipe" and "Forte de São José," have consistently met the requirements of their long-term contract by transporting bauxite along the Amazon on a Brazilian cabotage basis. They have successfully covered the contract volumes to the complete satisfaction of the customer. In addition, the acquisition of a second-hand vessel, now renamed "Castillo de Santa Maria", was successfully concluded at the end of 2024. It is scheduled to commence commercial operations in March 2025 and will be employed in the bauxite trade in the Amazon for at least the next eight years.

4. LNG fleet performances

The fleet of the three most modern LNG carriers, "Castillo de Santisteban", "Castillo de Merida" and "Castillo de Caldelas", has continued to fulfil their long-term charters to the satisfaction of their charterers. Their main engagements involve voyages with cargoes in the United States and discharges at European ports, along with occasional cargoes from Nigeria or discharges in Asia. Meanwhile, the ship "Castillo de Villalba" has continued to operate in the short-term market in the Atlantic.

5. LPG fleet performances

During 2024, the LPG ships "Forte de Copacabana" and "Forte de São Luis" continued to operate in Brazilian waters, fulfilling their term contracts to the satisfaction of their charterers. Similarly, the "Forte de Sao Marcos" operated under the same conditions until September, when it terminated its contractual relationship with its charterer. It will continue to operate in the Brazilian cabotage market, seeking opportunities under its Brazilian flag.

3. Activity of the fleet

During the 2024 financial year, the Elcano Group transported 36.6 million tonnes of cargo and 5.0 million cubic metres of liquefied gas. These volumes are consistent with global trends, where the positive impact of growing international trade offsets the restrictions on maritime traffic through the Suez Canal caused by the conflict in Gaza, as well as the ongoing effects of the war in Ukraine. As a result, global shipping recorded an estimated growth of 2%.

Regarding the transportation of oil and oil products, the volume transported amounted to 26 million tonnes, a decrease compared to the previous year, despite voyages being longer and covering greater distances.

Meanwhile, following the sale in 2024 of our two Capesize ships, which had been used almost exclusively for transporting iron ore, the volume of dry cargo transported declined by 19%. In total, 9 million tonnes were transported, comprising 6 million tonnes of iron ore, 2.5 million tonnes of bauxite and the remainder coal. In the liquefied gas segment, the volume transported in 2024, at just over 5 million cubic metres, was slightly below that of the previous year, although it was broadly consistent with volumes recorded in earlier years. Lastly, our chemical tanker fleet transported close to 2 million tonnes, a figure very similar to that of the previous year.

Juan M. Cordeiro Rodríguez
Vice-Chairman and Managing Director

Non-financial information statement

Introduction

This section contains the 2024 information required by the Non-Financial Information and Diversity Law of 28 December 2018 and details the main aspects of the Elcano Group's business model and risk management, sustainability plans, environmental, social and labour issues, the policy of respect and promotion of human rights, matters related to the prevention of corruption and bribery, and the management of the relationship established with society and its stakeholders.

In this regard, the Elcano Group's Consolidated Statement of Non-Financial Information and Sustainability Reporting has been prepared in compliance with Directive (EU) 2022/2464 concerning sustainability reporting by companies. This report is prepared in accordance with Law 11/2018, Delegated Regulation (EU) 2023/2772, which supplements Directive 2013/34/EU of the European Parliament and of the Council regarding sustainability reporting rules and the European Taxonomy regulation (Regulation (EU) 2020/852). Additionally, it adheres to the Commission Delegated Regulations 2021/2139 and 2021/2178, as amended by Delegated Regulations (EU) 2022/1214, 2023/2485, and 2023/2486.

A summary of the Group's business model, a description of the policies about the above issues and measures adopted, the results of these policies, the main risks related to the issues linked to the Group's activities, the management of risks and critical non-financial performance indicators are also reported.

The information for 2024 includes Empresa Naviera Elcano S.A. (Elcano), as the head of the Elcano Group and its operating subsidiaries through which it carries out its shipping activity in Argentina, (Empresa Naviera Petrolera (Enpasa) and Brazil (Empresa de Navegaçao Elcano S.A. (Elcano Brasil)), and data from the tables on environmental and social issues and relating to its personnel.

The statement of non-financial information has been prepared in line with the international Global Reporting Initiative standard in its Essential version and all its principles, which is the reporting framework recommended by the Non-Financial Reporting Law of 2018. It is also externally audited by the independent firm Moore Ibérica de Auditoria, S.L.P., which also reviews the Group's Consolidated Financial Statements.

1. Business model

a.- Description

There have been no changes regarding the business model, so we can maintain the same description and information as in previous years. The Elcano Group specialises in the international maritime transport of raw materials in bulk. We manage and operate fleets of specialised ships, both owned and contracted by time or voyage, for this.

We mainly transport raw materials, with crude oil and its derivatives standing out in liquid cargo and chemical products, such as liquefied natural gas (LNG) and liquefied petroleum gases (LPG). Finally, in dry cargo, we carry cargoes of iron ore, coal or bauxite, among others.

The Group's administrative and operational headquarters are located in Madrid, and its subsidiaries in Brazil and Argentina also have administration and operational management centres situated in Rio de Janeiro and Buenos Aires, respectively.

Elcano Group operates internationally and specifically in markets where it applies flag protection to maritime traffic, such as Brazil and Argentina.

The primary objective of Elcano Group is to provide maritime transport services to its customers, with the highest level of safety for workers and crew as well as for ships and goods transported, with maximum respect for the environment and seeking excellence in energy efficiency.

As for the axes of Elcano Group's strategy, we might identify the following:

- Selection and training of the best professionals to join our team, both on land and aboard ships.
- Investment in ships incorporating the latest developments and designs to ensure maximum efficiency and their perfect operational condition throughout their useful life.
- Selection of prestigious clients, all of which are highly reputable industrial groups and solvent and highly qualified suppliers.
- The pursuit of long-term commercial commitments that allow for the correct planning of resources to guarantee the quality of the service to be provided, in addition to avoiding the risks of volatility in the industrial and financial markets.

To develop this strategy, the Elcano Group had a fleet of twenty ships as at 31 December 2024, which increased to 21 in January 2025, following the acquisition of the bulk carrier "Castillo de Santa María". The company also reported a year-end workforce of 695 employees, encompassing both ground staff and fleet personnel.

The pillars on which the Elcano Group bases its strategy include: prudent growth underpinned by long-term contracts; diversification, with a focus on specialising in the international maritime trade of bulk products; customer-oriented services that uphold its excellent reputation for quality, reliability, and execution; the application of rigorous standards and environmental compliance when incorporating new ships into the fleet; and the consolidation of business growth. This approach does not preclude the Group from making strategic investments to expand into growing sectors that it considers of interest.

b.- Policies and risks

During 2024, the risk map was reviewed periodically to evaluate, prevent and mitigate the most significant risks that the Group may face in its ordinary activities. In the same vein, procedures have been adapted, process maps drawn up and reviewed, indicators (over 100 KPIs) established, and action plans created to reduce the number and impact of incidents produced, all to continue with the ongoing improvement plan required by an organisation operating for over 75 years in a highly competitive and regulated environment.

The work carried out allowed Elcano, Elcano Brazil and Enpasa (subsidiary in Argentina) to obtain ISO 14001 Environmental Management certification in 2017, 2019 and 2021, respectively, which implies their commitment to these indicators:

- Cost reduction: The ISO 14001 standard requires a commitment to continual improvement of the Environmental Management System, setting targets and helping the organisation to use raw materials more efficiently.
- Compliance management: The ISO 14001 standard helps reduce the effort required to manage legal compliance and manage environmental risks.
- Reduce duplication of effort: The management system allows the integration of the requirements of this and other management rules into a single business system to reduce duplication of effort and costs.
- Managing our reputation: The ISO 14001 standard helps reduce the risks associated with any costs or damage to our reputation associated with penalties and contributes to improving our public image towards our customers, our suppliers, regulatory bodies and key stakeholders.
- Increase our competitive advantage: This will allow us to work with companies that value organisations that are respectful of the environment and offer reductions in port fees when such certification is held, which results in a direct economic benefit both for our clients and sometimes for our group.

Similarly, Elcano has held ISO 9001 certification since February 2019, thus accrediting that it possesses and acts according to an audited and approved Quality Management System (QMS), which comprises a set of international norms and standards. These are interrelated to meet the quality expectations that a company like ours must consider to satisfy its customers. Activities are thus planned and controlled to achieve the highest possible quality to satisfy our customers.

Furthering into the ISO certifications that generate value and show the good work of the Elcano Group, with its parent company at the head, both internally and externally, the process was completed in December 2019 with the Integrated Management System. This system brings together the ISO 14001 and 9001 certifications mentioned above and the ISO 45001 (Management System and Health and Safety at Work) and ISO 50001 (Energy Management System) certifications.

In doing so, the Group goes beyond mere compliance with the laws and regulations governing its activities and demonstrates a real concern for the environment in which it conducts its business.

The ISO 45001 standard seeks to reduce the 3 million work-related deaths and approximately 400 million non-fatal injuries that occur in the workplace each year, according to the International Labour Organisation (ILO), by encouraging our employees to prevent accidents and illnesses and to improve their well-being. In this way, we maximise productivity by managing evolving risk profiles through a systematic process that maintains our staff's health, reduces downtime, and tries to avoid accidents to the greatest possible extent.

Finally, with the ISO 50001 standard, the company reduces consumption through structured control of energy use, which improves energy efficiency and contributes to savings not only for us but also for our customers. Thus, we demonstrate our commitment to environmental responsibility by ensuring compliance with local energy legislation, which enhances our brand reputation and ensures that our business operates at maximum efficiency over the long term.

In 2022, Elcano renewed the certification of the four ISO standards. Elcano Brasil is currently preparing for ISO 9001 certification.

Such ISO certifications have been periodically renewed, and all of them are currently in full force and effect.

These standards and international norms aim to simplify business processes and increase the quality of services and products in everyday use. Through the continuous improvement of our production and work systems, we ensure that the services provided meet the established requirements and are suitable for our customers.

- Due to the very configuration and nature of the business in which the Group carries out its activity and regardless of the large number of potential risks identified in our parent company, the main risks are linked to a possible loss on any of our ships that generate serious environmental damage, involves severe damage to the cargo or the ship and any other damage that jeopardises the health and integrity of our crew members. To reduce these risks to the minimum, our Integrated Management System focuses mainly on these aspects, resulting in significantly better ratios in terms of the number of accidents, incidents and environmental damage compared to previous periods and within the standards of the ILO (International Labour Organization), Intertanko (International Association of Independent Tanker Owners), OCIMF (Oil Companies International Marine Forum) and SIGTTO (Society of International Gas Tanker and Terminal Operators), among others.
- Fluctuations in the international maritime transport sector, which has historically shown cyclical and volatile behaviour, are one of the risks faced by the Group and its competitors in the maritime industry.
- The international shipping sector is cyclical and volatile in terms of freight rates and profitability. Fluctuations in freight rates and ship values are due to changes in the supply and demand of freight-carrying capacity and changes in the supply and demand of oil, petroleum products, minerals and gas, and other dry and liquid cargoes carried on ships. To reduce its exposure to fluctuations in the shipping markets, the Group seeks to generate most of its cash flows through long-term contracts with first-rate charterers.
- Several other risks inherent in all business activities, especially those carried out in international environments, affect the Group. Some of these risks are the evolution of exchange rates, inflation in the countries in which it operates, international growth rates, developing fuel prices and port taxes, and regulatory changes. However, the Group faces them with specific policies and strategies as part of its know-how, which has enabled it to carry out successful business activities over 75 years of its history.

Both internal and external issues defined in our Integrated Management System have been considered to identify the company's risks.

- Internal issues identified:

  - Commitment and Leadership
  - Planning of the company's strategies
  - Company organisation and culture
  - Definition of competencies and responsibilities
  - Employee loyalty Stability and levels of permanence
  - Compliance with all the customers’ requirements and expectations
  - Track changes
  - Quality of the service
  - Use of materials
  - Energy management
  - Safety management

- External issues identified:

  - Compliance obligations (legal and regulatory requirements) relating to the business strategy as defined in the Management Policy
  - Technological changes
  - International competition
  - Market conditions
  - Natural resources
  - Potential needs for additional human resources and knowledge.
  - Changes in the economic cost of raw materials (both those that the company consumes and those it transports)
  - Security risks affecting the company's business strategy

The company has identified the stakeholders, their needs, and their expectations and has established a management system that includes procedures and their interactions. The most significant stakeholders include the government, flag states and classification societies, shareholders and investors, customers, suppliers, shipyards, crew management agencies, maritime brokers, crew members, employees and families of employees and crew members, competitors, insurers, insurance brokers, mutual insurance companies for occupational accidents and diseases, external prevention services, financial institutions and society in general, along with pressure groups.

The defined framework considers these relevant aspects and compliance obligations according to ISO standards and the company's compliance system.

The company has identified processes to ensure that it can achieve the objectives and results of its Management System, avoid undesirable effects and achieve continual improvement.

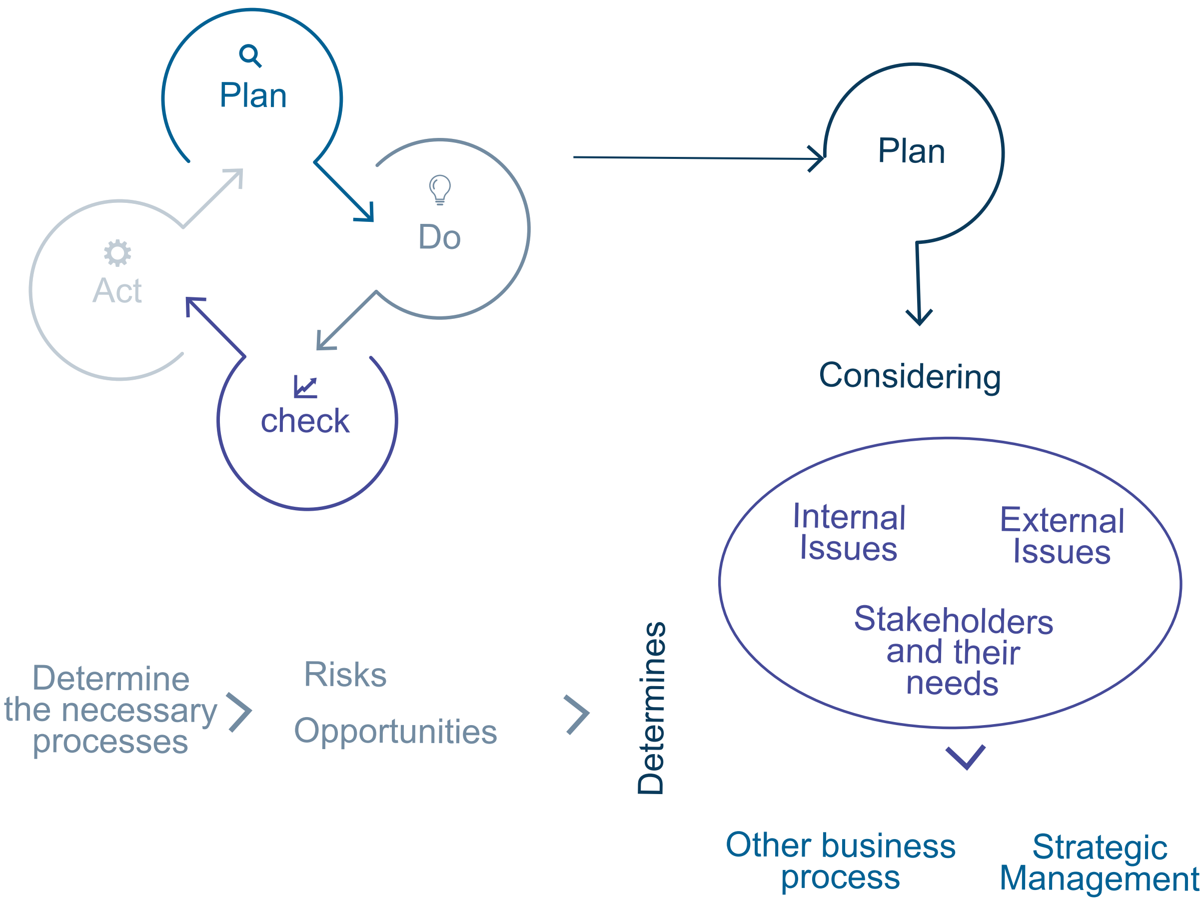
For this purpose, these criteria have been considered when considering risks:

- Risk (R):

  - Consequence (C): What will happen if risk becomes an issue.
  - Probability (P): The likelihood of the risk becoming a problem.

- Opportunity (O):

  - Value (V): What will happen if the opportunity becomes a reality?
  - Probability (P): The likelihood that the opportunity will take place.


Plan
Do
check
Act
Plan
Considering
Internal Issues
External Issues
Stakeholders and their needs
Determine the necessary processes
Risks
Opportunities
Determines
Other business process
Strategic Management


FORTE DE SAO JOSE

2. Environmental aspects

a.- Introdution

In its Management Policy, the Elcano Group expresses its commitment to environmental protection, establishing these objectives, among others:

- The prevention of pollution of the environment, particularly the marine environment, and the mitigation of adverse aspects of its activity on the environment.
- Adequate waste management, reducing waste production and promoting reuse and recycling.
- Proper management of energy resources to minimise our impact on the environment.
- The commitment of all personnel to the Group's environmental policy through awareness-raising, communication and training actions

Elcano maintains an Environmental Management System under the ISO 14001 standard and an Energy Management System under the ISO 50001 standard. Elcano's Environmental Management and Energy Management Systems have been certified by an external certification body. With Elcano Brasil and ENPASA, the external certification company has certified the Environmental Management System.

The Environmental and Energy Management System is integrated into the Group's business processes, and its objectives are aligned with the Elcano Group's strategic goals. Environmental and energy performance aspects have been identified by analysing the company's processes and activities and the significance of their effect. Environmental risks have been considered and managed within the Group's overall risk management.

b.- Measures to reduce environmental impact, sustainable use of resources, climate change and protection of biodiversity

Among the measures taken by the Elcano Group to comply with the above are the following:

Pollution and climate change:

- Monitoring the condition of the ship's equipment and parameters that most affect the ship's energy efficiency.
- Efficient maintenance of onboard equipment aimed at improving the ship's efficiency, thus reducing emissions.
- Application of improvements in the design phase focused on energy efficiency.
- Monitoring and analysis of the possible modes of operation of the ship with a view to energy optimisation.
- Control and monitoring of our environmental impact and efficiency regarding greenhouse gases.
- Installation of state-of-the-art equipment in terms of energy efficiency and in-depth study of new technologies.
- Minimisation of the use of equipment that generates polluting emissions.
- Logistic optimisation to reduce environmental impact generated by sending spare parts and technicians.

- Recovery of energy from the ship's thermal sources: Energy cogeneration.
- Conducting analysis and technical feasibility studies for the deployment of new propulsion systems using alternative and/or low/no carbon fuels such as methanol, ethanol, ammonia, hydrogen, biofuels, biogas, and synthetic gas.
- Studying and implementing alternative technologies, including wind-assisted propulsion (sails), air bubble lubrication (to reduce hull-water friction), cold ironing (utilizing shore power during port stays), carbon capture, fuel cells, and the use of batteries.
- Advising and proposing to clients designs for new ships that operate on zero net carbon or close to zero net emissions fuels and ensuring these designs are adaptable for future alternative fuels.
- Promoting efficient operational practices in collaboration with other departments, such as optimising routing and trimming, encouraging regular hull cleaning and propeller polishing, and initiating actions to enhance the company's sustainability objectives.
- Enhancing data acquisition from ships for more accurate monitoring and analysis of consumption and emissions, aiming to reduce the greenhouse gas footprint.
- Continuously monitoring the Carbon Intensity Indicator (CII) ratings (A to E) for each vessel in the fleet.
- Undertaking preliminary studies and analyses on the financial impacts of CO2 emissions, GHG, etc., including compliance with the EU ETS, UK ETS, and Fuel EU regulations.

During the last few years, the International Maritime Organisation has been developing and defining an ambitious strategy to reduce and stop greenhouse gas emissions produced by maritime transport, and Empresa Naviera Elcano is an active part of this strategy.

Circular economy:

- Packaging optimisation to reduce the amount of waste derived from our activity.
- Use of compactors onboard ships.
- Indicators, monitoring and optimisation of food expenditure per person per day. (and other consumables).
- A fully implemented recycling policy.

Sustainable use of resources:

- "Paperless" philosophy in implementation processes, through document management programmes such as DOCMAP, AMOS
- Implementation of digital publications
    - Reg4Ships
    - ADP and AENP (via NAVTOR/NAVBOX
    - Admiralty Digital Catalogue
- Rational use of office air-conditioning systems.
- Generation of fresh water on board by recovering energy from thermal machines.
- Optimisation of logistics associated with supplies/consumables.
- Choice of local suppliers and compliance with specific environmental requirements (ISO 14001, for example).
- Application of environmental management policies and noise measurement.
- Implementation of an energy accounting system.

Biodiversity:

- Installation of onboard systems to prevent the transport of invasive species (Ballast Water Treatment System).
- Technical studies in the design and construction phase of the ship to minimise noise and vibration during the operation of the ship.
- Ship operation adapted to the environmental characteristics of the transit zones (e.g. reduction of the ship's speed in environmental protection zones due to there being cetaceans).
- Implementation of procedures (associated with ISM) to avoid any contamination of the environment and ensure the best response in the event of an accident.
- Simulations of crisis scenarios to improve the response in case of emergency (spills, accidents, incidents).
- Implementation of non-obligatory quality standards in our ships, which certify the absence of pollutants on board our ships (ECO LR Class, Green Passport,...).

Elcano has reinforced its safety and sustainability policy and introduced the concept of "Ecotype" on all newly built ships ordered since 2008. This means that all the Group's new designs from that date onwards meet the design standards of "Cleanship" (classification for pollution prevention) and "Greenship" (classification for sustainable recycling standards and under international law).

c.- Monitoring of emissions and environmental impact

Based on the philosophy of work and environmental commitment outlined in this document, Elcano continuously monitors emissions of greenhouse gases and other harmful gases. These data are for ships in the international fleet, as these are the ships for which MRV regulations require reporting of emissions information.

	2021	2022	2023	2024
Greenhouse gas emissions (metric tonnes)	446,970	462,767	425,188	389,014
Average per ship (metric tonnes)	37,247	42,069	42,518	48,626
KPI CO2 (g/tonne*miles)	18.14	15.10	11.30	17.70
Fleet Transport work (tonne*mile)	24,646,257,134	30,638,859,845	37,550,631,549	22,038,896,189
Average per ship (metric tonnes)	2,053,854,761	2,785,350,895	3,755,063,154	2,754,862,024

- The transport work of the fleet has decreased, owing to the fact that the Group had two fewer ships on 31 December 2024 than on the same date in 2023.
- Overall, CO2 emissions have been reduced, and the average CO2 emitted per ship has increased due to the type of vessel operating in the fleet (vessels with high sailing speed, low density of cargo carried and high electricity demand).
- The compilation of this information is a collaborative effort between the ships and the office, adhering to current regulations (MRV and IMO DCS).
- The reported emissions correspond entirely to type 1 emissions (scope 1), direct emissions from ships. Emissions from office operations are considered negligible and, therefore, not included in this analysis.

Starting in 2022, the IMO introduced new decarbonisation standards, including the Carbon Intensity Index (CII). The individual classification of each ship achieved for the years 2023 and 2024 is shown below:

CII RATING

Buque	2023	2024
Castillo de Arteaga	D	D
Castillo de Pambre	C	D
Castillo de Malpica	D	E
Castillo de Navia	C	E
Castillo de Caldelas	C	C
Castillo de Merida	C	C
Castillo de Santisteban	D	D
Castillo de Villalba	C	C

At the time of issuing this report, the data used to calculate the Intensity Indicator Calculation (IIC) of ships for the year 2024 are preliminary and pending verification and certification by a Recognised Organisation (RO).

d.- Circular economy, waste prevention and management

The ISO 50001 standard, first achieved by SGEn in 2019 and subsequently renewed through an extensive recertification audit in 2022, represents the foremost international standard for energy management systems (EnMS), succeeding a myriad of national and regional standards such as EN 16001. This standard is grounded in the management system model that organisations worldwide have already absorbed and implemented. The framework of ISO 50001 is bolstered by the Deming "plan-do-check-act" cycle of continuous improvement, a principle also integral to other standards such as ISO 14001, ISO 9001 and ISO 45001, which we have maintained since 2017 and 2019, respectively (with renewals in 2022).

This ISO standard is poised to impact up to 60% of global energy consumption, driving more efficient use of resources. Similarly, ISO 50001 fosters transparency and communication in managing energy resources and encourages the adoption of best practices in energy management. It aids in assessing and prioritising the introduction of new energy efficiency technologies and establishes a framework for enhancing energy efficiency across the supply chain, thereby improving project energy management and contributing to the reduction of greenhouse gas emissions.

Due to the nature of the Group's main activity, the maritime transport of different products, without involving the transformation of raw materials, no reference is made in this report to the consumption of such raw materials. What could be considered as consumption of raw materials would, in any case, correspond to the consumption of fuel for the propulsion of our ships. To enhance the efficiency of our energy use, we initiated the implementation of the ISO 50001 standard in 2019, with the primary aim of achieving these objectives:

- Reduce fuel consumption and associated emissions.
- Reduce the use of combustion equipment and, therefore, its maintenance with the expense of associated materials, and indirectly reduce energy resources for transporting these materials, etc.
- Optimise the use of fresh water used and generated on board.

During 2023, energy consumption increased by 4.85% compared to 2022. The energy consumed per unit of work was higher, indicating that transport became less efficient and had a greater environmental impact in terms of energy consumption.

This trend can be attributed to several factors: An increase in the duration of events that produce CO_2 emissions with no change in the distances travelled, such as anchoring or port stays, as a result of commercial strategies or instructions received from various charterers regarding the speeds at which vessels should sail or lesser cargo carried.

These tables show the figures discussed in the previous paragraphs:

Global Energy Efficiency Indicator (MJ/miles*tonne)	
Average 2020	0.241
Average 2021	0.210
Average 2022	0.227
Average 2023	0.178
Average 2024	0.267

Energy consumption (GJ)	
2020	6,62,639
2021	6,262,020
2022	6,967,654
2023	6,701,066
2024	6,136,619

Regarding waste management, as part of the environmental impact reduction strategy adopted by Elcano, concerted efforts have been made to reduce the waste generated on board our ships. These efforts have resulted, for another consecutive year, in a significant reduction in the volume of waste produced.

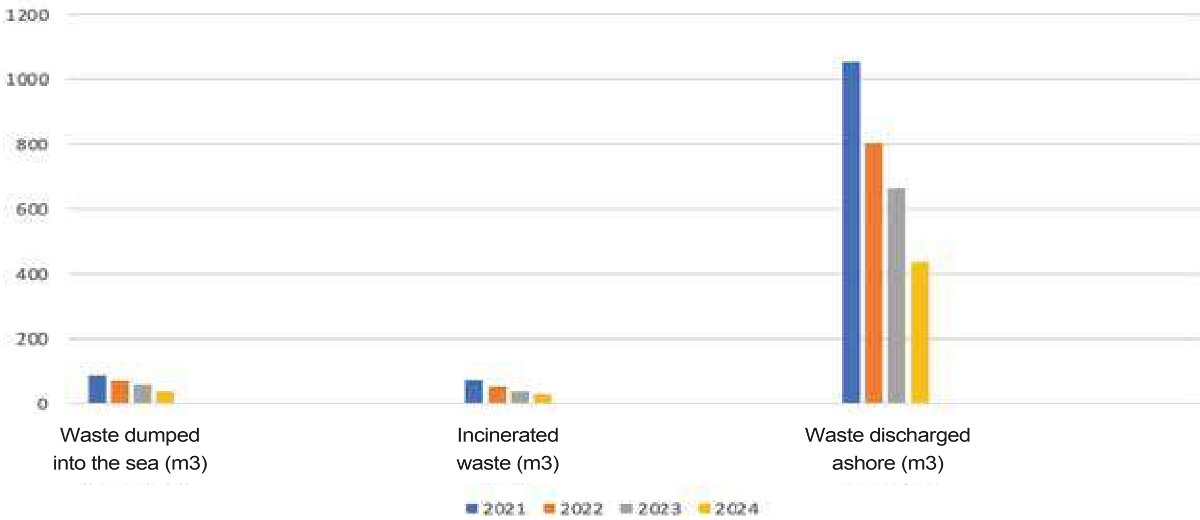
The waste generated or managed on ships falls into two categories: domestic and operational (generated by the activity). Both types are considered in the waste calculation process and comply with Annex V of MARPOL (International Convention for the Prevention of Pollution from Ships).

The waste generated on ships primarily includes plastics, food waste, domestic waste, cooking oil, incinerator ashes, electronic waste and cargo residues. Additionally, the discharge of ropes and wires that have reached the end of their useful life is also accounted for.

The outcomes for 2024, along with comparisons to previous years, are detailed below:

	2020	2021	2022	2023	2024
Waste discharged to the sea (organic)(m^3)	95.79	86.80	68.24	58.65	37.90
Per ship (m^3)	7.98 (-18%)	7.23 (-10%)	6.20 (-14)	5.86 (-14%)	3.79 (-35.3%)
Waste incinerated on board (m^3)	84,32	73.16	51.21	39.46	30.66
Per ship (m^3)	7.03 (-57%)	6.09 (-14%)	4.65 (-23.64)	3.94 (-22.9)	3.06 (-22.3)
Waste offloaded on land (m^3)	950.62	1,054.85	802.54	665.46	437.42
Per ship (m^3)	79.81 (-5%)	87.90 (+10%)	72.96 (-17%)	66.54 (-17%)	43.74 (-34%)

Elcano waste management (m3)



Annual Report 2024

Although two vessels were sold in the first quarter of the year and a further two were transferred to external technical management in the third quarter, these graphs clearly illustrate a significant reduction in the amount of waste managed—particularly incinerated, organic, and landfilled waste. Overall, the reduction reached 33,7% compared to the previous year across all types of waste managed.

At the Group level, the quantities of waste generated by the ships were as follows:

Type of waste generated on ships	Argentina	Brazil	Spain
Total amount of plastic waste in m3 generated on ships in 2024. (waste A)	34.134	192.68	145.58
Total amount of food waste in m3 generated on ships in 2024. (waste B)	18.578	47.57	48.93
Total amount of general waste in m3 generated on ships in 2024.	97.22	578.96	505.99

e.- Corporate carbon footprint

The Elcano Group is fully aware of the need to reduce its carbon emissions and address sustainability challenges across its operations, with the goal of becoming a "Net Zero" company. As such, the Group promotes climate action through both short- and long-term strategies, supported by tangible initiatives.

A cornerstone of any effective climate action strategy is the accurate monitoring and measurement of carbon emissions. It is, therefore, essential to understand and analyse the Group's corporate carbon footprint. The following table shows the corporate carbon footprint:

	Total energy consumed [MWh]			Total electricity consumed [MWh]			Total fuel consumed [MWh]			Total gas consumed [MWh]		
	2022	2023	2024	2020	2023	2024	2022	2023	2024	2020	2023	2024
Spain	1,953,847	1,861,407	1,704,800	194	187	183	285,811	595,606	525,230	1,168,036	1,265,802	1,179,387
Brazil	347,222	328,001	394,425	129	130	140	347,093	327,871	394,425	0	0	0
Argentina	96,997	97,536	104,896	25	25	21	96,997	97,536	104,896	0	0	0

GHG Ships
Scope 1 [tonCO2$_e$]

	2022	2023	2024
Spain	457,039	425,188	389,014
Brazil	96,236	90,755	105,733
Argentina	27,003	27,154	36,139

3. Information about the company other aspects

a.- Commitment to sustainable development

The Elcano Group collaborates decisively in controlling the environmental regulations that regulate international maritime transport, with an unavoidable commitment to sustainable development.

In developing this principle, the Group commits to adhering to the International Maritime Organisation (IMO) Convention, focusing on the control and management of ballast water and sediments from the Group's ships.

The IMO prioritises energy efficiency, the adoption of new technologies and innovation, maritime education and training, maritime security, traffic management and the development of maritime infrastructure among its key objectives.

The development and implementation through IMO of international standards to address these and other issues undoubtedly underpin the commitment to create an appropriate institutional framework for a green and sustainable global shipping system.

Invasive aquatic species represent a significant threat to marine ecosystems, and shipping is an important pathway for introducing species into new environments. This International Convention, which the Group is implementing, prevents the spread of harmful aquatic organisms from one region to another, thanks to standards, state-of-the-art equipment, and proper management procedures.

With substantial investments committed to equipping our existing and new ships with the equipment to lead the IMO Convention for the Control and Management of Ships' Ballast Water and Sediments, we are also complying with Principle 15 of the 1992 United Nations Rio Declaration on Environment and Development, which states that " in order to protect the environment, States should widely apply the precautionary approach in line with their capabilities. Where there is a risk of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing cost-effective measures to prevent environmental degradation".

Proof of Empresa Naviera Elcano's commitment to reducing the environmental impact of its activity and the company's alignment with the policies of the International Maritime Organisation (IMO) is the excellent work being done to find improvements in ship efficiency.

Empresa Naviera Elcano spends a great deal of resources on gaining in-depth knowledge of international regulations and the factors that originate and shape them, in addition to participating in a multitude of industry forums where concerns and solutions to current challenges are shared. In addition, through knowledge of these regulations and the latest technological advances, the company has been involved in numerous studies and innovative projects that have helped us improve our environmental performance.

Technological advancements are acknowledged as a key route to boosting our environmental performance. Yet, the significance of operational practices as a vital element in facilitating these improvements is equally stressed.

Clearly, for enhancement to occur, environmental performance must be quantifiable. To achieve this, all environmental and energy indicators are diligently monitored, including both those established by the industry and additional, more specific indicators developed internally.

Moreover, the Group's Fleet and Engineering Department has developed and established a robust procedure for emissions monitoring according to the worldwide IMO Data Collection System, European Monitoring Reporting and Verification standards and FuelEU.

This commitment is further strengthened by a comprehensive process and investment program focused on communications and digitisation aimed at achieving full ship connectivity to facilitate automated data collection and analysis, ensuring full alignment with recommendations from BIMCO and the IMO.

b.- Decarbonisation - New energy efficiency and environmental regulations.

Developed within the framework of the International Maritime Organization's (IMO) initial Strategy on the Reduction of Greenhouse Gas Emissions from Ships, agreed upon in 2018, these technical and operational regulations mandate ships to enhance their energy efficiency in the short term, thereby facilitating a reduction in their greenhouse gas emissions. These new regulations were officially implemented on 1 November 2022 as amendments to Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL).

From 1 January 2023, it also became obligatory for all ships to calculate their Energy Efficiency Existing Ship Index (EEXI) to assess their energy efficiency and to commence the collection of data for the reporting of their annual operational Carbon Intensity Indicator (CII) along with their CII classification.

This initiative aims to encourage the maritime industry to reduce the carbon intensity of all ships by 40% and cut greenhouse gas emissions by 20% by 2030, compared to the baseline levels of 2008. To achieve this, ships must ascertain two key ratings: their Existing Ships Energy Efficiency Index (EEXI) for determining energy efficiency and their annual operational Carbon Intensity Indicator (CII) along with the associated CII rating. Carbon intensity measures greenhouse gas (GHG) emissions in relation to the amount of freight transported and the distance travelled.

These metrics are integral to the IMO’s dedication, as outlined in its 2018 Initial Strategy on the Reduction of GHG Emissions from Ships to reach the new goals. In July 2023, these goals were updated to not only decrease the carbon intensity of all ships by 40% and reduce greenhouse gas emissions by 20% by 2030 compared to the 2008 levels but also aim for a 70% reduction in greenhouse gas emissions by 2040 and achieving net-zero emissions by 2050.

The EEXI achieved by a ship reflects its design's energy efficiency against a benchmark value. Each ship's achieved EEXI is then measured against a required Existing Ship Energy Efficiency Index. To comply with minimum energy efficiency standards, the calculated EEXI value for each ship must be below the required threshold.

The CII evaluates and grades the energy efficiency of a ship's operation. An annual reduction factor is applied to continuously enhance a ship's operational carbon intensity within a specific rating level. The actual annual operating CII achieved must be documented and verified against the required annual operating CII to ensure compliance and efficiency.

In addition to the IMO targets, the European Union introduced a new package of measures called “EU Fit for 55”, which took effect on 1 January 2024. This initiative aims to reduce greenhouse gas emissions by 55% by 2030 and achieve net-zero emissions by 2050.

The package includes several associated measures, such as integrating the maritime transport sector into the Emissions Trading Scheme and monitoring greenhouse gas emissions per unit of energy used in fuel. These measures are designed to promote and encourage the use of alternative fuels.

In response to these impending regulations, Empresa Naviera Elcano has allocated considerable resources to understand the new mandates, evaluate the specifics of our fleet and address our customers' needs.

Therefore, a customised action plan has been devised for each ship to ensure the best CII rating annually and align the EEXI requirements with our customers' needs, integrating this approach into our management system.

In addition, forecasts have been made for the tonnes of CO_2 emissions expected to be emitted in the medium and long term, both by the existing fleet and by each of the new projects analysed. This approach enables the determination of future environmental impacts and the assessment of the feasibility of implementing new fuels and operational techniques, which aim to optimise ship performance, reduce energy consumption and consequently minimise overall emissions.

In line with these initiatives, fundamental criteria have been established for the design of new ships. These criteria ensure that the ships not only meet environmental and energy efficiency requirements but also surpass the existing legal standards.

Analysis of the use of various types of alternative fuels and biofuels, alongside new technologies currently in the pilot development phase, has also commenced. These initiatives are aimed at aiding the decarbonisation of both the existing fleet and future newbuilds.

The analysis focuses on achieving the optimal operational impact for attaining the best CII, evaluating the economic implications related to the Emissions Trading Scheme (ETS) and minimising the overall environmental impact by reducing emissions per megajoule of energy consumed.

The environmental performance at the central offices throughout 2024 has been commendable.

Electricity consumption represents the most significant environmental aspect in the offices, with a notable sustained improvement achieved over time. In 2024, electricity consumption was reduced by 3.4% compared to the previous year, with consumption at 193,951 kWh in 2023 and 187,357 kWh in 2023.

Regarding paper consumption, there is no specific consumption data, only data on purchases made, which can lead to dysfunctions depending on the date of the corresponding stationery order. In 2024, the figures for paper usage, primarily for copying and printing, have stayed consistent with the levels observed in the same period of the previous year. The main use of the paper purchased is for copying and printing. Copies made in 2024 decreased from the previous year, with a total of 16,663 copies compared to 64,920 in 2023. Regarding printing, there were 124,543 prints made in 2024, a decrease from 128,677 in 2023. The volume printed in 2024 equals the consumption of 12 trees, 79,506 hours of electricity of a light bulb and the emission of 1,269 kg of CO2.

Water consumption is not deemed a significant environmental aspect in relation to the Group's operations. Water usage is largely minimal and incidental, primarily catering to the essential daily needs and sanitation of our ships' crews. The ships are also equipped with desalination systems, enabling them to produce their own water under certain conditions, notably while navigating. Concerning the consumption of water in the central offices, it is equally minimal without any real data since the effect of this consumption is proportional to the square metres occupied in the office buildings in which the corporate social headquarters are located.

Special attention is also paid to waste management, both through segregation by waste type and by contracting waste management with authorised agents when required (e.g., printer toners).

In 2024, an Indoor Environmental Quality Diagnosis and Inspection was carried out in different areas of the building, specifically in the Elcano offices. The study, conducted in accordance with UNE 171330 part 2, measures levels of carbon dioxide, carbon monoxide, particulate matter, and airborne microorganisms (fungi and bacteria), as well as particle count, temperature, and relative humidity. The conclusions of the study have been satisfactory.

4. Human resources

a.- Employment and work organisation

The shipping industry's major challenges, including digitisation, the development and implementation of new technologies, and improving efficiency and profitability, require a profound transformation of work methods.

The Elcano Group, aware of this need, has been implementing a new relationship and people management model, which brings the function of Human Resources to the business and the employees to take advantage of the opportunities offered by the new times.

In terms of training, the Elcano Group responded to the needs arising from increased regulation and technical advances in nautical matters, mainly in 2024.

Number of hours of training by professional category	Men	Women
Management	212	148
Middle management	418	165
Technicians	621	354
Administrative assistants	108	255
Auxiliary staff	3	-

The distribution of training at the group level aligns with the distribution of staff by category and gender, ensuring there is no prejudice or discrimination against any category or gender.

Every year, the performance of marine professionals within the crews is evaluated, despite their position and seniority. This evaluation measures their performance and contribution, identifying strengths and areas for improvement, and provides feedback regarding quality and potential for promotion.

Throughout the Elcano Group's selection processes, respect for equal opportunities and non-discrimination on any grounds is recognised and enforced as a fundamental principle.

As for health and welfare plans, in 2023, the objective of promoting a culture of health, well-being and safety at work continued to be deve loped, always considering the risks associated with the Group's activity. The personnel in the different offices in Madrid, Rio de Janeiro, and Buenos Aires benefit from medical insurance for themselves and their direct relatives, as well as life and accident insurance.

A new satellite internet connection system has been implemented on the ships, significantly improving connection quality and speeds, even from remote locations.

The office staff are also provided with measures to reconcile professional and family life. These measures are flexible entry and exit times during working hours and limits, working hours, intensive working hours during different periods throughout the year, and other social benefits such as the enjoyment of restaurant tickets, days off besides the legally established minimums, leave, holidays and the like, and others in the applicable collective bargaining agreements.

Elcano workers' representation is exercised through unitary representation, based on the candidatures freely presented, which are voted on by the employees. In 2024, there was a Personnel Delegate with whom the issues of labour and union nature were addressed and channelled. In addition, the company has a Health and Safety Committee, which has equal representation of workers and the company and also serves as a channel for consultation and participation of workers based on its operating regulations.

Onboard personnel are represented by various unions with national representation in both Brazil and Argentina, engaging in similar activities.

With this union structure (as described in the Statute and the Organic Law on Freedom of Association (LOLS)), the corresponding union representation covers 100% of the Group's workers (excluding executive personnel).

Concerning collective bargaining agreements, every employee of the Group is covered by the collective bargaining agreement relevant to each company's workplace, again with the exclusion of management personnel only.

The proportion of employees with indefinite contracts working in the offices in Madrid, Rio de Janeiro and Buenos Aires is virtually 100%. However, this same percentage referring to the personnel who provide their services onboard the ships operated by the Group in Brazil and Argentina exceeds 95%.

These obligations are met in compliance with the current regulations, considering the specific circumstances of each company within the Group.

To adhere to the regulations regarding the employment of individuals with disabilities, an annual contribution is made to the Down's Syndrome Support Foundation to support their programme for Real Labour Integration in ordinary employment, which includes training in professional certificates tailored for people with intellectual disabilities. The amount paid in 2024 totalled 32,400 euros.

b.- Health & safety

Elcano holds certifications in ISO 14001, 9001, 45001, and 50001. Of particular relevance in this context is ISO 45001, the Occupational Health and Safety Management Systems standard, which succeeded OHSAS 18001 in 2018. The Group understands that having a robust and efficient Occupational Health and Safety Management System gives it a more holistic approach to Health and Safety risk management and allows for greater foresight towards our workers and organisation. This project seeks to:

1.- Improve worker protection with a structured approach to hazard identification and risk management that contributes to maintaining a healthier and safer work environment and reducing the number of accidents and health problems in the workplace. This approach should help reduce employee injuries and sick leave.

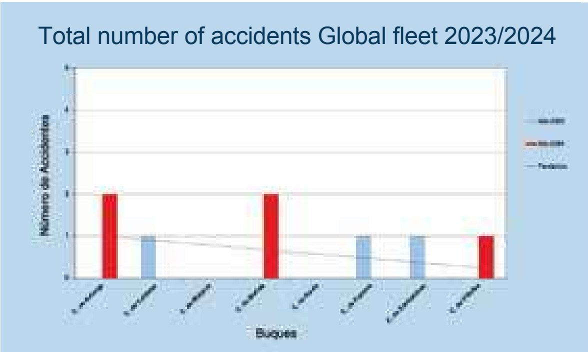
2.- Reduce risks with the global approach of translating risk outcomes into appropriate action plans for accident assessment, verification, inspection, legal review and investigation, reducing risks, protecting workers, and controlling infrastructure threats that cause accidents.

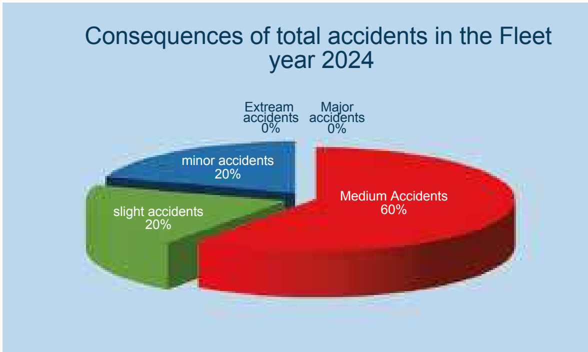
3.- Legal compliance support that provides a mechanism for identifying current legislation and implementing applicable requirements. Adherence to the law can help reduce complaints, pay lower insurance premiums, avoid financial consequences, and alleviate the stigma of negative publicity arising from occupational health and safety issues. It is yet another way of demonstrating to our stakeholders our responsibility and commitment to occupational safety and health.

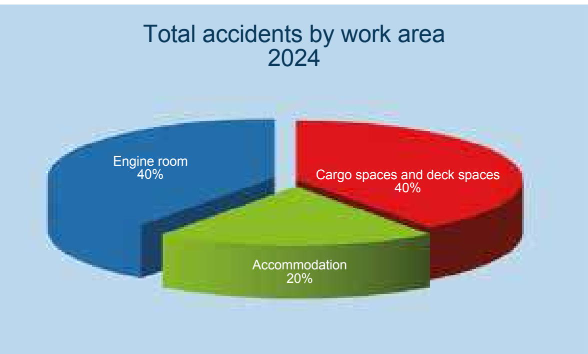
Regarding the critical issue of workplace accidents and occupational illnesses, it is notable that no reported cases of occupational illnesses within the Group were reported for this year, consistent with the previous year's record. Additionally, the number of workplace accidents decreased from 22 in 2022 to 5 in 2024. In view of the analyses carried out, it is important to note that all the accidents took place during work with a low accident risk and that 100% of the consequences of these accidents were minor accidents.

Following the Group's policy, each accident is analysed individually to draw up a report identifying the root cause and the corrective measures to be implemented to avoid recurrences or minimise consequences. Similarly, reports on accidents, incidents and potentially dangerous facts or situations are evaluated considering the area in which they occur, the experience of the personnel affected, the part of the body exposed, the production schedule, etc. Health and safety meetings are held onboard each ship in the fleet every month to reduce accident rates and ensure the crew’s integrity and well-being.

The most relevant consolidated data on accidents are shown below:







For a comprehensive understanding of the categorisation and classification of accidents and incidents, the matrix used for this purpose is below:

EMPRESA NAVIERA ELCANO, S.A.

INCIDENT / ACCIDENT CLASSIFICATION MATRIX

INCIDENT / ACCIDENT CLASSIFICATION						INVESTIGATION STANDARD		
	A Occupational Health and Safety	B Environment	C Failure / Process loss	D Asset / Property Damage	E Potential degree of public attention	Investigation Level	Close-out	Notification
5 Extreme	- Multiple fatalities	- Long-term impact - Lasting impairment of ecosystem function - Widespread effects - Severe impact to sensitive area	- Very serious operational failure resulting in ship being taken out of service for > 30 days	- Very serious damage or loss to vessel / equipment or cargo with direct cost more than USD 2 MM	International coverage	**A and B** DPA leader and specialized ELCANO personnel independent of the Vessel **C and D** Assigned Superintendent supported by DPA, GN and HSQE **E** Internal Audit and Management Control Dir. supported by Legal Dir. And other depart. if necessary	A – DPA B – DPA C – Fleet Dir. D – Fleet Dir. E – Int. Audit. and Control Dir.	Flag administration Third parties (Customers, etc...) Fleet Vessels in less than 48 hours
4 Major	- Single fatality - Permanent total disability (PTD) - Permanent Partial Disability (PPD)	- Medium- to long-term impact - Some impairment of ecosystem function - Large area affected	- Major operational failure resulting in ship being taken out of service between 15 and 30 days - PSC detention - ISM major non-conformity	- Major damage or loss to vessel / equipment or cargo with direct cost between USD 0,5 MM and USD 2 MM	National coverage			
3 Medium	- Injury which results in an individual being disembarked from the ship for medical treatment (LWC)	- Short- to medium-term impact - Local area affected - Not affecting ecosystem function	- Moderate operational failure resulting in ship being taken out of service between 1 and 15 days - Flag State Detention	- Moderate damage or loss to vessel / equipment or cargo with direct cost between USD 0,2 MM and USD 0,5 MM	Regional coverage	To Be Defined by Top Management	A – DPA B – DPA C – Superint. D – Fleet Dir E – Int. Audit. and Control Dir.	To Be Defined by Top Management
2 Minor	- Injury which results in an individual requiring medical treatment on board by physician and/or being unable to perform the assigned work on the day following the injury (MTC / RWC)	- Temporary impact - Minor effects to small area - Internal oil-spill cleaning	- Minor operational failure resulting in ship being taken out of service for < 1 day	- Minor damage or loss to vessel / equipment / cargo with direct cost between USD 25,000 to USD 0,2 MM	Local coverage	Captain and crew supported by Safety Department & Inspection and ELCANO HSQE	A – DPA B – DPA C – Superint. D – Fleet Dir E – Int. Audit. and Control Dir.	Flag administration (if required) Customers (according to the Time Charter Party)
1 Slight	- Injury which results in an individual requiring one-time treatment onboard and subsequent observation (FAC / MTC)	- Low impact with no lasting effect - Minimal area exposed - Internal oil-spill cleaning	- Notable incident with no impact on operations	- Insignificant damage or loss to vessel / equipment / cargo with direct cost less than USD 25,000	No coverage			

No analysis differentiating the sex of accident victims among fleet personnel is conducted, as it does not contribute to the analysis of the potential accident. Given the context of an industry where women are globally under-represented, with female officers constituting less than 15% of all positions and less than 3% in seafaring and mastery roles—which are areas with the highest incidence of accidents and incidents—any gender-based analysis of accident victims is considered ineffectual.

Concerning the Group's head offices and those of the Brazilian and Argentinean operating subsidiaries, it is noteworthy that, once again this year, there were no reported occupational accidents at these locations.

As for the absenteeism rate, the Group average, considering Elcano and the two operating subsidiaries in Brazil and Argentina, rose to 0.92% in 2024, which represents a reduction compared to the previous year (3.15% in 2023).

As mentioned before, in complying with the health and safety regulations in the workplace, Elcano has a Health and Safety Committee, which is the internal participation body for regular and periodic consultation of the prevention policy.

The Health and Safety Committee was created for the regular and periodic consultation of the company’s preventive actions and must meet at least quarterly or when requested by one of the two parties that make it up.

The Health and Safety Committee has these functions and powers:

- Participate in the preparation, development and evaluation of prevention plans and programmes.
- Discuss the organisation and introduction of new technology projects in terms of their impact on risk prevention before their implementation.
- Discuss and, if necessary, agree on the criteria to be considered for selecting the External Prevention Service and the technical characteristics of the contract to be assigned.
- Promote initiatives for the prevention and improvement of working conditions and inform on the annual report and programming of the Prevention Services.
- Visit the work centre to know first-hand the situation regarding risk prevention and access all the information and documentation necessary to develop its functions.
- Analyse damage to assess its causes and propose preventive measures.

c.- Social relations

The Group has procedures for information, negotiation and consultation in the different countries in which it operates subsidiaries, thus complying with the legal requirements established in each country concerning the organisation of social dialogue and workers' rights of representation.

In addition to the usual occupational risk prevention plans in the different offices, all the ships owned and operated by the Group are certified to comply with the Maritime Labour Convention of 2006 (MLC), the international regulations applicable to work at sea, and are audited externally regularly by the authorised government authorities, depending on the flag country of the ship in question or by Classification Societies in countries that have delegated the auditing work to this institution.

The ILO (International Labour Organisation) has registered the ratification of the Convention by 82 Member States of this organisation, responsible for regulating the conditions of seafarers and ratings in over 90 per cent of the gross tonnage of the world merchant fleet.

This Convention, known as "MLC, 2006", entered into force on 20 August 2013 and establishes minimum working and living conditions for all workers on ships in the world merchant fleet. It is also an essential step towards ensuring conditions of fair competition for quality shipowners flying the flags of the countries that have ratified it.

The MLC 2006 was adopted by representatives of governments, employers and workers at an extraordinary ILO International Labour Conference in February 2006 to set international standards for the first truly global industry. Known as the "Seafarers' Bill of Rights", the Convention is unique in its impact on both seafarers and quality shipowners.

The comprehensive Convention sets out in a single instrument the right of seafarers to decent working conditions in almost all aspects of their working and living environment, including, among other things, minimum age, labour agreements, hours of rest, payment of wages, paid annual leave, repatriation at the end of the contract, medical care on board, use of authorised private recruitment and placement services, accommodation, food and meal service, safety and health protection and accident prevention, and seafarers' grievance procedures.

The instrument was designed to be applied globally, to be easily understood, updated and uniformly applied, to become the "fourth pillar" of the international regulatory regime guaranteeing quality shipping and to complement the fundamental conventions of the International Maritime Organisation (IMO) dealing with the safety and security of ships and the protection of the marine environment.

As previously mentioned, all of the Group's ships are certified to comply with the labour requirements and conditions established by the MLC, 2006.

In addition, all the personnel hired by the Group, both nationally and internationally, are covered by a collective bargaining agreement, whether sectoral or of a company, so the coverage for these purposes is practically 100%, both in terms of personnel on board and those who provide services in the administrative headquarters of each country. The only personnel of the Elcano Group not subject to a collective agreement, due to the very definition of the personal scope established in all of them, is management personnel.

d.- Training

The Elcano Group understands that the development of human resources is central to achieving the necessary competitiveness in the market. From there, we understand the importance of promoting the development of staff skills and abilities through continuous training.

Elcano and each of the direct ship operators in Brazil and Argentina have an annual training plan for their office staff. Concerning the personnel who provide their services on board the Group's ships, the training plan is incorporated through the Management System of each company. The Fleet Personnel Manager of each company is in charge of drawing up an annual training plan, considering the requirements of the Flag Country, international legislation, new technologies and regulations and needs identified by the different Captains and chief engineers or the company's management personnel. The total hours spent on training for all Group staff during 2024 amounted to 2.284 hours (1.362 hours for men and 922 hours for women, which should be put into perspective, considering that there is a significantly higher number of male staff). Training hours have been reduced by approximately 3.5% compared to 2023.

The Group's training plans are determined by the needs identified by each department head in terms of central services. As for fleet personnel, training needs are regulated internationally or by the country of the ship’s flag. Additional training activities are carried out according to the specific needs that could be detected.

e.- Equality plans and measures adopted to promote equal opportunities

The Group is developing a procedure that incorporates the policies governing day-to-day equality, non-discrimination and harassment of all kinds. The main commitments of this procedure are:

- Respect for the principle of non-discrimination based on race, sex, age, ideology, nationality, religion, sexual orientation or any other personal, physical, mental or social condition of our employees and the promotion of equal opportunities among them, including gender equality and the integration of employees of other nationalities. This commitment entails removing any obstacle that may lead to non-compliance with the right to equal treatment and opportunities.

- Similarly, the Group rejects any manifestation of physical, sexual, psychological or moral violence or harassment in the workplace, as well as any offensive or abusive conduct that generates an intimidating environment towards the personal rights of employees.

The Group rejects labour discrimination contrary to the fundamental rights of its members. Equal opportunities for men and women are imperative for reasons of justice and equity, but they have also become a condition of economic progress and a necessity for companies that want to compete effectively to attract and retain talent.

Thus, we have adapted our internal operation rules linked to the compliance with the Agreement on Maritime Work, 2006 (MLC, 2006) to implement the recent amendments to section 4.3 of the Agreement, which recommends that "*The most recent version of the document 'Guidelines on eliminating shipboard harassment and bullying' should also be considered. (Guidelines on eliminating harassment and intimidation on board ships), published jointly by the International Chamber of Shipping and the International Transport Workers' Federation*".

In the same vein, and concerning the Group's central offices, under Royal Legislative Decree 1/1995 of 24 March, which approved the revised text of the Workers' Statute Law and Organic Law 3/2007 of 22 March on effective equality between women and men, a new Anti-Harassment Protocol is being drawn up to prevent possible harassment at work, through information and responsibility. This protocol intends to channel and resolve any potential claims relating to harassment as far as possible with due guarantees of confidentiality and protection of all parties involved. The company has the firm intention of ensuring ethical, professional, and responsible behaviour by all staff members based on its commitment to its regulatory compliance policy.

In line with the above, to achieve the objective of Organic Law 3/2007 and the development of this regulation carried out by Royal Decree-Law 6/2019 of 1 March, Elcano's Management drafted an equality plan according to the regulation. Despite the context, given the publication on 14 October 2020 of Royal Decrees 901/2020 and 902/2020, dated 13 October, which introduce additional requirements and propose a new model for equality plans than what has been in place so far, Elcano's management is engaged in the process of registering a new equality plan that aligns with the current regulations. In this regard, since historical times, all decisions pertaining to the management of members of the organisation have been adopted using objective criteria and have never been discriminatory.

In addition, the training plans seek to sensitise managers to the need to treat all employees equally. Elcano employees undergo training in equality, non-discrimination and anti-harassment policies, focusing on key personnel within the organization, beginning with the members of the Health and Safety Committee. This training initiative is set to continue and be expanded throughout 2024.

The data linked to the salary gap between men and women is evidence of the policies applied by the Group over the years. This is 0.67% (3.12% in the previous year) at the Group level for the Group of offices and 4.08% (6.41% in the previous year) for the Group of fleet personnel. Broken down by country, in Spain and Argentina, there is no wage gap as such (in fact, in Argentina, women's wages exceed men's by a small percentage). Thus, the wage gap evident in the consolidated data is derived from the Brazilian subsidiary, where we find that mainly in fleet personnel, which is the largest number, although women have been joining the maritime sector in recent years, the seniority component represents a significant distortion when calculating the figures. As a result of the above, we find that most women officers incorporated into the Brazilian fleet, having less seniority, occupy the most junior positions in the officer corps (second and third officers), so when the analysis is carried out by distinguishing only between officers and junior officers, the distortion is produced. Analysed on a job-by-post fleet basis without considering seniority, the result would also be 0% in terms of the pay gap in Brazil. Salaries in Brazil and Argentina are paid in their local currency (Brazilian Real and Argentine Peso), so when we convert the data to Euros, the exchange rate effect generates distortions in the salary gap data, especially when we compare them between years.

So, if we understand the salary gap as the lower salaries of women compared to men with the same professional category, this salary gap in crew does not exist as such, since salaries by category are the same regardless of whether the seafarer is male or female. In contrast, the gap is based on seniority for office staff. Therefore, the salary gap results of 3.12% for office staff and 6.41% for crew would equal 0% if the salary gap were calculated considering equivalent professional categories without the seniority component.

f.- Human rights

The Elcano Group has identified no relevant risks in its human rights operations, given that its activity is limited to the shipping sector, where legal obligations, both international and in the countries where the main operating subsidiaries are located (Brazil and Argentina), cover this type of risk, especially regarding the abolition of child labour, which is specially included in our Safety Management Manual. In the same sense, due to the application of the International Maritime Labour Convention (MLC, 2006), which applies to all ships operated by the Group, practices and procedures are in place that guarantee respect for human rights and workers' health and safety. All the ships in the Group's fleet are certified as having such practices and procedures. Additionally, in Chapter 08.03.5.6, our Safety Management Manual complies with the regulations issued by the International Convention for the Safety of Life at Sea (SOLAS) regarding rescue procedures for groups at vital risk at sea.

In 2024, Empresa Naviera Elcano S.A. joined the United Nations Global Compact, becoming an associate member alongside 20,000 other companies worldwide. These companies are united by a shared ambition to accelerate and scale the collective global impact of business, advocating a set of fundamental principles and adhering to the Sustainable Development Goals (SDGs) established in September 2015 by the United Nations. These goals aim to promote awareness and drive business actions in support of achieving these objectives.

To support this commitment, the UN Global Compact encourages companies to:

- Conduct business responsibly by aligning strategies and operations with the Ten Principles on human rights, labour, environment and anti-corruption; and
- Adopt strategic actions to advance broader social objectives, such as the United Nations Sustainable Development Goals, with a focus on collaboration and innovation.

Corporate sustainability begins with the company's value system and a principled approach to conducting business. This involves operating in ways that, at a minimum, meet fundamental responsibilities in areas such as human rights, labour, the environment, and anti-corruption. Responsible businesses uphold the same values and principles regardless of location, understanding that positive practices in one area do not offset harm in another. By integrating the Ten Principles of the UN Global Compact into our strategies, policies, and procedures, and by fostering a culture of integrity, we do more than just fulfil our basic responsibilities to people and the planet; we also lay the groundwork for long-term success.

The Ten Principles of the United Nations Global Compact are derived from several key international documents: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights, and

Principle 2: Ensure that they are not complicit in human rights violations.

Labour

Principle 3: Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced or compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should take a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should actively work against corruption in all its forms, including extortion and bribery.

g.- Main labour indicators

As at 31 December 2024, the main results and non-financial indicators of Grupo Elcano in terms of Employment are as follows:

Note: The data referring to the number of employees and average remuneration do not include those referring to Senior Management and members of the Board of Directors, as these are included in the Financial Statements.

	Unit	2024 Men	2024 Women	2023 Men	2023 Women
EMPLOYMENT AND WORK ORGANISATION					
Total number and distribution by sex, age and professional category					
OFFICE PERSONNEL					
Professional category					
Management	People	12	2	12	2
Middle management	People	15	4	16	4
Technicians	People	27	19	35	18
Administrative assistants	People	26	36	24	37
Auxiliary staff	People	3	1	5	-
Age					
Less than 30 years	People	7	9	6	10
Between 30 And 50 years	People	41	37	47	38
Over 50 years	People	35	16	40	12
FLEET PERSONNEL					
Professional category					
Officers	People	199	22	190	23
Subordinates	People	319	10	303	8
Age					
Less than 30 years	People	72	11	68	18
Between 30 And 50 years	People	304	21	293	14
Over 50 years	People	142	-	132	-
Total number and distribution by type of contract					
OFFICE PERSONNEL					
Indefinite contracts	People	80	57	92	61
Temporary contracts	People	3	5	1	-
FLEET PERSONNEL					
Indefinite contracts	People	494	31	470	37
Temporary contracts	People	24	1	23	-
Average annual number of permanent, temporary and part-time contracts by sex, age and professional category					
OFFICE PERSONNEL					
INDEFINITE CONTRACTS					
Professional category					
Management	People	12	2	12	2
Middle management	People	15	4	21	5
Technicians	People	27	19	30	17
Administrative assistants	People	24	30	24	36
Auxiliary staff	People	2	2	4	1
Age					
Less than 30 years	People	4	4	5	10
Between 30 And 50 years	People	41	37	47	39
Over 50 years	People	35	16	39	12
TEMPORARY CONTRACTS					
Professional category					
Administrative assistants	People	3	5	1	-
Age					
Between 30 And 50 years	People	3	5	1	-

	Unit	2024 Men	2024 Women	2023 Men	2023 Women
FLEET PERSONNEL					
INDEFINITE CONTRACTS					
Professional category					
Officers	People	196	2	186	29
Subordinates	People	298	9	284	8
Age					
Less than 30 years	People	68	11	65	23
Between 30 And 50 years	People	294	20	279	14
Over 50 years	People	132	-	128	-
TEMPORARY CONTRACTS					
Professional category					
Officers	People	3	-	4	-
Subordinates	People	21	1	19	-
Age					
Less than 30 years	People	4	-	3	-
Between 30 And 50 years	People	10	1	14	-
Over 50 years	People	10	-	4	-
Number of dismissals by sex, age and occupational classification					
OFFICE PERSONNEL					
Professional category					
Management	People	1	-	-	-
Technicians	People	1	4	2	1
Administrative assistants	People	8	8	3	4
Age					
Less than 30 years	People	2	5	1	3
Between 30 And 50 years	People	7	7	2	5
Over 50 years	People	1	-	1	-
Average remuneration and its evolution (average salary)					
OFFICE PERSONNEL					
Professional category					
Management	Euros	247,948	252,165	259,397	231,020
Middle management	Euros	101,282	127,152	120,259	146,338
Technicians	Euros	71,003	64,299	73,264	54,301
Administrative assistants	Euros	28,875	23,178	34,332	26,106
Auxiliary staff	Euros	40,786	17,135	41,756	-
Age					
Less than 30 years	Euros	18,255	12,269	25,124	12,570
Between 30 And 50 years	Euros	60,892	48,202	62,735	51,386
Over 50 years	Euros	129,782	79,076	127,476	51,822
FLEET PERSONNEL					
Professional category					
Officers	Euros	73,081	51,540	65,232	49,388
Subordinates	Euros	33,660	31,542	30,099	34,454
Age					
Less than 30 years	Euros	36,999	47,584	29,604	46,054
Between 30 And 50 years	Euros	45,537	45,412	41,260	45,386
Over 50 years	Euros	64,397	-	65,783	-
Employees with disabilities	Unidades	1	1	3	3

Of the total number of Group executives, 21.4% are women.


CASTILLO DE MERIDA
IMO 9742807
VALLETTA

5. Combating corruption and bribery

The Elcano Group has had an Anti-Corruption Code since 2016 that develops and formalises the basic principles for implementing an anti-corruption policy approved by the Board of Directors of Empresa Naviera Elcano, S.A.

These Basic Principles, approved by the Board of Directors in September 2015 and which supported the current Anti-Corruption Code, establish the main rules and criteria for action that must be observed by both Empresa Naviera Elcano S.A., the parent company, and its subsidiaries, in the prevention, detection and eradication of corrupt practices in the performance of their activities.

The Code is configured as a starting point and affects the entire activity of the Elcano Group. The Code is intended to guide relations between employees, their actions with customers, suppliers and external collaborators and relations with public and private institutions.

Due to its inherent nature, this Code cannot and should not attempt to address every conceivable scenario. Instead, it is designed to establish fundamental principles regarding adherence to anti-corruption legislation relevant to each specific case and, where appropriate, resolve any uncertainties. The Elcano Group understands that exercising due diligence in anti-corruption matters requires the design and implementation of control models in the issues considered in the Code that ensure knowledge of the rules and criteria for action, define responsibilities and establish procedures that allow the confidential notification of irregularities and their resolution.

Elcano Group's policy is zero tolerance for corruption, and in this sense, its employees will act professionally and ethically in the Group's businesses, transactions, and business relationships. All persons affected by the Anti-Corruption Code mentioned above must act with integrity at all times and not engage or commit themselves in any way to practices related to corruption in the performance of their professional activity.

The Group has also had an Internal Code of Conduct in matters related to the Securities Markets since 2016, approved by the Board of Directors' resolution, to adapt Empresa Naviera Elcano, S.A. to the best practices in matters of conduct in the securities markets. Its subjective scope of application extends across the Board of Directors, including the Secretary and the Senior Executives of the Company, and other persons who, according to the regulations in force, are appointed to these positions and under their habitual and recurrent access to information that may be considered "Privileged" for the Regulations themselves. Within the scope of the Internal Regulations of Conduct, Senior Executives are defined as any executives who report directly to the Board of Directors, its Chairman or the Chief Executive Officer of the Company, as well as any executive designated as such by the Board of Directors. It also affects personnel belonging to the Financial Management and the Department of Internal Audit and Management Control, as well as the named executives and employees who habitually have access to Privileged Information or Relevant Information (as defined in the Internal Regulations). Finally, these Regulations also apply to individuals, including external advisers who provide financial, legal, consultancy or any other type of services to the company, with access to Privileged Information of the Company temporarily because of their participation, study or negotiation of a Transaction (as defined in the Regulations).

To date, no complaints or inquiries related to money laundering, corruption, or bribery have been received through the designated whistleblowing channel.

In December 2019, the Board of Directors of Empresa Naviera Elcano S.A. approved the implementation of a Compliance Programme (Programa de Cumplimiento Normativo) in the area of crime prevention as a complement and development of the Internal Code of Conduct and the Anti-Corruption Code referred to above, to apply Organic Law 1/2015 of 30 March in relation to the potential exemption from liability of legal persons established in Organic Law 5/2010 of 22 June. In execution of this agreement, these documents were drawn up and approved by the highest governing body:

- Compliance Policy
- Handbook of Crime Prevention
- Compliance function regulations
- Procedures for management, investigation and response to complaints
- Modification of the Anti-Corruption Code approved in 2016
- Ten Commandments

The Compliance Management System is under review, and the final report will be presented to the Company's Board of Directors in May 2025.

Regarding the criterion of success of the objectives set, these were achieved because:

There were no situations of irregular/offending behaviour linked to the stated objective.

There were no non-conformities in the process/control.

These objectives were set:

- mplementation of the Equality Plan
- Equality training.
- Acceptance of the decalogue of principles by regular suppliers
- Review of the GSTP.
- Preparation of the annual compliance report.

The review of the Compliance System is a task that involves review, analysis and action in different areas. Mainly and by way of summary:

- Analysis of possible changes in the context in which the Group operates.
- Identification of new risks, reassessment of existing risks and updating of the risk matrix and risk map.
- Design of compliance indicators.
- Acceptance of the Ten Commandments and internal policies of the Group
- Residual risk and risk target
- Monitoring
- Training
- Mitigation plans
- Creation of new internal rules, record books and updating of the CPM.
- Development of the Zero Standard for documented information management
- Technical instruction for the analysis and assessment of criminal risks.
- Crime Prevention Manual (CPM).
- Records, lists, monitoring and control of documents, list of doubts, queries, non-compliances and irregularities.
- Identification of the resources allocated to the management of the compliance system.
- Review of the system by the general management and the management body.
- Setting targets for the following year.

To assure the level of compliance and management of the compliance system, an independent company, SM Compliance, reviews the system.

During this financial year, in March 2024, the Board of Directors approved a new Harassment Prevention and Action Protocol, along with the adaptation and improvement of the Complaints Management and Investigation Procedure. Additionally, enhancements were made to the Ethics Channel Policy, the Internal Reporting System and the improvement of the Whistleblowing Channel.


NO SMOKING
SWL 628KN

6. Information about the company other aspects

a.- Commitment to sustainable development

The Elcano Group collaborates decisively in controlling the environmental regulations that regulate international maritime transport, with an unavoidable commitment to sustainable development.

In developing this principle, the Group commits to adhering to the International Maritime Organisation (IMO) Convention, focusing on the control and management of ballast water and sediments from the Group's ships.

The IMO prioritises energy efficiency, the adoption of new technologies and innovation, maritime education and training, maritime security, traffic management and the development of maritime infrastructure among its key objectives.

The development and implementation through IMO of international standards to address these and other issues undoubtedly underpin the commitment to create an appropriate institutional framework for a green and sustainable global shipping system.
Invasive aquatic species represent a significant threat to marine ecosystems, and shipping is an important pathway for introducing species into new environments. This International Convention, which the Group is implementing, prevents the spread of harmful aquatic organisms from one region to another, thanks to standards, state-of-the-art equipment, and proper management procedures.

With substantial investments committed to equipping our existing and new ships with the equipment to lead the IMO Convention for the Control and Management of Ships' Ballast Water and Sediments, we are also complying with Principle 15 of the 1992 United Nations Rio Declaration on Environment and Development, which states that *"in order to protect the environment, States should widely apply the precautionary approach in line with their capabilities. Where there is a risk of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing cost-effective measures to prevent environmental degradation."*

its activity and the company's alignment with the policies of the International Maritime Organisation (IMO) is the excellent work being done to find improvements in ship efficiency.

Empresa Naviera Elcano spends a great deal of resources on gaining in-depth knowledge of international regulations and the factors that originate and shape them, in addition to participating in a multitude of industry forums where concerns and solutions to current challenges are shared. In addition, through knowledge of these regulations and the latest technological advances, the company has been involved in numerous studies and innovative projects that have helped us improve our environmental performance.

Technological advancements are acknowledged as a key route to boosting our environmental performance. Yet, the significance of operational practices as a vital element in facilitating these improvements is equally stressed.

Clearly, for enhancement to occur, environmental performance must be quantifiable. To achieve this, all environmental and energy indicators are diligently monitored, including both those established by the industry and additional, more specific indicators developed internally.

The Group's Fleet and Engineering department has developed and established a robust procedure for monitoring emissions according to the worldwide IMO Data Collection System and European Monitoring Reporting and Verification standards.

b.- Subcontracting and suppliers

Both Empresa Naviera Elcano, S.A. and its subsidiaries operating in Spain, Brazil and Argentina have a purchasing and supplier relations procedure whose purpose is to establish a reference framework that guarantees that Empresa Naviera Elcano, S.A. and other group companies will achieve these objectives:

1.- Economic optimisation in the planning, organisation, programming and execution processes of procurement operations, both in terms of materials and services, to ensure that they are carried out at the lowest possible total cost and in the minimum time necessary (economic time).

2.- Management Transparency, adapting the information corresponding to procurement operations to the supervision and control processes for uniformity of information to facilitate the assessment of compliance with the above objective.

3.- Compliance with the Group's Anti-Corruption Code, available on the Employee Portal, and with Purchasing Ethics standards, in particular:

- Upholding loyalty to the company at all times.
- Maintaining an exemplary level of integrity in all business relationships, both within and external to the company.
- Ensuring optimal use of the resources entrusted to them for the maximum benefit of the company.
- Complying with both the letter and spirit of national and international laws.
- Avoiding any personal business that could conflict or seem to conflict with the company's interests.
- Treating confidential information related to the company and its suppliers with utmost care and respect.
- Fostering mutually advantageous relationships with suppliers by practising courtesy and impartiality throughout the purchasing cycle.
- Refraining from accepting personal gifts that do not align with business courtesies. Declining entertainment offers from suppliers that could undermine or seem to diminish their negotiation power and impartiality.
- Demonstrating impartiality and objectivity in all purchasing decisions.
- Ensuring the compatibility of purchasing and supply operations with environmental protection criteria. In essence, fulfilling the company's requirements using the most suitable and environmentally friendly products and practices.

Similarly, the Group will ensure adherence to all relevant local and international environmental protection standards, including the responsible management, transportation and storage of waste, toxic substances, and hazardous waste.

Besides, the Group promotes the eco-efficient use of resources, raw materials and the reduction of environmental impact, encouraging the use of recycled material instead of non-recycled material, and the responsible control and elimination, when necessary, of substances that may be harmful to the environment.

The environmental impact of supply operations is considered at all stages of the supply chain and is thus established in the purchasing procedure itself. Therefore, when acquiring new equipment, the environmental impact serves as a decisive factor in applicable situations.
Efforts are made to minimise the amount of transport necessary for the shipment or storage of purchased materials in land-based storage facilities. This involves consolidating orders in the warehouse nearest to the origin or the ship in question, as appropriate. By maximising the volume of deliveries, the objective is to reduce the overall number of deliveries.

During the periodic assessment of suppliers and in every specific contract awarding process, the quality and efficiency of the packaging are evaluated, following the criteria and weighting outlined in the current purchasing procedure. Additionally, the supplier's possession of the ISO 14001 environmental certification is also valued among other aspects.

The company has made it a priority in the Purchasing Procedure to resort to local supplies whenever possible, given the economic impact of the ship's activity on the local population.

Two types of supplier assessments are carried out: annual and continuous on a supply-by-supply basis. Both are considered when awarding future purchase orders.

The Group participates in and is a member of different professional associations in the countries in which it carries out its activity; these are generally sectoral or business associations such as Chambers of Commerce, Spanish, Brazilian and other foreign shipowners associations (both by country and by type of ship, etc.).

c.- Tax information

The Elcano Group fulfils its tax obligations in the countries where it operates and is tax resident, including Spain, Brazil, Argentina, Portugal and Malta. Despite reporting total pre-tax losses of 17,910 thousand euros in 2024, the total amount paid by the Group in income tax for the year amounted to 1,021 thousand euros. Turnover data both at the individual level of Empresa Naviera Elcano, S.A. and its Consolidated Group, as well as references to the taxes paid and their breakdown by country and another series of financial, fiscal and accounting data, have been published in its Financial Statements, to which we refer.

d.- Deferrals of payments to suppliers

The average payment term to suppliers in 2024 has increased to 45.76 days.

e.- Research and development

No research and development activities have been carried out in 2024, as discussed in the Group's financial statements.

f.- Treasury shares

The Group has not carried out any operations with its treasury shares during 2024.

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NO SMOKING


FORTE DOS REIS MAGOS

CONSOLIDATED ANNUAL ACCOUNTS

31 december 2024

Free translation from the original in Spanish. In case of discrepancy, the spanish version prevails.
This document is an extract on the consolidated Annual Accounts of Empresa Naviera Elcano S.A. and its group of companies for the financial year 2024. The full text can be examined in the Registry of Companies (Registro Mercantil) of Madrid.

BALANCE SHEET AS OF 31 DECEMBER 2024 AND 2023
(Stated in thousands of euros)

ASSETS	2024	2023
Non-current assets	**547,794**	**577,436**
Intangible fixed assets	44,193	46,771
Tangible fixed assets	446,678	478,282
Long-term financial investme	33,602	33,881
Deferred tax assets	23,321	18,502
Current assets	**411,360**	**326,120**
Non-current assets held for sale	34,918	32,829
Inventories	10,284	20,113
Trade debtors and other receivables	237,855	157,846
Short-term financial investments in group companies and associates	50,135	57,460
Short-term financial investments	11,383	6,375
Cash and cash equivalents	63,326	48,107
Short-term accruals	3,459	3,390
TOTAL ASSETS	**959,154**	**903,556**

NET EQUITY AND LIABILITIES	2024	2023
Net equity	**297,229**	**309,722**
Shareholders' equity	**287,184**	**302,500**
Subscribed capital	50,211	50,211
Reserves of the parent company	76,515	89,926
Reserves in consolidated companies for global integration	175,775	197,414
Profit/(Loss) for the year attributed to the parent company	(15,317)	(35,051)
Adjustments for changes in value	**10,045**	**7,222**
Hedging operations	6,622	6,584
Exchange differences	3,423	638
Non-current liabilities	**337,149**	**349,803**
Long-term provisions	**1,370**	**830**
Long-term provisions	**327,659**	**340,760**
Debentures and other marketable securities	80,000	80,000
Debts with credit institutions	211,598	220,554
Creditors for financial leases	34,946	39,157
Other financial liabilities	1,115	1,049
Deferred tax liabilities	**6,253**	**5,736**
Other long-term creditors	**1,867**	**2,477**
Current liabilities	**324,776**	**244,031**
Short-term debts	**81,227**	**93,340**
Liabilities and other marketable instruments	2,238	2,123
Debts with credit institutions	72,286	85,317
Financial lease receivables	6,703	5,900
Debts with group companies and associates	**14,193**	**14,143**
Trade creditors and other payables	**220,378**	**125,288**
Short-term accruals	**8,978**	**11,260**
TOTAL NET EQUITY AND LIABILITIES	**959,154**	**903,556**

PROFIT AND LOSS ACCOUNT FOR 2024 AND 2023
(Stated in thousands of euros)

	2024	2023
Net turnover	**845,755**	**991,845**
Revenues	845,755	991,845
Supplies	**(60,817)**	**(69,838)**
Goods consumed	(60,817)	(69,838)
Other operating income	**8,759**	**7,844**
Ancillary income and other current management income	8,759	7,844
Personnel expenses	**(52,532)**	**(50,838)**
Wages, salaries and similar	(36,388)	(34,394)
Social security costs	(15,930)	(15,874)
Provisions	(214)	(570)
Other operating costs	**(676,011)**	**(821,149)**
Outsourced services	(664,131)	(809,350)
Taxes	(2,753)	(2,626)
Other current expenses	(8,687)	(9,024)
Other results	(440)	(149)
Depreciation of fixed assets	**(50,521)**	**(50,096)**
Impairment and the result of the disposal of fixed assets	**1,016**	**(12,787)**
Operating Result	**15,649**	**(5,019)**
Financial revenue	**795**	**3,001**
From marketable securities and other financial instruments	795	3,001
Financial expenses	**(31,621)**	**(29,169)**
Debts with group companies and associates	(1,898)	(500)
Debts with third parties	(29,723)	(28,669)
Foreign exchange differences	**(2,737)**	**(4,770)**
Financial Result	**(33,563)**	**(30,938)**
Result before taxes	**(17,914)**	**(35,957)**
Corporation Tax	**2,597**	**906**
RESULT OF THE YEAR	**(15,317)**	**(35,051)**

CASH FLOW STATEMENT FOR 2024 AND 2023
(Stated in thousands of euros)

CASH FLOWS FROM OPERATING ACTIVITIES	2024	2023
Result for the year before taxes	**(17,914)**	**(35,957)**
Adjustments to the result:	**80,983**	**88,806**
Depreciation of fixed assets	50,521	50,096
Impairment corrections	-	16,293
Provisions	652	(245)
Results for retirements and disposal of fixed assets	(1,016)	(3,506)
Financial revenue	(795)	(3,001)
Financial expenses	31,621	29,169
Changes in working capital	**17,685**	**(20,260)**
Inventories	9,829	(4,282)
Debtors and other receivables	(68,109)	70,334
Other current assets	(4,586)	2,250
Creditors and other payables	82,902	(94,085)
Other non-current assets and liabilities	(2,351)	5,523
Other cash flows from operating activities	**(31,342)**	**(25,838)**
Interest payments	(32,174)	(28,360)
Collection of interest	795	3,001
Collections (payments) for profit tax	37	(479)
Cash flows from operating activities	**49,412**	**6,751**

CASH FLOWS FROM INVESTING ACTIVITIES	2024	2023
Payments for investments	**(14,416)**	**(94,252)**
Intangible fixed assets	(1,980)	(20,725)
Tangible fixed assets	(12,436)	(71,587)
Other financial assets	-	(1,940)
Collections from disinvestments	**31,793**	**12,139**
Intangible fixed assets	31,758	10,226
Tangible fixed assets	35	25
Other financial assets	-	1,888
Non-current assets held for sale	**17,377**	**(82,113)**
Cash flows from investing activities		

CASH FLOWS FROM FINANCING ACTIVITIES	2024	2023
Collections and payments for financial liability instruments	**(49,230)**	**39,301**
Issuance:	60,890	146,986
Liabilities and other marketable instruments	-	20,000
Debts with credit institutions	60,890	112,986
Debts with group companies and associates	-	14,000
Repayment and amortisation of:	(110,120)	(107,685)
Liabilities and other marketable instruments	-	(50,000)
Debts with credit institutions	(110,120)	(57,685)
Payments of dividends and remuneration of other equity instruments	**-**	**(624)**
Dividends	-	(624)
Cash flows from financing activities	**(49,230)**	**38,677**

	2024	2023
EFFECT OF EXCHANGE RATE FLUCTUATIONS	**(2,340)**	**1,454**
INCREASE/DECREASE OF CASH OR CASH EQUIVALENTS	**15,219**	**(35,231)**
Cash or cash equivalents at the beginning of the year	**48,107**	**83,338**
Cash or cash equivalents at the end of the year	**63,326**	**48,107**

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES OF 2024 AND 2023

(Stated in thousands of euros)

	2024	2023
Result of the profit and loss account	**(15,317)**	**(35,051)**
Income and expenses attributable directly to Net Equity	**2,823**	**(12,236)**
From the valuation of financial instruments:		
From cash flow hedges	38	(1,132)
From grants, donations and bequests received		
From actuarial gains and losses and other adjustments	2,785	(11,104)
Tax effect		
Transfers to the profit and loss accounts	**-**	**-**
From the revaluation of financial instruments		
From cash flow hedges:		
From grants, donations and bequests received		
From actuarial gains and losses and other adjustments		
Tax effect		
Total transfers to the profit and loss account		
TOTAL RECOGNISED INCOME AND EXPENSES	**(12,494)**	**(47,287)**

B) TOTAL STATEMENT OF CHANGES IN NET EQUITY OF 2024 AND 2023

(Stated in thousands of euros)

	Subscribed Capital	Reserves	Results	Adjustments or Changes in value	TOTAL
BALANCE, END OF THE FY 2022	**50,211**	**283,485**	**6,103**	**19,458**	**359,257**
Adjustments for changes of criteria 2022					**-**
Adjustments for errors 2022					**-**
ADJUSTED BALANCE, BEGINNING OF 2023	**50,211**	**283,485**	**6,103**	**19,458**	**359,257**
Total recognised income and expenses			**(35,051)**	**(12,236)**	**(47,287)**
Operations with shareholders or owners	**-**	**(624)**	**-**	**-**	**(624)**
Distribution of dividends		(624)	-		(624)
Other variations of net equity		**4,479**	**(6,103)**		**(1,624)**
BALANCE, END OF THE FY 2023	**50,211**	**287,340**	**(35,051)**	**7,222**	**309,722**
Adjustments for changes of criteria 2023					-
Adjustments for errors 2023					-
ADJUSTED BALANCE, BEGINNING OF 2024	**50,211**	**287,340**	**(35,051)**	**7,222**	**309,722**
Total recognised income and expenses			**(15,317)**	**2,823**	**(12,494)**
Operations with shareholders or owners	**-**	**-**	**-**	**-**	**-**
Distribution of dividends			-		-
Other variations of net equity		**(35,050)**	**35,051**		**1**
BALANCE, END OF THE FY 2024	**50,211**	**252,290**	**(15,317)**	**10,045**	**297,229**

1. Nature, Activities and Composition of the Group

Empresa Naviera Elcano, S.A. (the “Company” or “ENE”) was incorporated as a limited liability company (Spanish “sociedad anónima”) in Spain on 20 October 1943 for an indefinite period under the name of Empresa Nacional Elcano de la Marina Mercante, S.A. This name was changed to the current one on 21 November 1997. ENE’s registered address is Calle José Abascal 2-4, Madrid.

The main activity of the Company, in compliance with its corporate purpose, consist of providing international maritime transport services for goods in ships owned by some of its subsidiary companies or third parties and managing ships owned by some of its subsidiary companies, which is in line with its corporate purpose.

As at 31 December 2024, the Company’s shareholders are as follows:

	Participation percentage	**Nationality**
Grupo Nosa Terra 21, S.A.	58.23%	Spanish
Abanca Corporación Bancaria S.A.	20.25%	Spanish
Naviera Murueta, S.A.	15.00%	Spanish
Otros	6.52%	Spanish
	100.00%	

The Company is a subsidiary of Grupo Nosa Terra 21, S.A. (“GNT21”), which consolidates and files its Consolidated Financial Statements as “Grupo Nosa Terra 21, S.A. y Sociedades Dependientes” at the Mercantile Registry of Pontevedra. Nonetheless, ENE, as the head of the group of companies, consolidates and draws up Consolidated Financial Statements and files them with the Mercantile Registry of Madrid as “Empresa Naviera Elcano, S.A. y Sociedades Dependientes” (the "Group" or the "Elcano Group").

These Financial Statements refer to the mentioned Group.

The subsidiary companies that form the Group are the following:

Lauria Shipping, S.A. (“Lauria”): ENE holds 100% of the share capital. Its registered address is Rua do Surdo nº 4 – A, 1º andar, 9000-233 Funchal, Ilha da Madeira (Portugal). By a decision of its sole shareholder, Lauria sold its two bulkcarriers in March 2024. As at 31 December 2024, its main activity is the operating lease (bareboat) of both of its product tankers to ENE.

Empresa Naviera Petrolera Atlántica, S.A. (“Enpasa”): ENE holds 99.99% of the share capital. Its registered address is Maipú 942, Buenos Aires (Argentina). As at 31 December 2024, its main activity is the operation of two of its ships, an oil tanker and a chemical “product tanker”. The ships are chartered to third parties.

Empresa de Navegaçao Elcano, S.A. (“Elcano Brasil” or “EBR”): ENE is the owner of 99.99% of this company. Its address is at Praia de Botafogo nº 440, 12º Andar, Río de Janeiro (Brazil). As at 31 December 2024, its principal activity is the operation of seven ships that it owns (three LPG carriers and four bulk carriers), and three chemical tankers (product tankers) chartered on a bareboat basis from other subsidiaries of the Elcano Group.

EBR also holds 100% of the shares of the company ENE Brasil Serviços Marítimos Ltda. ("EBS") incorporated on 5 December 2022. EBS's corporate purpose encompasses a broad range of nautical management services, including the management of ship crews; the operation of maritime terminals, complete with port support services; oversight of storage solutions for goods in transit, alongside comprehensive logistics and ship management and operations. EBS is also engaged in gas storage and regasification, ship repair and maintenance, and undertakes other ancillary or complementary activities as deemed necessary to support the company’s corporate purposes. As at 31 December 2024, EBS is inactive.

However, at the end of 2023, following a resolution passed during the general shareholders' meeting, EBR acquired 21.27% of the shares of Estaleiro Itajaí, S.A. ("EISA") previously held by Empresa Nacional de Empreendimentos Navais Ltda. ("ENEN"), a subsidiary of Globalspectre, Ltda. Furthermore, following a resolution by the Sole Shareholder of Globalspectre, Ltda. and the EBR shareholders' meeting, a capital increase was effected in EISA, resulting in the following shareholding structure in EISA: 40% EBR and 60% Globalspectre, Ltda.

As at 31 December 2024, EISA is classified as held for sale. Therefore, for the purposes of consolidating the Elcano Group’s financial statements, EBR and EBS constitute the EBR Subgroup ("EBR Group").

Globalspectre, Lda ("Global"): ENE is the owner of 100% of Global. Its registered address is Rua da Mouraria nº 50 – 2, Letra A, 9000 Funchal (São Pedro) Madeira (Portugal). Its main activity consists of providing maritime services, such as shipping activities and operation of maritime traffic, tugboats, rescue boats, anti-contamination services, chartering and purchase and sale of ships and holding shares in companies.

Global owns 100% of the shares of ENEN, whose registered office is at Praia de Botafogo, 440, 11º Andar, 22250-040 Rio de Janeiro (Brazil). ENEN's corporate purpose includes providing, either directly or via subcontractors, project management services, which encompass the construction, repair, preservation, treatment and painting of metal structures and maritime vessels, whether at sea or within shipyard facilities. ENEN also offers mechanical and electrical services alongside the exportation of spare parts and machinery. As at 31 December 2024, this company is inactive.

Furthermore, and as mentioned above, since the end of 2023, Global is the direct owner of 60% of the shares of EISA, whose registered office is Rua Herta Thieme, 244 - 1º Barra do Rio, Itajaí, Santa Catarina (Brazil). The company's corporate purpose is shipbuilding in its own shipyard at the company's headquarters. In addition, from the end of 2022 and with the authorisation of the Brazilian Ministry of Infrastructure and the intervention of the Agência Nacional de Transportes Aquaviários - ANTAQ, EISA can carry out the activity of transit and storage of liquid bulk (fuels) by installing a liquid bulk port terminal on the land where the shipyard is located today.

At 31 December 2024, EISA is classified as held for sale. Therefore, for the purposes of consolidating the Elcano Group’s financial statements, Global along with ENEN, constitute the Global Subgroup ("Global Group").

Jofre Shipping Ltd (“Jofre”): ENE is the owner of 100% of this company. Its registered address is 171 Old Bakery Street, Valletta, Malta. As at 31 December 2024, its main activity is the operating lease (bareboat) of an LNG carrier with a crew to ENE, which the company leases from a third party.

Ojeda Shipping Limited (“Ojeda”): ENE is the owner of 100% of this company. Its registered address is 171 Old Bakery Street, Valletta, Malta. As at 31 December 2024, its main activity is the operating lease of an asphalt product tanker (bareboat) with crew to ENE.

Elcano Dry Bulk Limited (“EDB”): ENE is the owner of 100% of EDB. Its address is 171 Old Bakery Street, Valletta, Malta. As at 31 December 2024, its main activity is the holding of shares and carrying out the customary functions of a holding company.

EDB is the owner of 100% of the shares of Iberian Bulkcarriers Limited (“Iberian”) and Iberian Bulkcarriers 2 Limited (“IB2”).

Iberian’s registered address is 171 Old Bakery Street, Valletta, Malta, and as at 31 December 2024, its main activity is an operating lease (bareboat) with crew of two of its babycape ships to ENE.

On 24 October 2024, EBR incorporated a new company called Iberian Bulkcarriers 2 Limited (“IB2”), registered at 171 Old Bakery Street, Valletta, Malta, whose purpose will be the maritime transport business.

On 18 November 2024, IB2 signed an agreement to purchase a 10-year-old second-hand Kamsarmax bulk carrier for its bareboat charter to EBR.

For the purposes of consolidating the Elcano Group’s financial statements, EDB, Iberian and IB2 form the EDB Subgroup ("EBD Group").

Elcano Gas Carriers Limited (“EGC”): ENE is the owner of 100% of EGC. Its address is 171 Old Bakery Street, Valletta, Malta. As at 31 December 2024, its main activity is the holding of shares and carrying out the customary functions of a holding company.

EGC is the owner of 100% of the shares of Merida LNG Shipping Limited (“Merida”), Caldelas LNG Shipping Limited (“Caldelas”) and Villalba LNG Shipping Limited (“Villalba”).

Merida’s registered address is 171 Old Bakery Street, Valletta, Malta, and, as at 31 December 2024, its main activity is an operating lease (bareboat) of a GNL carrier (leased from a third party) with crew to ENE.

Caldelas’s registered address is 171 Old Bakery Street, Valletta, Malta, and, as at 31 December 2024, its main activity is an operating lease (bareboat) of a GNL carrier (leased from a third party) with crew to ENE.

Villalba was incorporated on 14 July 2023, and its registered office is at 171 Old Bakery Street, Valletta, Malta. As at 22 November 2023, its main activity involves the bareboat chartering of an LNG carrier to ENE, which is leased under a finance lease from a third party.

For the purposes of consolidating the Elcano Group’s financial statements, EGC, along with Merida and Villalba, constitute the EGC Subgroup (“EGC Group”).

Elcano Tankers Limited (“ETL”): ENE is the owner of 100% of ETL. Its address is 171 Old Bakery Street, Valletta, Malta. As at 31 December 2024, its main activity is the holding of shares and carrying out the customary functions of a holding company.

ETL owns 100% of three companies: Iberian Tankers 1 Limited (“IT1”), Iberian Tankers 2 Limited (“IT2”) and Iberian Tankers 3 Limited (“IT3”).

IT1's registered address is at 171 Old Bakery Street, Valletta, Malta. As at 31 December 2024, this company is inactive.

IT2's registered address is at 171 Old Bakery Street, Valletta, Malta. As at 31 December 2024, its main activity is the operating lease (bareboat with crew) of one of its product tankers to ENE.

IT3’s registered address is 171 Old Bakery Street, Valletta, Malta, and as at 31 December 2024, its main activity is an operating lease (bareboat) of a product tanker to EBR, which it holds under a finance lease basis from a third party.

For the purposes of consolidating the Elcano Group’s financial statements, ETL, IT1, IT2 and IT3 form the ETL Subgroup (“ETL Group”).

Elcano Group Services Limited (“EGS”): ENE is the owner of 100% of EGS. Its registered address is 171 Old Bakery Street, Valletta, Malta, and as at 31 December 2024, its main activity is the holding of shares and carrying out the customary functions of a holding company.

EGS owns 100% of Elcano Management Services Limited (“EMS”).

EMS’ registered address is 171 Old Bakery Street, Valletta, Malta, and its main activity is the provision of management services and intra-group financing. As at 31 December 2024, this company is inactive.

For the purposes of consolidating the Elcano Group’s financial statements, EGS and EMS form the EGS Subgroup (“EGS Group”).

As at 31 December 2024, Lauria, EPT1, Enpasa, EBR Group, Global Group, Jofre, Ojeda, EDB Group, EGC Group, ETL Group and EGS Group, along with ENE, make up the Elcano Group.

On 21 November 2024, the dissolution and liquidation of the companies Elcano Product Tankers 1, S.A. (“EPT1”), Elcano Product Tankers 2, S.A. (“EPT2”), and Elcano Gas Transport, S.A. (“EGT”), all wholly owned by ENE, became effective. These Consolidated Financial Statements reflect the contributions from these companies up until their dissolution and liquidation, with ENE assuming their assets and liabilities as their sole shareholder.

As at 31 December 2024, the Group owns an oil tanker, four chemical/product tankers, six bulk carriers, three LPG carriers, and an asphalt carrier. The Group also operates three liquefied natural gas (LNG) carriers under operating leases, alongside one LNG carrier and one chemical/product tanker, which are both under finance leases. In addition, as of 15 January 2025, the newly acquired second-hand 'Kamsarmax' bulk carrier vessel by IB2 will be added to the fleet of owned vessels.

2. Submission and Consolidation Bases

Las Cuentas Anuales Consolidadas del ejercicio 2024 se han formulado de acuerdo con la The Consolidated Financial Statements for 2024 have been prepared in accordance with current corporate legislation, the regulations for drafting Consolidated Financial Statements as stipulated by Royal Decree 1159/2010 of 17 September, and the Spanish General Accounting Plan sanctioned by Royal Decree 1514/2007 of 16 November. These documents have been updated to include amendments from Royal Decree 1/2021 of 12 September, among others. This approach ensures the presentation of a true and fair image of the Group's consolidated equity, financial position and results, as well as the veracity of the transactions recorded in the consolidated cash flow statement.

The mentioned Consolidated Financial Statements have been drawn up based on the underlying accounting records of ENE, Lauria, Enpasa, Elcano Brasil, EBS, Global, ENEN, Ojeda, Jofre, EDB, Iberian, IB2, EGC, Merida, Caldelas, Villalba, ETL, IT1, IT2, IT3, EGS and EMS.

The individual Financial Statements for the companies to be consolidated will be subjected to the approval of the respective General Shareholders' Meetings under the terms established by the law applicable to them in their country of residence. Nonetheless, ENE's directors consider there will be no changes that could materially affect the Consolidated Financial Statements.

The financial and fiscal year of all the companies of the consolidated group coincides with the calendar year.

Similarly, all the Group companies apply homogeneous accounting and measurement methods according to Spain's generally accepted principles and rules. Nonetheless, if there are discrepancies in the uniformity of the group companies' principles and rules, the adjustments and reclassifications are carried out before the aggregation process.

The companies and subgroups (namely, Lauria, Enpasa, the EBR Group, the Global Group, Jofre, Ojeda, EDB Group, the EGC Group, the ETL Group and the EGS Group) have been consolidated through the global integration method. All the balances and transactions between these companies have been removed from the consolidation process.

There are no significant uncertainties or aspects regarding the future that could entail a significant risk that could, in turn, mean substantial changes in the value of the assets and liabilities in the coming years.

No changes have occurred in the accounting estimates that affect the current year, or that could significantly affect future years.

According to Corporate Law, ENE's Governing Body presents the figures for each item of the Consolidated Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Equity, and Cash Flows for 2024 and 2023 for comparison.

To better understand the Consolidated Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Equity and Cash Flows are presented in a grouped form, gathering the details required by the relevant notes of this Annual Report.


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3. Accounting Principles and Measurement Standards Applied

The information in these Consolidated Financial Statements is the responsibility of ENE's directors, as the Elcano Group's parent company. The directors' estimates have been used to measure some of the assets, liabilities, revenue, expenditure, and commitments recorded in these Financial Statements. These estimations refer to the measurement of the loss from the impairment of certain assets and the useful life of material and intangible assets.

The principal accounting principles and Measurement Standards applied are as follows:

a.- Functional currency

The primary economic environment in which the Group operates corresponds to the international maritime merchandise transport market. The functional currency of the Group is the US dollar ("dollar" or "dollars"), except for the EBR Group and ENEN, which is the Brazilian real. Nonetheless, and as established by the General Accounting Plan, the Consolidated Financial Statements are drawn up in thousands of euros.

The criteria used to convert the different items in these Consolidated Financial Accounts into euros are as follows:

a. Assets and liabilities are converted using the prevailing exchange rate as at the date of the Consolidated Financial Statements.
b. The Profit and Loss Account captions are converted using the average exchange rate for the period.
c. Net Equity is kept at the historical exchange rate as at the date of acquisition.

The differences in exchange rates that arise from the conversion are recognised net from their fiscal effect under the caption "Adjustment for Changes in Value: Conversion differences" within Net Equity. As at 31 December 2024, Exchange differences amount to 3,423 thousand euros (638 thousand euros in the preceding year).

Annex I to these Consolidated Financial Statements contains the Consolidated Balance Sheet, the Consolidated Income Sheet, the Consolidated Cash Flow and the Consolidated Change in Net Equity Statement for 2024 and 2023, stated in the functional currency.

When a reference is made to figures in the remaining notes of this report, these will be expressed as thousands of dollars. When stated in another currency other than the dollar, it will be clearly stated.

b.- Intangible fixed assets

Intangible fixed assets are measured at their acquisition price minus accumulated depreciation and, where applicable, minus accumulated impairment losses.

This heading relates mainly to intangible assets with a definite useful life and the costs incurred in bringing into operation certain ships operated by the Group under long-term contracts with clients. These assets are amortised during the life of the associated contract.

This section also includes the docking costs of third-party ships leased by the Group under operating leases. Dockings are amortised in the period between each docking (3 - 5 years). This caption also gathers the cost of acquired “software”, which is amortised on a straight-line basis over the term of 5 years in which its use is expected. The maintenance cost for intangible fixed assets is charged to expenses when incurred.

As soon as there are reasonable doubts regarding the technical success or economical-trade profitability of software development, the corresponding amounts recognised in the assets will be directly allocated to the year's loss.

Maintenance expenses for software incurred during the year are registered in the Profit and Loss Account.

In addition, expenses arising from research and development associated with patents owned by the Group relating to a project for which there are sound reasons for technical success and the economic and commercial profitability of the project are included.

Research and development expenses are amortised over their useful life, which will not exceed 5 years. As soon as there are reasonable concerns about the technical success or economical-trade profitability, the amounts recognised in this section will be directly allocated to the loss of the year.

c.- Tangible fixed assets

Tangible fixed assets are measured at their acquisition price minus the corresponding accumulated depreciation and, where applicable, minus the accumulated recognised valuation allowances for impairment.

Depreciation of tangible fixed assets is carried out on their cost value, following the straight-line basis over the assets’ useful life:

	Years of useful life
Ships	20 - 30
Buildings and other constructions	25
Facilities, tools and furniture	5 - 10
Vehicles	3
Data processing equipment	6 - 7

This item includes the cost of dry-docking of vessels in the fleet owned by the Group or leased under finance leases. Docking costs are amortised in the period between each docking (3 - 5 years).

Financial expenses from loans directly related to building the ships are capitalised as part of the initial value of the asset until the asset begins operations.

Asset maintenance and repair expenses that improve the utilisation or lengthen the useful life of the ships are capitalised and charged to the Profit and Loss Account according to the years of useful life left. When their utilisation is not improved, or their useful life is not lengthened, the amounts are charged to expenses when they happen.

The book value of tangible fixed assets is derecognised on disposal or when they are not expected to generate future economic benefits or income from their use, disposal or other disposition.

The profit or loss on the derecognition of an item of tangible fixed assets is the difference between the amount obtained on the disposal of the item, minus costs to sell and the book value. The profit or loss will be recognised in the Profit and Loss Account when the item is derecognised.

At least at the end of each reporting period, the company assesses whether there is any indication that items of tangible fixed assets or cash-generating units may be impaired. If any such evidence exists, the company estimates the recoverable amount of these items and makes the required valuation allowances.

An item of tangible fixed assets is considered impaired when its book value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value minus costs to sell and its value in use.

Impairment is calculated separately for each tangible fixed asset. If the company cannot estimate the recoverable amount of each item individually, it determines the recoverable amount of the cash-generating unit to which each item belongs. Should the company need to recognise an impairment loss for a cash-generating unit to which all or part of goodwill has been allocated, it first reduces the book value of the goodwill associated with that unit. If impairment exceeds the amount of goodwill, the company then reduces the remaining assets in the cash-generating unit pro-rata based on their book values. The book value of each asset may not be reduced below the higher of its fair value, minus costs to sell, its value in use or zero.

The Group prepares the estimates of future cash flows before taxes based on the most recently approved forecasts to estimate the value in use. These forecasts include the best estimates available from the income and expenses of the cash-generating units using past experience and future expectations.

Corrections of value for impairment of tangible fixed assets and reversals thereof, when the circumstances that gave rise to the impairment cease to exist, are recognised in the Consolidated Income Statement as an expense or income, respectively. The impairment will be reversed only up to the limit of the book amount of the tangible fixed assets determined at the reversal date had the impairment not been recognised.

d.- Leases and similar transactions

The Group’s classification of a lease as financial or operating will depend on whether the risks and profit inherent to the ownership of the subject of the contract have been materially transferred.

- It will be classified as a finance lease if the economic conditions of the agreement entail the material transfer of all the risks and profit inherent to the ownership of the element leased in such agreement.
- Otherwise, it will be classified as an operating lease.

Finance leases

At the start of the financial lease contract, the Group recognises an asset according to its nature, whether it is a tangible or intangible fixed asset, and records a financial liability for the same amount. This amount will be the lower of the fair value of the leased asset and the present value of the minimum lease payments agreed upon at the start of the lease. The present value is calculated based on the interest rate implicit in the lease. Where this cannot be determined, the lessee's interest rate for similar transactions is used.

The total finance charge is distributed over the term of the lease and allocated to the Profit and Loss Account of the year in which it accrues by applying the effective interest rate method. Contingent payments are measured as expenses of the year during which they are incurred.

Amortisation, impairment, and derecognition criteria are applied to the balance sheet assets due to finance leases.

Operating leases

Expenses for operating leases incurred during the year are charged to the Profit and Loss Account.

e.- Inventories

Fuel and maintenance inventories are recognised at their cost price, at most the market value. The costs of fuel inventories are determined by applying the FIFO method. The costs of maintaining inventories are determined by applying the weighted average cost method.

Furthermore, from 2024 onwards, it includes the stock of emission allowances for certain greenhouse gases within the EU (hereinafter referred to as "CO2 emission allowances and others") that were acquired and not utilised within the year. These are recorded at the time of acquisition at cost and are measured at year-end using the FIFO (First-In, First-Out) method.

f.- Financial instruments

The Group only recognises a financial instrument on its balance sheet when it becomes a party to the contract or legal transaction according to the provisions of the contract or legal transaction by determining its classification at initial recognition and, where permitted and appropriate, reassessing its classification at each balance sheet date, considering the requirements of the standard, and resulting in a change in measurement criteria.

Financial instruments are classified according to their valuation into one of these categories:

Financial assets

1. Financial assets at fair value through profit or loss.
2. Financial assets at amortised cost.
3. Financial assets at fair value through net equity.
4. Financial assets carried at cost.

Financial liabilities

1. Financial liabilities carried at amortised cost.
2. Financial liabilities at fair value through profit or loss account.

As at 31 December 2024 and 2023, the Group has classified its financial instruments as follows:

Financial assets and liabilities carried at amortised cost

1.- Financial assets at amortised cost.

In this category, the Group classifies investments or financial assets held for receiving the cash flows arising from the performance of the contract and which, due to the contractual terms of the asset, give rise to cash flows solely from the collection of principal and interest on the principal amount outstanding. Specifically, the following are recognised in this category:

a. Trade receivables (clients and other debtors, mainly): financial assets arising from the sale of goods and the provision of services in trade operations.
b. Non-trade receivables: financial assets that are neither equity instruments nor derivatives with a favourable valuation for the Group, not arising from trade transactions, with fixed or determinable payments, and are not traded in an active market.

2.- Financial liabilities at amortised cost

These financial liabilities are generally classified in this category:

a. Trade payables (suppliers and other creditors, mainly): financial liabilities arising from purchasing goods and services in trade operations.
b. Non-trade payables (payables to credit institutions, other debt instruments such as non-convertible bonds, notes, etc., and other financial loans and receivables from third parties): financial liabilities which, not being derivative instruments with an unfavourable valuation for the Group, do not have a trade origin.

Financial assets and liabilities in this category are initially measured at fair value, i.e. the transaction price equivalent to the fair value of the consideration given plus directly attributable transaction costs.

Notwithstanding the above, trade receivables and payables falling due within one year for which there is no contractual interest rate, loans and advances to personnel, dividends receivable and payments on called-up equity instruments expected to be collected in the short-term and payments demanded by third parties on shares, the amount of which is expected to be paid in the short-term, are measured at their nominal amount, provided the effect of not discounting the cash flows is not significant.

The financial assets and liabilities are subsequently measured at amortised cost. Accrued interest is charged to the Profit and Loss Account using the effective interest rate method. However, receivables and payables falling due within one year initially measured at the nominal amount continue to be measured at that amount unless impaired.

At year-end, the Company recognises any necessary valuation allowances when there is objective evidence that the value of a receivable has become impaired, that is, if there is evidence of a reduction or delay in estimated future cash flows to said asset.

The impairment on loans and receivables is measured as the difference between the carrying value and the present value of estimated future cash flows, discounted at the effective interest rate calculated upon initial recognition.

Valuation allowances for debtor impairment as at 31 December 2024 have been estimated according to the analysis of each of the individual balances pending to be received on the said date.

Financial assets at cost

This category includes investments in Group companies, associates and jointly controlled entities, as well as investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical financial instrument or cannot be reliably estimated.

1.- Equity investments in group companies, jointly controlled entities and associates

Financial investments in Group companies, multi-group companies and associates correspond to shares in companies not subject to consolidation in these Financial Statements due to being companies whose relative importance is not relevant to the equity situation of the Consolidated Group.

They shall initially be measured at cost, which equals the fair value of the consideration given plus directly attributable transaction costs.

They are subsequently valued at cost less, where applicable, the accumulated valuation allowances for impairment.

At year-end, the Group recognises any necessary valuation allowances when there is objective evidence that the carrying value of an investment will not be recovered.

Valuation allowances are the difference between the book value and the recoverable amount unless better evidence of the recoverable investments is available. In estimating these kinds of assets, the proportional part of the investee's Net Equity is considered, corrected for any unrealised gains existing at the measurement date, corresponding to elements identifiable in the investee's balance sheet.

Where the investee, in turn, holds an interest in another company, its equity shall be measured considering equity disclosed in the Consolidated Annual Accounts prepared using the criteria in the Spanish Commercial Code and implementation standards.

Where the investee uses a functional currency other than the Euro, the exchange rate used is applied to net equity and any unrealised gains at the close date.

Financial assets carried at fair value with changes in net equity

This category includes financial assets, which give rise to principal and interest payments cash flows only at specified dates on the principal amount outstanding, are not held for trading and are not classified as financial assets at amortised cost.

This category also includes equity instruments, which, although they should have been included in the category of financial assets at fair value through profit or loss, the Group has exercised its irrevocable option to classify them in this category.

Financial assets held for sale are initially measured at fair value or the transaction price, which equals the fair value of the consideration given plus directly attributable transaction costs. Where necessary, the amount paid for any pre-emptive and similar rights acquired.

They are subsequently measured at fair value, deducting no transaction costs incurred on disposal. Changes in fair value are accounted for directly in net equity until the financial asset is derecognised or impaired and subsequently charged to the Consolidated Profit and Loss Account.

However, impairment and exchange gains and losses on monetary financial assets in foreign currency are charged to the Consolidated Profit and Loss Account.

Interest calculated using the effective interest rate method and accrued dividends is also charged to the Consolidated Profit and Loss Account.

Investments in equity instruments for which the fair value cannot be estimated reliably are measured at cost less, where applicable, any accumulated impairment.

At year-end, the company recognises any necessary impairment when there is objective evidence that the value of a financial asset held for sale, or group of financial assets held for sale with similar risk exposure measured together, is impaired, causing:

a. For acquired debt instruments, a reduction or delay in estimated future cash flows from acquired debt instruments, which could be due to debtor insolvency; or
b. For investments in equity instruments, failure to recover the carrying amount due to a significant or prolonged decline in the fair value. For these purposes, the instrument is considered impaired after an 18-month decline and a 40 % drop in its quoted price with no recovery in value.

The impairment of these financial assets is measured as the difference between the cost or amortised cost, less, where applicable, any impairment previously recognised in the Consolidated Profit and Loss Account, and the fair value at year-end.

As soon as there is objective evidence that the asset is impaired, accumulated losses recognised in net equity for a decrease in fair value are recorded in the Consolidated Profit and Loss Account.

If the fair value were to increase in subsequent reporting periods, the impairment charged in prior periods would be reversed with a credit to the Consolidated Profit and Loss Account for the reporting period. However, where the fair value of an equity instrument increases, the impairment charged in prior periods will not be reversed with a credit to the Profit and Loss Account; rather, the increase in fair value will be accounted for directly in equity.

The impairment of equity instruments carried at cost because the fair value cannot be measured reliably is calculated according to the section referring to equity investments in group companies, jointly controlled entities and associates. Impairment recognised in prior reporting periods is not reversed.

Derecognition of financial assets

A financial asset or part thereof is derecognised when it expires, or the contractual rights on the cash flows of the financial asset are transferred, and the risks and benefits inherent to the ownership are substantially transferred.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation is extinguished, i.e. when it has been discharged, cancelled or has expired.

Interest and dividends from financial assets

Interest and dividends accrued on financial assets after acquisition are charged as income in the Consolidated Profit and Loss Account.

Interest is accounted for using the effective interest rate method, while dividends are recognised when the equity holder’s right to receive payment is established. For this purpose, upon the initial measurement of financial assets, accrued express interest receivable and not due at the measurement date is recognised separately, based on maturity and any dividends agreed by the competent body at the moment of acquisition.

Guarantees extended and received

For guarantees given or received for operating leases or the provision of services, the difference between their fair value and the amount paid is treated as an advance payment or collection for the lease or service provision, which is recognised in the Consolidated Profit and Loss Account during the period of the lease or during the period in which the service is provided.

Guarantees extended and received in the short term are valued by the amount disbursed.

Cash and equivalents

The Group classifies cash, bank balances, sight deposits and other highly liquid short-term investments realisable in under 3 months with a low risk of value volatility in this category.

g.-Cash flow hedges

They are hedges of the exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, provided it can affect the Consolidated Profit and Loss Account. A hedge of the foreign currency risk of a firm commitment may be accounted for as a cash flow hedge.

The portion of the gain or loss on the hedging instrument determined to be an effective hedge is temporarily recognised in Consolidated Net Equity and allocated to the Consolidated Profit and Loss Account in the reporting period or periods in which the forecast hedged transaction affects profit or loss unless the hedge relates to a forecast transaction that requires recognition of a non-financial asset or liability. In the latter case, the amounts charged to equity are included in the cost of the asset or liability upon acquisition or assumption.

h.- Transactions in foreign currency

Monetary items

Transactions in foreign currency are accounted for at their exchange value in dollars, using the exchange rate on the date of such transactions. Exchange gains and losses arising in the cancellation of balances from transactions in foreign currency are recognised in the Profit and Loss Account for the reporting period in which they occur.

At year-end, accounts receivable and payable in foreign currency are measured in dollars at the exchange rate valid as at 31 December. Unrealised net exchange losses established for groups of currencies of similar maturity and behaviour on the market are recognised as an expense, and net unrealised gains are recognised in the same way as income. In exchange hedges, only the part of the risk not covered is considered.

Non-monetary items

They will be valued by applying the exchange rate on the transaction date.

i.- Corporation Tax

Certain Group companies are taxed on regimes based on tonnage (tonnage tax).

ENE has been taxed in the Special Shipping Companies Registry by tonnage according to the Spanish Tonnage Tax since 2004. After successive renewals, it has been renewed for a further ten years since 1 January 2024.

As regards the activities of the Group not subject to these tonnage-tax regimes, the expense for Corporate Tax of each financial year is calculated on the economic result of the activities not subject to tonnage-tax, corrected by the permanent nature differences with tax criteria and considering the bonuses and applicable deductions. The tax effect of the temporary differences is included, where appropriate, in the corresponding items for prepaid or deferred Corporation Tax of the accompanying balance sheet, classified by their term or according to the expected reversal period.

j.- Recognition of revenue and expenditure

Generally, revenues and expenses are recognised on an accrual basis, i.e. when the actual flow of goods and services they represent occurs, regardless of when the resulting monetary or financial flow deriving from them occurs.

Revenue from the ordinary course of the Group's business is recognised when control of the goods or services committed to customers is transferred, at which time revenue is measured at the amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. The Group follows a process consisting of these steps:

a. Identify the contract(s) with customers.
b. Identify the obligation(s) to be fulfilled in the contract.
c. Determine the transaction price or contract consideration to which the Group expects to be entitled in exchange for transferring goods or providing services committed by the customer.
d. Allocate the transaction price to the obligations to be fulfilled.
e. Recognise revenue from ordinary activities when or as the Group fulfils a committed obligation by transferring a good or rendering a service; fulfilment occurs when the customer obtains control of the good or service.

Specifically, considering the Group's core business, maritime transport services, in general, revenue from the provision of these services is recognised over time, as it is assumed that the customer simultaneously receives and consumes the rights and benefits inherent to the service as the Group provides the service. In this sense, if another company took over the contract within the service provision period, it would not need to do the work already completed up to that point again.

Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable. In the absence of evidence to the contrary, this is the agreed price of those goods or services, less any trade discounts, rebates or similar items granted by the company and interest on the nominal amount.

k.- Provisions and contingencies

Liabilities at year-end arising from past events that may lead to a loss for the Group and the amount and time of cancellation of which are indeterminate are measured in the Consolidated Balance Sheet as provisions based on the present value of the best estimate of the amount required to settle the obligation or transfer it to a third party.

Adjustments arising from discounting the provision are recognised as a financial expense when accrued. No discounts will be applied for provisions that mature in a year or less, provided the financial effect is not significant.

l.- Transactions between related parties

Transactions carried out with related parties are generally measured at the initial moment and their fair value. Where applicable, if the price agreed upon in a transaction is different from the fair value, the difference will be measured according to the economic reality of the transaction. The subsequent valuation is carried out according to the particular standards.

m.- Non-current assets held for sale

The company classifies a non-current asset as held for sale if its book value will be recovered principally through a sale transaction rather than through continuing use, and provided that it meets these requirements:

a. The asset must be available for immediate sale in its present condition; and
b. Its sale must be highly probable due to these circumstances:

    1. The company must be committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan must have been initiated.
    2. The asset must be actively marketed for sale at a reasonable price compared to its current fair value.
    3. The sale should be expected to be completed within one year from the date the asset is classified as held for sale.
    4. Actions to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the date of reclassification in this category at the lower of the book value and the fair value less costs to sell.

The group does not depreciate or amortise a non-current asset while it is classified as held for sale and recognises the necessary impairment, so the book value does not exceed the fair value less costs to sell.

When an asset no longer meets the conditions for classification as held for sale, it is reclassified in the balance sheet according to its nature and measured at the lower of the book value before it was classified as held for sale, adjusted for any depreciation, amortisation or impairment recognised had the asset not been classified as held for sale, and the recoverable amount at the reclassification date. Any difference is recognised in the Consolidated Income Statement according to its nature.

Impairment of non-current assets held for sale and reversals thereof when the circumstances that gave rise to the impairment cease to exist are recognised in the Consolidated Profit and Loss Account unless they must be recognised directly in Consolidated Net Equity according to the specific standards applicable to each asset.

n.- Statement of cash flows

The following wording is used in the cash flow statement:

Cash or Cash Equivalents: Cash in hand and demand deposits at banks. Cash equivalents are financial instruments that can be convertible to cash and have a maturity of three months or less from the date of acquisition, provided there is no significant risk of changes in value and that they form part of the Company's general cash management policy.

Cash flows: inflows and outflows of cash or cash equivalents. These are very liquid investments with a low risk of changes in value for up to three months.

Operating activities: main revenue-producing activities of the Company and other activities that are not investing or financing activities.

Investing activities: acquisition, disposal or transfer of long-term assets and other investments not including in cash and cash equivalents.

Financing activities: activities that change the size and composition of Net equity and financial liabilities.

4. Intangible fixed assets

The composition and movements of intangible fixed assets are as follows:

	Thousands of dollars					Thousands of euros
	Balance 31.12.23	Additions	Disposals	Transfers	Balance 31.12.24	Balance 31.12.24
Cost						
Dry-dock works	22,604	2,057	-	-	24,661	23,737
Long-term contracts/projects	51,268	-	-	-	51,267	49,348
Patents and developments	361	-	-	-	361	348
Software	1,605	-	-	-	1,606	1,545
ISPS/ISM/TMSA, ships	1,890	-	-	-	1,890	1,819
	77,728	**2,057**	**-**	**-**	**79,786**	**76,797**
Accumulated depreciation						
Dry-dock works	(4,151)	(4,430)	-	-	(8,581)	(8,264)
Long-term contracts/projects	(19,128)	(2,901)	-	-	(22,031)	(21,202)
Software	(1,259)	(116)	-	-	(1,374)	(1,323)
ISPS/ISM/TMSA, ships	(1,508)	(378)	-	-	(1,887)	(1,816)
	(26,046)	**(7,824)**	**-**	**-**	**(33,873)**	**(32,604)**
Net value	**51,682**	**(5,767)**	**-**	**-**	**45,912**	**44,193**

	Thousands of dollars					Thousands of euros
	Balance 31.12.22	Additions	Disposals	Transfers	Balance 31.12.23	Balance 31.12.23
Cost						
Dry-dock works	15,413	20,649	(5,744)	(7,714)	22,604	20,455
Long-term contracts/projects	49,199	2,069	(2,826)	2,826	51,268	46,396
Patents and developments	360	2	-	-	361	327
Software	1,424	181	-	-	1,605	1,453
ISPS/ISM/TMSA, ships	1,890	-	-	-	1,890	1,710
	68,286	**22,901**	**(8,570)**	**(4,888)**	**77,728**	**70,341**
Accumulated depreciation						
Dry-dock works	(7,457)	(2,683)	5,744	244	(4,151)	(3,757)
Long-term contracts/projects	(16,269)	(2,859)	-	-	(19,128)	(17,310)
Software	(1,160)	(98)	-	-	(1,259)	(1,139)
ISPS/ISM/TMSA, ships	(1,129)	(378)	-	-	(1,508)	(1,365)
	(26,015)	**(6,020)**	**5,744**	**244**	**(26,046)**	**(23,570)**
Net value	**42,271**	**728**	**(2,826)**	**(4,643)**	**51,682**	**46,771**

The section on dry-dock works within Intangible fixed assets include the dry dockings of the ships that the Group holds on an operating lease (see note 6). Additions in the period relate to costs incurred by the Group for past or in-process dry-dockings in the said period.

Long-term contracts/projects mainly correspond to the costs assumed by the Group for the coming into operation of specific ships. These costs are recovered throughout the life of the long-term contracts signed with the respective clients.

The Patents and Developments caption includes the work carried out by the Group on a project developed for which economic and commercial profitability is expected in the coming years.

As at 31 December 2024, the balance of fully amortised elements amounted to 2,791 thousand dollars (719 thousand dollars in the previous year).

5. Tangible Fixed Assets

The composition and movements of the tangible fixed assets are as follows:

	Miles de dólares					Miles de euros
	Balance 31.12.23	Additions	Disposals	Transfers	Saldo a 31.12.24	Saldo a 31.12.24
Cost						
Ships	876,144	806	(150,923)	17,708	743,735	715,887
Dry-dock works	83,228	11,741	(16,125)	(17,708)	61,137	58,847
Buildings and other constructions	12,670	358	-	-	13,028	12,540
Facilities, tools and furniture	1,707	-	-	-	1,707	1,643
Vehicles	1,031	-	-	-	1,031	992
Data processing equipment	1,824	15	(65)	-	1,774	1,708
	976,604	**12,920**	**(167,113)**	**-**	**822,411**	**791,618**
Accumulated depreciation						
Ships	(400,003)	(34,475)	108,303	-	(326,175)	(313,962)
Dry-dock works	(21,258)	(11,926)	10,608	-	(22,576)	(21,730)
Buildings and other constructions	(6,522)	(175)	-	-	(6,697)	(6,446)
Facilities, tools and furniture	(914)	-	-	-	(914)	(880)
Vehicles	(792)	(67)	-	-	(858)	(826)
Data processing equipment	(998)	(206)	65	-	(1,139)	(1,096)
	(430,487)	**(46,848)**	**118,976**	**-**	**(358,358)**	**(344,940)**
Impairment						
Ships	(12,645)	-	12,645	-	-	-
Dry-dock works	(4,971)	-	4,971	-	-	-
	(17,616)	**-**	**17,616**	**-**	**-**	**-**
Net value	**528,502**	**(33,928)**	**(30,521)**	**-**	**464,054**	**446,678**

	Thousands of dollars					Thousands of euros
	Balance 31.12.22	Additions	Disposals	Transfers	Balance 31.12.23	Balance 31.12.23
Cost						
Ships	843,753	45,500	(28,071)	14,962	876,144	792,891
Dry-dock works	75,579	32,715	(14,991)	(10,075)	83,228	75,319
Fixed assets under construction	-	-	-	-	-	-
Buildings and other constructions	12,058	612	-	-	12,670	11,466
Facilities, tools and furniture	1,707	-	-	-	1,707	1,545
Vehicles	986	45	-	-	1,031	933
Data processing equipment	2,951	232	(1,358)	-	1,824	1,651
	937,034	**79,104**	**(44,421)**	**4,888**	**976,604**	**883,805**
Accumulated depreciation						
Ships	(385,974)	(34,756)	20,727	-	(400,003)	(361,995)
Dry-dock works	(22,481)	(12,865)	14,333	(244)	(21,258)	(19,238)
Buildings and other constructions	(6,225)	(297)	-	-	(6,522)	(5,902)
Facilities, tools and furniture	(906)	(8)	-	-	(914)	(827)
Vehicles	(758)	(33)	-	-	(792)	(716)
Data processing equipment	(2,164)	(193)	1,358	-	(998)	(903)
	(418,508)	**(48,153)**	**36,418**	**(244)**	**(430,487)**	**(389,581)**
Impairment						
Ships	-	(12,645)	-	-	(12,645)	(11,444)
Dry-dock works	-	(4,971)	-	-	(4,971)	(4,498)
	-	**(17,616)**	**-**	**-**	**(17,616)**	**(15,942)**
Net value	**518,526**	**13,335**	**(8,003)**	**4,643**	**528,502**	**478,282**

Ships

In March 2024, the Group sold two bulk carriers owned by its subsidiary Lauria for a total consideration of 32,710 thousand dollars less costs associated with the sale (1,323 thousand dollars), generating a net gain of 967 thousand euros.

On 22 November 2023, an LNG carrier previously under an operating lease transitioned to a finance lease arrangement. The lease agreement for this carrier is valued at 39 thousand dollars. Additionally, the ship has received further investments totalling 2,826 thousand dollars.

During 2023, additional investments were made in two chemical tankers operated in Brazil for an amount of 17,709 thousand dollars.

Dry-dock works

The dry-docking of ships owned or leased are included in tangible fixed assets.

Fully amortised elements as at 31 December 2024 amount to 5,623 thousand dollars (6,240 thousand dollars in the previous year).

As at 31 December 2024, all the ships of the Group’s fleet, except for four, including those taken on a finance lease, provide mortgage security in the financing granted for their acquisition.

The Group has taken out insurance policies to cover the possible risks to which the different elements of their investments are subject, understanding that said policies cover such risks.

6. Leases and similar transactions

Finance leases

The Group operates two ships acquired under financial leases.

Ships taken on a finance lease basis are recognised at the beginning of the lease for the value resulting from adding the minimum future payments agreed in the finance lease contracts to other shipowner investments carried out and necessary for their operation. They will subsequently be depreciated according to their useful life.

Minimum future payments agreed for the long term have these maturities:

	Thousands of dollars		Thousands of euros
	31.12.24	**31.12.23**	**31.12.24**
Two years	7,427	6,961	7,149
Three years	7,925	7,427	7,628
Four years	20,954	7,925	20,169
five years	-	20,955	-
Rest	**36,306**	**43,269**	**34,157**

As at 31 December 2024, the interest accrued and pending payment on account of finance lease contracts amount to 497 thousand dollars (528 thousand dollars in the previous year).

Operating leases

As at 31 December 2024, the Group, acting as a third-party charterer of three LNG carriers under operating leases, has entered into separate contracts with two clients, set to expire in 2030 and 2037, respectively. As the lessee of the ships, the Group will incur fixed annual expenses over this period, which will be recognised in the Consolidated Income Statement as ship lease expenses.

7. Financial assets

The information and movements of the financial assets, including balances with public administrations and cash and cash equivalents during 2024 and 2023, are described below:

	Thousands of dollars							
	Long-term financial assets				Short-term financial assets			
	Debt securities		Loans, derivatives and others		Debt securities		Loans, derivatives and others	
	31.12.24	**31.12.23**	**31.12.24**	**31.12.23**	**31.12.24**	**31.12.23**	**31.12.24**	**31.12.23**
Financial assets at amortised cost	-	-	26,877	28,904	8,163	3,271	250,017	177,485
Hedging derivatives	-	-	8,032	8,535	-	-	753	708
Cash and cash equivalents	-	-	-	-	-	-	65,789	53,159
	-	**-**	**34,909**	**37,438**	**8,163**	**3,271**	**316,559**	**231,352**

	Thousands of euros							
	Long-term financial assets				Short-term financial assets			
	Debt securities		Loans, derivatives and others		Debt securities		Loans, derivatives and others	
	31.12.24	**31.12.23**	**31.12.24**	**31.12.23**	**31.12.24**	**31.12.23**	**31.12.24**	**31.12.23**
Activos financieros a coste amortizado	-	-	25,872	26,158	7,858	2,960	240,657	160,621
Derivados de cobertura	-	-	7,731	7,724	-	-	725	640
Efectivo y otros activos líquidos equivalentes	-	-	-	-	-	-	63,326	48,108
	-	**-**	**33,603**	**33,882**	**7,858**	**2,960**	**304,707**	**209,369**

a.- Debt securities

This heading includes those investments held by the Group until their maturity, which primarily consist of short-term fixed-term deposits and other short-term investments amounting to 8,163 thousand dollars (3,271 thousand dollars in the previous financial year).

b.- Loans, derivatives and others

Loans and Other long-term receivables

Loans and other long-term receivables are as follows:

	Thousands of dollars		Thousands of euros
	31.12.24	**31.12.23**	**31.12.24**
Long-term loans	62	97	59
Long-term deposits and guarantees extended	2,149	2,136	2,068
Other long-term financial assets	24,667	26,671	23,743
	26,877	**28,904**	**25,871**

Loans and Other short-term receivables

Loans and other short-term receivables, including balances with public administrations, are as follows:

	Thousands of dollars		Thousands of euros
	31.12.24	**31.12.23**	**31.12.24**
Trade debtors and other receivables	247,107	174,419	237,855
Trade receivables from sales and services	201,984	123,857	194,421
Damages pending settlement	6,527	6,209	6,283
Receivables from public administrations	26,391	31,309	25,403
Other debtors	12,206	13,044	11,749
Short-term deposits and guarantees extended	910	1,066	876
Other financial assets	2,000	2,000	1,925
	250,017	**177,485**	**240,656**

The composition of Other Debtors is as follows:

	Thousands of dollars		Thousands of euros
	31.12.24	**31.12.23**	**31.12.24**
Receivables	2,902	3,202	2,794
Ship current accounts	81	174	78
Shipbuilding guarantees	49	49	47
Other sundry debts	9,172	9,618	8,829
	12,205	**13,043**	**11,748**

8. Inventories

The inventories include fuel and maintenance, as per the following information:

	Thousands of dollars		Thousands of euros
	31.12.24	**31.12.23**	**31.12.24**
Fuel	10,275	21,927	9,890
Food supplies on ships	237	298	228
CO_2 emission allowances	172	-	166
	10,684	**22,225**	**10,284**

Expenses for supplies, including fuel, food supplies on ships, CO_2 emission allowances, and others, was as follows:

	Thousands of dollars		Thousands of euros
	31.12.24	**31.12.23**	**31.12.24**
Net purchases	61,422	74,131	56,763
Variation of inventories	4,388	1,378	4,055
	65,810	**75,509**	**60,817**

As a general rule, purchases of supplies (fuel, food supplies on ships, etc.) are made in the geographical area closest to the location of the ship for which the supply corresponds, based on the geographical areas in which they operate, except for certain supplies (engine spare parts, etc.), which are usually purchased at the place of origin of the equipment manufacturer. In the case of purchases of CO_2 emission allowances, these are conducted within the EU, as they pertain solely to the EU region.

Net purchases include those carried out in several currencies, but mainly dollars, amounting to 44,567 thousand dollars (57,861 thousand dollars in the previous year).

CO_2 emission allowances and others

During 2024, the Group acquired 9,100 CO2 and other emission allowances and used 6,589 emission allowances, retaining 2,511 allowances in stock at year-end. The emissions used are recorded in anticipation of future surrender to the responsible authority within an EU Member State.

9. Long-term and Short-term Accruals

Information regarding this heading is as follows:

	Thousands of dollars		Thousands of euros
	31.12.24	**31.12.23**	**31.12.24**
Short-term prepayments:			
Prepaid insurance	3,590	3,742	3,456
Other prepaid expenses	4	4	4
Total prepayments	**3,590**	**3,742**	**3,456**
Short-term deferred income:			
Anticipated income	(9,327)	(12,442)	(8,978)
Total deferred income	**(9,327)**	(12,442)	**(8,978)**

10. Net Equity

As at 31 December 2024, the share capital of the Parent Company (ENE) amounted to 50,211 thousand euros and is represented by 11,650,000 ordinary nominative shares of 4.31 euros of par value each, fully subscribed and paid. All shares have equal political and economic rights.

The information on the Group reserves is represented below:

	Thousands of euros	
	31.12.24	**31.12.23**
Legal Reserve	10,042	10,042
Voluntary Reserves	121,119	121,119
Profit/(Loss) of previous years	(54,646)	(41,234)
Reserves in consolidated companies	175,774	197,413
	252,289	**287,340**

The consolidated companies' reserves correspond to the consolidated profit/(Loss) of previous years contributed by ENE's subsidiary companies.

Adjustments for changes in value

This heading includes adjustments for exchange differences:

- Negative exchange differences in the dollar balance correspond mainly to the conversion of Elcano Brasil's balance sheet and differences between assets and liabilities, converted at the exchange rate valid on the closing date. Its equity is measured at the historical exchange rate, and the Profit and Loss Account at the average rate.
- Exchange differences in the euro balances correspond to the difference between the assets and liabilities of the consolidated companies in dollars, converted at the exchange rate valid on the closing date. Their corresponding net equities are measured at the historical exchange rate, and the Profit and Loss Account at the average rate.

11. Financial liabilities

a.- Liabilities and other marketable instruments

On 16 July 2021, ENE issued a bond on the MARF (Mercado Alternativo de Renta Fija) with a total volume of 60,000 thousand euros, maturing in five years. Each bond has a par value of 100,000 euros and offers an annual coupon rate of 4.875%, payable every 16 July.

Further, on 28 June 2023, ENE issued additional bonds on the MARF amounting to 20,000 thousand euros with a four-year maturity. These bonds also have a par value of 100,000 euros each but with a higher annual coupon rate of 8.75%, payable every 28 June.

At 31 December 2024, the market valuation of these bond issues stands at 83,112 thousand dollars (88,400 thousand dollars in the previous year). During 2024, interest and other related expenses totalled 4,808 thousand euros (equivalent to 5,203 thousand dollars). As at 31 December 2024, the outstanding accrued interest on these bonds is 2,238 thousand euros, compared to 2,123 thousand euros in the preceding year.

b.- Debts with credit institutions

The breakdown of this caption, as at 31 December 2024 and 2023, is as follows:

	Thousands of dollars				Thousands of euros	
	31.12.24		31.12.23		31.12.24	
	Long -term	Short -term	Long -term	Short -term	Long -term	Short -term
Loans	221,373	63,872	245,711	76,029	213,084	61,481
Debt formalisation expenses	(1,544)	-	(1,998)	-	(1,486)	-
Finance lease receivables	36,306	6,963	43,269	6,520	34,946	6,703
Loan facilities	-	8,785	-	15,639	-	8,456
Accrued interest	-	2,441	-	2,606	-	2,350
	256,135	**82.062**	**286,982**	**100,794**	**246,544**	**78,989**

The maturity of the nominal long-term loans is shown below:

Maturity of the nominal amounts of the loans	Thousands of dollars 31.12.24	Thousands of dollars 31.12.23	Thousands of euros 31.12.24
Two years	66,290	58,693	63,807
Three years	49,553	46,582	47,698
Four years	27,248	33,956	26,228
Five years	35,082	27,399	33,768
Rest	43,200	79,081	41,583
	221,373	**245,711**	**213,084**

The Group's lenders for loans made to Group companies are named as the beneficiaries in the insurance policies of the ships linked to these loans.

c.- Debts with group companies and associates

The Group has these balances with Group companies and associates:

Short-term	Thousands of dollars 31.12.24	Thousands of dollars 31.12.23	Thousands of euros 31.12.24
Majority shareholder	14,745	15,628	14,193
	14,745	**15,628**	**14,193**

d.- Trade creditors and other payables

As at 31 December 2024 and 2023, this caption, including balances with public administrations, is as follows:

	Thousands of dollars		Thousands of euros
Long-term	**31.12.24**	**31.12.23**	**31.12.24**
Tax deferrals	1,142	1,723	1,099
Deferred tax liabilities	6,496	6,338	6,253
Other payables	798	1,014	768
	8,436	**9,075**	**8,120**
Short-term			
Suppliers	6,726	11,579	6,475
Creditors	208,990	115,193	201,165
Accrued salaries	6,976	5,721	6,715
Payables from public administrations	6,180	5,824	5,948
Other payables	77	126	74
	228,950	**138,443**	**220,377**


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12. Information on the nature and level of risk arising from financial instruments

The activities carried out by the Group are exposed to different types of financial risk, particularly credit, liquidity and market risks (exchange, interest and other price risks).

a.- Credit risk

The main financial assets of the Group are cash and cash equivalents, trade receivables and other accounts payable, and investments, which represent the maximum exposure of the Group to the credit risk concerning financial assets.

The credit risk of the Group is attributable principally to their trade receivables. The amounts are reflected in the balance sheet net from the provision for insolvency, as estimated by the Group according to the experience of previous years and its assessment of the current economic environment.

The credit risk of investments in financial products is mainly centred on temporary to short-term financial investments ("repos" of sovereign debt and deposits with maximum liquidity in both cases) and derivative instruments for hedging exchange rates, interest rates and share prices. Counterparties are always credit entities with which diversification policies are followed, bearing in mind their credit rating (international agencies), consisting of establishing maximum limits and periodic review thereof. In the specific case, for example, of operations in countries where, due to their economic and socio-political conditions, high levels of credit quality cannot be achieved, branches and subsidiaries of foreign institutions that meet or come close to the established quality criteria, and larger local institutions, are selected.

The Group does not have a significant concentration of credit risk, and the exposure is distributed between a large number of counterparties and clients.

The Group has a client portfolio with a good credit rating. Additionally, a financial solvency analysis of the clients is carried out.

b.- Liquidity risk

The Group prudently manages liquidity risk based on maintaining sufficient cash or immediately available cash deposits. The Group has sufficient liquidity to settle market positions.

The Group is not significantly exposed to liquidity risk due to keeping sufficient cash and credit availability to meet the necessary outputs in its usual operations. In the event of a need for funding, the Group mainly resorts to issuing bonds, loans and loan facilities.

The general situation of the financial markets, especially the banking market, is unfavourable for those seeking loans. The Group always pays attention to the evolution of the different factors that could help solve a liquidity crisis, and, particularly, the sources of financing and its features.

We can summarise the items to which most attention is paid:

- Liquidity of monetary assets: surplus is always placed for very short terms. Placement for terms exceeding three months requires express authorisation.

- Diversification of the credit line maturities and control of financing and refinancing.

- Control of the residual life of financing lines.

- Diversification of funding sources: At the corporate level, bank financing and, to a greater extent, bond issues in the Alternative Fixed Income Market (MARF) are fundamental due to the ease of access to these markets and their cost, often without competition with other alternative sources.

Using other sources in future is not excluded.

c.- Foreign exchange risk

As the Group operates in the international market, it is exposed to foreign exchange risk in currency transactions. However, the Group’s functional currency is the dollar, the main operating currency in international maritime freight transport, a natural hedge.

Cash flow hedges coming from investments in consolidated foreign entities:

The Group, as and when deemed convenient, contracts currency swaps and exchange rate insurance to mitigate the foreign exchange risk. Additionally, the Group also attempts to maintain an equilibrium between collections and payments represented in a foreign currency.

d.- Interest rate risk

Changes in interest rates affect the fair value of assets and liabilities that accrue at a fixed interest rate, and the future flows from assets and liabilities indexed to a floating rate.

The objectives of managing interest rate risks are to reach an equilibrium in the debt structure that minimises the cost of the debt in the multiannual horizon with reduced volatility in the Consolidated Profit and Loss Account.

Depending on the Group's estimations and the objectives of the debt structure, hedging operations can be carried out by purchasing derivatives that mitigate these risks.

The reference interest rates for the Group's debt are primarily Euribor, SOFR, and Term SOFR, which have replaced Libor to date.

The Group has executed several interest rate hedging transactions, which are evaluated at the end of each financial year and are recorded under “Hedging derivatives” on the Group's balance sheet. As at 31 December 2024, the gross valuation of these hedging derivatives stood at 8,785 thousand dollars (8,456 thousand euros). Over the year, changes in their valuation, net of tax, have been reflected in the Group's equity under “Valuation adjustments”.

13. Information on the average period for payment to suppliers Additional Provision Three. "Duty of information" of Law 15/2010 of 5 July 2010 and the new wording introduced in Article 9 of Law 18/2022 of 28 September 2010.

According to the Third Additional Provision, titled “Duty of Information” of Law 15/2010 of 5 July, which amends Law 3/2004 of 29 December—establishing measures to combat late payments in commercial transactions—the Resolution of 29 January 2016 from the Accounting and Auditors Institute stipulates the information that must be included in the Financial Statements Report concerning aid law. It is noted that:

	2024	2023
	No. of days	**No. of days**
Average period of payment to suppliers	45.76	27.86
Ratio of paid operations	46.46	27.37
Ratio of outstanding operations	26.77	47.21

	2024	2023
	Amount (Thousands of euros)	**Amount (Thousands of euros)**
Total payments made	22,963	59,877
Total payments outstanding	846	1,500

Information is also disclosed regarding the number of invoices settled and the total amount paid within a period shorter than the maximum stipulated by late payment regulations. This requirement is outlined in the updated Third Additional Provision on the “Duty of Information” in Law 15/2010, dated 5 July, as introduced by Article 9 of Law 18/2022, on 28 September.

	2024	2024 % of Total amount paid	2023	2023 % of Total amount paid
No. of invoices paid in a period shorter than the established maximum	1,950	59.3%	2,756	69.9%
Monetary volume paid in a period shorter than the established maximum (Thousands of euros)	16,254	70.8%	51,969	86.8%

14. Net business turnover

The Group's income is derived from providing international maritime transport services of raw materials on ships owned by the Group or borrowed from third parties. The Group's ships operate primarily on long-term, consecutive voyage and volume charter contracts with clients in the energy and commodities sectors worldwide (mainly petrochemical, energy, mining and steel companies). During the financial year 2024, the Group has provided its transport services with the ships of its fleet and other ships taken on the market in the short term. Its clients include public companies or companies in which public bodies have a stake.

In addition, the Group also provides short-term transport services through voyage, time or round-trip charters, and other short- and medium-term shipping services. The cost of ships borrowed from third parties to provide these transport services is recorded in the Profit and Loss Account under other operating expenses.

The Group also operates and provides its services worldwide, as described in Note 26 of these notes to the Consolidated Financial Statements. In this regard, the Group's customers may request that the service be provided anywhere in the world with the usual geographical limitations in the sector established in each contract (e.g. ice zones, areas excluded from war coverage or subject to international sanctions, etc.).

Net revenues are generally denominated in dollars but might also be denominated in euros depending on the operation and customer. The distribution of net turnover by currency by the closure of operation is as follows:

	Thousands of dollars	
	2024	**2023**
Dollars	907,370	1,045,794
Euros	7,824	26,590
	915,194	**1,072,384**

15. Personnel expenses

The composition of this caption is as follows:

	Thousands of dollars		Thousands of euros
	2024	**2023**	**2024**
Wages, salaries and similar expenses	39,375	37,187	36,387
Social Security and other social payments	17,238	17,163	15,930
Provisions	232	616	214
	56,845	**54,966**	**52,532**

Similarly, as at 31 December 2024, the staff was formed by 696 people (602 men and 94 women). As at year-end of the previous year, the payroll was formed by 684 people (586 men and 98 women).

16. Auditors' fees

The fees incurred for the auditing services of the Consolidated Financial Statements and the individual statements of the parent company and its subsidiaries corresponding to the year ended on 31 December 2024 amounted to 240 thousand dollars (227 thousand dollars in the previous year). Additionally, in 2024, the Group paid 36 thousand dollars for other services rendered (30 thousand dollars in the previous year).

17. Environment information

All the ships belonging to the Group comply with the applicable environmental standards, bearing in mind its features and activity.

Effective from 1 January 2024, the EU emissions trading scheme for certain greenhouse gases (referred to in this Consolidated Report as “CO2 emission allowances and others”) has been extended to include maritime transport of vessels of 5,000 gross tonnes or more. As a result, the Group, as a ship operator and in compliance with this European regulation, has acquired these emission rights in 2024 when ships in the operated fleet have made journeys falling within the scope of this regulation.

In addition, ENE, EBR and ENPASA and all the ships of the Group’s fleet have the ISO 14.001 certification for Environmental Management Systems. ENE is also ISO 50.001 certified for Energy Efficiency.

18. Fiscal Situation

The Group companies must submit a tax return every year for Corporation Tax or Income tax purposes. Each company does so by determining its income under the tax law of the country in which its registered offices are located.

Deferred tax assets

At 31 December 2024 and 2023, the Group held the following Long-Term Deferred Tax Assets:

	Miles de dólares		Miles de euros
	31.12.24	**31.12.23**	**31.12.24**
Deferred tax assets	6,444	4,761	6,203
Credit for loss carryforwards	17,784	15,684	17,118
	24,228	**20,445**	**23,321**

Deferred tax liabilities

As at 31 December 2024, the Group reports deferred tax liabilities totalling 6,496 thousand dollars, an increase from 6,338 thousand dollars in the previous year. These liabilities are attributable to:

- Temporary differences amounting to 4,625 thousand dollars (4,372 thousand dollars in the previous year), primarily related to the Group's Maltese subsidiary (IT3).
- The tax effect of the results from the valuation of interest rate hedging derivatives, directly recognised in equity and linked to long-term loans, which total 1,871 thousand dollars (1,967 thousand dollars in the previous year).

Receivables from public authorities

Trade and other receivables on the asset side of the balance sheet include short-term balances with tax receivables. The information as at 31 December 2024 and 2023 is as follows:

	Thousands of dollars		Thousands of euros
	31.12.24	31.12.23	31.12.24
Receivables from public administrations			
For withholdings	4,665	3,473	4,491
For deductible temporary differences assets	2,892	4,922	2,784
For Corporation Tax	1,024	1,521	985
For VAT	247	499	238
For Other taxes	399	530	384
For AFRMM receivable	17,164	20,363	16,521
	26,391	**31,309**	**25,403**

Long and short-term payables to public administrations

Trade and other payables in balance sheet liabilities include short-term balances with tax receivables. The information as at 31 December 2024 and 2023 is as follows:

	Thousands of dollars		Thousands of euros
	31.12.24	31.12.23	31.12.24
Long-term payables to public administrations			
For deferred tax	1,142	1,723	1,099
Short-term payables to public administrations			
For Social Security	1,393	1,269	1,340
For Withholdings	1,132	968	1,090
For Corporation Tax	811	102	781
For VAT	72	184	69
For Other taxes	2,130	2,501	2,050
For Deferred taxes	642	800	618
	6,180	**5,824**	**5,948**

At the date of preparation of these Consolidated Financial Statements, the directors of the Parent Company, alongside their tax advisers, are of the opinion that any potential tax liabilities arising from these audits will not significantly affect the Consolidated Financial Statements as a whole. This belief is based on their confidence that these tax assessments may ultimately be deemed invalid.

19. Subsequent events

On 15 January 2025, IB2 acquired the ship, the purchase of which had been formalised in November 2024 and leased it to EBR for its commissioning with the end customer under a long-term contract, which commenced in March 2025.

There are no further subsequent events to highlight.

BALANCE SHEET AS AT 31 DECEMBER 2024 AND 2023
(Stated in thousands of US dollars)

ASSETS	2024	2023
Non-current assets	**569,103**	**638,067**
Intangible fixed assets	45,912	51,682
Tangible fixed assets	464,054	528,502
Long-term financial investme	34,909	37,438
Deferred tax assets	24,228	20,445
Current assets	**427,362**	**360,363**
Non-current assets held for sale	36,276	36,276
Inventories	10,685	22,225
Trade debtors and other receivables	247,107	174,419
Short-term financial investments in group companies and associates	52,085	63,493
Short-term financial investments	11,826	7,045
Cash and cash equivalents	65,789	53,159
Short-term accruals	3,594	3,746
TOTAL ASSETS	**996,465**	**998,430**

NET EQUITY AND LIABILITIES	2024	2023
Net equity	**308,791**	**342,244**
Shareholders' equity	**379,776**	**391,795**
Subscribed capital	65,688	65,688
Reserves of the parent company	102,381	121,682
Reserves in consolidated companies for global integration	223,727	247,530
Profit/(Loss) for the year attributed to the parent company	(12,020)	(43,105)
Adjustments for changes in value	**(70,985)**	**(49,551)**
Hedging operations	6,880	7,276
Exchange differences	(77,865)	(56,827)
Non-current liabilities	**350,265**	**386,532**
Long-term provisions	**1,423**	**917**
Long-term provisions	**340,406**	**376,540**
Debentures and other marketable securities	83,112	88,400
Debts with credit institutions	219,829	243,712
Creditors for financial leases	36,306	43,269
Other financial liabilities	1,159	1,159
Deferred tax liabilities	**6,496**	**6,338**
Other long-term creditors	**1,940**	**2,737**
Current liabilities	**337,409**	**269,654**
Short-term debts	**84,387**	**103,140**
Liabilities and other marketable instruments	2,325	2,346
Debts with credit institutions	75,099	94,274
Financial lease receivables	6,963	6,520
Debts with group companies and associates	**14,745**	**15,628**
Trade creditors and other payables	**228,950**	**138,444**
Short-term accruals	**9,327**	**12,442**
TOTAL NET EQUITY AND LIABILITIES	996,465	**998,430**

PROFIT AND LOSS ACCOUNT FOR 2024 AND 2023
(Stated in thousands of US dollars)

	2024	2023
Net turnover	**915,194**	**1,072,384**
Revenues	915,194	1,072,384
Work carried out by the group for its assets	**(65,810)**	**(75,509)**
Supplies	(65,810)	(75,509)
Goods consumed	**9,479**	**8,481**
Other operating income	9,479	8,481
Ancillary income and other current management income	**(56,845)**	**(54,966)**
Personnel expenses	(39,375)	(37,187)
Wages, salaries and similar	(17,238)	(17,163)
Social security costs	(232)	(616)
Provisions	**(731,514)**	**(887,828)**
Other operating costs	(718,658)	(875,072)
Outsourced services	(2,979)	(2,839)
Taxes	(9,401)	(9,756)
Other current expenses	(476)	(161)
Other results	**(54,670)**	**(54,164)**
Depreciation of fixed assets	**1,100**	**(13,825)**
Impairment and the result of the disposal of fixed assets		
	16,934	**(5,427)**
Operating Result		
Financial revenue	**861**	**3,254**
From marketable securities and other financial instruments	861	3,245
Financial expenses	**(34,218)**	**(31,538)**
Debts with group companies and associates	(2,054)	(541)
Debts with third parties	(32,164)	(30,997)
Foreign exchange differences	**1,593**	**(10,365)**
Financial Result	**(31,764)**	**(38,658)**
Result before taxes	**(14,830)**	**(44,085)**
Corporation Tax	**2,810**	**980**
RESULT OF THE YEAR	**(12,020)**	**(43,105)**

CASH FLOW STATEMENT FOR 2024 AND 2023
(Stated in thousands of US dollars)

CASH FLOWS FROM OPERATING ACTIVITIES	2024	2023
Result for the year before taxes	**(14,830)**	**(44,.085)**
Adjustments to the result:	**76,213**	**106,215**
Depreciation of fixed assets	54,670	54,164
Impairment corrections	-	17,616
Provisions	706	(265)
Results for retirements and disposal of fixed assets	(1,100)	(3,791)
Financial revenue	(861)	(3,245)
Financial expenses	34,218	31,538
Other income/expenses	(11,420)	10,198
Changes in working capital	**19,623**	**(21,933)**
Inventories	11,540	(5,339)
Debtors and other receivables	(73,700)	76,045
Other current assets	(4,963)	2,893
Creditors and other payables	89,709	(101,725)
Other non-current assets and liabilities	(2,963)	6,193
Other cash flows from operating activities	**(33,915)**	**(27,936)**
Interest payments	(34,816)	(30,663)
Collection of interest	861	3,245
Collections (payments) for profit tax	40	(518)
Cash flows from operating activities	**47,091**	**12,261**

CASH FLOWS FROM INVESTING ACTIVITIES	2024	2023
Payments for investments	**(14,977)**	**(104,148)**
Intangible fixed assets	(2,057)	(22,901)
Tangible fixed assets	(12,920)	(79,104)
Other financial assets	-	(2,143)
Collections from disinvestments	**31,661**	**13,414**
Intangible fixed assets	-	-
Tangible fixed assets	31,625	11,300
Other financial assets	36	28
Non-current assets held for sale	-	2,086
Cash flows from investing activities	**16,684**	**(90,734)**

CASH FLOWS FROM FINANCING ACTIVITIES	2024	2023
Collections and payments for financial liability instruments	**(51,145)**	**43,428**
Issuance:	63,259	162,420
Liabilities and other marketable instruments	-	22,100
Debts with credit institutions	63,259	124,850
Debts with group companies and associates	-	15,470
Repayment and amortisation of:	(114,404)	(118,992)
Liabilities and other marketable instruments	-	(55,250)
Debts with credit institutions	(114,404)	(63,742)
Payments of dividends and remuneration of other equity instruments	**-**	**(684)**
Dividends	-	(684)
Cash flows from financing activities	**(51,145)**	**42,744**

	2024	2023
EFFECT OF EXCHANGE RATE FLUCTUATIONS	**-**	**-**
INCREASE/DECREASE OF CASH OR CASH EQUIVALENTS	**12,630**	**(35,729)**
Cash or cash equivalents at the beginning of the year	**53,159**	**88,888**
Cash or cash equivalents at the end of the year	**65,789**	**53,159**

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES 2024 AND 2023

(Stated in thousands of US dollars)

	2024	2023
Result of the profit and loss account	**(12,020)**	**(43,105)**
Income and expenses attributable directly to Net Equity	**(21,434)**	**3,317**
From the valuation of financial instruments:		
From cash flow hedges	(396)	(954)
From grants, donations and bequests received		
From actuarial gains and losses and other adjustments	(21,038)	4,271
Tax effect		
Transfers to the profit and loss accounts	**-**	**-**
From the revaluation of financial instruments		
From cash flow hedges:		
From grants, donations and bequests received		
From actuarial gains and losses and other adjustments		
Tax effect		
Total transfers to the profit and loss account		
TOTAL RECOGNISED INCOME AND EXPENSES	**(33,454)**	**(39,788)**

B) TOTAL STATEMENT OF CHANGES IN NET EQUITY OF 2024 AND 2023

(Stated in thousands of US dollars)

	Subscribed Capital	Reserves	Results	Adjustments or Changes in value	TOTAL
BALANCE, END OF THE FY 2022	**65.688**	**357.766**	**13.925**	**(52.868)**	**384.511**
Adjustments for changes of criteria 2022					-
Adjustments for errors 2022					-
ADJUSTED BALANCE, BEGINNING OF 2023	**65.688**	**357.766**	**13.925**	**(52.868)**	**384.511**
Total recognised income and expenses			**(43.105)**	**3.317**	**(39.788)**
Operations with shareholders or owners	**-**	**(684)**	**-**	**-**	**(684)**
Distribution of dividends		(684)			**(684)**
Other variations of net equity		12.130	**(13.925)**		**(1.795)**
BALANCE, END OF THE FY 2023	**65.688**	**369.212**	**(43.105)**	**(49.551)**	**342.244**
Adjustments for changes of criteria 2023					**-**
Adjustments for errors 2023					**-**
ADJUSTED BALANCE, BEGINNING OF 2024	**65.688**	**369.212**	**(43.105)**	**(49.551)**	**342.244**
Total recognised income and expenses			**(12.020)**	**(21.434)**	**(33.454)**
Operations with shareholders or owners	**-**	**-**	**-**	**-**	**-**
Distribution of dividends					-
Other variations of net equity		**(43.104)**	**43.105**		**1**
BALANCE, END OF THE FY 2024	**65.688**	**326.108**	**(12.020)**	**(70.985)**	**308.791**

AUDITOR’S REPORT

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IN CASE OF DISCREPANCY, ORIGINAL VERSION IN SPANISHPREVAILS.

AUDIT REPORT ON CONSOLIDATED ANNUAL ACCOUNTS SUBMITTED BY AN INDEPENDENT AUDITOR

To the shareholders of **EMPRESA NAVIERA ELCANO, S.A**:

Opinion

We have audited the accompanying consolidated annual accounts of EMPRESA NAVIERA ELCANO, S.A., (hereinafter the parent company) and its subsidiaries (hereinafter the Group), that comprises the consolidated balance at 31st December 2024, the consolidated profit and loss account, the consolidated state of changes in equity, the consolidated state of cash flows and the and the explanatory notes to the consolidated annual accounts related to the financial year that ends in said date.

In our opinion, the accompanying consolidated annual accounts present, in all material respects, a true and fair view of the consolidated assets and the consolidated financial position of EMPRESA NAVIERA ELCANO, S.A. and its subsidiary companies as at December 31st , 2024, and the consolidated results of the operations and its consolidated cash flows for the financial year ended on said date, according to the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying consolidated annual accounts) and, in particular, the Generally Accounting Principles contained in it.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the consolidated annual accounts audit* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated annual accounts in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgment, have been considered as the most significant material misstatement risks of our audit of the consolidated annual accounts of the current period. These risks have been addressed in the context of our audit of the consolidated annual accounts as a whole, and in the formation of our opinion on them, and we do not express a separate opinion on those risks.

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Valuation of ships

Description:	Audit procedures:
As shown in the "tangible fixed assets" caption in the explanatory notes to the consolidated annual accounts, the book value of investments in the Group's ships amounts to 402 million euros, which represents 42% of its total assets. Given the relevance of these investments and the necessary estimates for the calculation of the subsequent value of the asset, we have identified this issue as a relevant aspect of the audit	Our audit procedures included: - Obtaining the impairment calculations made by the Group Directors at the end of the year, evaluating the reasonableness of the methodology used and the calculations made in the same, as well as the consistency with the one used in the previous exercise, in order to obtain adequate security of the reasonableness of the estimates made.

Non-current assets held for sale

Description:	Audit procedures:
As indicated in note 8 to the consolidated financial statements, the caption "Non-current assets held for sale" includes the investment in a Group company amounting to 34.9 million euros. With respect to this investment, in addition to the cost of the holding, the Group has granted loans to this entity not eliminated in the consolidation process, the balance of which at year-end amounted to 50.1 million euros, and has other 3.8 million euros in outstanding balances. As a result, the group´s total investment to be recovered from the sale of the subsidiary amounts to 88.8 million euros. Given the uncertainties inherent in the final resolution of the divestment of the group company and the necessary estimates for the calculation of the value of this asset, we have identified this issue as a relevant aspect of the audit.	Our audit procedures included: - reviewing the plans of the Group's Directors in relation to this asset, the valuations thereof made by third parties, as well as the actions taken to sell them.

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Other information: Consolidated Management report

Other information comprises exclusively the 2024 consolidated management report which responsibility is of the Board of Directors of the parent company and is not comprised within the consolidated annual accounts.

Our opinion on the consolidated annual accounts audit does not cover the consolidated management report. Our responsibility for the information contained in the consolidated management report is defined in the regulations applicable in the audit activity, which establishes two different levels on the same:

a) Uniquely verify the non-financial consolidated information has been provided in the according to the regulations, and if not, report on it.

b) Evaluate and inform over the concordance of the remaining information included in the consolidated management report of the aforementioned information in the annual accounts, based on the knowledge of the group obtained in the performance of the aforementioned accounts. In addition, evaluate and inform whether the content and presentation of this part of the consolidated management report are in accordance with the regulations that are applicable, if based in the work done, we conclude that there are material misstatements we are obliged to inform on those.

Over the basis of the work done, as described above, we have verified that the information mentioned in section a) above is provided in the consolidated management report and that the rest of the information contained in the consolidated management report is consistent with the 2024 consolidated annual accounts and the presentation and content are in conformity with the regulations that are applicable.

Directors' responsibilities for the consolidated annual accounts

The directors of the parent company are responsible for the preparation of the accompanying consolidated annual accounts so that they give a true and fair view of the equity, financial position and consolidated results of GROUP EMPRESA NAVIERA ELCANO, S.A, in accordance with the regulatory framework for financial information applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the directors of the parent company are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the companies included in the group or to cease operations, or has no realistic alternative but to do so.

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Informe de transparencia en www.msmadrid.com.

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Auditor's responsibilities for the Audit of consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free form material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. 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 based on these consolidated annual accounts.

A more detailed description of our responsibilities in relation to the consolidated annual accounts audit is included in Annex 1 of this audit report. This description, which is found at the end of this report, is an integral part of it.

MOORE IBERICA DE AUDITORIA, S.L.P.
(Registered in the Official Register of Account Auditors – ROAC – with number S0359)

Francisco Martínez Casado
(Registered in the Official Register of Account Auditors – ROAC - with number 15.991)

Madrid, April 2nd, 2025

MOORE

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Annex 1 to our Audit Report

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts , whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- Obtain 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the parent company director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. 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 consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. 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 the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors of the Parent Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Parent Company's directors, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.


CASTILLO DE SANTA MARIA

EMPRESA NAVIERA ELCANO, S.A.

EMPRESA NAVIERA ELCANO, S.A.