

## Information on the Elecnor Group's third quarter of 2022

### Key consolidated figures of the Elecnor Group in the period

At 30 September 2022 and 30 September 2021

<b>Key figures</b> (thousands of euros)	<b>9M/2022</b>	<b>9M/2021</b>
Net turnover	2,518,444	2,087,061
Profit/Loss before taxes	113,300	97,205
Income tax	-33,076	-33,639
Profit/Loss for the businesses attributable to non-controlling interests <sup>1</sup>	-9,310	-2,687
Profit/Loss for the businesses attributable to shareholders of the Parent	70,914	60,879

<b>Turnover by segments</b> (thousands of euros)	<b>9M/2022</b>	<b>9M/2021</b>
Elecnor	2,370,815	1,984,786
Enerfín	155,225	104,567
Celeo	144,930	167,855
Operations between segments	-7,596	-2,292
Elimination by consolidation under the Equity Method <sup>2</sup>	-144,930	-167,855
<b>TOTAL GROUP REVENUES</b>	<b>2,518,444</b>	<b>2,087,061</b>

<b>Consolidated net profit attributable by segment</b> (thousands of euros)	<b>9M/2022</b>	<b>9M/2021</b>
Elecnor	58,461	55,134
Enerfín	23,808	10,748
Celeo	8,451	12,679
Group Management and Other Adjustments	-18,910	-17,873
Operations between segments	-896	191
	<b>70,914</b>	<b>60,879</b>

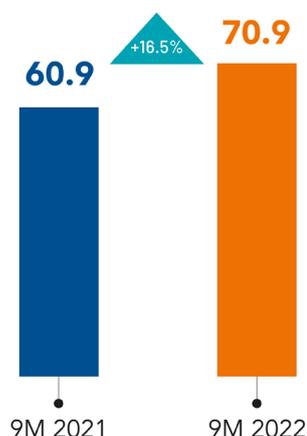
The Elecnor Group attained net profits of EUR 70.9 million by 30<sup>th</sup> September 2022, which is a 16.5% increase on the profits obtained in the same period of the previous financial year.

<sup>1</sup> The evolution of non-controlling interests is mainly due to Enerfín, and is explained in the section dedicated to this segment

<sup>2</sup> Celeo subgroup's turnover in the period does not form part of the Group's turnover, since it is consolidated under the equity method

## Consolidated Profit

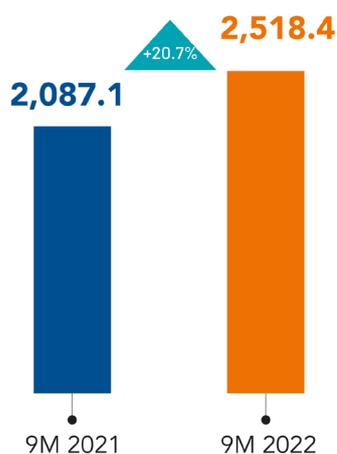
In EUR million



At 30 September 2022, Elecnor Group's consolidated sales amount to EUR 2,518.4 million (EUR 2,087.1 million in the same period of the previous financial year), i.e. up 20.7% with respect to the first nine months of 2021. Both the domestic market (which represents 42.2% of the total) and the international market (which makes up 57.8% of the total) experienced significant growth (7.2% and 32.8% respectively). This positive evolution in the Group's figures for the year was possible thanks to the execution of major projects in Elecnor's business in Australia, Brazil and Chile, in particular, in addition to the increased volume of Services activities conducted by the Group in the United States and in European countries, chiefly Spain and Italy. Enerfín increased its sales by 48% thanks to higher energy prices in Spain, as well as the revaluation of the Brazilian real and the Canadian dollar, the currencies in which its wind farms operate in Brazil and Canada.

## Sales

In EUR million



## Elecnor (Services and Projects)

<b>Elecnor (Services and Projects)</b> (thousands of euros)	<b>9M/2022</b>	<b>9M/2021</b>
Turnover	2,370,815	1,984,786
EBITDA	113,439	109,614
Profit before tax	77,198	82,422
Attributable consolidated net profit	58,461	55,134

This business, which the Group develops via its subsidiary Elecnor Servicios y Proyectos and that company's affiliates, has grown sharply in the period.

In the **domestic market**, activity continued to grow on the back of the services developed for the energy, telecommunications, water, gas and transportation sectors, where it provides an essential service for all utilities. In addition, during this period, the construction work and development of wind and solar PV farms, as well as the restoration and maintenance projects related to self-consumption and energy efficiency, contributed to growth of both the turnover and the profit/loss of the Group.

In the **international market**, the positive evolution is chiefly due to projects that the Group undertakes in Australia, the construction of electricity transmission lines in Brazil and Chile, and also those of US subsidiaries (Hawkeye and Belco). The construction of wind farms in Colombia, solar PV farms in the Dominican Republic, hydroelectric plants in Cameroon and Angola, and substations in the Democratic Republic of the Congo, among many others, also contributed to the Group's profit/loss. Some of these major projects are at the initial stages, chiefly contributing to the growth of turnover.

The positive business performance in both markets is also seen in the increase in EBITDA compared to the same period of the previous year, although not in proportion to sales. This is due to the fact that some of the large projects being implemented by Elecnor are still at an initial phase, and their inherent risks mean that the final profit/loss is kept in check, as is progress in service contracts. This circumstance is also responsible for the evolution of pre-tax profit.

The good performance of **attributable consolidated net profit** was buoyed by improved results achieved in the various vehicles that the Group uses to execute its projects abroad (permanent establishments and subsidiaries), enabling it to achieve a more favourable average consolidated tax rate.

The **production portfolio**, which can be executed in the next 12 months, amounts to EUR 2,397.3 million (EUR 2,291 million at the end of 2021). Of this portfolio figure, 72% relates to the international market, for an amount of EUR 1,722.9 million, and 28% to the domestic market, for an amount of EUR 674.4 million. The **domestic** market portfolio consists of contracts for traditional service activities, as well as construction projects for renewable energy plants. The **international** portfolio is increasing in both European countries (Italy and the United Kingdom), where service-related activities are carried out, and in

other countries (Australia, the United States and Brazil, mainly) where major projects for the construction of renewable-energy power generation plants and power transmission projects.

## Backlog



## Enerfín

<b>Enerfín</b> (thousands of euros)	<b>9M/2022</b>	<b>9M/2021</b>
Turnover	155,225	104,567
EBITDA	104,869	68,173
Profit before tax	50,975	19,581
Non-controlling interests	-9,309	-2,693
Attributable consolidated net profit	23,808	10,748

**Enerfín** participates in 1,355 MW of renewable energy in operation and under construction in Spain, Brazil and Canada, and it continues with its intense development activity to ensure growth and increase its pipeline, which currently amounts to around 9 GW of wind energy and photovoltaic projects. It is likewise continuing with the diversification of its activities through storage, hybridisation and hydrogen projects.

The positive evolution of Enerfín's profit/loss was mainly due to a more favourable production price compared to the same period of the previous year for wind farms in Spain. Additionally, it is worth highlighting the positive performance of the Brazilian real and the Canadian dollar against the euro, currencies in which the Group mainly operates abroad.

In the domestic market, the Group maintains a strategy of contracting price hedge derivatives for part of its production. In that regard, according to its forecasts on changes in electricity prices, it uses derivative financial instruments to cover the risks of changes in such electricity prices. Within the framework of these operations, Enerfín enters into swap contracts from the subgroup's parent company (Enerfín Sociedad de Energía, S.L.U.) in order to ensure a fixed energy price for a specific number of Megawatt-hours (MWh), which are settled on a monthly basis. These financial derivatives meet the requirements to be deemed hedge accounting in the consolidated Group. This strategy of contracting derivatives from the parent

company of Enerfín subgroup has, in the current context of high energy prices, led to recognition of significant profit/loss in the joint venture companies, some of which are owned by minority shareholders, with the settlements of these financial instruments being recorded in Enerfín Sociedad de Energía, S.L.U., wholly owned by the Group. Similarly, the Cofrentes wind farm has entered into a long-term energy sales contract.

During the year a series of Royal Decrees were published that had an impact on the business:

Last 29 March, Royal Decree Law 6/2022 approves the update of the remuneration scheme of electric power generation based on renewable energy sources, it extends the validity of the remuneration reduction mechanism due to gas prices and it establishes that the cost of the financing mechanism for the social tariff and for the supply of consumers at risk of social exclusion will be assumed by generators and marketers.

On May 14, Royal Decree-Law 10/2022 establishes a mechanism to adjust the costs incurred by marginal fossil fuel technologies in order to reduce the price of electricity.

On June 25, Royal Decree-Law 11/2022 extends the validity of the mechanism for reducing high gas prices, the suspension of the 7% tax on production, in addition to the reduction of the IEE (Special Tax on Electricity) to 0.5% from 1 July 2022 to 31 December 2022.

The Group estimates that the total impact of these measures, in terms of net tax profit/loss, will not be significant.

## Celeo

<b>Celeo (100% subgroup)</b> (thousands of euros)	<b>9M/2022</b>	<b>9M/2021</b>
Turnover	144,930	167,855
EBITDA <sup>3</sup>	138,897	141,531
Profit before tax	44,960	55,099
Attributable consolidated net profit	16,803	28,928

**Celeo**, a company owned and managed jointly with APG, one of the world's largest pension funds, already operates 6,891 km of electricity transmission lines in Chile and Brazil, and takes part in 345 MW of renewable energy (photovoltaic and solar thermal) in Spain and Brazil. It is worth highlighting the start of work on the first concession in Peru (Puerto Maldonado). Overall, it manages around EUR 5,211 million worth of assets in operation<sup>4</sup>.

It is worth mentioning, in Celeo's Transmission Networks business, the entry into operation at the end of 2021 of the concession in Serra de Ibiapaba in Brazil and the positive performance of the US dollar and the Brazilian real against the euro, currencies which the Group mainly operates in for Chile and Brazil, respectively. Increased interest rates on financing transmission projects in Brazil had a significant impact on the profit/loss of this subgroup in this period. This effect is partially offset in the second half of the

<sup>3</sup> EBITDA at 100% of Celeo Group and its subsidiaries, without taking into account the impact of IFRIC 12, since this is what best reflects cash generation capacity.

<sup>4</sup> Book value of assets under management at year-end 2021, as explained in the 2021 Equity Story.

financial year, a period in which the sales tariffs of such projects are revised in accordance with inflation indices. In any case, the valuation of the assets is not expected to be affected.

Furthermore, Celeo was awarded a new line in Coquimbo region in Chile in the third quarter, between the Don Goyo and La Ruca substations. This is a 220 kV double-circuit transmission line with an investment of approximately US\$95 million.

The solar thermal plants managed by Celeo in Spain have seen lower production due to restrictions on energy discharged to the grid, which has had a negative impact of approximately 5 million euros on Elecnor Group's income statement. In the same way as Enerfín, Celeo was affected by Royal Decree-Law 6/2022, Royal Decree-Law 10/2022, and Royal Decree-Law 11/2022 as stated above in the Enerfín section.

## Sustainability

The sustainability of the Elecnor Group revolves around its purpose: generating change and well-being in the territories where it operates. It is therefore aware of the importance of its actions on people and the environment in which it undertakes its activities. Its purpose is to maximise positive impacts and minimise negative impacts on society and the environment, through responsible, ethical and transparent behaviour.

This commitment is inherent in every aspect of its activities and business strategy, as well as in its relations with stakeholders. A commitment that is embodied in its Strategic Sustainability Plan, which lays down the core areas of its social responsibility and the basis and initiatives for ongoing improvement in sustainability management.

The Elecnor Group is undergoing certification in accordance with the IQNet SR10 Corporate Social Responsibility standard, which is expected to be completed during the 2022 financial year. This seal certifies that the company has all the necessary elements for formulating a sustainability management system, consequently endorsing its level of commitment in this field.

## Forecast for 2022

The Group, supported by its solid portfolio of contracts and by the company's geographical expansion and diversification of activities, expects to post higher sales figures and profit/loss than the previous financial year.

## Change in the companies that make up the Group

During the first nine months of 2022, there have been no significant changes in the consolidation scope of the Elecnor Group compared with the 2021 closing position.

## Other significant events during the period

Elecnor Group continues its search for a prospective partner in the capital of its wind power subsidiary, Enerfín Sociedad de Energía, S.L.U.

## Basis of presentation and valuation principles

In this information, the individual companies have applied the accounting principles and criteria set out in the Spanish General Chart of Accounts, which entered into force on 1 January 2008. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).