



FINANCIAL STATEMENTS
AND DIRECTORS' REPORT
2022





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AND DIRECTORS' REPORT
2022



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AUDITING



KPMG Auditores, S.L.
Torre Iberdrola
Plaza Euskadi, 5
Planta 17
48009 Bilbao

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of Elecnor, S.A.

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of Elecnor, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated statement of financial position at 31 December 2022, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Paseo de la Castellana, 259C 28046 Madrid

On the Spanish Official Register of Auditors ("ROAC") with No. S0702, and the Spanish Institute of Registered Auditors' list of companies with No. 10.
Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrp. 9
N.I.F. B-78510153



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Revenue from construction contracts	
See note 3.s. to the consolidated annual accounts	
Key audit matter	How the matter was addressed in our audit
<p>A large portion of the Elecnor Group's revenues is generated through long-term construction contracts in which revenue is recognised over time using the percentage of completion method, i.e. based on the stage of completion of the contract at the end of each accounting period, requiring the Group to make estimates of costs and forecast profits for each of the contracts, in order to determine the revenue to be recognised.</p> <p>The application of this method therefore entails a high level of judgement by management and the Directors and an exhaustive control of the estimates made and the deviations that might arise over the term of the contract. Estimates must take into account all costs and revenues related to the contracts, including any additional costs to those initially budgeted, as well any risks or claims under dispute. Revenue is only recognised when it is probable that economic benefits derived from the transaction will flow to the Group, and costs incurred and yet to be incurred, and the stage of completion of the contract at the reporting date, can be reliably measured.</p> <p>Due to the uncertainty associated with these estimates and the fact that changes therein could lead to material differences in the revenues recorded, they have been considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">– Evaluating the design and implementation of the key controls associated with the process of recognising revenue from long-term construction contracts;– Checking that the methodology used by the Group to determine revenue, calculated based on the proportion of costs incurred compared to the total estimated costs, is one of the methodologies accepted under the applicable financial reporting framework;– Selecting a sample of construction contracts based on certain quantitative and qualitative selection criteria, so as to evaluate the most significant estimates used in the recognition of revenue. In this regard, we have obtained the supporting documentation on which these estimates and judgements were made, where applicable, by management and the Directors;– Retrospective analysis comparing the margin of contracts completed during the year with the margin estimated the prior year for the contracts;– Based on certain quantitative and qualitative selection criteria, we assessed whether the provisions recognised at year end for each of the contracts reasonably reflect present obligations, whether it is probable that an outflow of economic benefits will be generated in the future, under the terms of the contracts, and we obtained documentation supporting the recognition thereof and evaluated the judgement applied by management and the Directors in their estimates; and– Assessing whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.



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Other Information: Consolidated Directors' Report

Other information solely comprises the 2022 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

- Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.
- Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2022, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group 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 Parent's Directors 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 Group or to cease operations, or have no realistic alternative but to do so.



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The Parent's audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from 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 legislation regulating the audit of accounts 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 on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.
- Conclude on the appropriateness of the Parent's Directors' 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.



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- 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 a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Parent 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.

We also provide the Parent's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital files of Elecnor and its subsidiaries for 2022 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Parent, which will form part of the annual financial report.

The Directors of Elecnor, S.A. are responsible for the presentation of the 2022 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation").



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Our responsibility consists of examining the digital files prepared by the Directors of the Parent, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the consolidated annual accounts included in the aforementioned digital files fully corresponds to the consolidated annual accounts we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined fully correspond to the audited consolidated annual accounts, and these are presented and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Additional Report to the Audit Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 24 February 2023.

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 18 May 2022 for a period of one year, from the year ended 31 December 2021.

Previously, we had been appointed for a period of three years, renewed annually, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2013.

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

*This report
corresponds to seal
no. 03/23/00149
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Institute of Registered
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On the Spanish Official Register of Auditors ("ROAC") with No. 18,961



ECONOMIC PROFILE OF THE ELECNOR GROUP

ELCNOR, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022 (Thousands of Euros)

ASSETS	31 DECEMBER 2022	31 DECEMBER 2021
Non-current assets:		
Intangible assets-		
Goodwill (Note 8)	27,688	27,361
Other intangible assets (Note 9)	16,383	16,496
	44,071	43,857
Right-of-use assets (Note 11)	80,327	77,521
Property, plant and equipment (Note 10)	901,088	784,666
Equity-accounted investees (Note 12)	628,150	517,203
Non-current financial assets (Note 13)		
Other financial assets	38,279	41,218
Derivative financial instruments (Note 17)	9,639	317
	47,918	41,535
Deferred tax assets (Note 20)	80,331	89,413
Total non-current assets	1,781,885	1,554,195
Current assets:		
Inventories (Note 3.n)	10,308	11,282
Customer contract assets (Note 23)	393,954	399,621
Trade and other receivables (Note 14.a)	855,689	767,035
Trade receivables from related companies (Note 28)	19,341	22,397
Public entities, receivable	49,727	41,816
Current income tax assets	16,259	12,003
Other receivables	24,571	22,863
Current investments in related companies	761	323
Other current financial investments	12,076	11,214
Derivative financial instruments (Note 17)	3,905	6,454
Other current assets	13,938	11,305
Cash and cash equivalents (Note 14.b)	372,525	388,105
Non-current assets held for sale (Note 7)	2,976	37,288
Total current assets	1,776,030	1,731,706
Total assets	3,557,915	3,285,901

The accompanying notes form an integral part of the consolidated annual accounts.

EQUITY AND LIABILITIES	31 DECEMBER 2022	31 DECEMBER 2021
Equity (Note 15):		
Equity attributable to equity holders of the Parent-		
Capital	8,700	8,700
Own shares (Note 15)	(22,430)	(22,110)
Other reserves	992,609	937,156
Translation differences (Note 15)	(251,254)	(321,856)
Valuation adjustments to equity (Note 15)	(17,783)	(73,326)
Profit/loss for the year attributable to the Parent	102,813	85,883
Interim dividend paid in the year (Note 5)	(5,446)	(5,187)
	807,209	609,260
Non-controlling interests (Note 15)	26,046	24,405
Total equity	833,255	633,665
Non-current liabilities:		
Official grants (Note 3.p)	4,642	4,920
Provisions for liabilities and charges (Note 18)	53,993	54,105
Financial liabilities for the issuance of bonds and other marketable securities (Note 16)	50,793	56,598
Financial liabilities on loans and borrowings (Note 16)	726,902	702,901
Derivative financial instruments (Notes 16 & 17)	17,128	19,037
Lease liabilities (Note 11)	69,065	66,795
Other non-current liabilities	5,348	20,060
Deferred tax liabilities (Note 20)	27,513	27,529
Total non-current liabilities	955,384	951,945
Current liabilities:		
Provisions for liabilities and charges (Note 18)	80,807	82,103
Financial liabilities for the issuance of bonds and other marketable securities (Note 16)	125,158	77,983
Financial liabilities on loans and borrowings (Note 16)	52,780	86,697
Derivative financial instruments (Notes 16 & 17)	37,425	82,235
Lease liabilities (Note 11)	18,929	18,857
Trade payables to associates and related companies (Note 28)	7	5
Trade and other payables-		
Trade payables for purchases or services	762,822	601,415
Advances from customers (Note 19)	172,927	153,532
	935,749	754,947
Customer contract liabilities (Note 23)	276,032	411,529
Current income tax liabilities	59,251	40,893
Other payables-		
Public entities, payable	60,626	60,808
Other current liabilities (Note 10, 19 and 23)	122,512	84,234
	183,138	145,042
Total current liabilities	1,769,276	1,700,291
Total liabilities and equity	3,557,915	3,285,901

The accompanying notes form an integral part of the consolidated annual accounts.

EECNOR, S.A. AND SUBSIDIARIES CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022 (Thousands of Euros)

	2022	2021
Continuing operations:		
Net turnover (Note 23)	3,613,672	3,122,421
Changes in inventories of finished goods and work in progress	374	220
Self-constructed assets (Note 3.g)	32,891	10,768
Materials consumed (Note 23)	(1,810,781)	(1,582,619)
Other operating income (Notes 3.p and 23)	44,109	23,918
Personnel expenses (Note 23)	(984,095)	(868,281)
Other operating expenses (Note 23)	(631,304)	(453,272)
Expense for amortisation, depreciation, impairment and charges to provisions (Note 23)	(89,310)	(93,086)
Net profit/loss on the sale of non-current assets and subsidiaries (Notes 2.f and 10)	14,688	(4,138)
Profit/loss from equity-accounted investees (Note 12)	22,498	22,752
Operating income	212,742	178,683
Finance income (Note 23)	10,573	8,860
Finance expenses (Note 23)	(55,405)	(50,290)
Translation differences	(1,979)	5,368
Impairment and profit/loss on disposal of financial instruments	—	(680)
Changes in the fair value of financial instruments	—	107
Profit/loss before taxes	165,931	142,048
Income tax (Note 21)	(50,024)	(48,443)
Profit/loss from continuing operations	115,907	93,605
Profit/loss for the year	115,907	93,605
Attributable to:		
Shareholders of the Parent	102,813	85,883
Non-controlling interests (Note 15)	13,094	7,722
Earnings per share (in Euros) (Note 30)		
Basic	1.21	1.01
Diluted	1.21	1.01

The accompanying notes form an integral part of the consolidated annual accounts.

EECNOR, S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022 (Thousands of Euros)

	NOTES TO THE ANNUAL ACCOUNTS	2022	2021
CONSOLIDATED PROFIT/LOSS OF THE INCOME STATEMENT		115,907	93,605
Other comprehensive income:			
Items that will not be reclassified to profit or loss		-	-
Items to be reclassified to profit or loss			
- Cash flow hedges	Note 15.b	54,876	(72,384)
- Translation differences of financial statements for businesses abroad	Note 15.f	24,355	4,939
- Share of other comprehensive income of equity-accounted investees	Note 12	62,610	29,961
- Tax effect	Note 15.b	(14,255)	14,477
Other comprehensive income for the year, net of tax		127,586	(23,007)
Total comprehensive income attributable to:		243,493	70,598
a) Equity holders of the Parent		228,963	61,784
b) Non-controlling interests		14,530	8,814

The accompanying notes form an integral part of the consolidated annual accounts.

EECNOR, S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022 (Thousands of Euros)

	CAPITAL	ACCUMULATED RESERVES	OWN SHARES	INTERIM DIVIDEND PAID IN THE YEAR	CASH FLOW HEDGE	TRANSLATION DIFFERENCES	NET PROFIT/LOSS FOR THE YEAR	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balances at 1 January 2021	8,700	887,047	(21,899)	(4,987)	(25,126)	(345,957)	78,303	23,855	599,936
Total recognised income and expense for 2021	-	-	-	-	(48,200)	24,101	85,883	8,814	70,598
Distribution of profit/loss:									
Reserves	-	49,430	-	-	-	-	(49,430)	-	-
Supplementary dividend (Note 5)	-	-	-	-	-	-	(23,886)	(5,595)	(29,481)
2019 interim dividend	-	-	-	4,987	-	-	(4,987)	-	-
Acquisition of own shares (Note 15)	-	-	(2,422)	-	-	-	-	-	(2,422)
Sale of own shares (Note 15)	-	223	2,211	-	-	-	-	-	2,434
Interim dividend paid in the year 2020 (Note 5)	-	-	-	(5,187)	-	-	-	-	(5,187)
Return of funds	-	-	-	-	-	-	-	(2,580)	(2,580)
Changes in the consolidation scope (Note 2.f)	-	-	-	-	-	-	-	-	-
Other	-	456	-	-	-	-	-	(89)	367
Balances at 31 December 2021	8,700	937,156	(22,110)	(5,187)	(73,326)	(321,856)	85,883	24,405	633,665
Total recognised income and expense for 2022	-	-	-	-	55,543	70,602	102,813	14,535	243,493
Distribution of profit/loss:									
Reserves	-	76,687	-	-	-	-	(76,687)	-	-
Supplementary dividend (Note 5)	-	(21,554)	-	-	-	-	(4,009)	(10,165)	(35,728)
2020 interim dividend	-	-	-	5,187	-	-	(5,187)	-	-
Acquisition of own shares (Note 15)	-	-	(2,491)	-	-	-	-	-	(2,491)
Sale of own shares (Note 15)	-	308	2,171	-	-	-	-	-	2,479
Interim dividend paid in the year 2021 (Note 5)	-	-	-	(5,446)	-	-	-	-	(5,446)
Return of funds	-	-	-	-	-	-	-	(2,816)	(2,816)
Change to the consolidation scope	-	-	-	-	-	-	-	-	-
Other	-	12	-	-	-	-	-	87	99
Balances at 31 December 2022	8,700	992,609	(22,430)	(5,446)	(17,783)	(251,254)	102,813	26,046	833,255

EECNOR, S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022 (Thousands of Euros)

	2022	2021
Cash flows from operating activities:		
Consolidated profit/loss for the year	115,907	93,605
Adjustments for:		
Depreciation and amortisation	111,643	89,213
Impairment and net profit/loss from disposals of property, plant and equipment and intangible assets	(4,776)	2,770
Changes in provisions for liabilities and charges and other provisions (Note 24)	(21,307)	5,214
Capital grants taken to income	(220)	(270)
Share in (profit)/loss for the year of equity-accounted investees (Note 13)	(22,498)	(22,752)
Impairment and net profit/loss from disposals of financial instruments and other fixed assets (Note 2.f)	(10,645)	680
Finance income and expenses (Note 24)	44,833	41,430
Translation differences	1,979	(5,368)
Other income and expenses	3,698	4,825
Corporate Income Tax	50,024	48,443
Funds generated from operations	268,638	257,790
Changes in working capital:		
Trade and other receivables	(63,990)	(76,190)
Inventories	975	(4,914)
Trade and other payables	43,809	82,507
Changes in other current assets and liabilities	14,762	(14,471)
Income tax paid	(37,320)	(38,532)
Net cash flows from (used in) operating activities (I)	226,874	206,190
Cash flows from (used in) investment activities:		
Payments for acquisition of Group companies, associates and jointly-controlled entities (Note 7)	—	(3,520)
Payments for acquisition of intangible assets (Note 10)	(6,665)	(8,197)
Payments for acquisition of financial assets	(6,344)	(5,655)
Payments for acquisition of property, plant and equipment (Note 11)	(149,248)	(99,519)
Payments for contributions to associates (Note 13)	(520)	(13,405)
Dividends received from associates (Note 13)	728	644
Interest received	10,572	8,860
Proceeds from disposal of Group companies, associates and jointly-controlled entities (Notes 2.f)	9,102	6,970
Proceeds from the sale of intangible assets and property, plant and equipment (Notes 10 and 11)	6,200	10,024
Proceeds from disposal of financial assets, net	7,627	3,836
Net cash flows from (used in) investment activities (II)	(128,548)	(99,962)
Cash flows from (used in) financing activities:		
Cash inflows from financial debt and other non-current borrowings (Note 16)	1,236,575	1,503,309
Interest paid	(49,247)	(38,575)
Repayment of financial debt and other non-current borrowings (Note 16)	(1,238,759)	(1,520,734)
Payments from lease liabilities (Note 12)	(18,472)	(16,516)
Dividends paid (Note 16)	(41,175)	(34,668)
Proceeds from contribution/return of funds by/to non-controlling shareholders, net (Note 16)	(2,816)	(2,580)
Cash inflows due to disposal of own shares (Note 16)	2,479	2,435
Cash outflows due to purchase of own shares (Note 16)	(2,491)	(2,422)
Net cash flows from (used in) financing activities (III)	(113,906)	(109,751)
Effect of changes in the consolidation scope (IV)	-	-
Net increase in cash and cash equivalents (I+II+III+IV)	(15,580)	(3,523)
Cash and cash equivalents at beginning of year	388,105	391,628
Cash and cash equivalents at year end	372,525	388,105

The accompanying notes form an integral part of the consolidated annual accounts.



CONSOLIDATED ANNUAL ACCOUNTS

Prepared in accordance with
International Financial Reporting Standards
adopted by the European Union

ELECNOR, S.A. AND SUBSIDIARIES NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

For the year ended 31 december 2022

1. NATURE, ACTIVITIES AND COMPOSITION OF THE GROUP

Elecnor, S.A. (hereinafter, the Parent), was incorporated for an indefinite period in Spain on 6 June 1958 and its registered office and domicile for tax purposes is located at Calle Marqués de Mondéjar 33, Madrid.

The Parent's statutory activity, according to its bylaws, is:

- Wide-ranging commercial activity in connection with the engineering, design, construction, erection, repair, maintenance and upkeep of all manner of construction projects and installation work in the broadest sense, i.e. the entire execution thereof with or without the supply of materials, on its own account or through third parties, on an exclusive basis or through associations of any kind.
- The making, marketing, construction of the associated works and sale of reinforced concrete and pre-stressed prefabricated items and products made of compound materials, as well as any construction and industry-related products.
- The provision of public and private services in relation to the collection of all types of waste; sweeping and cleaning of streets; transfer and transport of waste to the place of end disposal; the end disposal of such waste, recycling, treatment and deposit of public, private, industrial, hospital and pathological waste; cleaning, maintenance and upkeep of sewers; and, in general, urban water treatment services and all other ancillary services related directly or indirectly to the aforementioned services in their broadest sense.
- The design, research, development, construction, operation, maintenance and marketing of waste treatment, recovery and elimination facilities, and the purchase and sale of the by-products originating from these treatments.
- The design, research, development, construction, operation, maintenance and marketing of plants and facilities for the treatment of water, wastewater and waste, the recovery and elimination of waste, and the purchase and sale of the by-products originating from these treatments.
- The use, transformation and marketing of water of all types.

The aforementioned business activities can also be fully or partially carried out indirectly by the Parent company through investments in other companies with a similar statutory activity. In this regard, the management of the business group formed by stakes held in the share capital that go to make up the said group also constitutes part of the Company corporate purpose, as does the provision of assistance and support services to investee companies, to which end it may provide them with the guarantees and bonds that are considered appropriate. The Elecnor Group may not carry out any business activity for which specific conditions or limitations are imposed by law, unless it fully meets such conditions.

The subsidiaries basically engage in business activities comprising the aforementioned statutory activity, and in the operation of wind energy generation facilities, the provision of aeronautical and aerospace software research, advisory and development services and the manufacture and distribution of solar panels and solar PV plants.

The General Shareholders' Meeting of 23 June 2021 approved the spin-off of the Services and Projects Business by the Parent Elecnor, S.A. to Elecnor Servicios y Proyectos, S.A.U., taking effect for accounting purposes from 1 January 2021. This transaction is described in the 2021 annual accounts of Elecnor, S.A. and had no impact on the consolidated financial statements of the Elecnor Group for 2021.

The Parent's bylaws and other related public information may be viewed on the Group's corporate website www.elecnor.com/home-en and at its registered office.

Elecnor, S.A. is the Parent of a Group comprising subsidiaries that focus on a range of activities and that, together with it, form the Elecnor Group (hereinafter, the "Group" or the "Elecnor Group"). Moreover, the Group has investments in associates and joint ventures and takes part in joint ventures with other operators.

Shares in Elecnor, S.A. are traded in the Madrid and Bilbao stock exchanges.

Appendix I includes information on equity-accounted subsidiaries, associates and jointly-controlled entities included in the Elecnor Group's consolidation scope.

The name of the Parent has not changed compared to the previous year.

2. BASIS OF PRESENTATION

a) Basis of presentation and regulatory financial reporting framework applicable to the Group-

The accompanying consolidated annual accounts have been prepared on the basis of the accounting records of Elecnor, S.A. and of the consolidated companies. The consolidated annual accounts for 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), and other applicable provisions in the financial reporting framework, to give a true and fair view of the consolidated equity and consolidated financial position of Elecnor, S.A. and subsidiaries at 31 December 2022 and consolidated results of operations, consolidated cash flows and changes in consolidated equity of the Group for the year then ended.

The Group adopted IFRS-EU on 1 January 2004 and applied IFRS 1, "First-time adoption of International Financial Reporting Standards".

The Directors of the Parent consider that the consolidated annual accounts for 2022, authorised for issue on 22 February 2023, will be approved with no changes by the General Shareholders' Meeting.

The Elecnor Group's consolidated annual accounts for 2021 were authorised for issue by the General Shareholders' Meeting of Elecnor, S.A. at their annual general meeting held on 18 May 2022.

These consolidated annual accounts have been prepared on a going concern basis using the historical cost principle, with the exception of derivative financial instruments, which have been recognised at fair value.

Note that the balances from the Group's Argentine and Venezuelan companies were expressed at current cost before inclusion in the consolidated annual accounts of the Elecnor Group, as per IAS 29 "Financial Reporting in Hyperinflationary Economies", as these countries' economies are considered to be hyperinflationary (see section g).

b) Adoption of International Financial Reporting Standards (IFRS)-

STANDARDS APPLIED FOR THE FIRST TIME

In 2022, the following standards and interpretations, which have already been adopted by the European Union and, where applicable, have been used by the Group to prepare the Consolidated Annual Accounts, have come into force and are mandatory for application in 2022:

- Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets Provisions for onerous contracts.

- Amendments to IAS 16 Property, plant and equipment: Consideration prior to the intended use.
- References to the IFRS Conceptual Framework in IFRS 3.

These new standards have had no impact on the Group in 2022. The Group had not early-applied any standards.

STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET IN FORCE

At the date on which these consolidated annual accounts were authorised for issue, the standards, amendments and interpretations issued but not yet in force and which the Group expects to adopt from 1 January 2023 are:

- Amendments to IAS 1 and the IFRS 2 practice statement: Disclosure of accounting policies.
- Amendments to IAS 8: Definition of Accounting estimate.

The Group is in the process of reviewing these standards, however, it estimates that the effect of applying new standards, amendments or interpretations on the consolidated annual accounts when applied for the first time is not considered to be material for the Group.

EXISTING STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT HAVE NOT BEEN ADOPTED BY THE EUROPEAN UNION

At the date on which these consolidated annual accounts were authorised for issue, the IASB and IFRS Interpretations Committee had published the standards, amendments and interpretations listed below, that are pending adoption by the European Union:

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures.
- Amendments to IAS 1: Classification of liabilities as current or non-current.
- Amendments to IFRS 16: Sale and leaseback.

The Group will assess the impact of this new standard for the first year in which it becomes effective.

C) Functional currency and presentation currency-

The figures disclosed in the consolidated annual accounts are expressed in thousands of Euros, rounded to the nearest thousand, the Parent's functional and presentation currency.

D) Material accounting estimates and significant assumptions and judgements in applying accounting policies-

The information in these consolidated annual accounts is the responsibility of the Board of Directors of Elecnor.

The preparation of consolidated annual accounts in accordance with IFRS-EU requires the application of significant accounting estimates and making judgements, estimates and assumptions in the process of applying the Group's accounting policies. In this connection, there follows a detailed summary of the aspects that have involved the greatest degree of judgement, complexity or in which the assumptions and estimates are not significant for preparing the consolidated annual accounts.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

- The impairment analysis of receivables deriving from third party transactions includes the estimate of future receivables arising from the situation of each customer, each country and the economy in general (Note 14).

- The Group performs a significant portion of its activities in construction contracts with customers. This method is based on performing estimates in relation to the stage of completion of projects. Depending on the method used to determine project progress, significant estimates correspond to costs pending incurring in each contract. Furthermore, the Group recognises provisions for negative margins when the estimate of total costs exceeds estimated income from contracts. These estimates are subject to changes based on new information regarding the stages of completion.

- The calculation of provisions for litigation and inspections is subject to considerable uncertainty. If it is likely that there will be an obligation at the end of the year that will imply an outflow of resources, a provision is recognised if the amount can be reliably estimated. Legal processes usually imply complex legal matters and are subject to considerable uncertainty. The Group relies on third-party advice to estimate the probability of the outcome of litigation and inspections.

Moreover, although the estimates performed by the Parent's Directors were calculated based on the best information available at 31 December 2022, it is possible that future events might oblige their modification in the next few years. The effect on the consolidated annual accounts of modifications that, in the event, may derive from adjustments over the next few years would be recognised prospectively.

SIGNIFICANT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Since 17 December 2019, the Elecnor Group has, along with the investment fund APG, jointly controlled the subgroup Celeo Concesiones e Inversiones, and since that date it has held a 51% shareholding, compared with a previous shareholding of 100%.

The material judgements that led to the Elecnor Group's conclusion regarding the loss of the controlling interest it hitherto held in Celeo Concesiones e Inversiones, S.L., and which are upheld on the date on which these consolidated annual accounts were authorised for issue, are as follows:

- The equitable composition of the Board of Directors and the General Shareholders' Meeting with homogeneous rights.
- The decisions adopted by the General Shareholders' Meeting must be approved by a reinforced majority of at least 75%, with only the following matters requiring a simple majority:
 - Modification of the Corporate Bylaws when such modification is required by law, provided such modification does not contravene the provisions of the shareholders' agreement.
 - Appropriation of profit/loss in order to build the Legal Reserve required by law.
- The control and functional dependence of the management of Celeo Concesiones e Inversiones, S.L., which handles the material aspects of the business and which ceases to depend on the Elecnor Group to instead report directly to the Board of Directors of Celeo Concesiones e Inversiones, S.L.
- The existence of a neutral arbitration system in the event of a dispute. In the event of any dispute between the two shareholders, a mediator will be called in to resolve it, and if this were not sufficient an arbitration process will take place, involving three arbitrators, with the shareholders each appointing one arbitrator and a third appointed by agreement of the other two arbitrators.

e) Comparative information-

In the consolidated annual accounts for 2022, we present, for comparative purposes, along with each item of the consolidated statements of financial position, consolidated income statement, comprehensive income, changes in equity, cash flows and notes to the consolidated annual accounts, in addition to the figures for 2022, those corresponding to the previous year, approved by the Ordinary Annual General Shareholders' Meeting of the Parent on 18 May 2022.

f) Changes to the consolidated Group-

The most significant change in the consolidation scope in 2022 was as follows:

- On 17 February 2022 the Elecnor Group formalised the sale of the subsidiary Stonewood Desarrollos, S.L.U., recorded at 31 December 2021 as non-current assets held for sale under the agreement entered into in 2021. The Group has completed the transaction for a sale value of Euros 13,986 thousand, recording the associated gain under "Net profit/loss on the sale of non-current assets and subsidiaries" in the consolidated income statement for 2022.

There were no material changes in the consolidation scope in 2021.

g) Entities located in countries with high rates of inflation-

In light of the economic situation in Venezuela and Argentina, and according to the definition of a hyperinflationary economy laid down by IAS 29, these countries have been considered as hyperinflationary since 2009 and 2018, respectively, a situation that persists at the end of 2022.

The Elecnor Group holds one investment in Venezuela and another in Argentina, with outstanding balances at 31 December 2022 and 2021, and the volume of transactions during 2022 and 2021 is non-material.

In 2022 and 2021, the Group has recognised the relevant impact considering the hyperinflationary economic situation in both countries, which has been non-material for the purposes of the Elecnor Group.

The rest of the functional currencies of the consolidated companies and associates located abroad are not those of a highly inflationary economy as defined by IFRS. Accordingly, at the end of 2022 and 2021 it was not necessary to adjust the financial statements of any other consolidated entity or associate in order to correct for the effects of inflation.

h) Regulation of electricity generation activities

The electricity generation business of the Elecnor Group's Spanish subsidiaries is regulated by Electricity Sector Law 24/2013 of 26 December 2013, which repeals Law 54/1997 of 27 November 1997, and by the subsequent implementing regulations.

On 28 December 2012, Law 15/2012 of 27 December 2012 on Tax Measures for Energy Sustainability was published, introducing a 7% levy on the total amount payable to the taxpayer for production and incorporation into the electricity system.

Additionally, this Law amended Law 54/1997, whereby the electricity attributable to the use of fuels at a generation facility that uses any non-consumable renewable energy as a primary energy source will not qualify for the feed-in tariff system, which could affect the Group's solar thermal plants under operation.

Royal Decree-Law 9/2013 of 12 July, adopting urgent measures to ensure the financial stability of the electricity system, was approved on 13 July 2013:

The government will be responsible for approving a new legal and economic regime for existing facilities that generate electricity using renewable energy sources, cogeneration and waste. This regime will be based on facilities receiving revenues for their participation in the market, plus additional remuneration, where necessary, to cover the investment costs that cannot be recovered by an efficient, well-managed company in the market.

On 10 June 2014, RD 403/2014 of 6 June 2014 was published, regulating the activity of electricity production from renewable energy sources, cogeneration and waste; and on 21 June 2014, Order IET/1045/2014 of 16 June was published, approving the parameters for the remuneration of the abovementioned facilities.

In line with the above, and considering that the government's aim is to reduce feed-in tariffs for the renewables sector, the Elecnor Group has re-estimated the future cash flows of all assets subject to this legislation, as it considers that there could be indications of impairment thereon.

The parameters Order IET/1045/2014 was updated for the period 2017–2019 by Order ETU/130/2017 of 17 February and for the period 2020–2022 by Order TED/171/2020 of 24 February.

On 23 July 2020, Order TED/668/2020 entered into force, revising the investment remuneration for 2018 and 2019, since the 7% tax exemption during the last quarter of 2018 and the first quarter of 2019 (RD-Law 15/2018 of 5 October) was not taken into consideration by the Government when calculating the remuneration parameters.

On 15 September 2021, Royal Decree-Law 17/2021 was published, on urgent measures to curtail the impact of the escalation of natural gas prices in the retail gas and electricity markets, including the following:

- From 16 September 2021 to 31 March 2022, the remuneration of the electricity production activity of non-greenhouse-gas-emitting facilities is reduced, excluding facilities in non-peninsular territories, those with an installed capacity equal to or less than 10 MW, and those that have a recognised remuneration framework of those regulated in Law 24/2013, of 26 December, on the Electricity Sector. The reduction is proportional to the higher revenue obtained as a result of the increased natural gas price.
- The exemption from the 7% tax on the value of electrical power for electricity production facilities is extended until 31 December 2021 (this exemption was initially planned for the Q3 2021, according to RD-Law of 24 June). In any event, in wind farms that receive specific remuneration (in accordance with RD-Law 9/2013, of 12 July), the CNMC will subsequently subtract the amounts not paid as a result of the application of these Royal Decrees.

Royal Decree-Law 23/2021 on urgent energy measures to protect consumers and introduce transparency in the wholesale and retail electricity and natural gas markets was published on 27 October 2021.

It establishes that electricity produced by generation facilities that is covered by a forward instrument signed prior to the entry into force of the RD, provided that the price of said cover is fixed, is excluded from the reduction mechanism.

Similarly, it clarifies that energy covered by a forward instrument signed after the entry into force of the Royal Decree, provided that the price of said cover is fixed and the period of application of the instrument is equal to or greater than one year, is excluded from the reduction mechanism.

On 22 December 2021, Royal Decree-Law 29/2021 was published, adopting urgent measures in the energy sector to foster electric mobility, self-consumption and the deployment of renewable energies. It extends until 31 March 2022 the exemption from the 7% tax on generation.

On 29 March, Royal Decree Law 6/2022 was published, thereby approving the update of the remuneration scheme of electric power generation based on renewable energy sources, high-efficiency co-generation and waste. The remuneration for investment in farms subject to that scheme is updated, effective from 1 January 2022. The effect of this restatement is reflected in the financial statements as at 30 June. Moreover, the validity of the remuneration reduction mechanism due to gas prices is extended (which ended on 31 March 2022), and it is established 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.

Royal Decree-Law 10/2022 was published on 14 May, laying down a temporary mechanism to adjust the costs incurred by marginal fossil fuel technologies (combined cycle, coal-fired and cogeneration plants) in order to reduce the price of electricity on the wholesale market. According thereto, the abovementioned technologies must bid in all markets, internalising the amount of the adjustment in their bids, and these amounts are funded by the consumers who benefit from said reduced electricity price. This adjustment mechanism took effect on 14 June (as stated in Order TED/517/2022, approved by the European Union), and it finalises on 31 May 2023.

RD-Law 11/2022 was published on 25 June, adopting and extending specific measures in order to respond to the economic and social consequences of the war in Ukraine, to address situations of social and economic vulnerability, and for the economic and social recovery of

the island of La Palma. This Royal Decree 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. Subsequently, on 18 October, Royal Decree-Law 18/2022 was published, prolonging until 31/12/2023 the mechanism to reduce high gas prices, and on 27 December the government approved Royal Decree-Law 20/2022, on measures in response to the economic and social consequences of the war in Ukraine, prolonging until 31/12/2023 the 7% generation tax exemption.

On 6 October the EU adopted Regulation 2022/1854, which provides for emergency intervention to address the effects of high energy prices. The Regulation sets a cap of €180/MWh produced on market revenues for inframarginal technologies (wind, solar, hydropower without reservoirs, nuclear, etc.), excluding demonstration and storage projects. Furthermore, it is established that States may apply public intervention in setting prices for the supply of electricity to SMEs, exceptionally and temporarily allowing prices below cost. This Regulation came into force on 8 October 2022. The articles concerning the market revenue cap apply from 1 December 2022 until 30 June 2023. Pricing for SMEs will apply until 31 December 2023.

On 2 December, Order TED/1232/2022 was approved, updating for 2022 the investment remuneration for wind farms under the RECORE (renewables, cogeneration and waste) scheme.

With regard to facilities located abroad, the wind farms in Brazil have long-term electricity sale-purchase agreements (20 years) with various buyers (Eletrobras, Câmara de Comercialização de Energia Elétrica, Cemig and distributors), these agreements having been signed within the framework implemented by the Federal Government and through private auction. In addition, the first 100% 'de-contracted' project was launched in Brazil (24.2 MW), which means that energy will be sold in the free market. With regard to the Canada farm, it has a 20-year sale-purchase agreement with Hydro-Québec.

The Directors do not consider that any other renewable energy-related regulation has been enacted that could significantly affect the consolidated annual accounts at 31 December 2022.

3. ACCOUNTING PRINCIPLES

a) Subsidiaries-

Subsidiaries are entities over which the Company exercises control, either directly or indirectly through subsidiaries. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Company has power over a subsidiary when it has existing substantive rights that give it the ability to direct the relevant activities. The Company is exposed, or has rights, to variable returns from its involvement with the subsidiary when its returns from its involvement have the potential to vary as a result of the subsidiary's performance.

The income, expenses and cash flows of subsidiaries are included in the consolidated annual accounts from their acquisition date, which is the date control commences. Subsidiaries are excluded from the consolidated Group from the date on which this control is lost.

Transactions and balances with Group companies and unrealised profit or loss were eliminated in the consolidation process. However, unrealised losses were considered to be an indicator of the impairment of the assets transferred.

The accounting policies of subsidiaries were adapted to the Group's accounting policies, for transactions and other events that are similar and took place in comparable circumstances.

The annual accounts or financial statements of subsidiaries used in the consolidation process refer to the same presentation date and the same period as those of the Parent.

Non-controlling interests in the net assets of subsidiaries are recognised in equity separately from the Parent's equity. Non-controlling interests' share in consolidated profit or loss for the year (and in consolidated total comprehensive income for the year) is disclosed separately in the consolidated income statement.

Changes in the ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, i.e. any difference is recognised directly in equity.

In the reduction of the shareholding in a subsidiary that implies a loss of control thereof, the Group recognises profit/loss due to the difference between the consideration received plus the fair value of any investment retained in the company plus the carrying amount of the non-controlling interests and the value of the consolidated net assets. Other comprehensive income relating to the subsidiary is reclassified to profit or loss or reserves depending on its nature. Consolidated net assets include goodwill inasmuch as the divested entity constitutes a business. If the divested entity constitutes a business which belonged to a cash-generating unit or a group of cash-generating units to which goodwill had been assigned, then the goodwill is assigned to the part divested and the part maintained in accordance with the fair value and recoverable amount, respectively.

The fair value of the investment maintained constitutes the acquisition cost for the purposes of subsequent measurement in accordance with its classification.

b) Associates-

Associates are entities over which the Company, either directly or indirectly through subsidiaries, exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The existence of potential voting rights that are exercisable or convertible at the end of each reporting period, including potential voting rights held by the Group or other entities, are considered when assessing whether an entity has significant influence.

Investments in associates are accounted for using the equity method from the date that significant influence commences until the date that significant influence ceases. However, if on the acquisition date all or part of the investment fulfils the conditions to be classified as non-current assets or disposal groups of items held for sale, it is recognised at fair value, less the costs of divestment or disposal by another means.

Investments in associates are initially recognised at acquisition cost, also including any cost directly attributable to the acquisition and any contingent asset or liability consideration that depends on future events or the failure to fulfil certain conditions.

The excess between the cost of the investment and the percentage corresponding to the Group in fair values of identifiable net assets is registered as goodwill and included in the carrying amount of the investment. Any shortfall, having measured the amounts of the cost of the investment and the identification and measurement of the net assets of the associate, is recognised as income when determining the investors' interest in the associate's profit and loss in the year in which it is acquired.

If the investment is the result of a loss of control of a subsidiary that did not constitute a business, the cost of the investment is the fair value, net of the derecognitions deriving from the loss of control.

The accounting policies of associates were harmonised in time and valuation terms in line with those used at subsidiaries.

The Group's share of the profit or loss of an associate from the date of acquisition is recognised as an increase or decrease in the value of the investments, with a credit or debit to "Profit/loss from equity-accounted investees" in the consolidated income statement. The Group's share of other comprehensive income of associates from the date of acquisition is recognised as an increase or decrease in the value of the investments in associates with a balancing entry, based on the nature of the investment, in other comprehensive income in the consolidated statement of comprehensive income. The distribution of dividends is recognised as a decrease in the value of the investment. The Group's share of profit or loss, including impairment losses recognised by the associates, is calculated based on income and expenses arising from application of the acquisition method.

The Group's share in the profit and loss of associates and in changes to net equity is determined based on the ownership interest at the end of each year, not taking into account the potential exercise or conversion of potential voting rights. Nevertheless, the Group's interest is

determined considering the eventual exercise of potential voting rights and other derivative financial instruments which substantially provide current access to the economic benefits associated with the ownership interests, in other words, the right to participate in future dividends and changes in the value of associates.

Losses of an associate attributable to the Group are limited to the extent of its net investment, except where the Group has legal or constructive obligations or when payments have been made on behalf of the associate. For the purpose of recognising impairment losses in associates, net investments are considered as the carrying amount of the investment after applying the equity method plus any other item which in substance forms part of the investment in the associate. The excess of the losses over the equity instrument investment is applied to the remaining items in reverse order of settlement. Subsequent profits obtained by associates for which impairment losses are limited to the value of the investment are recognised to the extent that they exceed previously unrecognised losses.

If the Group's share of losses in an associate equals or exceeds its investment in the associate, it does not recognise its share of any further losses. The investment in the associate is the carrying amount of the investment determined using the equity method, plus any other non-current portion that, in substance, forms part of the Group's net investment in the associate.

Profit and loss not realised in transactions between the Group and associates are only recognised insofar as they correspond to the holdings of other unrelated investors. The exception in the application of this criterion is the recognition of unrealised losses that constitute evidence of the impairment of the transferred asset. Nevertheless, profit and loss deriving from transactions between the Group and associates involving net assets that constitute a business are recognised in their entirety.

In the reduction of a shareholding in an associate that does not imply a significant loss of influence or when the Group loses the joint control of a joint venture and maintains a significant influence, the Group recognises the result as the difference between the consideration received and the proportionate part of the carrying amount of the divested shareholding. Other comprehensive income corresponding to the proportionate part of the divested associate is reclassified to profit/loss or reserves as though the associate had directly sold the assets and liabilities linked to it. If the transaction implies a loss, the Group tests the impairment in the residual value maintained.

IMPAIRMENT

Once the equity method has been applied, the Group assesses whether or not there is objective evidence of an impairment in the net investment in the associate.

Calculation of impairment is determined as a result of the comparison between the carrying amount linked to the net investment in the associate and its recoverable amount, understood as the higher between value in use and fair value less the costs to sell or otherwise dispose of the item. In this connection, value in use is calculated as a function of the Group's interest in the current value of estimated cash flows in ordinary activities and the amounts potentially resulting from the final disposal of the associate.

The recoverable amount of the investment in an associate is assessed in relation to each associate, unless it does not constitute a cash-generating unit (CGU).

c) Joint arrangements-

Joint arrangements are those in which there is a contractual agreement to share the control over an economic activity, in such a way that decisions about the relevant activities require the unanimous consent of the Group and the remaining venturers or operators. The existence of joint control is assessed considering the definition of control over subsidiaries.

- Joint ventures: investments in joint ventures are accounted for using the equity method described in the letter above.
- Joint operations: for joint operations, the Group recognises the assets, including its share of any assets held jointly, the liabilities, including its share of any liabilities incurred jointly with the other operators, the revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and the expenses, including its share of any expenses incurred jointly, in the consolidated annual accounts.

The Group has joint control in various Temporary Business Associations since it has contractual agreements that require the consent of both shareholders to make decisions on important activities. The Group has classified the investments as joint operations since the shareholders have rights on the assets and obligations on the liabilities. Said right are principal and not subsidiary. In addition, the Group includes in this category certain foreign entities considered to be a similar vehicle to a UTE (various kinds of joint ventures), through which it carries out part of its business activities.

d) Foreign currency transactions and balances-

FOREIGN CURRENCY TRANSACTIONS, BALANCES AND CASH FLOWS

Transactions in foreign currency are translated into the functional currency at the spot exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies have been translated into Euros at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date. Non-monetary assets measured at fair value have been translated into Euros at the exchange rate at the date that the fair value was determined.

TRANSLATION OF FOREIGN OPERATIONS

The Group has applied the exemption permitted by IFRS 1, First-time Adoption of International Financial Reporting Standards, relating to accumulated translation differences. Consequently, translation differences recognised in the consolidated annual accounts generated prior to 1 January 2004 are recognised in retained earnings. As of that date, foreign operations whose functional currency is not the currency of a hyperinflationary economy have been translated into Euros as follows:

- Assets and liabilities, including goodwill and net asset adjustments derived from the acquisition of the operations, including comparative amounts, are translated at the closing rate at the reporting date.
- Income and expenses, including comparative amounts, are translated at the exchange rates prevailing at each transaction date.
- All resulting translation differences are recognised as translation differences in other comprehensive income.

These criteria are also applicable to the translation of the financial statements of equity-accounted companies, with translation differences attributable to the Group recognised in other comprehensive income.

The translation differences recognised in other comprehensive income are recognised as an adjustment in profit/loss on the sale, based on the criteria set forth in the sections on subsidiaries and associates.

FOREIGN OPERATIONS IN HYPERINFLATIONARY ECONOMIES

The financial statements of Group companies whose functional currency is the currency of a hyperinflationary economy are restated in terms of the measuring unit at the reporting date.

The results and financial position of the Group's foreign operations whose functional currency is the currency of a hyperinflationary economy are translated into Euros as follows:

- Assets and liabilities, including goodwill and net asset adjustments derived from the acquisition of the operations, equity items, income and expenses, and cash flows are translated at the closing exchange rate at the most recent reporting date.
- Comparative amounts are those that were included in the prior year consolidated annual accounts and are not adjusted for subsequent changes in the price level or in exchange rates. The effect of the adjustment on the prior year's balances is recognised in reserves in consolidated net equity.

None of the functional currencies of the consolidated companies and associates located abroad are those of a hyperinflationary economy as defined by IFRS, except in the cases of Venezuela and Argentina (see section g of Note 2).

e) Non-current assets held for sale-

Non-current assets or disposal groups whose carrying amount will be recovered primarily through a sale transaction, rather than through continuing use, are classified as non-current assets held for sale. To classify non-current assets or disposal groups as held for sale, they must be available in their current state for disposal, subject only to the usual and widely accepted terms of sale transactions, and the transaction must also be considered to be highly probable.

Non-current assets or disposal groups classified as held for sale are measured at the lower of the carrying amount and fair value less the costs of disposal and are not amortised or depreciated.

The Group classifies on the acquisition date a non-current asset or disposal group of items, including subsidiaries, and all or part of the investment in associates or joint ventures acquired solely for the purpose of their subsequent disposal or exchange, as held for sale, if the planned transaction is expected to take place in the following year and the sale fulfils the requirements to be considered highly probable within a short period after the acquisition. At the time of the initial recognition of this kind of assets, their initial measurement is determined by the value that would have been recognised if they had not been classified as available for sale and their fair value less costs to sell or otherwise disposal of the assets.

The Company measures non-current assets that cease to be classified as held-for-sale or that cease to be part of a disposable group of items, at the lower of their carrying amount prior to classification, less amortisation, depreciation or revaluation that would have been recognised had they not been classified as such and the recoverable value on the reclassification date. The valuation adjustments deriving from this reclassification are recognised in profit/loss from continuing activities or other comprehensive income. For these purposes, the Group deems a change in the plan that involves selling rather than distributing to shareholders or vice versa to be a continuation of the original plan, and recognises the impact of the valuation change in consolidated profit/loss.

The Group restates consolidated annual accounts for prior periods from the date of classification of a subsidiary, associate or joint venture as a disposal group or non-current asset held for sale as if it had never been classified as such. As a result, the assets and liabilities of subsidiaries are stated by nature and, where applicable, the Group recognises any depreciation or revaluation that would have been recognised had they not been classified as disposal groups held for sale. Associates or joint ventures are measured retrospectively using the equity method.

f) Intangible assets-

GOODWILL

Goodwill is not amortised, but its impairment is tested annually or sooner if there are signs of a potential impairment in the asset's value. In this connection, the goodwill resulting from a business combination is allocated to each cash-generating unit (CGU) or group of CGUs in the Group that are expected to benefit from the synergies of the combination and the criteria to which section h) impairment refers are applied. After initial recognition, goodwill is measured at cost less cumulative impairment losses.

An impairment loss recognised for goodwill may not be reversed in a subsequent period.

Internally generated goodwill is not recognised as an asset.

OTHER INTANGIBLE ASSETS

Intangible assets are presented in the consolidated statement of financial position at cost less amortisation and cumulative impairment losses.

Intangible assets are amortised on a straight-line basis over their useful lives.

IMPAIRMENT

The Group measures and determines the intangible asset's impairment losses and reversals in accordance with the criteria set forth in section h).

g) Property, plant and equipment-

INITIAL RECOGNITION

Property, plant and equipment is measured at cost, less cumulative depreciation and, in the event, cumulative impairment losses. However, prior to 1 January 2004, the Elecnor Group revalued certain items of property, plant and equipment as permitted by applicable legislation. In accordance with IFRS, the Elecnor Group treated the amount of these revaluations as part of the cost of these assets because it considered that the revaluations reflected the effect of inflation.

As regards the wind projects in which the Group has executed long-term contracts for the sale of electricity (see Note 4), the Group recognises the assets as property, plant and equipment as it retains all the risks and rewards of ownership of these assets and the duration of the sale contracts does not cover the whole economic life of the assets.

The cost of property, plant and equipment includes the estimated decommissioning or removal costs, as well as the cost of restoring the location, provided these are obligations incurred as a consequence of its use and for purposes other than the production of inventories. Capitalised costs include finance expenses on external financing accrued during the construction period on construction work exceeding one year.

Self-constructed property, plant and equipment is recognised at accumulated cost; i.e. external costs plus in-house costs, determined on the basis of warehouse materials consumed, and manufacturing costs calculated using hourly absorption rates similar to those used for the measurement of inventories. In 2022, Euros 27,623 thousand was recognised for this item (Euros 5,567 thousand in 2021), booked under "Self-constructed assets" in the consolidated income statement, mainly relating to wind and photovoltaic farms located in Spain and Colombia (wind farms located in Brazil in 2021).

SUBSEQUENT COSTS

Subsequent to the initial recognition of the asset, only those costs that will generate future economic benefits that may reasonably be described as probable, and whose amount can be measured reliably, are capitalised. In this connection, the costs deriving from the daily upkeep of property, plant and equipment are recognised as they are incurred.

The replacement of items of property, plant and equipment that may potentially be capitalised implies reducing the carrying amount of the items replaced. In those cases in which the cost of the replaced items has not been independently depreciated and it is not feasible to determine their carrying amount, the replacement cost is used to indicate the cost of the items at the time of their acquisition or construction.

DEPRECIATION

Property, plant and equipment is depreciated by distributing the depreciable amount using the straight-line method over its useful life.

Depreciation of property, plant and equipment is determined by applying the following criteria:

	YEARS OF USEFUL LIFE	
	2022	2021
Buildings	33-50	33-50
Technical installations and machinery (*)	20-30	20-30
Hand and machine tools	3-10	3-10
Furniture and fixtures	3-10	3-10
Information technology equipment	3-5	3-5
Motor vehicles	2-10	2-10
Other property, plant and equipment	3-10	3-10

(*) Includes machinery and facilities used in wind projects, basically wind turbines.

The Group reviews the residual value, useful life and depreciation method of property, plant and equipment at the end of each financial year. Any changes to the initially established criteria are recognised as a change in estimate.

IMPAIRMENT

The Group measures and determines the property, plant and equipment's impairment losses and reversals in accordance with the criteria set forth in section h).

h) Impairment of non-financial assets carried at amortised or depreciated cost-

The Group evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount.

Likewise, regardless of the existence of any indication of impairment, the Group reviews, at least once a year, the potential impairment that might affect goodwill and intangible assets with an indefinite useful life.

The recoverable amount of the assets is the higher amount between fair value less costs to sell and value in use.

The asset's value in use is calculated as a function of the estimated future cash flows deriving from the use of the asset, the expectation about possible changes in timing of those cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset and other factors that market participants would reflect in pricing the future cash flows expected to derive from the asset.

Where the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised for the difference with a charge to "Amortisation and depreciation, impairment and charges to provisions" in the accompanying consolidated income statement.

At each closing date, the Group tests for any signs that the impairment loss recognised in previous years no longer exists or may have diminished. Impairment losses corresponding to goodwill are not reversible. Impairment losses from the rest of assets are only reversed if there has been a change in the estimates used to determine the asset's recoverable amount.

i) Leases-

IDENTIFICATION OF A LEASE

At inception of a contract, the Group assesses whether the contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The period in which a Group uses an asset includes consecutive and non-consecutive periods. The Group only reassesses the conditions when there is a modification to the contract.

LESSEE ACCOUNTING

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group considers all components as a single lease component.

The Group has opted not to apply the accounting policies shown below for short-term leases and those whose underlying asset has a value of less than Euros 5 thousand, which correspond primarily to machinery leases for use in construction works, since the estimated duration of the leases is less than or around one year, as such machinery tends to be leased for the duration of the project for which it has been leased. On 31 December 2022 and 2021, the heading "Right-of-use assets" corresponds mainly to leases of premises and of plots of land on which wind farms are located.

The Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

At the lease commencement date the Group recognises a right-of-use asset and a lease liability. The right-of-use asset comprises the amount of the lease liability, any lease payment made at or before the commencement date, less any lease incentives received, any initial direct costs incurred and an estimate of the decommissioning or restoration costs to be incurred, as indicated in the accounting policy on provisions.

The Group measures the lease liability at the current value of the lease payments that are pending payment at the commencement date. The Group discounts lease payments at the appropriate incremental borrowing rate, unless it can readily determine the lessor's implicit interest rate. In this regard, for the initial measurement of the lease liability the incremental borrowing rate was used, representing the interest rate that a lessee would have to pay for borrowing over a similar period, with a similar guarantee, the necessary funds to obtain an asset of a value similar to that of the right-of-use asset in a similar economic context. The Group uses different discount rates for each country and depending upon the remaining lease terms, the applied discount rates being between 2.95% and 6.85% for leases in Spain, in accordance with the duration of the contracts, as this is where most of the leases subject to this standard are located.

The Group measures right-of-use assets at cost, less any accumulated depreciation and impairment, adjusted for any re-measurement of the lease liability.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciates the right-of-use asset as indicated in the property, plant and equipment section from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group measures lease liabilities by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any lease modifications or to reflect revised in-substance lease payments.

The Group recognises the amount of remeasurement of the liability, where applicable, as an adjustment to the right-of-use asset until this is reduced to zero and subsequently in profit or loss.

The Group remeasures lease liabilities by discounting the lease payments using a revised discount rate, if there is a change in the lease term or a change in assessment of a purchase option of the underlying asset.

The Group remeasures lease liabilities if there is a change in the estimated amounts payable of a residual value guarantee or a change in the index or rate used to determine the payments, including a change to reflect variations in market rental rates once there has been a review thereof.

j) Financial instruments-

RECOGNITION AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument in IAS 32 "Financial Instruments: Presentation".

The Group recognises financial instruments when it becomes a party to the contract or legal transaction, in accordance with the terms set out therein.

For measurement purposes, the Group classifies financial instruments in the categories of financial assets and liabilities at fair value through profit or loss, separating those initially designated from those held for trading or that measured at fair value through profit or loss, financial assets and liabilities at amortised cost and financial assets at fair value through other comprehensive income, separating equity instruments designated as such from the rest of financial assets. The Group classifies financial assets designated at fair value through profit or loss and equity instruments designated at fair value through other comprehensive income in accordance with the business model and nature of the contractual flows. The Group classifies financial liabilities as measured at amortised cost, except those designated at fair value through profit or loss and those held for trading.

The Group classifies a financial asset at amortised cost if it is held within the framework of a business model aimed at holding financial assets in order to obtain contractual cash flows and the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the unpaid principal.

The Group classifies a financial asset at fair value through other comprehensive income if it is held within the framework of a business model aimed at obtaining contractual cash flows and selling financial assets and the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the unpaid principal.

The business model is determined by key staff at the Group at a level reflecting the manner in which groups of assets are managed jointly to achieve the aim of a specific business. The Group's business model represents the manner in which it manages its financial assets to generate cash flows.

The financial assets within the framework of a business model aimed at holding assets to receive contractual cash flows are managed to generate cash flows in the form of contractual receipts during the life of the instruments. The Group manages the assets held on the portfolio so as to receive these specific contractual cash flows. To determine whether the cash flows are obtained by receiving contractual cash flows from the financial assets, the Group considers the frequency, value and calendar of sales in previous years, the reasons for those sales and the expectations in relation to the future sales activity. Nevertheless, sales do not, of themselves, determine the business model and, accordingly, cannot be considered on their own. Instead, it is information on past sales and expectations of future sales that offers an indication of the way to achieve the Group's stated goal with regard to the management of financial assets and, more specifically, how the cash flows are obtained. The Group considers information on past sales in the context of the reasons for those sales and the conditions at that time as compared to current conditions. To this end, the Group considers that trade and other receivables that will be assigned to third parties and will not be derecognised are maintained in this business model.

Although the goal of the Group's business model is to hold financial assets in order to receive contractual cash flows, this does not mean that the Group holds all the instruments to maturity. Consequently, the Group's business model is to hold financial assets to receive contractual cash flows even when there have been or there are expected to be sales of these assets. The Group understands that this requirement is fulfilled provided the sales take place due to an increase in the credit risk of the financial assets. In the rest of cases, in individual and aggregate terms, sales may not be significant even if they are frequent or must be infrequent where they are significant.

The contractual cash flows that are solely payments of principal and interest on the unpaid principal are consistent with a basic loan agreement. In a basic loan agreement, the main items of interest are generally the consideration for the time value of money (TVM) and credit risk. Nevertheless, in an agreement of this kind, interest also includes consideration for other risks, such as liquidity and costs, like the administrative risks of a basic loan associated with maintaining the financial asset for a certain period. Moreover, interest may include a profit margin consistent with a basic loan agreement.

The Group designates a financial liability initially at fair value through profit or loss, if by doing so it eliminates or significantly reduces any inconsistency in the measurement or recognition that would otherwise emerge, if the measurement of the assets or liabilities or recognition of the profit/loss thereof were performed on different bases or a group of financial liabilities or of financial assets and financial liabilities is managed, and its performance assessed, on a fair value basis, in accordance with a documented investment strategy or risk management strategy, and information is provided internally concerning said group on the same basis to key staff from the Group's management.

The Group classifies the rest of financial liabilities, except financial guarantee contracts, commitments to grant a loan at a lower-than-market rate and financial liabilities resulting from a transfer of assets not fulfilling the requirements for derecognition from accounts or accounted for using the ongoing involvement approach, as financial liabilities at amortised cost.

FINANCIAL ASSETS AT FAIR VALUE

An analysis of financial instruments measured at fair value at 31 December 2022 and 2021 subsequent to their initial recognition, classified into levels 1 to 3 based on the fair value measurement method, is as follows:

- Level 1: their fair value is obtained from directly observable quoted prices in active markets for an identical asset or liability.
- Level 2: their fair value is determined using market inputs, other than the quoted prices included in level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: their fair value is determined using measurement techniques that include inputs for the assets and liabilities that are not directly observable market data.

	FAIR VALUE AT 31 DECEMBER 2022			
	THOUSANDS OF EUROS			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Non-current financial assets				
Derivative financial instruments (Note 17)	-	9,639	-	9,639
Current financial assets				
Derivative financial instruments (Note 17)	-	3,905	-	3,905
Non-current liabilities				
Derivative financial instruments (Note 17)	-	(17,128)	-	(17,128)
Current liabilities				
Derivative financial instruments (Note 17)	-	(37,425)	-	(37,425)
	-	(41,009)	-	(41,009)

	FAIR VALUE AT 31 DECEMBER 2021			
	THOUSANDS OF EUROS			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Non-current financial assets				
Derivative financial instruments (Note 17)	-	317	-	317
Current financial assets				
Derivative financial instruments (Note 17)	-	6,454	-	6,454
Non-current liabilities				
Derivative financial instruments (Note 17)	-	(19,037)	-	(23,419)
Current liabilities				
Derivative financial instruments (Note 17)	-	(82,235)	-	(77,853)
	-	(94,501)	-	(94,501)

FINANCIAL ASSETS AND LIABILITIES AT AMORTISED COST

Financial assets and liabilities at amortised cost are initially recognised at fair value, plus or minus transaction costs incurred, and are subsequently measured at amortised cost using the effective interest rate method.

IMPAIRMENT

The management of Elecnor Group conducts an individualised analysis of the credit loss on all its financial assets at risk (trade receivables and customer contract assets) from the source of the asset, irrespective of their maturity, and assesses whether there is a significant increase in credit risk.

When assessing whether there is a significant increase in credit risk, the Group considers all the reasonable and supportable prospective information, specifically:

- Internal and external credit risk ratings;
- Current or expected adverse changes in the business, financial or economic conditions that might trigger a significant change in the borrower's ability to meet its obligations;
- Current or expected significant changes in the borrower's operating income;
- Significant increases in credit risk in other financial instruments of the same borrower;
- Significant changes in the value of the guarantee securing the obligation or as third-party guarantees or credit enhancements;

Similarly, to estimate the expected credit loss on these financial assets, the impairment percentage recorded in the income statement for the last five years of sales for each financial year is taken into account.

INTEREST AND DIVIDENDS

Interest is recognised by the Group using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of a financial instrument to the net carrying amount of that financial instrument based on the contractual terms of the instrument and not considering expected credit losses, except for financial assets acquired or originated with losses incurred.

Dividends from investments in equity instruments are recognised in profit or loss when the Group is entitled to receive them, it is likely to receive the economic benefits and the amount can be reliably estimated.

DERECOGNITIONS AND MODIFICATIONS OF FINANCIAL LIABILITIES

The Group derecognises a financial liability or a portion thereof when it has fulfilled the obligation contained in the liability or when it is legally released from the principal responsibility contained in the liability either pursuant to judicial proceedings or by the creditor.

The exchange of debt instruments between the Group and the counterparty or substantial modifications to initially recognised liabilities are recognised as an extinguishment of the original financial liability and recognition of a new financial liability, provided the instruments have substantially different terms.

The Group considers that the terms are substantially different if the current value of the cash flow discounted under the new terms, including any fees paid net of any fees received, and using for the purpose of the discount the original effective interest rate, differs by at least 10 per cent from the current discounted value of the remaining cash flows of the original financial liability. Furthermore, the Group conducts a qualitative analysis in order to assess whether the conditions are substantially different.

If the exchange is recognised as the extinguishment of the original financial liability, the costs or fees are recognised in profit and loss. Otherwise, the modified flows are discounted at the original effective interest rate, recognising any difference with the previous carrying

amount in profit and loss. Moreover, the costs or fees adjust the financial liability's carrying amount and are amortised using the amortised cost method during the remaining life of the modified liability.

The Group recognises the difference of the carrying amount of the financial liability or a part thereof cancelled or assigned to a third party and the consideration paid, including any assigned asset other than the cash or liability assumed in profit or loss.

The Group has arranged confirming lines with various financial institutions to manage supplier payments. Since this transaction does not involve any type of financing for the Group, which pays on the date established with the supplier, liabilities whose settlement is managed by financial institutions are considered to be of a commercial nature and are therefore shown under the heading "Trade and other payables" in the consolidated balance sheet until they are settled, cancelled or expire.

At 31 December 2022 and 2021, the amount of outstanding reverse factoring transactions that have been fully recognised as trade payables amounts to Euros 257,693 thousand and Euros 219,169 thousand, respectively, and there are no reverse factoring transactions within the consolidated group.

k) Hedge accounting-

Derivative financial instruments are initially recognised based on the criteria set forth above for financial assets and liabilities. Derivative financial instruments that do not meet the hedge accounting criteria below are classified and measured as financial assets or liabilities at fair value through profit or loss. Derivative financial instruments that meet the criteria for hedge accounting are initially recognised at fair value, plus, in the event, the transaction costs that are directly attributable to their contracting, or less, in the event, the transaction costs that are directly attributable to their issuance. Notwithstanding transaction costs, they are subsequently recognised in profit or loss, to the extent that they do not form a part of the effective change in hedging.

At the inception of the hedge the Group formally designates and documents the hedging relationships and the objective and strategy for undertaking the hedges. The documentation includes the identification of the hedging instrument, the item hedged, the nature of the hedged risk and the manner in which the Group measures the effectiveness of the hedge.

Accounting for hedge operations is only applicable when there is an economic relationship between the hedged item and the hedging instrument, credit risk does not exert a dominant effect on the value adjustments resulting from this economic relationship and the coverage ratio of the hedge relation is the same as the one resulting from the amount of the hedged item the Group actually uses to cover said amount of the hedged item. Nevertheless, that designation must not reflect an imbalance between the weightings of the hedged item and the hedging instrument such that a hedging ineffectiveness is generated, regardless of whether or not it is recognised, that might give rise to an accounting result contrary to the purpose of hedge accounting.

For cash flow hedges of forecast transactions or a component thereof, the Group assesses whether these transactions are highly probable and if they present an exposure to variations in cash flows that could ultimately affect profit/loss.

At the start of the hedge relation and continuously the Group assesses whether the relationship prospectively fulfils the effectiveness requirements. The Group assesses effectiveness at each balance sheet date or when there are significant changes that affect effectiveness requirements.

The Group performs a qualitative assessment of effectiveness, provided the fundamental conditions of the instrument and the hedged item coincide. When the fundamental conditions do not coincide fully, the Group uses a hypothetical derivative with fundamental conditions equivalent to the hedged item to assess and measure ineffectiveness.

The Group only designates as hedged items assets, liabilities, firm commitments and highly probable planned transactions. The hedged item may be an individual item or a group of items.

The Group designates derivative financial instruments, essentially foreign currency forward contracts and options and interest rate swaps to hedge against the various risks.

CASH FLOW HEDGES

The Group recognises in other comprehensive income the gains or losses from fair value measurement of the hedge instrument corresponding to the part identified as effective hedge. The part of the hedge considered to be ineffective, and the part of the gain or loss or cash flow relating to the hedging instrument excluded from the assessment of hedge effectiveness are recognised as a charge or credit to finance expense or income.

In hedges of planned transactions that give rise to the recognition of a financial asset or liability, the associated gains or losses that were recognised in other comprehensive income are reclassified to profit and loss in the same year or years during which the asset acquired or liability assumed affects profit and loss and under the same heading of the consolidated income statement.

DISCONTINUATION OF HEDGE ACCOUNTING

If the hedge relation ceases to fulfil the effectiveness requirements linked to the coverage ratio, but the risk management goal remains the same for said relationship, the Group adjusts the coverage ratio so as to continue to fulfil the hedge relation criteria (rebalancing). Rebalancing refers to the adjustments made to the amounts designated of the hedged item or the hedging instrument of an existing relationship in order to maintain the coverage ratio that fulfils the hedge effectiveness requirements. The Group accounts for rebalancing as a continuation of the hedge relation. On the rebalancing date, the Group determines the ineffectiveness of the relation and recognises any ineffectiveness in profit and loss.

The Group discontinues the hedge relation prospectively only when all or part of the hedge relation ceases to fulfil the eligibility requirements. This includes situations in which the hedge instrument expires or is sold, finalised or exercised. In this connection, the replacement or renewal of a hedge instrument is not an expiry or finalisation, provided that the operation is consistent with the Group's documented risk management goal.

In cash flow hedges, the cumulative amount in other comprehensive income is not taken to profit and loss until the planned transaction takes place. Notwithstanding the foregoing, the cumulative amounts in other comprehensive income are classified as finance income or expense as soon as the Group no longer expects the planned transaction to take place.

l) Issuance and acquisition of equity instruments and recognition of dividends-

The acquisition by the Group of equity instruments of the Parent is presented at acquisition cost separately as a reduction in equity in the consolidated statement of financial position, regardless of the reason for the acquisition. No profit or loss was recognised in transactions with own equity instruments.

The subsequent amortisation of the Parent's instruments leads to a capital reduction in the nominal amount of said shares and the positive or negative difference between the acquisition price and the nominal share price is charged or credited to reserves.

Dividends, whether in cash or in kind, are recognised as a reduction in net equity when they are approved by the General Shareholders' Meeting.

m) Earnings per share-

Basic earnings per share are calculated by dividing the net profit for the year attributable to Elecnor, S.A. by the weighted average number of ordinary shares outstanding in the year, excluding the average number of Elecnor, S.A. shares held.

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding in the year, adjusted by the weighted average number of ordinary shares that would be issued on the conversion of all of the potential ordinary shares into ordinary shares of the company.

At 31 December 2022 and 2021, basic earnings per share are the same as diluted earnings per share, since there were no potential shares outstanding during the years then ended.

n) Inventories-

This item of the consolidated statement of financial position reflects the assets that the Elecnor Group:

- Has under production, construction or development for this purpose, except for construction in progress for which revenue is recognised as indicated in section s.1); or
- Expects to consume in the production process or in the rendering of services.

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Details of the Elecnor Group's inventories for 2022 and 2021 are as follows:

THOUSANDS OF EUROS	31/12/2022	31/12/2021
Raw materials and other materials consumed	4,960	6,674
Goods for resale	2,798	2,413
Semi-finished and finished goods	2,550	2,195
	10,308	11,282

o) Cash and cash equivalents-

Cash and cash equivalents include cash on hand and sight bank deposits placed with credit institutions. This heading also includes other highly liquid short-term investments which can be readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Accordingly, this heading includes investments that are due within less than three months from their acquisition date.

The Group classifies cash flows corresponding to interest received and paid and dividends received and paid as financing and investment activities.

p) Official grants from Public Entities-

Official grants from Public Entities are recognised when there is reasonable certainty of compliance with the conditions associated with their being awarded and received.

CAPITAL GRANTS

Capital grants awarded in the form of monetary assets are recognised as a credit entry under "Non-current liabilities – Official grants", in the consolidated statement of financial position and are allocated to other income as the related financial assets are amortised.

At 31 December 2022, the Elecnor Group had received capital grants amounting to Euros 4,642 thousand (Euros 4,920 thousand in 2021), which had not yet been recognised as income. Government capital grants recognised in 2022 amount to approximately Euros 221 thousand (Euros 270 thousand in 2021) and are recognised as other operating income in the accompanying consolidated income statement.

OPERATING GRANTS

Operating grants are allocated to income in the year in which the related expenses are incurred, with a credit to the heading "Other operating income".

Other operating income in the consolidated income statements for 2022 and 2021 includes approximately Euros 3,614 thousand and Euros 3,147 thousand, respectively. Most operating grants received by the Elecnor Group in 2022 and 2021 related to the costs borne by Deimos Space, S.L.U. and its subsidiaries in carrying out their activities.

q) Provisions-

The Group recognises provisions for the estimated amount required to settle its liabilities, whether legal or constructive, probable or certain, associated with contingencies, ongoing litigation or obligations, when such liabilities arise as a result of past events, and when it is probable that an outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. Provisions are recognised when the liability or obligation arises (Note 18), with a charge to the relevant heading of the income statement based on the nature of the obligation, and for the present value thereof, when the effect of discounting the obligation is material.

The amounts recognised in the consolidated statement of financial position correspond to the best estimate at year-end of the disbursements necessary to extinguish the present obligation, having taken into account the risks and uncertainties linked to the provision. Provisions are reversed against profit and loss when it is not likely to be an outflow of resources to extinguish the obligation.

Contingent liabilities relating to possible obligations (dependent on the occurrence or non-occurrence of uncertain future events) or to present obligations that do not qualify for the recognition of a provision (because they are not probable or they cannot be measured reliably) are not recognised (see Notes 18 and 22).

DECOMMISSIONING PROVISIONS

The provisions to which this section refers are recognised based on the general criteria for recognising provisions and are booked as higher cost value of the items of property, plant and equipment to which they relate (see section g).

Changes in the provision deriving from changes in the amount, timing of disbursements or discount rate will increase or decrease the cost value of fixed assets up to the limit of their carrying amount, and the excess is recognised in profit/loss.

r) Termination benefits-

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring that involves the payment of termination benefits.

For termination benefits payable as a result of an employee's decision to accept an offer, the time when the Group can no longer withdraw the offer of termination benefits is the earlier of when the employee accepts the offer and when a restriction on the Group's ability to withdraw the offer takes effect.

In the case of involuntary termination benefits, the Group can no longer withdraw the offer when it has communicated to the affected employees or trade union representatives the plan; the actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made; the plan identifies the number of employees whose employment is to be terminated, their job classifications or functions and their locations and the expected completion date; the plan establishes the termination benefits that employees will receive in sufficient detail that employees can determine the type and amount of benefits they will receive when their employment is terminated.

s) Revenue from contracts with customers-

s.1 Revenue from the sale of construction contracts and Rendering of services

The Group carries out various construction projects for customers. The projects are considered to be a single execution obligation satisfied over time. This is because projects are tailored specifically for customers and they tend to be highly integrated. Revenue from projects is recognised over time because the Group's execution produces an asset controlled by customers and with no alternative use for the Group, which is entitled to proceeds from execution completed until year end.

The Group recognises the revenue from contracts using the percentage of completion method based on costs incurred over total estimated costs. The Group makes adjustments in accordance with the progress for inefficiencies not initially envisaged in the contracts.

The Group adjusts progress towards completion as the circumstances change and books the impact prospectively as a change in estimate.

Revenue recognised by the percentage of completion method is recognised as a contractual asset, to the extent that the amount is not due and as a receivable if there is an unconditional right to payment. If the payment received by the customer exceeds the recognised revenue, a contractual liability is recognised. If the time elapsed between accrual of the revenue and the estimated payment date exceeds twelve months, the Group recognises the revenue at the current estimated value of the amount receivable discounted at an interest rate that reflects the customer's credit risk. The Group subsequently recognises finance income. If the time elapsed between receiving the payment from the customer and booking the revenue using the percentage of completion exceeds twelve months, the Group recognises a finance expense charged to liabilities from the date on which the advance is received to the date on which the revenue is booked. The interest rate used to recognise the finance expense is determined by the Group's incremental borrowing rate.

s.2 Energy sales

Revenue is measured at the fair value of the consideration received or receivable for power delivered, less discounts, VAT and other sales-related tax.

Income and expenses are recognised on an accruals basis, in other words, at the time of the actual flow of the energy they represent and irrespective of when the resulting monetary or financial flow arises.

s.3 Contractual modifications

The Group recognises contractual modifications when they have been approved by the parties.

The Group recognises a contractual modification as a separate contract when:

- a) The scope of the contract is increased due to the addition of different goods or services, and
- b) The contract price increases by an amount reflecting the individual price of the additional goods or services, plus any adjustment to reflect the specific circumstances of the contract.

If there is no separate contract, then the original contract is completed to the extent that the residual goods or services are different from those previously delivered. In this case, the Group recognises the residual consideration and the new consideration, prospectively with the different obligations or goods or services within an obligation, pending delivery.

Otherwise, the amount of the modification is assigned to all obligations, including those that may already have been delivered, recognising an adjustment in the income accrued to date.

The Group assigns changes in the transaction price to the contractual obligations in the same way as at the start of the contract, so the Group does not reassign the transaction price to reflect changes in independent sale prices after the contract has commenced. The amounts assigned to fulfilled obligations are recognised as income or a reduction in income when the modification takes place. The Group recognises a change in the transaction price, applying the aforementioned criteria concerning contractual modifications.

However, in the event of a change in the transaction price subsequent to a contractual modification, the Group assigns the effect of the change to the obligations identified prior to the modification, to the extent that the price change is attributable to a variable consideration pledged prior to the modification and the modification is not accounted for as a separate contract, but as a completion of the original contract. On other occasions when modifications are not recognised as a separate contract, the Group assigns the change in the transaction price to the obligations of the modified contract, in other words, the obligations pending execution or partially pending execution following the modification.

In contractual modifications accepted by the parties, but in which approval of the transaction price is pending, the Group recognises the modification in the amount it is considered highly probable will not produce a significant reversal of the income. The Group adjusts estimated transaction prices at each balance sheet date.

t) Income tax-

Income tax expenses or income include both current and deferred taxes.

Current tax is the amount payable or recoverable for income taxes on consolidated fiscal profit or loss in the year. Current income tax assets or liabilities are measured by the amounts expected to be paid to or recovered from the taxation authority, based on the tax rules and rates that have been approved or are about to be approved as of the end of the year.

Deferred tax liabilities are Corporate Income Tax amounts payable in the future relating to temporary differences, while deferred tax assets are Corporate Income Tax amounts recoverable due to the existence of deductible temporary differences, tax loss carryforwards or deductions pending application. In this connection, a temporary difference is understood to mean the difference between the carrying amount of assets and liabilities and their tax base.

Current or deferred income tax is recognised in profit and loss unless there is a transaction or economic event that has been recognised in the same financial year or another year, against net equity or from a business combination.

RECOGNITION OF DEFERRED TAX LIABILITIES

The Group recognises deferred tax liabilities in all cases except:

- those arising from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither accounting profit/loss nor taxable income;
- those corresponding to differences relating to investments in subsidiaries, associates and joint ventures on which the Group has a capacity to control when they are reversed and when they are unlikely to be reversed in the foreseeable future.

RECOGNITION OF DEFERRED TAX ASSETS

The Group recognises deferred tax assets provided that:

- it is likely that sufficient future taxable profits will be obtained to offset those items, or when tax legislation allows for the future conversion of deferred tax assets into an enforceable credit in respect of Public Entities. However, assets arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit/loss nor taxable income, are not recognised;
- they correspond to temporary differences relating to investments in subsidiaries, associates and joint ventures insofar as the temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilised.

It is considered likely that the Group will obtain sufficient taxable profits in the future to offset deferred tax assets, provided there are sufficient deductible temporary differences, relating to the same taxation authority and referring to the same taxpayer, the reversal of which is expected in the same tax year as the deductible temporary differences are expected to be reversed or in years in which a tax loss emanating from a deductible temporary difference may be offset against prior or subsequent profit.

In determining future taxable profit, the Group takes into account tax planning opportunities, provided it intends to adopt them or is likely to adopt them.

MEASUREMENT OF DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are measured by the applicable tax rates in the years in which the assets are expected to be realised or the liabilities paid, based on rules and rates that are approved or about to be approved and having considered the fiscal consequences deriving from the manner in which the Group expects to recover the assets or settle the liabilities. In this connection, the Group has considered the deduction due to the reversal of temporary measures pursuant to transitory provision thirty-seven of Corporate Income Tax Law 27/2014, dated 27 November, as an adjustment in the tax rate applicable to the deductible temporary difference associated with the non-deductibility of amortisations performed in 2013 and 2014 and the updating of balances under Law 16/2012, of 27 December.

At the end of each year, the Group reviews the carrying amount of deferred tax assets with a view to reducing that value to the extent that it is not likely that there will be sufficient future tax credit carryforwards to offset them.

Deferred tax assets that do not meet the aforementioned criteria are not recognised in the consolidated statement of financial position. At the end of each year, the Group reviews whether or not the conditions have been fulfilled to recognise deferred tax assets that have not previously been recognised.

TAX UNCERTAINTIES

An uncertain income tax treatment is any treatment applied by an entity where there is uncertainty as to whether said approach will be accepted by the tax authority. The interpretation takes into account:

- How to determine the appropriate accounting unit, and whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments, depending on which approach better predicts the resolution of the uncertainty.
- That the entity must assume that a taxation authority will examine the uncertain tax treatments and will have full knowledge of all related information when making those examinations; in other words, risk of detection must be ignored.
- That the entity must reflect the effect of uncertainty on its accounting for income tax when the taxation authority is unlikely to accept the treatment.
- That the impact of uncertainty must be measured using the most likely amount method or the expected value method, depending on which method better predicts the resolution of the uncertainty, and that the judgements and estimates used must be reassessed if the facts and circumstances change or new information becomes available.

If the Group determines that it is unlikely that the taxation authority will accept an uncertain tax treatment or group of uncertain tax treatments, it considers said uncertainty when determining the taxable income, tax bases, tax loss carryforwards, deductions or tax rates. The Group determines the effect of uncertainty on the Corporate Income Tax filing using the expected value method, when the range of potential outcomes is very broad, or the most likely amount method, when the outcome is binary or concentrated on one value. In those cases in which the tax asset or liability calculated based on these criteria exceeds the amount presented in self-assessments, it is presented as current or non-current in the consolidated statement of financial position based on the estimated recovery or payment date, considering, where appropriate, the amount of related late-payment interest on the liability as accrued in the income statement. The Group recognises changes in events and circumstances relating to tax uncertainties as a change of estimate.

The Group recognises and presents fines in accordance with the stated accounting policy for provisions.

CLASSIFICATION

Deferred tax assets and liabilities are recognised in the consolidated statement of financial position as non-current assets or liabilities, irrespective of the expected date of realisation or settlement.

u) Statement of cash flows-

The Group presents the statement of cash flow using the indirect method, using the following expressions with the following meanings:

- Cash flows. Inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities. The principal revenue-producing activities of the Elecnor Group companies and other activities that are not investment or financing activities. The Group presents reverse factoring ("confirming") of trade payables as an operating activity.
- Investment activities. The acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents. The Group classifies interest and dividends received as an investment activity.
- Financing activities. Activities that result in changes in the size and composition of the equity and liabilities that are not operating activities.

The cash flows from operating activities of 2022 and 2021 relate to the Group's routine operations and remain in line with the previous year.

Net cash flows from investing activities in 2022 and 2021 were mainly from new investments in property, plant and equipment (see Note 10).

Lastly, the most significant changes in cash flows from financing activities in 2022 relate to new issues and redemptions of promissory notes issued in the Alternative Fixed Income Market, new debt of Euros 52 million for the construction of the wind farms in Ribera de Navarra and repayments of debts arranged in previous years based on the payment schedule.

The main movements in cash flows from financing activities in 2021 related to new issues and redemptions of promissory notes issued in the Alternative Fixed Income Market, the early repayment of Euros 150 million of the loan tranche of the Parent's syndicated debt, new debt amounting to Euros 50 million linked to the assignment of future credit claims (see Note 16) and two new loans arranged in 2021 by the Parent amounting to a total of Euros 70 million as described in Note 16.

v) Segment reporting-

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating income is regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

w) Environment-

The Group takes measures to prevent, reduce or repair the damage caused to the environment by its activities.

Expenses derived from environmental activities are recognised as Other operating expenses in the year in which they are incurred.

Items of property, plant and equipment acquired by the Group for consistent use in its activity and whose main purpose is to minimise the environmental impact of its activity and protect and improve the environment, including the reduction and elimination of future pollution from the Group's activities, are recognised as assets, applying the measurement, presentation and disclosure criteria described in section g).

4. FINANCIAL RISK MANAGEMENT POLICY

The Elecnor Group is exposed to certain financial risks, which it manages by grouping together its systems for identifying, measuring and supervising risks and limiting the concentration thereof. Financial risk management and containment is performed on a coordinated basis by Corporate Management and the various Business Units and Subsidiaries that comprise the Group. Financial risk management activities are approved at the highest executive level, in accordance with the rules, policies and procedures in place.

Foreign currency risk-

Market risk due to foreign currency risk arises from transactions that the Group performs on the international markets in the course of its business. Certain income and costs of materials consumed are denominated in currencies other than the functional currency. For this reason, the risk of fluctuating exchange rates of these currencies against the functional currency could have an impact on the Group's profit/loss.

In order to manage and minimise this risk, the Elecnor Group uses hedging strategies, since its objective is to generate profits only through its ordinary business, and not by speculating in relation to exchange rate fluctuations.

The instruments used to achieve this hedge are essentially borrowings tied to the contract's collection currency, foreign currency hedges and swaps, whereby the Group and the bank exchange the cash flows arising from a loan denominated in Euros for the flows of another loan denominated in the currency in question, as well as the use of "currency baskets" in order to hedge mixed financing tied to various currencies.

The Group is exposed primarily to foreign currency risk from operations involving US Dollars. Set out below is a sensitivity analysis without taking into account the Group's year-end foreign exchange hedges, of the impact on the Group's consolidated profit before tax of changes in this currency, chiefly resulting from the translation of trade receivables and payables:

THOUSANDS OF EUROS					
FUNCTIONAL	CURRENCY	2022		2021	
		10%	-10%	10%	-10%
EUR	USD	(4,252)	5,197	(2,495)	3,050

The Group's main exposures to foreign currency risk at 31 December 2022 and 2021 are detailed below. The attached tables reflect the carrying amounts of the Group's financial instruments or classes of financial instruments denominated in foreign currencies:

2022

THOUSANDS OF EUROS	LONG-TERM CREDITS GROUP COMPANIES	TRADE AND OTHER RECEIVABLES	CASH AND CASH EQUIVALENTS	TRADE AND PAYABLES
EUR	-	1,520	8,228	(1,877)
DOP	-	36	-	(554)
DZD	-	12,292	-	(3,925)
GMD	-	657	-	(446)
GNF	-	4,043	-	(5,213)
HTG	-	7,627	-	(11,502)
OMR	-	17,188	-	(18,186)
USD	4,437	37,388	16,704	(11,757)
XOF	-	1,918	-	(903)
Other	-	822	128	(2,502)
Total	4,437	83,491	25,060	(56,865)

2021

THOUSANDS OF EUROS	LONG-TERM CREDITS GROUP COMPANIES	TRADE AND OTHER RECEIVABLES	CASH AND CASH EQUIVALENTS	TRADE AND PAYABLES
EUR	-	550	4,062	(5,908)
DOP	-	2,625	-	(1,991)
DZD	-	9,933	76	(7,592)
GMD	-	2,107	-	(1,602)
GNF	-	3,632	-	(1,747)
HTG	-	11,581	-	(10,539)
OMR	-	13,912	-	(14,483)
USD	-	21,523	15,841	(9,918)
XAF	-	13,494	2,953	(2,521)
XOF	-	1,645	-	(1,387)
Other	-	2,320	2,709	(1,330)
Total	-	83,322	25,641	(59,018)

Interest rate risk-

Interest rate fluctuations change the fair value of assets and liabilities that accrue interest at fixed rates and the future cash flows from assets and liabilities indexed to floating interest rates. The Group has arranged external financing to enable it to carry on its operations, mainly in connection with the development, construction and operation of wind farms, solar projects and electricity infrastructure concessions. The financing is secured by these projects. This kind of arrangement usually requires under contract that interest rate risk be partly covered using hedging instruments.

In the case of both financing secured by the investment projects and corporate financing, borrowings are arranged mainly at floating interest rates and, where appropriate, hedging instruments are used to minimise the related interest rate risk. The hedging instruments, which are specifically assigned to financial debt, are limited to the same nominal value as the latter and the same maturity dates as the hedged items, and are essentially IRSs, the aim of which is to convert loans originally arranged at floating rates to fixed rates. In any case, the interest rate hedges arranged are all effective for accounting purposes.

If interest rates at 31 December 2022 had been 50 basis points higher or lower and the rest of variables unchanged (except for the debt pegged to the HICP), consolidated profit before tax would have amounted to Euros 1,713 thousand and Euros 1,713 thousand higher/lower, respectively, due to a higher/lower finance expense on borrowings at floating rates (Euros 2,100 thousand and Euros 2,100 thousand higher/lower, respectively, in 2021).

Furthermore, in the event of 500-basis-point changes in Brazilian inflation (HICP) to which certain debts whose guarantees are secured by the projects of certain companies located in Brazil (see Note 16) are pegged, consolidated profit before tax would have amounted to Euros 7,313 thousand and Euros 7,313 thousand lower/higher, respectively, due to a higher/lower finance expense on borrowings pegged to Brazilian inflation (Euros 8,000 thousand and Euros 8,000 thousand higher/lower, respectively, in 2021). As regards the evolution of the HICP in Brazil, sales prices are also updated based on changes in this indicator.

Liquidity risk-

Liquidity risk is mitigated through Elecnor's policy of holding cash and highly liquid non-speculative short-term instruments, such as the acquisition of treasury bills under non-optional repurchase agreements and very short-term US Dollar or Euros deposits, through leading credit institutions in order to be able to meet its future commitments and the arrangement of committed credit facilities of sufficient amount to cover its projected needs.

At 31 December 2022, the Elecnor Group has a solid liquidity position, with sufficient cash and available credit facilities to comfortably meet liquidity requirements even if markets contract (Note 16).

Credit risk-

The main credit risk arises from trade receivables, when the counterparty or customer does not meet their contractual obligations. To mitigate this risk, the Group operates with customers that have adequate credit records. In view of its activities and the sectors in which it operates, the Group has customers with very high credit ratings. However, in the case of non-recurring international sales to customers, mechanisms such as advances, irrevocable letters of credit and insurance policies are used to ensure collection. Furthermore, the financial solvency of customers is analysed and specific terms and conditions are included in contracts, aimed at guaranteeing customer payments of the stipulated price.

In the case of the national wind farms, the power produced - in accordance with the legislative framework in force for the electricity industry - is sold in the Iberian Electricity Market (MIBEL) and income is collected from the operator of the Spanish Electricity Market (OMIE) through a payment-guarantee system and from the Spanish National Commission on Markets and Competition (CNMC), which regulates energy markets in Spain and reports to the Ministry of Industry. Cofrentes Wind Farm has signed a long-term energy sales contract with CEPSA for fixed annual energy. With regard to facilities located abroad, the wind farms in Brazil have long-term electricity sale-purchase agreements (20 years) with various buyers (Eletrobras, Câmara de Comercialização de Energia Elétrica, Cemig and distributors). Furthermore, the farms in the São Fernando complex in North-East Brazil sell part of the power generated in the Short-Term Market and a volume of short-term bilateral agreements with suppliers until the long-term electricity sales agreements (most exceeding 20 years) enter into force between 2022 and 2024). Furthermore, Éoliennes de L'Érable has signed a 20-year contract to sell the electricity it generates to Canadian electric utility Hydro-Québec.

With regard to transmission lines operated as concessions in Brazil, Operador Nacional do Sistema Elétrico (ONS) —through the subgroup Celeo CI— is responsible for coordinating collections and payments within the country's electricity system and notifies the concession holder of the companies from which collections must be made: generators, major consumers and transmission entities. Prior to connecting to the system these companies deposit a guarantee. In the event of non-payment this guarantee will be executed, they will be immediately disconnected from the system and the payment obligation will be shared among the remaining users of the system. Accordingly, the concession holder has the guaranteed payment from the national power grid system, there having been no payment default by its users.

As regards the transmission lines in Chile owned by the subgroup Celeo CI, the assets currently in operation belong to that country's national grid (National Transmission System), in which Coordinador Eléctrico Nacional (CEN) coordinates the flow of payments to transmission companies. The current system remained until December 2018, whereby those responsible for paying the transmission companies were the generating companies. Since 2019, distributors have also been liable for payments, so the portfolio of payers became more diversified from that date on. The payment guarantee of the national transmission grid is based on a CEN Procedure that establishes that, in the event of non-payments by a coordinated company (company coordinated by CEN), the defaulting party is disconnected from the grid, and the payment obligation is spread among the remaining coordinated companies.

In addition, in Chile we also participate in dedicated transmission lines, committed to counterparties of proven solvency, most of which are rated Investment Grade. In these cases, the remuneration we receive is regulated in each of the long-term contracts that we have signed with these companies that use our infrastructure, either to evacuate the energy generated or to guarantee their electricity supply.

The Group always seeks to implement the strictest measures to mitigate this risk and conducts periodic analyses of its exposure to credit risk, making the relevant impairment adjustments where necessary.

Market risk-

The Group is also exposed to the risk that cash flows and profit/loss may be affected by changes in energy prices and by oil prices, among other issues. In order to manage and minimise these risks the Group uses hedging strategies.

In the current context of increased global inflation, the Group analyses risk related to increased prices of materials consumed and labour costs that may affect the projects it carries out, taking the appropriate measures to mitigate them.

The Group upholds a policy of ensuring the price of energy on estimated electricity production, which seeks to minimise the exposure of the result to changes in electricity prices in Spain, by procuring derivatives.

Elecnor Group closely monitors regulatory risk, particularly that affecting renewable energy, to adequately reflect its impact on the consolidated income statement.

5. DISTRIBUTION OF PROFIT/LOSS

The proposed distribution of the Parent's 2022 profit/loss, to be presented to the General Shareholders' Meeting, is as follows:

EUROS	
Basis of distribution	
Profit for the year	36,882,215.70
Total	36,882,215.70
Distribution	
Voluntary reserves	69,963.56
Interim dividend	5,446,085.16
Supplementary dividend	31,366,166.98
Total	36,882,215.70

The appropriation of the Parent company's profit and reserves for the year ended on 31 December 2021, approved by General Shareholders' Meeting of 18 May 2022, was as follows:

EUROS	
Basis of distribution	
Profit for the year	9,196,247.53
Voluntary reserves	21,554,208.76
Total	30,750,456.29
Distribution	
Interim dividend	5,186,747.90
Supplementary dividend	25,563,708.39
Total	30,750,456.29

At the General Shareholders' Meeting held on 18 May 2022 a supplementary dividend of Euros 25,564 thousand (Euros 0.29 per share) was approved, taking into account the interim dividend of Euros 5,187 thousand out of profit for 2021 paid in December 2021.

At the meeting held on 21 December 2022, the Board of Directors of the Parent company agreed to distribute an interim dividend for 2022 of Euros 5,446 thousand (Euros 5,187 thousand for 2021), which was recognised as a reduction in equity under "Interim dividend" on the liability side of the accompanying consolidated balance sheet, which was paid on December 2022.

These distribution amounts did not exceed the profit obtained in the last year by the Company, having deducted the estimated Corporate Income Tax payable on said profit, in accordance with the provisions of article 277 of the Revised Spanish Companies Act.

The provisional accounting statement prepared in accordance with legal requirements evidencing the existence of sufficient liquidity for the distribution of the dividend was as follows:

WORKING CAPITAL POSITION AT 30 NOVEMBER 2022

THOUSANDS OF EUROS	
FORECAST OF DISTRIBUTABLE PROFIT OF ELECNOR, S.A. 2022	
Projected profit/loss net of tax up to 31/12/2022	37,825
Less, required provision to legal reserve	-
Less, prior years' losses	-
Estimated interim dividend to be distributed	5,446
FORECAST OF CASH FLOW FOR ELECNOR, S.A. FOR THE PERIOD OF DECEMBER 2022	
Cash balances at 30/11/2022	14,157
Net of projected collections and payments up to 31/12/2022	50,848
Projected cash balances at 31/12/2022	65,005

6. SEGMENT REPORTING

IFRS 8 requires operating segments to be identified based on the information that the entity's management uses to make decisions about operating matters. The Elecnor Group's chief operating decision-maker is the CEO, to whom the CEO of the Services and Projects business reports, together with the CEO of the Enerfin Subgroup and the CEO of the Celeo Group.

The Group conducts its activity in two businesses:

- Elecnor (Essential Services and Sustainable Projects)
- Enerfin and Celeo (Investments in Infrastructure and Renewables)

Enerfin and Celeo make investments in Infrastructure and Renewables: development, financing, construction, investment and management of energy assets. Until last year, both businesses were managed with a common strategy, under the name of Concession Business. In 2022 goals have been established on an individual basis in order to analyse their activity, and their main figures have begun to be reported as separate segments in order to better understand the Group's businesses.

a) Information on operating segments-

Assets and liabilities for general use and profit and loss arising therefrom were not allocated to the other segments. Similarly, the reconciling items arising from the comparison of the result of integrating the financial statements of the various operating segments (prepared on the basis of management criteria) with the consolidated financial statements of the Elecnor Group, were not allocated. These items are included under the heading "Group Management and Other Adjustments" in the information shown below.

In 2021, as a result of the spin-off of the Services and Projects business carried out by the Parent to the subsidiary Elecnor Servicios y Proyectos, S.A.U., a detailed analysis was performed on the assets and liabilities associated with the "Group Management and Other Adjustments" segment, which are the non-segregated assets and liabilities held at the Parent Elecnor, S.A. These are assets and liabilities that provide services to the Group, such as syndicated financing or the rights of use arising from leases of office space for Elecnor, S.A. employees and the computer software that the Corporation uses to render services to the Group.

Information on these operating segments is presented below:

a) Details of the consolidated income statement items by segment at 31 December 2022 and 2021 are as follows:

2022

THOUSANDS OF EUROS	ELECNOR	ENERFÍN	CELEO	GROUP MANAGEMENT AND OTHER ADJUSTMENTS	OPERATIONS BETWEEN SEGMENTS	TOTAL AT 31/12/2022
Income statement						
Net turnover	3,422,866	220,412	-	-	(29,606)	3,613,672
Operating income	118,812	115,839	17,153	(30,955)	(8,107)	212,742
Finance income	4,935	5,638	-	-	-	10,573
Finance expenses	(14,204)	(36,142)	-	(5,059)	-	(55,405)
Translation differences	(3,629)	(400)	-	54	1,996	(1,979)
Impairment and profit/loss on disposal of financial fixed assets	-	-	-	-	-	-
Change in fair value of financial instruments	-	-	-	-	-	-
Income tax	(28,458)	(27,712)	-	5,338	808	(50,024)
Attributable to non-controlling interests	4	(13,098)	-	-	-	(13,094)
Consolidated profit/loss attributable to the Parent	77,459	44,124	17,153	(30,622)	(5,301)	102,813
EBITDA	168,928	154,490	17,153	(29,569)	(8,950)	302,052

The expenses of the "Group Management and Other Adjustments" segment included under the heading of Operating income mainly correspond to expenses of personnel assigned to the Corporation, as well as expenses associated with its activity, such as travel, offices, software, etc. (Euros 20 million), directors' expenses (Euros 4.6 million), expenses of the Group's advisors and auditors, and the contribution to the Elecnor Foundation.

RESTATEd 2021

THOUSANDS OF EUROS	ELECNOR	ENERFÍN	CELEO	GROUP MANAGEMENT AND OTHER ADJUSTMENTS	OPERATIONS BETWEEN SEGMENTS	TOTAL AT 31/12/2021
Income statement						
Net turnover	2,958,160	166,593	-	-	(2,332)	3,122,421
Operating income	112,248	77,174	14,998	(26,320)	583	178,683
Finance income	7,330	1,530	-	-	-	8,860
Finance expenses	(9,601)	(34,298)	-	(6,391)	-	(50,290)
Translation differences	5,958	(590)	-	-	-	5,368
Impairment and profit/loss on disposal of financial fixed assets	(1,087)	261	-	146	-	(680)
Change in fair value of financial instruments	107	-	-	-	-	107
Income tax	(37,852)	(13,004)	-	2,574	(161)	(48,443)
Attributable to non-controlling interests	15	(7,737)	-	-	-	(7,722)
Consolidated profit/loss attributable to the Parent	77,119	23,336	14,998	(29,991)	421	85,883
EBITDA	165,838	116,302	14,998	(25,109)	(261)	271,769

The expenses of the "Group Management and Other Adjustments" segment included under the heading of Operating income mainly correspond to expenses of personnel assigned to the Corporation, as well as expenses associated with its activity, such as travel, offices, software, etc. (Euros 15.5 million), directors' expenses (Euros 4.6 million), expenses of the Group's advisors and auditors, and the contribution to the Elecnor Foundation.

b) Details of assets and liabilities by segment at 31 December 2022 and 2021 are as follows:

2022

THOUSANDS OF EUROS	ELECNOR	ENERFÍN	CELEO	GROUP MANAGEMENT AND OTHER ADJUSTMENTS	OPERATIONS BETWEEN SEGMENTS	TOTAL AT 31/12/2022
Assets-						
Intangible assets	22,662	12,832	-	8,577	-	44,071
Right-of-use assets	50,830	27,960	-	1,537	-	80,327
Property, plant and equipment	218,491	687,885	-	10,566	(15,854)	901,088
Equity-accounted investees	39,660	2,330	586,160	-	-	628,150
Non-current financial assets	15,430	26,350	1	6,137	-	47,918
Deferred tax assets	48,927	14,646	764	12,490	3,504	80,331
Inventories	10,308	-	-	-	-	10,308
Customer contract assets	393,954	-	-	-	-	393,954
Receivables and Public entities	927,782	26,518	-	13,443	(2,156)	965,587
Non-current assets held for sale	2,976	-	-	-	-	2,976
Other assets (*)	335,880	60,195	-	7,130	-	403,205
Total assets	2,066,900	858,716	586,925	59,880	(14,506)	3,557,915

Liabilities-						
NNon-current financial liabilities	70,228	414,579	-	310,016	-	794,823
Provisions for liabilities and charges	38,513	11,442	3,056	982	-	53,993
Government grants	2,974	1,668	-	-	-	4,642
Non-current lease liabilities	38,096	29,893	-	1,076	-	69,065
Other non-current liabilities	3,202	2,146	-	-	-	5,348
Deferred tax liabilities	7,788	20,315	-	2,470	(3,060)	27,513
Short-term provisions	78,639	2,041	-	127	-	80,807
Current financial debt	18,530	80,519	-	116,314	-	215,363
Current lease liabilities	14,996	3,152	-	781	-	18,929
Current non-financial debt	1,366,353	46,296	-	48,736	(7,208)	1,454,177
Total liabilities	1,639,319	612,051	3,056	480,502	(10,268)	2,724,660

(*) Includes mainly "Cash and cash equivalents".

RESTATED 2021

THOUSANDS OF EUROS	ELECNOR	ENERFÍN	CELEO	GROUP MANAGEMENT AND OTHER ADJUSTMENTS	OPERATIONS BETWEEN SEGMENTS	TOTAL AT 31/12/2022
Assets-						
Intangible assets	24,088	12,477	-	7,292	-	43,857
Right-of-use assets	47,985	23,516	-	6,020	-	77,521
Property, plant and equipment	172,845	612,840	-	10,105	(11,124)	784,666
Equity-accounted investees	257	1,976	514,970	-	-	517,203
Non-current financial assets	13,138	28,084	-	313	-	41,535
Deferred tax assets	40,375	42,311	764	13,640	(7,677)	89,413
Inventories	11,062	220	-	-	-	11,282
Customer contract assets	399,621	-	-	-	-	399,621
Receivables and Public entities	842,566	13,823	-	7,814	1,911	866,114
Non-current assets held for sale	37,288	-	-	-	-	37,288
Other assets (*)	340,457	66,499	-	10,445	-	417,401
Total assets	1,929,682	801,746	515,734	55,629	(16,890)	3,285,901
Liabilities-						
Non-current financial liabilities	74,321	390,153	-	318,444	-	782,918
Provisions for liabilities and charges	32,917	18,132	3,056	-	-	54,105
Deferred income and grants	3,265	1,655	-	-	-	4,920
Non-current lease liabilities	36,514	24,456	-	5,825	-	66,795
Other non-current liabilities	8,362	11,698	-	-	-	20,060
Deferred tax liabilities	11,445	15,756	-	328	-	27,529
Short-term provisions	73,980	7,833	-	290	-	82,103
Current financial debt	54,566	111,268	-	76,699	-	242,533
Current lease liabilities	13,782	4,334	-	741	-	18,857
Current non-financial debt	1,277,620	47,866	-	36,282	(9,352)	1,352,416
Total liabilities	1,586,772	633,151	3,056	438,609	(9,352)	2,652,236

(*) Includes mainly "Cash and cash equivalents".

b) Information on products and services-

The Elecnor Group's primary lines of business correspond to the construction activity and the rendering of services, which are presented under the Services and Projects segment, and to the energy generation activity, which is presented under the Enerfín and Celeo segments.

The construction and services rendering activity in which the Elecnor Group operates is split into the following sub-activities, on which each General Sub-Directorate reports to the CEO of the Services and Projects segment, who in turn reports to the CEO of the Elecnor Group, who is the chief operating decision-maker. In any case, these activities are not undertaken exclusively by any of the General Sub-Directorates:

- Electricity
- Power generation
- Telecommunications and space
- Facilities
- Construction, environment and water
- Maintenance
- Oil & Gas
- Railways

The generation of electricity using mainly wind farms and solar thermal power plants is one of the lines of business of the Elecnor Group that is carried out through the Enerfín subgroup in the case of wind farms, and by Celeo Termosolar, S.L. (Group Celeo Concesiones e Inversiones), in the case of solar thermal plants.

The breakdown of sales by activity at 31 December 2022 and 2021 is shown in Note 23.

c) Geographical information-

Following are details of revenues from external customers and non-current assets that are not financial instruments for the most significant countries at 31 December 2022 and 2021:

REVENUE

THOUSANDS OF EUROS COUNTRY	2022	2021
Spain	1,491,563	1,422,918
Brazil	559,602	435,100
Angola	87,932	96,627
USA	323,410	257,508
Australia	336,984	196,100
Chile	93,872	109,191
Mexico	12,940	35,551
Panama	28,215	34,826
Dominican Republic	69,142	21,766
Italy	105,889	77,519
Ghana	12,550	10,076
Oman	53,604	48,945
UK	30,214	32,526
Other	407,755	343,768
	3,613,672	3,122,421

NON-CURRENT ASSETS

THOUSANDS OF EUROS COUNTRY	2022			
	INTANGIBLE ASSETS	GOODWILL	PROPERTY, PLANT AND EQUIPMENT	RIGHT-OF-USE ASSETS
Canada	-	-	138,843	2,899
Brazil	80	-	364,282	3,222
Cameroon	69	-	5,021	-
Chile	-	-	4,610	-
UK	-	5,690	431	2,061
Ecuador	25	1,377	42,271	5
USA	117	288	17,577	20,766
Oman	-	-	15,046	-
Spain	15,647	17,531	241,810	49,869
Lithuania	101	-	22,441	-
Angola	-	-	7,226	-
Australia	8	1,693	10,053	1,350
Italy	53	782	10,274	-
Colombia	30	204	9,364	-
Other	253	123	11,839	155
	16,383	27,688	901,088	80,327

NON-CURRENT ASSETS

THOUSANDS OF EUROS	2021			
COUNTRY	INTANGIBLE ASSETS	GOODWILL	PROPERTY, PLANT AND EQUIPMENT	RIGHT-OF-USE ASSETS
Canada	-	-	152,087	3,000
Brazil	45	-	340,418	2,859
Cameroon	-	-	3,362	-
Chile	-	-	3,449	-
UK	-	5,690	688	2,298
Ecuador	34	1,377	31,592	24
USA	187	288	14,675	14,101
Oman	-	-	8,211	-
Spain	16,125	18,313	204,022	54,538
Lithuania	-	-	10,772	-
Angola	-	-	4,058	-
Australia	-	-	4,092	-
Italy	-	-	4,180	-
Other	105	1,693	3,060	701
	16,496	27,361	784,666	77,521

7. NON-CURRENT ASSETS HELD FOR SALE

At 31 December 2021 this heading primarily comprised the investment and loan granted to the associate Gaseoducto Morelos S.A.P.I. de C.V. located in Mexico for a total value of Euros 32,444 thousand (Euros 28,285 thousand of investment and Euros 4,159 thousand of loan), which was transferred based on the sale agreement entered into on 17 December 2021. This transaction was subject to the satisfaction of the conditions precedent inherent to this type of transaction. However, given that these conditions were not met in 2022, the Group has reclassified these assets according to their nature, as the Directors deem that it is not highly probable that they will be sold in the short term. The reclassified amount is the same, since no impairment has occurred that was not recognised in the previous year as available-for-sale. It was not necessary to restate the previous year's figures given that the date of classification as non-current assets held for sale was 31 December 2021 and was therefore accounted for using the equity method for the full year 2021.

Furthermore, at 31 December 2021 the Group classified as non-current assets held for sale the net assets of the subsidiary Stonewood Desarrollos, S.L.U. in the amount of Euros 2,637 thousand, which it derecognised in 2022 upon the sale (see Note 2.f), leaving an amount of Euros 2,100 thousand pending collection at 31 December 2022.

8. GOODWILL

Details, by company, of "Intangible assets - Goodwill" in the consolidated statements of financial position at 31 December 2022 and 2021 and of the changes therein in those years are as follows:

2022

THOUSANDS OF EUROS	BALANCE AT 31/12/2021	CHANGE TO THE CONSOLIDATION SCOPE (NOTE 2.F)	BALANCE AT 31/12/2022
Fully consolidated companies (CGUs)			
Wind farms:			
- Galicia Vento, S.L.	8,702	-	8,702
- Aerogeneradores del Sur, S.A.	3,630	-	3,630
Other businesses:			
- Deimos Space, S.L.U.	158	-	158
- Ehisa Construcciones y Obras, S.A.	1,932	-	1,932
- Hidroambiente, S.A.U.	388	-	388
- Instalaciones y Proyectos de Gas, S.A.U. – merged with Elecnor, S.A.	1,031	-	1,031
- Jomar Seguridad, S.L.U.	1,647	-	1,647
- Belco Elecnor Electric, INC	288	-	288
- IQA Operations Group Limited	5,690	-	5,690
- Wayraenergy, S.A.	1,377	-	1,377
- Parque Eólico Montañas, S.L.	10	-	10
- Timco Transmission Lines PTY LTD	1,693	-	1,693
- Montajes Eléctricos Arranz, S.L.	815	-	815
- Promoción Renovables del Bajío, S.A. de CV	-	123	123
- La Cayena Solar, S.A.S.	-	113	113
- El Roble Solar, S.A.S.	-	91	91
	27,361	327	27,688

2021

THOUSANDS OF EUROS	BALANCE AT 31/12/2020	CHANGE TO THE CONSOLIDATION SCOPE (NOTE 2.F)	BALANCE AT 31/12/2021
Fully consolidated companies (CGUs)			
Wind farms:			
- Galicia Vento, S.L.	8,702	-	8,702
- Aerogeneradores del Sur, S.A.	3,630	-	3,630
Other businesses:			
- Deimos Space, S.L.U.	158	-	158
- Ehisa Construcciones y Obras, S.A.	1,932	-	1,932
- Hidroambiente, S.A.U.	388	-	388
- Instalaciones y Proyectos de Gas, S.A.U. – merged with Elecnor, S.A.	1,031	-	1,031
- Jomar Seguridad, S.L.U.	1,647	-	1,647
- Belco Elecnor Electric, Inc.	288	-	288
- IQA Operations Group Limited	5,690	-	5,690
- Wayraenergy, S.A.	1,377	-	1,377
- Parque Eólico Montañas, S.L.	10	-	10
- Timco Transmission Lines PTY LTD	-	1,693	1,693
- Montajes Eléctricos Arranz, S.L.	-	815	815
	24,853	2,508	27,361

As indicated in Note 3.h, at each reporting date the Group reviews goodwill for impairment.

The cash-generating units considered for the purpose of the impairment tests on goodwill, included in the table above, are the companies to which the goodwill was allocated, since these companies are generally set up as single-project entities.

Recoverable amount is the higher of fair value less costs to sell and value in use, which is deemed to be the current value of the estimated future cash flows approved by management and considered reasonable. In assessing value in use, the assumptions used include discount rates, growth rates and expected changes in selling prices and costs. The Directors of the Parent estimate discount rates that reflect the time value of money and the risks specific to the cash-generating unit.

In particular, with respect to the impairment tests on the goodwill allocated to wind farms and wind power projects in Spain, performed taking into account the value of the farms and projects together with the value of the related fixed assets, which amounts to Euros 31 million (Euros 38 million in 2021), turnover is estimated in accordance with sector forecasts relating to the pool price and applicable legislation (see Note 6.b), which considers annual increases based on a prudent estimate of the changes in the price index and the average production levels obtained in prior years or those estimated as a result of studies. The main assumptions used by the Parent's Directors when testing for impairment in 2022 are as follows:

- Income: the market price according to external sources of €104/MWh (€180/MWh applied in 2021 for the estimated income of 2022) has been taken into account for the immediately following year and the stable price curve has been applied for the following years.

Below are the prices applied in the impairment tests conducted in 2022:

2023	2024	2025	2026	2027	2028	2029	2030
104.2	75.5	65.7	63.0	62.1	61.8	61.8	62.1

- Discount rate: 5.54% in both years (*).

- Projection period: depending on the remaining useful life of the asset (Note 3.g.).

(*) The discount rate after the tax effect, as in this type of projects the tax component is very high and a fundamental variable when deciding whether to invest. Additionally, the impairment tests prepared by Management use cash flows net of tax.

The results of these tests, as well as the sensitivity analyses performed by Management, which include variations of 50 basis points in the main assumptions, did not show any impairment.

9. OTHER INTANGIBLE ASSETS

Movement under this heading of the consolidated statement of financial position in 2022 and 2021 was as follows:

THOUSANDS OF EUROS	DEVELOPMENT EXPENSES	INDUSTRIAL PROPERTY	COMPUTER SOFTWARE	ADMINISTRATIVE CONCESSIONS	OTHER INTANGIBLE ASSETS	TOTAL
Balance at 1 January 2021	625	2,947	22,703	424	27,501	54,200
Additions	-	97	4,992	82	5	5,176
Disposals	(200)	-	(432)	(9)	-	(641)
Changes in the consolidation scope	(15)	-	(6)	-	-	(21)
Transfers	-	-	-	1,309	-	1,309
Translation differences	(3)	58	108	-	-	163
Balance at 31 December 2021	407	3,102	27,365	1,806	27,506	60,186
Additions	-	-	5,790	34	867	6,691
Disposals	(26)	(2,087)	(412)	-	-	(2,525)
Translation differences	-	59	127	2	-	188
Balance at 31 December 2022	381	1,074	32,870	1,842	28,373	64,540
Accumulated depreciation						
Balance at 1 January 2021	148	2,702	16,195	178	18,639	37,862
Charge (Note 23)	32	88	3,392	671	1,972	6,155
Disposals	(45)	-	(432)	-	-	(477)
Changes in the consolidation scope	-	-	4	-	-	4
Transfers	-	-	-	-	-	-
Translation differences	(2)	44	103	1	-	146
Balance at 31 December 2021	133	2,834	19,262	850	20,611	43,690
Charges (Note 23)	2	104	3,930	157	2,206	6,399
Disposals	-	(2,088)	(9)	-	(6)	(2,103)
Changes in the consolidation scope	15	-	-	-	-	15
Translation differences	-	47	107	2	-	156
Balance at 31 December 2022	150	897	23,290	1,009	22,811	48,157
Net cost at 31 December 2021	274	268	8,103	956	6,895	16,496
Net cost at 31 December 2022	231	177	9,580	833	5,562	16,383

"Other intangible assets" in the above table for a gross amount of Euros 27,501 thousand wholly corresponds to the estimated fair value of the contracts with public entities for road maintenance and upkeep relating to the subsidiary Audeca, S.L.U. at the date on which this company was acquired by the Elecnor Group in 2010. The Group amortises this asset over a period of 15 years which, based on past experience, is the estimated average term of the aforementioned contracts including the related renewals. The amortisation of this item in 2022 and 2021 amounted to approximately Euros 1,972 thousand, respectively.

The cost of intangible assets in use, fully amortised at 31 December 2022 and 2021 is as follows:

THOUSANDS OF EUROS	2022	2021
Industrial property	2,088	2,125
Computer software	17,014	11,360
	19,102	13,485



10. PROPERTY, PLANT AND EQUIPMENT

Movement under this heading of the consolidated statement of financial position in 2022 and 2021 was as follows:

THOUSANDS OF EUROS									
	LAND	BUILDINGS, TECHNICAL INSTALLATIONS AND MACHINERY	HAND AND MACHINE TOOLS	FURNITURE AND FIXTURES	INFORMATION TECHNOLOGY EQUIPMENT	MOTOR VEHICLES	OTHER PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	TOTAL
COST:									
Balance at 1 January 2021	27,526	1,176,009	19,557	9,408	15,064	33,920	31,494	68,042	1,381,020
Incorporation to the consolidation scope	-	222	17	28	18	404	29	-	718
Additions	-	62,468	6,936	1,231	2,114	10,007	3,451	13,856	100,063
Disposals	(9,867)	(22,265)	(4,383)	(180)	(776)	(996)	(2,664)	(6)	(41,137)
Transfers	3	75,144	1,306	176	75	(250)	(14,273)	(67,388)	(5,207)
Translation differences	71	23,787	331	94	115	1,383	82	(6)	25,857
Balance at 31 December 2021	17,733	1,315,365	23,764	10,757	16,610	44,468	18,119	14,498	1,461,314
Additions	-	55,032	7,395	486	7,356	10,342	407	88,593	169,611
Disposals	(2,519)	(11,538)	(5,378)	(354)	(875)	(1,606)	(1,362)	(1,546)	(25,178)
Transfers	-	(3,591)	8,913	31	1,405	3,596	1,054	(2,497)	8,911
Translation differences	(190)	59,877	390	263	197	1,598	1,059	(1,633)	61,561
Balance at 31 December 2022	15,024	1,415,145	35,084	11,183	24,693	58,398	19,277	97,415	1,676,219
ACCUMULATED DEPRECIATION:									
Balance at 1 January 2021	-	562,674	6,987	6,698	11,182	18,689	12,087	-	618,317
Incorporation to the consolidation scope	-	44	14	19	12	126	22	-	237
Charge (Note 23)	-	57,733	879	865	1,807	5,170	733	-	67,187
Disposals	-	(12,222)	(238)	(178)	(626)	(883)	(1,047)	-	(15,194)
Transfers	-	1,462	(151)	116	45	(907)	(5,823)	-	(5,258)
Translation differences	-	7,623	297	73	90	775	9	-	8,867
Balance at 31 December 2021	-	617,314	7,788	7,593	12,510	22,970	5,981	-	674,156
Charges (Note 23)	-	74,321	1,402	492	2,055	7,015	1,122	-	86,407
Disposals	-	(7,773)	(1,275)	(280)	(847)	(1,275)	(6)	-	(11,456)
Transfers	-	4,208	(44)	(4)	3,403	1,030	319	-	8,912
Translation differences	-	14,797	324	190	(97)	1,489	278	-	16,981
Balance at 31 December 2022	-	702,867	8,195	7,991	17,024	31,229	7,694	-	775,000
IMPAIRMENT									
Balance at 31 December 2020	4,947	1,921	-	-	-	-	-	-	6,868
Charges	-	571	-	-	-	-	-	-	571
Disposals	(4,947)	-	-	-	-	-	-	-	(4,947)
Balance at 31 December 2021	-	2,492	-	-	-	-	-	-	2,492
Charges	-	-	-	-	-	-	-	-	-
Disposals	-	(2,361)	-	-	-	-	-	-	(2,361)
Balance at 31 December 2022	-	131	-	-	-	-	-	-	131
Net cost at 31 December 2022	17,733	695,559	15,976	3,164	4,100	21,498	12,138	14,498	784,666
Net cost at 31 December 2022	15,024	712,147	26,889	3,192	7,669	27,169	11,583	97,415	901,088

The heading "Buildings, technical installations and machinery" at 31 December 2022 mainly includes assets at wind farms operated by the Group in Brazil, Spain and Canada for a net carrying amount of Euros 588,101 thousand (Euros 594,674 thousand at 31 December 2021).

At 31 December 2022, the "Assets under construction" caption in the above table relates mainly to investments in wind farms in Spain in the amount of Euros 81,959 thousand and a solar farm in Colombia in the amount of Euros 9,129 thousand (Euros 12,500 thousand in investments in wind farms in Spain at 31 December 2022).

The heading Other current liabilities includes at 31 December 2022 an amount of Euros 36,394 thousand from suppliers of fixed assets of which Euros 19,245 thousand correspond to investments in oil extraction infrastructure and Euros 9,436 thousand to wind power assets in Spain (Euros 16,031 thousand at 31 December 2021 of which Euros 11,596 thousand corresponded to suppliers of fixed assets in relation to investments made in 2019 in oil extraction infrastructure).

The most significant additions to property, plant and equipment in 2022 correspond to investments in wind farms in Spain in the amount of Euros 69,329 thousand, a photovoltaic farm in Colombia in the amount of Euros 10,478 thousand and oil extraction infrastructures in Ecuador in the amount of Euros 19,888 thousand (in 2021 this corresponded to machinery necessary to conduct the Group's Services and Projects activity).

Withdrawals in 2022 primarily relate to the regularisation of tooling in the amount of Euros 4,473 thousand and the restatement of the value of the decommissioning provisions for the wind farms in Brazil and Canada.

Disposals in 2021 chiefly related to the sale of assets of the subsidiary Aplicaciones Técnicas de la Energía, S.L.U. for a net carrying amount of Euros 7,510 thousand. These transactions did not have a material impact on the Group's profit/loss, the adjustment of machine tools for the amount of Euros 4,098 thousand and irreversible losses on investments in oil extraction infrastructure for the amount of Euros 4,388 thousand.

Practically all of the tangible assets of the wind projects in Brazil embarked upon by the Group are pledged as security to meet the obligations arising from certain bank loans linked to these projects, the net carrying amount of which at 31 December 2022 and 2021 amounts to Euros 357,011 thousand and Euros 332,160 thousand, respectively.

The offices used by the Group to carry on its business activities, except for those leased in 2007 under the lease agreement, are mostly rented.

The cost of the Group's property, plant and equipment which, at 31 December 2022 and 2021, is fully depreciated and in use is as follows:

THOUSANDS OF EUROS		
	2022	2021
Buildings, technical installations and machinery	72,201	65,815
Furniture and fixtures	4,579	3,809
Information technology equipment	8,925	7,396
Motor vehicles	19,921	10,631
	105,626	87,651

The Group takes out insurance policies to cover the possible risks to which its property, plant and equipment are exposed and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The details and movements by class of right-of-use assets in 2022 and 2021 were as follows:

a) Nature of lease agreements-

2022

THOUSANDS OF EUROS	LAND	BUILDINGS	FACILITIES	MOTOR VEHICLES	OTHER	TOTAL
Balance at 1 January 2022	35,875	53,157	3,032	22,308	2,236	116,608
Additions	4,118	153	10,738	6,481	2,623	24,113
Disposals	-	(6,352)	(886)	(8,751)	-	(15,989)
Translation differences	102	(245)	238	1,441	2	1,538
Balance at 31 December 2022	40,095	46,713	13,122	21,479	4,861	126,270
Accumulated depreciation at 1 December 2022	12,863	14,459	1,556	8,179	2,030	39,087
Charges (Note 23)	1,760	7,150	3,372	5,590	365	18,237
Disposals	-	(1,934)	(886)	(8,751)	-	(11,571)
Translation differences	-	(378)	91	477	-	190
Accumulated amortisation at 31 December 2022	14,623	19,297	4,133	5,495	2,395	45,943
Net cost at 31 December 2022	25,472	27,416	8,989	15,984	2,466	80,327

2021

THOUSANDS OF EUROS	LAND	BUILDINGS	FACILITIES	MOTOR VEHICLES	OTHER	TOTAL
Balance at 1 January 2021	24,967	31,630	1,232	20,419	2,241	80,489
Additions	10,706	26,450	1,795	3,691	-	42,642
Disposals	-	(5,120)	-	(2,595)	(9)	(7,724)
Translation differences	202	197	5	793	4	1,201
Balance at 31 December 2021	35,875	53,157	3,032	22,308	2,236	116,608
Accumulated depreciation at 1 January 2021	11,253	12,174	624	5,163	1,373	30,587
Charge (Note 23)	1,610	7,394	932	5,278	657	15,871
Disposals	-	(5,109)	-	(2,262)	-	(7,371)
Accumulated amortisation at 31 December 2021	12,863	14,459	1,556	8,179	2,030	39,087
Net cost at 31 December 2021	23,012	38,698	1,476	14,129	206	77,521

Additions in 2022 primarily correspond to land leases for new wind farms and transport elements.

Additions in 2021 primarily corresponded to land leases for new wind farms that started operating in 2021 and office leases in Spain.

There are assets leased under contracts outside the scope of IFRS 16 since they are short-term lease or contracts that are renewed annually. Each lease contract is analysed and assessed as to whether or not it is reasonably safe to extend the lease agreement. At 31 December 2022, accrued charges amounting to Euros 133,232 thousand (Euros 100,926 thousand at 31 December 2021) for the aforementioned assets were recognised as an expense for these contracts under the heading "Other operating expenses".

b) Details of lease payments and liabilities-

Changes in lease liabilities in 2022 and 2021 is as follows:

2022	THOUSANDS OF EUROS	2021	THOUSANDS OF EUROS
Balance at 1 January	85,652	Balance at 1 January	55,574
Additions	24,114	Additions	42,642
Derecognitions	(7,372)	Derecognitions	(353)
Finance expenses	4,072	Finance expenses	4,305
Payments	(18,472)	Payments	(16,516)
Balance at 31 December	87,994	Balance at 31 December	85,652

The analysis of the contractual maturity of lease liabilities, including future interest payable, as at 31 December 2022 and 2021, is as follows:

2022	THOUSANDS OF EUROS	2021	THOUSANDS OF EUROS
Up to six months	10,039	Up to six months	10,059
Six months to one year	8,890	Six months to one year	8,798
From one to two years	15,952	From one to two years	10,276
From two to three years	13,423	From two to three years	8,467
From three to four years	11,937	From three to four years	7,814
More than four years	27,753	More than four years	40,238
	87,994		85,652

12. EQUITY-ACCOUNTED INVESTEEES

Details of the Elecnor Group's investments in associates and joint ventures at 31 December 2022 and 2021, which are accounted for using the equity method (see note 3.b and c), are as follows:

THOUSANDS OF EUROS COMPANY	2022	2021
Woolthorpe Holding TRUST	86	(14)
Cosemel Ingeniería, A.I.E	3	1
Gestión de Evacuación la Serna, S.L.	2,244	1,988
Gasoducto de Morelos, S.A.P.I. de C.V. (Note 7)	39,430	-
Morelos O&M, SAPI de C.V.	226	199
Morelos EPC, SAPI de C.V.	1	59
Celeo Concesiones e Inversiones subgroup (Note 2.e)	586,160	514,970
	628,150	517,203

Details of the key figures of main equity-accounted investees are provided in Appendix III. Considering the importance of the subgroup Celeo Concesiones e Inversiones, Note 32 also presents some of the figures for this subgroup that are not presented either in the consolidated balance sheet or the consolidated income statement of the Elecnor Group, since they are accounted for using the equity method.

Movement in this heading of the consolidated statement of financial position in 2022 and 2021 is as follows:

THOUSANDS OF EUROS	2022	2021
Opening balance	517,203	479,970
Capital increase/Contributions	520	13,595
Transfers to assets held for sale (Note 7)	28,285	(28,286)
Companies leaving the consolidation scope	-	(560)
Share in profits/(losses)	22,498	22,752
Translation differences	47,665	20,241
Dividends received	(728)	(644)
Share in other comprehensive income	14,945	9,720
Other movements	(2,238)	415
Closing balance	628,150	517,203

Translation differences in 2022 primarily correspond to the appreciation of the Brazilian Real against the Euro during the current year from BRL 6.43/€ at 31 December 2021 to BRL 5.62/€ at 31 December 2022 (in 2021 as a result of the appreciation of the USD against the Euro), which has a material impact on the subsidiaries of the Celeo Concesiones e Inversiones Group in that country.

13. NON-CURRENT FINANCIAL ASSETS

The classification of non-current financial assets by categories and classes is as follows:

THOUSANDS OF EUROS	2022	2021
Financial assets at fair value		
Hedge derivatives (Note 17)	9,639	317
Total financial assets at fair value	9,639	317
Financial assets at amortised cost		
Non-current loans (Note 7 and 28)	4,437	-
Trade and other receivables	-	21,982
Other non-current assets	33,842	41,218
Impairment of financial assets	-	(21,982)
Total financial assets at amortised cost	38,279	41,218
Total non-current financial assets	47,918	41,535

a) Non-current loans-

The heading "Non-current loans" in the above table at 31 December 2022 corresponds to the outstanding amount receivable in respect of various loans granted to the associated company Gasoducto de Morelos S.A.P.I. de C.V.

In 2012, the Group made various contributions to associate Gasoducto de Morelos S.A.P.I. de C.V. for future capital increases amounting to a total of approximately USD 33,483 thousand, some of which were instrumented through various loans which accrue interest at an annual rate of 7.5%. In 2021 the Group collected approximately Euros 3,836 thousand in relation to these receivables and the outstanding balance of Euros 4,158 thousand at 31 December 2021 was reclassified to non-current assets held for sale. Based on the explanations in Note 7, the Group's management has reclassified this debt according to its nature.

b) Trade and other receivables-

On 31 January 2017, Consorcio Constructor Ductos del Sur, a customer of the subsidiary Elecnor Perú, S.A.C., notified the latter of the termination of the construction contract as a consequence of the completion of the Gasoducto Sur Peruano (Southern Peruvian Gas Pipeline) contract between the customer and the Peruvian government. The subsidiary immediately commenced proceedings to collect all outstanding amounts owed. In this connection, the subsidiary filed an arbitration request against Consorcio Constructor Ductos del Sur and, in mid-2018, the two parties reached an agreement whereby Consorcio Constructor Ductos del Sur recognised the debt payable to Elecnor Perú, S.A.C. and a payment schedule was established. This debt accrued annual interest at a rate of 30-day Libor + 1.5%. In the wake of the aforementioned agreement of 2018, the year 2021 was established as the date of main maturity, which is payable by Odebrecht (the partner in the aforementioned consortium).

In 2019, due to Odebrecht's financial difficulties, the Group's management did not consider that this amount was likely to be recovered, and booked an impairment in relation to this balance, the amount of which was USD 24 million. In 2022, the Group has reached an agreement whereby USD 16 million has been collected and a write-off of USD 8 million has been agreed. This resulted in an income of Euros 16 million being recorded in the income statement due to the reversal of impairment.

c) Other non-current assets-

Details of "Other non-current assets" in the above table are as follows:

THOUSANDS OF EUROS	2022	2021
Debt service reserve account	17,825	17,681
Guarantees	8,127	6,613
Other	7,890	16,924
	33,842	41,218

The heading "Debt service reserve account" at 31 December 2022 and 2021 corresponds entirely to the amounts which Spanish and Brazilian subsidiaries focusing on wind farm operation must maintain in bank deposit accounts pursuant to the financing agreements they have entered into (Note 16).

The deposits accrue interest at market rates.

14. CURRENT FINANCIAL ASSETS

a) Trade and other receivables-

The heading "Trade and other receivables" on the current assets side of the consolidated statement of financial position is as follows:

THOUSANDS OF EUROS	2022	2021
Trade and other receivables		
Customers, sales and services rendered	904,922	816,468
Less impairment	(92,406)	(98,762)
Advances from suppliers	43,173	49,329
Total	855,689	767,035

The ageing analysis of the unimpaired balance of "Trade and other receivables" is as follows:

THOUSANDS OF EUROS	2022	2021
Unmatured balances	705,030	559,534
Up to 6 months	74,325	101,619
Between 6 and 12 months	16,971	28,753
Over 12 months	16,190	27,800
Total	812,516	717,706

The Group makes provision to cover debts classed as non-performing due to late payment, suspension of payments, insolvency or other reasons, following a case-by-case study of their collectability.

Details of impairment losses on accounts receivable at 31 December 2022 and 2021 and movement in 2022 and 2021 are as follows:

THOUSANDS OF EUROS	31/12/2021	CHARGE (NOTE 23)	APPLICATION	REVERSAL (NOTE 23)	OTHER	TRANSLATION DIFFERENCES	31/12/2022
Impairment	98,762	4,012	(7,338)	(2,554)	(995)	519	92,406

THOUSANDS OF EUROS	31/12/2020	CHARGE (NOTE 23)	APPLICATION	REVERSAL (NOTE 23)	OTHER	TRANSLATION DIFFERENCES	31/12/2021
Impairment	102,360	5,701	(2,699)	(3,808)	(2,982)	190	98,762

At 31 December 2022 and 2021, all of the Group's financial assets correspond to financial assets at amortised cost, except hedge derivatives which are measured at fair value.

b) Cash and cash equivalents-

Details of cash and cash equivalents in the accompanying consolidated statement of financial position are as follows:

THOUSANDS OF EUROS	2022	2021
Cash equivalents	60,126	66,752
Cash	312,399	321,352
Total	372,525	388,105

"Cash equivalents" at 31 December 2022 mainly include fixed income securities and fixed-term deposits that mature in under three months contracted by Elecnor do Brasil, S.A., which earn interest at market rates (of Elecnor Chile, S.A., Elecnor do Brasil, S.A. and Elecnor Hawkeye, LLC in 2021).

At 31 December 2022, this heading includes Euros 43,503 thousand contributed mainly by wind farms (Euros 55,164 thousand at 31 December 2021) (see Note 16).

At 31 December 2022 and 2021, the Group did not have cash and cash equivalents that were unavailable for use.

15. EQUITY

a) Share capital-

At 31 December 2022 and 2021, the share capital of Elecnor, S.A. was represented by 87,000,000 book entry shares, each with a par value of Euros 0.10, fully subscribed and paid in.

The shares of Elecnor, S.A. are listed on the Spanish electronic trading system.

At 31 December 2022 and 2021, the Parent's shares were held as follows:

	% INTEREST	
	2022	2021
Cantiles XXI, S.L.	52.76%	52.76%
Santander Asset Management, S.A., SGIIC	-	3.09%
Francisco García Paramés	3.01%	-
Other (*)	44.23%	44.15%
Total	100.00%	100.00%

(*) All with an interest % of less than 3%.

b) Valuation adjustments to equity-

Movement in 2022 and 2021 was as follows:

THOUSANDS OF EUROS	31 DECEMBER 2020	CHANGE IN MARKET VALUE	SETTLEMENT OF DERIVATIVES	31 DECEMBER 2021	CHANGE IN MARKET VALUE	SETTLEMENT OF DERIVATIVES	31 DECEMBER 2022
Fully consolidated companies -							
Cash flow hedges:							
Interest rate swaps (Note 17)	(12,432)	4,806	1,578	(6,048)	14,138	1,243	9,333
Exchange rate insurance (Note 17)	(3,619)	(4,982)	3,374	(5,227)	(3,190)	5,227	(3,190)
Energy price (Note 17)	(2,370)	(125,310)	43,070	(84,610)	(18,673)	56,131	(47,152)
Other	1,560	-	-	1,560	-	-	1,560
	(16,861)	(125,486)	48,022	(94,325)	(7,725)	62,601	(39,449)
Deferred taxes arising on valuation adjustments to equity (Note 20)	5,306	31,582	(12,006)	24,882	2,256	(16,511)	10,627
Total adjustments in equity due to accounting by full consolidation method	(11,555)	(93,904)	36,016	(69,443)	(5,469)	46,090	(28,822)
Companies accounted for using the equity method (Note 12)	(13,411)	8,613	993	(3,805)	14,945	-	11,140
Non-controlling interests	(160)	82	-	(78)	(23)	-	(101)
Total adjustments in equity adjustments	(25,126)	(85,209)	37,009	(73,326)	9,453	46,090	(17,783)

c) Other reserves-

At 31 December, the amounts of reserves of the Parent not available for distribution are as follows:

THOUSANDS OF EUROS	2022	2021
Legal reserve	1,743	1,743
Reserve for own shares	22,430	22,110
Capitalisation reserve	7,809	7,809
Reserves from translation to Euros	15	15
Total	31,997	31,677

LEGAL RESERVE-

Under article 274 of the Revised Spanish Companies Act, an amount equivalent to 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of share capital. The legal reserve has reached the stipulated level.

The legal reserve can be used to increase capital provided that the balance left on the reserve is at least equal to 10% of the nominal amount of the total capital after the increase. Except for the aforementioned purpose, unless the legal reserve exceeds 20% of the share capital it may only be used to offset losses if no other reserves are available.

At 31 December 2022 and 2021, the Parent has appropriated to this reserve the minimum amount required by the Revised Spanish Companies Act.

RESERVES FOR OWN SHARES

The reserve for own shares has been allocated in accordance with article 149 of the Spanish Companies Act. This reserve may be freely available provided that the Parent has sufficient freely available reserves to cover the balance of own shares without reducing equity below the amount of share capital plus legal or statutory restricted reserves.

CAPITALISATION RESERVE-

The capitalisation reserve has been appropriated in accordance with article 25 of the Corporate Income Tax Law, which requires that an amount equal to the reduction in taxable income for the year be appropriated to the reserve. The amount by which taxable income may be reduced is equal to 10% of the increase in equity, as defined in the aforementioned article. In no case may the amount of the reduction exceed 10% of the taxable income for the tax period prior to the reduction, before the integration referred to in article 11.12 of the Law and before offsetting tax loss carryforwards. However, if the reduction cannot be applied due to insufficient taxable income, the outstanding amounts may be applied in the tax periods ending in the two years immediately after the end of the tax period in which the reduction entitlement was generated, together with any reduction applicable in that period, subject to the limit indicated. The reserve is non-distributable and the increase in equity must be maintained for a five-year period from the end of the tax period in which the reduction is generated, unless accounting losses are incurred.

d) Own shares-

According to the minutes of the General Shareholders' Meeting of 18 May 2022, the Board of Directors is authorised to acquire own shares in the Company by purchase and sale or by any other act between living persons for valuable consideration by the Parent or its subsidiaries, pursuant to the provisions of Articles 146.1a) and 509 of the Spanish Companies Act, up to a maximum established by law and in mandatory legal provisions at each given time and which, at present, in combination with those already directly or indirectly held by the Company, may not exceed 10% of its share capital, with a minimum acquisition price of the nominal value of the shares and a maximum price that may not exceed 30% of its share price, over a period of five years.

This authorisation may be used, in whole or in part, to acquire own shares for delivery or transfer to Executive Directors or members of the Management Team of the Parent or of companies in its group, or as a result of the exercising of the option rights held by them, which may be included, where applicable, in share buy-back programmes. Similarly, any shares acquired as a result of this authorisation may be used, in whole or in part, both for their disposal or redemption and for potential corporate or business transactions or decisions, or for any other legally possible purpose.

At 31 December 2022 and 2021, the Parent company held own shares amounting to Euros 22,430 thousand and Euros 22,110 thousand, respectively, which are booked under "Own shares and equity" in equity in the consolidated balance sheet.

Details of own shares and movement in 2022 and 2021 are as follows:

	NO. OF SHARES
Own shares at 31 December 2020	2,320,942
Acquisition of own shares	232,769
Sale of own shares	(232,962)
Own shares at 31 December 2021	2,320,749
Acquisition of own shares	227,935
Sale of own shares	(226,300)
Own shares at 31 December 2022	2,322,384

The purchase and sale of own shares at 31 December 2022 amounted to Euros 2,491 thousand and Euros 2,479 thousand (Euros 2,422 thousand and Euros 2,434 thousand, respectively, at 31 December 2021), giving rise to a capital gain of Euros 309 thousand, recognised directly in reserves (capital gain of Euros 223 thousand in 2021).

All of the own shares held by the Parent company at 31 December 2022 and 2021 represented 2.67% of the total share capital of Elecnor, S.A. at those dates.

e) Non-controlling interests-

Details of "Equity - Non-controlling interests" under liabilities in the consolidated statement of financial position in 2022 and 2021 are as follows:

THOUSANDS OF EUROS	2022	2021
Ventos Do Sul Energia, S.A.	2,491	1,952
Parque Eólico Malpica, S.A.	555	490
Galicia Vento, S.L.	287	749
Páramo de Poza, S.A.	4,084	3,419
Parques Eólicos Palmares, S.A.	4,943	4,371
Ventos do Litoral Energía, S.A.	4,162	3,992
Ventos da Lagoa, S.A.	4,039	3,992
Éoliennes de L'Érable, SEC.	2,156	2,501
Ventos dos Índios Energía, S.A.	2,864	2,559
Other	465	380
Total	26,046	24,405

Given that none of the above non-controlling interests are material to the Group, it does not disclose summarised financial information about the assets, liabilities, profit/loss and cash flows of the subsidiaries.

Movement in non-controlling interests in 2022 and 2021 is as follows:

THOUSANDS OF EUROS	
Balance at 31 December 2020	23,855
- Share in profits/(losses)	7,722
- Change in market value of hedging instruments	13
- Dividends paid	(5,618)
- Translation differences	1,076
- Capital reduction	(2,571)
- Other	(72)
Balance at 31 December 2021	24,405
- Share in profits/(losses)	13,094
- Change in market value of hedging instruments	25
- Dividends paid	(10,165)
- Translation differences	1,418
- Capital reduction	(2,816)
- Other	85
Balance at 31 December 2022	26,046

f) Translation differences-

The cumulative translation differences recognised in equity at 31 December 2022 and 2021 for each of the main currencies are as follows:

THOUSANDS OF EUROS TRANSLATION DIFFERENCES	2022	2021
Brazil	(208,810)	(250,655)
Canada	(726)	(8,741)
Chile	(8,719)	(13,473)
USA	14,969	1,018
Argentina	(6,669)	(5,695)
Venezuela	(42,995)	(42,655)
Other	1,696	(1,655)
Total	(251,254)	(321,856)

As stated in Note 6, the Group maintains significant investments in businesses denominated in Brazilian Reals, thus, any fluctuations in the exchange rate of this currency against the Euro have a material impact on the heading Translation differences (Note 12). Due to the nature of these assets, the recoverability of these investments, and the revenue from the related businesses are also shaped by the local inflation rates, which in the long term will likely offset the impact of the aforementioned exchange rate fluctuations.

16. FINANCIAL LIABILITIES

Key to the Group's strategy is its policy of maximum financial prudence. The target capital structure is defined by this commitment to solvency and the aim of maximising shareholder returns.

Nevertheless, certain projects, essentially the construction and operation of wind farms, are financed primarily using syndicated loans, the financing of which is secured by the investment projects. Under these loans the subsidiaries that operate these projects accept certain restrictions on the distribution of dividends, conditional upon certain requirements being met, such as the creation of a debt service reserve account. These subsidiaries must also maintain a specified debt/equity ratio and a specified equity structure.

Although the Elecnor Group analyses and monitors the evolution of Total Net Financial Debt, it pays special attention to Net Financial Debt with recourse, given that the remaining Debt is secured by the investment projects to which this financing is dedicated.

The target capital structure, excluding the effect of the projects financed with non-recourse financing, is quantified at the following ratio of net financing to equity:

$$\frac{\text{Net financial debt}}{\text{Net financial debt} + \text{Equity}}$$

Net financial debt with recourse includes the following line items in the consolidated statement of financial position (having eliminated the effect of net financial debt relating to the projects financed with non-recourse financing):

THOUSANDS OF EUROS	2022	2021
Non-current liabilities - Financial debt with recourse	346,424	350,157
Current liabilities - Financial debt with recourse	121,276	112,121
Current financial assets – Other financial investments	(11,849)	(9,945)
Interest rate derivative financial instruments	(6,039)	(216)
Cash and cash equivalents	(329,021)	(332,941)
Net financial debt with recourse	120,791	119,176

At 31 December 2022, Cash and Cash Equivalents comprise all cash and cash equivalents in the accompanying consolidated statement of financial position, excluding cash for projects funded through non-recourse financing amounting to Euros 43,503 thousand (Euros 55,164 thousand at 31 December 2021) (see Note 14.b).

At 31 December 2022, Interest rate derivative financial instruments correspond to the total Non-current derivative financial instruments in the accompanying consolidated statement of financial position, excluding the portion of derivatives from projects funded through non-recourse financing amounting to Euros 3,600 thousand (Euros 102 thousand in 2021).

Furthermore, at 31 December 2022, Current financial assets – Other financial investments corresponds to the total current investments in related companies, other current financial investments and current derivative financial instruments in the accompanying consolidated statement of financial position, excluding the amount of other current financial investments from projects funded through non-recourse financing for an amount of Euros 988 thousand and exchange rate and energy price derivative financial instruments for an amount of Euros 3,905 thousand.

At 31 December 2021, Current financial assets – Other financial investments corresponds to the total current investments in related companies, other current financial investments and current derivative financial instruments in the accompanying consolidated statement of financial position, excluding the amount of other current financial investments from projects funded through non-recourse financing for an amount of Euros 1,923 thousand and exchange rate and energy price derivative financial instruments for an amount of Euros 6,123 thousand.

A reconciliation between the Elecnor Group's financial debt and corporate financial debt based on the information provided in the following table is set out below:

THOUSANDS OF EUROS	2022		2021	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Total financial debt and Derivatives	794,823	215,363	778,536	246,915
Syndicated loans – wind farms	(376,964)	(34,566)	(343,861)	(32,731)
Financial liabilities from issuing bonds and other marketable securities wind farms	(20,793)	(9,720)	(26,598)	(8,009)
Accrued interest payable - wind farms	-	(4,362)	-	(4,540)
Derivative hedging instruments - wind farms	(16,822)	(10,295)	(8,070)	(11,624)
Derivative hedging instruments - Energy prices and rate insurance (Note 17)	-	(27,130)	(7,241)	(69,470)
Other liabilities - Securitisation	(25,911)	(7,250)	(33,700)	(8,000)
Other liabilities - Forfaiting Efficiency Solutions	(4,392)	(1,319)	(5,711)	(1,258)
Other liabilities - European Energy Efficiency Fund, S.A.	(6,140)	(427)	(6,566)	(416)
Other	2,623	982	3,368	1,254
Non-current and current liabilities - Financial debt with recourse	346,424	121,276	350,157	112,121

"Other" in the above table corresponds to loans granted by public entities that accrue interest and are recorded under the heading Other non-current and current liabilities in the accompanying consolidated statement of financial position.

Changes in and analysis of the financial debt with recourse to shareholders is conducted on an ongoing basis and prospective estimates are also made as a key restrictive factor to be taken into account in the Group's investment strategy and dividends policy.

Details of "Financial liabilities from issuing bonds and other marketable securities, Financial liabilities on loans and borrowings and Derivative financial instruments", under non-current and current liabilities in the accompanying consolidated statement of financial position at 31 December 2022 and 2021, are as follows:

THOUSANDS OF EUROS	2022		2021	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Financial liabilities from issuing bonds and other marketable securities – promissory notes	30,000	115,438	30,000	69,974
Financial liabilities from issuing bonds and other marketable securities – wind farms	20,793	9,720	26,598	8,009
Financial liabilities from issuing bonds and other marketable securities	50,793	125,158	56,598	77,983
Syndicated loans and credit facilities	235,311	-	235,034	-
Syndicated loans – wind farms	376,964	34,566	343,861	32,731
Loans secured with personal guarantee	40	14	560	44
Other payables	105,656	9,206	114,319	9,674
Credit facilities	-	-	-	35,139
Accrued interest payable				
Wind farms	-	4,362	-	4,540
Other	-	1,122	-	1,319
Finance lease debts	8,931	3,510	9,117	3,250
Finance liabilities on loans and borrowings	726,902	52,780	702,901	86,697
Derivative hedging instruments (Note 17)				
Wind farms	16,822	10,295	8,070	11,620
Other	306	27,130	10,967	70,615
Derivative financial instruments	17,128	37,425	19,037	82,235
Total financial debt and Derivatives	794,823	215,363	778,536	246,915

At 31 December 2022 and 2021, all of the Group's financial liabilities correspond to financial liabilities at amortised cost, except hedge derivatives which are measured at fair value.

The directors consider that as most of the loans are linked to floating interest rates, there are no material differences between the carrying amounts recorded and the fair value of the loans.



The main characteristics of the most significant financial liabilities from issuing bonds and other marketable securities and financial liabilities on loans and borrowings at 31 December 2022 and 2021 are as follows (in thousands of Euros):

		2022						
TYPE	COMPANY	CURRENCY		INTEREST RATE	DUE DATE	NOMINAL AMOUNT	CURRENT	NON-CURRENT
Financial liabilities from issuing bonds and other marketable securities								
	Elecnor, S.A.	EUR		-	2023	300,000	115,438	-
	Elecnor, S.A.	EUR		3.16%	30 September 2035	30,000	-	30,000
	Ventos Do Sul, S.A.	BRL	70% pegged to the CDI + 0.75% 30% pegged to the HICP + 3.25%		31 December 2025	50,000	9,720	20,793
Finance liabilities on loans and borrowings								
Syndicated loans and credit facilities								
	Elecnor, S.A. (*)	EUR		Euribor + spread	19 July 2026	285,000	-	203,111
	Elecnor, S.A. (*)	USD		Libor + spread	19 July 2026	75,000	-	4,519
	Electrificaciones del Ecuador, S.A. (*)	USD		Libor + spread	19 July 2026	75,000	-	27,681
Syndicated loans – wind farms								
	Ventos Do Litoral Energia, S.A.	BRL		TJLP + 2.34%	15 July 2029	18,739	2,424	9,333
	Ventos Do Índios Energia, S.A.	BRL		TJLP + 2.45%	15 February 2032	22,585	4,120	11,085
	Parque Eólico Palmares, S.A.	BRL		TJLP + 2.34%	31 July 2029	19,958	1,866	9,172
	Ventos Do Lagoa, S.A.	BRL		TJLP + 2.34%	15 February 2029	19,178	2,324	9,463
	Parque Éoliennes de L'Érable, SEC	CAD		5.015%	31 March 2033	173,094	8,982	94,493
	Parque Éoliennes de L'Érable, SEC	CAD		7.123%	18 April 2033	24,234	904	18,829
	Galicia Vento, S.L.	EUR		1.75% + Euribor	31 December 2024	38,500	5,870	2,694
	Aerogeneradores del Sur, S.A.	EUR		1.75% + Euribor	31 December 2024	16,500	2,516	1,155
	Parque Eólico Cofrentes, S.L.U.	EUR		Euribor + 2.25%	30 June 2038	35,775	1,849	28,984
	Ventos de São Fernando I Energía	BRL		HICP + 2.18%	31 December 2039	47,625	1,117	44,897
	Ventos de São Fernando II Energía	BRL		HICP + 1.94%	15 July 2043	39,552	2,120	37,404
	Ventos de São Fernando III Energía	BRL		HICP + 1.24%	15 July 2043	12,198	653	14,378
	Ventos de São Fernando IV Energía	BRL		HICP + 0.79%	31 December 2040	33,496	2,616	43,076
	Renovables del Cierzo, S.L.U.	EUR		Spanish bond + 4.5%	30 June 2047	136,000	-	52,000
Other payables								
	European Energy Efficiency Fund, S.A.	EUR		3.93%	31 May 2035	9,200	427	6,140
	Efficiency Solutions Fund	EUR		4%	30 July 2027	11,500	1,139	4,392
	ICO loan	EUR		2.54%	30 September 2031	20,000	-	19,894
	Banca March loan	EUR		2.54%	30 September 2031	50,000	-	49,670
	Elecnor Eficiencia Energética 2020, Fondo de Titulización	EUR		2.81%	31 December 2027	50,000	7,250	25,911
Other							6,603	8,621
							52,780	726,902

(*) Referring to the same loan in both years. See Syndicated loans and credit facilities.

		2021					
TYPE	COMPANY	CURRENCY	INTEREST RATE	DUE DATE	NOMINAL AMOUNT	CURRENT	NON-CURRENT
Financial liabilities from issuing bonds and other marketable securities							
	Elecnor, S.A.	EUR	-	2022	270,000	69,974	-
	Elecnor, S.A.	EUR	3.16%	30 September 2035	30,000	-	30,000
	Ventos Do Sul, S.A.	BRL	70% pegged to the CDI + 0.75% 30% pegged to the HICP + 3.25%	31 December 2025	50,000	8,009	26,598
Finance liabilities on loans and borrowings							
Syndicated loans and credit facilities							
	Elecnor, S.A. (*)	EUR	Euribor + spread	19 July 2026	285,000	-	198,954
	Elecnor, S.A. (*)	USD	Libor + spread	19 July 2026	75,000	-	13,232
	Electrificaciones del Ecuador, S.A. (*)	USD	Libor + spread	19 July 2026	75,000	-	22,848
Syndicated loans – wind farms							
	Parque Eólico Malpica, S.A.	EUR	Euribor + 2%	24 June 2024	11,950	689	6,165
	Ventos Do Litoral Energia, S.A.	BRL	TJLP + 2.34%	15 July 2029	16,704	1,688	10,220
	Ventos Do Índios Energia, S.A.	BRL	TJLP + 2.45%	15 February 2032	20,132	3,171	10,641
	Parque Eólico Palmares, S.A.	BRL	TJLP + 2.34%	31 July 2029	17,790	1,706	9,638
	Ventos Do Lagoa, S.A.	BRL	TJLP + 2.34%	15 February 2029	17,095	3,370	8,627
	Parque Éoliennes de L'Érable, SEC	CAD	5.015%	31 March 2033	172,604	8,555	103,384
	Parque Éoliennes de L'Érable, SEC	CAD	7.123%	18 April 2033	24,165	801	19,244
	Galicia Vento, S.L.	EUR	1.75% + Euribor	31 December 2024	38,500	5,693	11,368
	Aerogeneradores del Sur, S.A.	EUR	1.75% + Euribor	31 December 2024	16,500	2,445	4,867
	Parque Eólico Cofrentes, S.L.U.	EUR	Euribor + 2.25%	30 June 2038	35,775	1,936	31,449
	Ventos de São Fernando I Energía	BRL	HICP + 2.18%	31 December 2039	42,452	879	41,066
	Ventos de São Fernando II Energía	BRL	HICP + 1.94%	15 July 2043	35,256	776	35,190
	Ventos de São Fernando III Energía	BRL	HICP + 1.24%	15 July 2043	10,873	47	12,520
	Ventos de São Fernando IV Energía	BRL	HICP + 0.79%	31 December 2040	29,858	979	39,482
Other payables							
	European Energy Efficiency Fund, S.A.	EUR	3.93%	31 May 2035	9,200	416	6,566
	Efficiency Solutions Fund	EUR	4%	30 July 2027	11,500	1,258	5,711
	ICO loan	EUR	2.54%	30 September 2031	20,000	-	19,884
	Banca March loan	EUR	2.54%	30 September 2031	50,000	-	49,636
	Elecnor Eficiencia Energética 2020, Fondo de Titulización	EUR	2.81%	31 December 2027	50,000	8,000	32,905
Other						44,288	9,304
						86,697	702,901

(*) Referring to the same loan in both years. See Syndicated loans and credit facilities.

Details, by maturity, of the above non-current debt for 2022 and 2021 are as follows:

THOUSANDS OF EUROS DEBTS MATURING IN	31/12/2022	THOUSANDS OF EUROS DEBTS MATURING IN	31/12/2021
2024	61,365	2023	88,034
2025	51,669	2024	59,053
2026	273,787	2025	42,094
2027 and thereafter	408,002	2026 and thereafter	589,355
Total	794,823	Total	778,536

Syndicated loans and credit facilities-

On 21 July 2014, Elecnor, S.A. arranged syndicated agreement financing of Euros 600 million with a group of 19 banks. This financing was structured into two tranches: one loan tranche totalling Euros 300 million, repayable in instalments, and a revolving credit tranche with a limit of Euros 300 million, maturing in July 2019 and it has had successive novations.

On 30 September 2021, Elecnor, S.A. signed a sixth and final novation of the syndicated financing agreement, subscribed by 12 of the 13 lenders at this time. This novation involved the following changes:

- Elecnor Servicios y Proyectos, S.A.U. became a guarantor,
- Reduction of the total maximum amount to Euros 350 million, leaving the loan tranche (Tranche A) at Euros 50 million, the euros credit sub-tranche (Sub-tranche B1) at Euros 236 million and the USD credit sub-tranche (Sub-tranche B2) at USD 75 million,
- Extension of the maturity by just over 2 years (until September 2026) with full repayment at maturity,
- Modification to the applicable margin by including an additional tranche with a lower margin if the DFN/EBITDA ratio is below 1.25x.

The Group's Management analysed whether or not the conditions had been substantially modified, and concluded that there was no extinguishment of the original liabilities in any of the years.

This syndicated financing bears interest pegged to Euribor or Libor rates (depending on whether the drawdowns are in Euros or USD) for the interest period elected by the borrower (1, 3 or 6 months), plus a spread tied to the ratio of net financial debt with recourse/EBITDA with recourse + dividends from projects). The Company has undertaken to comply with different ratios over the term of the bank financing agreement ((Net financial debt with recourse/EBITDA with recourse) and (EBITDA with recourse/Net finance expenses)), which will be calculated on the basis of the Elecnor Group's consolidated figures, and excluding the figures of the projects that guarantee their financing without recourse to their shareholder. Non-compliance could be cause for terminating the agreement, but at 31 December 2022, there were not breaches of the ratios.

At 31 December 2022, the drawn down amount of the syndicated financing agreement totals Euros 238.1 million and corresponds to Euros 50 million of the loan tranche, Euros 156 million of the credit tranche in Euros, Euros 4.5 million of the credit tranche in Dollars drawn down by Elecnor, S.A. and Euros 27.6 million of the credit tranche in Dollars drawn down by Elecdor (Euros 239 million in 2021, Euros 50 million of the loan tranche, Euros 153 million of the credit tranche in Euros, Euros 13.2 million of the credit tranche in Dollars drawn down by Elecnor, S.A. and Euros 22.8 million of the credit tranche in Dollars drawn down by Elecdor at 31 December 2021).

Loans – wind farms-

With regard to the loans obtained in local currency by the Brazilian subsidiaries Parques Eólicos Palmares, S.A., Ventos da Lagoa, S.A., Ventos do Litoral, S.A. and Ventos dos Indos, S.A. with the BNDES (Banco Nacional de Desenvolvimento Econômico y Social), they must also maintain certain debt coverage ratios for the service within certain limits, and must deposit in a reserve account a monetary amount that covers at least three monthly instalments of principal and interest.

At 31 December 2022, there were no breaches of the abovementioned financial ratios. With regard to the loans for funding the projects built in the north of Brazil (Vento do São Fernando Complex), there is an obligation to maintain debt service coverage ratios within certain limits, and to deposit cash in a reserve account, except for the subsidiary Ventos do São Fernando IV, which in 2022 has replaced the reserve account obligation by contracting a bank guarantee. In order to secure the financing obtained with BNB to finance the São Fernando I, II and III projects, it was also necessary to arrange a bank guarantee with Bradesco from the start of the financing in 2020.

The syndicated loan granted to the Canadian subsidiary Éoliennes de l'Érable, SEC is bound to the fulfilment of an Annual Principal Debt Service Coverage Ratio (APDSCR) which must be higher than a certain ratio throughout the life of the loan. At 31 December 2022, there were no breaches of this ratio.

In Spain, the subsidiaries Aeroeneradores del Sur, S.A., Galicia Vento, S.L., and P.E. Cofrentes, S.L.U. have signed project financing loans. In order to secure the loans of these companies a real right of pledge was established on shares of the relevant subsidiary, as well as on any indemnities, compensation and/or penalty payments which may accrue in its favour, in relation to the construction (P.E. Cofrentes, S.L.U.), the operation and maintenance and operating management agreements, and on all of these companies' cash accounts.

In 2022, the subsidiary Parque Eólico Malpica, S.A., which had been granted a Project Finance loan, has proceeded to make an early repayment of its debt. Furthermore, in 2022 the Group took out a new loan to finance a wind farm under construction in Spain (Renovables del cierzo) for a total amount of Euros 136 million, of which Euros 52 million had been drawn down at 31 December.

Domestic subsidiaries have certain limitations in relation to these loans consisting basically of restrictions on the disposal of their property, plant and equipment and on the payment of dividends. These restrictions are subject to compliance with certain conditions, such as the ongoing fulfilment of the debt coverage ratio and the setting up of a debt service reserve account (see Note 13).

The Directors consider that the companies are fulfilling all the conditions of the loans and that the financing, which is secured by investment projects, will be serviced on a normal basis, using the revenue generated from each project.

Financial liabilities from issuing bonds and other marketable securities-promissory notes

At the beginning of 2022, Elecnor, S.A. had issued promissory notes on the Alternative Fixed Income Market for an amount of Euros 70 million. New issues in 2022 totalled Euros 1,169 million while maturities totalled Euros 1,124 million. The outstanding balance maturing in the short term at 31 December 2022 was therefore Euros 115 million (reflecting 1,124 and 1,169 securities with a nominal value of Euros 100 thousand each).

At the beginning of 2021, Elecnor, S.A. had issued promissory notes on the Alternative Fixed Income Market (MARF) for an amount of Euros 70 million. New issues in 2021 totalled Euros 1,278 million while maturities totalled Euros 1,278 million. The outstanding balance maturing in the short term at 31 December 2021 was therefore Euros 70 million, reflecting 1,278 securities with a nominal value of Euros 100 thousand each.

In addition to the aforementioned borrowing, on 27 September 2021, the Parent issued senior unsecured bonds amounting to Euros 30 million on Spain's Alternative Fixed Income Market (MARF), with maturity on 30 September 2035 and which accrue annual interest at a rate of 3%.

The promissory note programmes in force in 2022 and 2021 provided for a maximum of outstanding issues at all times of Euros 400 million and Euros 300 million, respectively.

Financial liabilities from issuing bonds and other marketable securities-wind farms

In 2019, the subsidiary Ventos do Sul Energia, S.A. issued bonds amounting to BRL 325 million in two tranches; one BRL 227 million tranche pegged to the CDI plus a market spread and one BRL 98 million tranche indexed to HICP plus a market spread.

This issue, maturing in December 2025 (a 6.5-year term) is project-backed and earmarked for corporate use by the issuing company or its partners.

Other payables-

Other payables includes a financing agreement entailing the assignment of future receivables for Euros 9.2 million, executed on 18 August 2017 with the European Energy Efficiency Fund, S.A., SICAV-SIF, maturing in 2031. The nominal amount pending repayment as at 31 December 2022 amounts to Euros 6.6 million.

Moreover, on 13 March 2018, the Group arranged a financing contract through a policy for the assignment of credit rights with the Efficiency Solutions fund, amounting to Euros 11.5 million, and maturing in June 2027. The nominal amount pending repayment as at 31 December 2022 amounts to Euros 5.7 million.

In 2021, the Parent entered into a loan for a nominal amount of Euros 20 million, which accrues fixed nominal annual interest at a rate of 2.4%, will be fully repaid on 30 September 2031. On the same date, the Parent signed a second loan for a nominal amount of Euros 50 million, which accrues fixed nominal annual interest at a rate of 2.4% and matures in full in 2031.

Lastly, in 2020 the Group set up a Securitisation Fund "Elecnor Eficiencia Energética 2020, Fondo de Titulización", to which it has assigned the future credit claims derived from the contracts for the management of energy services and maintenance of public street lighting installations which Elecnor Servicios y Proyectos, S.A.U. executes for 43 Spanish municipalities and public entities for an amount of Euros 107.7 million. This debt was fully repaid in 2021 and the nominal amount pending repayment at 31 December 2022 is Euros 33.7 million.

The characteristics of this financial structure are as follows:

- Creation of a securitisation fund, which purchases the credit claims from Elecnor for Euros 50 million. The securitisation fund has obtained the funds by issuing bonds, which were fully subscribed by institutional investors and fully paid-up (listed on the MARF).
- The difference between the nominal balance of the credit claims (Euros 107.7 million) and their purchase price, which amounts to Euros 57.7 million, is used to overcollateralise the bonds. This is common in this type of structure and, as it increases, it improves the rating of the financing as it curbs the bondholders' risk and, therefore, their required return.
- Elecnor recovers this overcollateral year by year, through repayment by the securitisation fund of the difference between the amount that the securitisation fund actually collects (Elecnor transfers the balance of the account into which the public entities pay to the Securitisation Fund's treasury account each week) for the contracts assigned and the payments that the securitisation fund must make.

The effective annual interest rate of this financing is 2.81%, and the repayment schedule is as follows:

YEAR	THOUSANDS OF EUROS
2023	7,250
2024	7,250
2025	6,750
2026	6,700
2027	5,750
Total	33,700

Other financing-

Excluding tranche B of the syndicated financing, at 31 December 2022, Elecnor, S.A. and Elecnor Servicios y Proyectos, S.A.U. had 13 open credit facilities with financial institutions (12 credit facilities in 2021), up to a maximum total of Euros 163 million, with no drawdown at that date (maximum limit of Euros 140 million in 2021, with a drawdown of Euros 35 million). These bilateral credit facilities bear interest indexed

to EURIBOR/LIBOR plus a market spread, and most of them mature at one year, with some maturing at up to three years with automatic annual renewals.

All the above financing facilities have a personal guarantee attached.

17. DERIVATIVE FINANCIAL INSTRUMENTS

The Elecnor Group uses derivative financial instruments to cover the risks to which its business activities, transactions and future cash flows are exposed as a result of changes in exchange rates, interest rates and energy prices, which affect the Group's profit or loss. Details of the balances reflecting the measurement of derivatives in the consolidated statement of financial position at 31 December 2022 and 2021 are as follows:

THOUSANDS OF EUROS	2022				2021			
	NON-CURRENT ASSETS (NOTE 13)	CURRENT ASSETS	NON-CURRENT LIABILITIES (NOTE 16)	CURRENT LIABILITIES (NOTE 16)	NON-CURRENT ASSETS (NOTE 13)	CURRENT ASSETS	NON-CURRENT LIABILITIES (NOTE 16)	CURRENT LIABILITIES (NOTE 16)
INTEREST RATE HEDGES								
Cash flow hedges:								
Interest rate swap	9,639	-	306	-	216	332	4,797	1,142
EXCHANGE RATE HEDGES								
Cash flow hedges:								
Exchange rate insurance	-	2,361	-	5,551	101	6,122	-	10,723
ENERGY PRICE HEDGES								
Cash flow hedges:								
Energy price	-	1,544	16,822	31,874	-	-	14,240	70,370
	9,639	3,905	17,128	37,425	317	6,454	19,037	82,235

Exchange rate-

The Elecnor Group uses exchange rate hedges basically to mitigate the possible adverse effect of exchange rate fluctuations on future cash flows relating to two types of transactions:

- Payments relating to works and supply agreements denominated in a currency other than the functional currency.
- Receipts relating to works agreements denominated in a currency other than the functional currency.

At 31 December 2022 and 2021, the total nominal amount of the items for which exchange rate hedges had been arranged was as follows:

CURRENCIES	31/12/2022	31/12/2021
Thousands of US Dollars (*)	35,129	119,372
Thousands of Chilean Pesos (*)	20,190,297	37,299,800
Thousands of Rand (*)	22,757	-
Thousands of Euros (*)	11,735	17,123

(*) Figures expressed in the pertinent currency.

Of the nominal total hedged at 31 December 2022:

- Euros 3,898 thousand in sales insurance in US dollars against euros to hedge future flows in that currency.
- Euros 21,729 thousand correspond to purchases of Chilean Pesos against US Dollars to cover the risk of payments to suppliers in Chilean Pesos.
- Euros 2,884 thousand in purchases of US dollars against Australian dollars to hedge future flows in that currency.
- Euros 5,425 thousand correspond in purchases of euros against Australian dollars to hedge future flows in that currency.
- Euros 6,310 thousand correspond in purchases of euros against US dollars to hedge future flows in that currency.
- Euros 24,480 thousand correspond in purchases of US dollars against Colombian pesos to hedge future flows in that currency.
- Euros 1,813 thousand correspond in purchases of US dollars against euros to hedge future flows in that currency.
- Euros 1,247 thousand correspond in purchases of rand against euros to hedge future flows in that currency.

Of the nominal total hedged at 31 December 2021:

- Euros 8,347 thousand corresponded in sales insurance in US dollars against euros to hedge future flows in that currency.
- Euros 38,803 thousand corresponded to purchases of Chilean Pesos against US Dollars to cover the risk of payments to suppliers in Chilean Pesos,
- Euros 85,072 thousand corresponded in purchases of US dollars against Australian dollars to hedge future flows in that currency.
- Euros 17,123 thousand corresponded in purchases of euros against Australian dollars to hedge future flows in that currency.

The equivalent Euro value of the nominal amount under exchange rate hedges at 31 December 2022 was approximately Euros 67,786 thousand (approximately Euros 149,346 thousand in 2021).

The expiration of these exchange rate hedges is expected to coincide with the forecast flow of the payments and receipts being hedged. The risk of changes in the estimated cash flows is very low.

Details of the maturities of the nominal amounts hedged by derivative financial instruments at 31 December 2022 and 2021 are as follows:

	MATURITY 31/12/2022					TOTAL
	2023	2024	2025	2026	2027 AND THEREAFTER	
Exchange rate hedge:						
USD sales (*)	4,140					4,140
USD purchases (*)	30,989	-	-	-	-	30,989
Chilean Pesos purchases (*)	20,190,297	-	-	-	-	20,190,297
Rand purchases (*)	22,757	-	-	-	-	22,757
Euro purchases (*)	11,735	-	-	-	-	11,735

(*) Figures expressed in Euros in the pertinent currency.

	MATURITY 31/12/2021					TOTAL
	2022	2023	2024	2025	2026 AND THEREAFTER	
Exchange rate hedge:						
USD sales (*)	9,462	-	-	-	-	9,462
USD purchases (*)	109,910	-	-	-	-	109,910
Chilean Pesos purchases (*)	37,299,800	-	-	-	-	37,299,800
Euro purchases (*)	17,123					17,123

(*) Datos expresados en miles de la divisa correspondiente.

Interest rate-

The Elecnor Group uses interest rate hedging instruments in accordance with its risk management policy. The purpose of these transactions is to mitigate the effect that changes in interest rates could have on future cash flows from certain loans and credit facilities indexed to floating interest rates, associated with the corporate financing obtained by the Parent and project financing. At 31 December 2022 the total nominal value of the liabilities hedged by interest rate hedges amounted to Euros 223,052 thousand (Euros 255,387 thousand in 2021).

The nominal amounts of the various interest rate derivative financial instruments described above mature as follows:

THOUSANDS OF EUROS	MATURITY 31/12/2022					TOTAL
	2023	2024	2025	2026	2027 AND THEREAFTER	
Interest rate hedges	39,727	160,083	3,586	2,813	16,843	223,052

THOUSANDS OF EUROS	MATURITY 31/12/2021					TOTAL
	2022	2023	2024	2025	2026 AND THEREAFTER	
Interest rate hedges	29,705	39,868	163,552	1,886	22,262	255,387

Neither in the case of exchange rate hedges or interest rate hedges did any circumstances arise in 2022 or 2021 that required changing the hedge accounting policy initially adopted for recognising the derivatives. In 2022 and 2021 the Elecnor Group did not have any derivatives that do not qualify for hedge accounting.

Energy price-

The Elecnor Group uses derivative financial instruments to hedge the risk of fluctuations in the Spanish daily market price based on its forecasts, as this has a very significant impact on the Group's profit or loss. Within the framework of these operations, the Group enters into swap contracts to ensure a fixed energy price for a specific number of megawatt-hours (MWh), which are settled on a monthly basis, fulfilling the requirements to be deemed hedge accounting. The breakdown of the derivatives contracted by the Group that remain in force at 31 December 2022 and 2021, as well as their main characteristics, is as follows:

2022

MATURITY	NOMINAL (MWH)	FAIR VALUE ASSETS / (LIABILITIES)
2023	350,400	(30,330)
2024	78,840	(8,052)
2025	78,840	(3,469)
2026	78,840	(1,932)
2027	78,840	(1,616)
2028 and more	190,296	(1,753)
		(47,152)

2021

MATURITY	NOMINAL (MWH)	FAIR VALUE ASSETS / (LIABILITIES)
2022	661,719	(70,370)
2023	254,040	(11,433)
2024	78,840	(2,227)
2025	78,840	(1,085)
2026	78,840	(425)
2027 and more	315,360	930
		(84,610)

In 2022 and 2021, the price of energy has increased significantly, meaning that the contracts entered into previously, at much lower prices, have led to the recording of material liabilities. Consequently, the Group has recorded under the heading "Net turnover" in the accompanying 2022 consolidated income statement an amount of Euros 56,131 thousand of lower revenue from derivatives settled during the year, as they are deemed hedging instruments (Euros 43,070 thousand in 2021).

Adjustments-

The market value of the different financial derivatives is calculated as follows:

- For derivatives quoted on an organised market, their quoted value at year end.
- For derivatives not traded on an organised market, in order to measure them, the Elecnor Group uses assumptions based on year-end market conditions. Specifically
- the market value of interest rate swaps is calculated by discounting the difference between the swap rates at market interest rates;
- the market value of forward exchange rate contracts is determined by discounting the estimated future cash flows using forward exchange rates prevailing at the close of the year;
- the fair value of contracts for the purchase of non-financial items to which IFRS 9 applies is calculated using the best estimate of future price curves for these non-financial items existing at the closing date of the consolidated annual accounts, using, to the extent possible, prices established on futures markets.

18. PROVISIONS

The breakdown of provisions for liabilities and charges, and their classification as current or non-current at 31 December 2022 and 2021, is as follows:

THOUSANDS OF EUROS	2022		2021	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Litigation and liabilities	15,953	37,309	20,141	35,122
Decommissioning	9,050	505	11,683	441
Other	28,990	42,993	22,281	46,540
Total	53,993	80,807	54,105	82,103

Details of "Provisions for liabilities and charges" in the accompanying consolidated statement of financial position, and movement in 2022 and 2021, are as follows:

THOUSANDS OF EUROS	LITIGATION AND LIABILITIES	DECOMMISSIONING	OTHER	TOTAL
Balance at 31 December 2020	46,567	12,353	71,160	130,080
Provisions charged to profit and loss (Note 23)	12,959	1,131	22,355	36,445
Translation differences	727	500	(639)	588
Application	(312)	(34)	(12,468)	(12,814)
Change in the consolidation scope	-	-	93	93
Reversals (Note 23)	(4,678)	(1,826)	(11,680)	(18,184)
Balance at 31 December 2021	55,263	12,124	68,821	136,208
Provisions charged to profit and loss (Note 23)	13,603	573	26,960	41,136
Translation differences	2,107	564	183	2,854
Application	(102)	-	(19,864)	(19,966)
Transfers	(5,562)	-	5,562	-
Reversals (Note 23)	(12,047)	(3,706)	(9,679)	(25,432)
Balance at 31 December 2022	53,262	9,555	71,983	134,800

The Group estimates the amount of the liabilities arising from litigation and similar events. With the exception of certain liabilities in which it can be estimated that the outflows will be in the short term, the Group cannot reliably estimate the precise timing of the outflows and, accordingly, does not include the updating effect.

Due to the nature of its activities, the Group is exposed to a number of claims and litigation. The heading "Provisions for litigation and liabilities" in the foregoing table reflects the Group's best estimate of potential penalties and other contingencies that could arise from the execution of various projects mainly carried out abroad. The Directors estimated that the provision recognised reasonably covers the payments that are likely to arise in the future as a result of past events.

On 31 May 2017, Spanish National Commission on Markets and Competition (hereinafter, the "CNMC") notified the Parent that it was opening disciplinary proceedings against it and another 15 companies, for a potential infringement in the sphere of the construction and maintenance of electrification systems and electromechanical equipment in railway lines. On 14 March 2019, the CNMC Council issued a resolution reducing the fine with respect to that proposed in the resolution of 31 August 2018 to Euros 20.4 million. In May 2019, the Company lodged an appeal and on 16 July 2019 the National Court (Audiencia Nacional) suspended execution of the CNMC resolution of 14 March 2019, dependent upon the presentation of bank guarantees.

On 26 September 2019, the Parent received an incidental request to bring proceedings, said proceedings having been brought in proper and timely manner on 11 November 2019.

In light of these events, and based on the assessment of the Parent Company's legal advisers, although they consider that there are still solid arguments to challenge the CNMC's inspection, due to recent events in connection with other appeals against the Resolution, and the developments in other proceedings in the National Court in the last years when the arguments presented by the parties have been rejected and the CNMC's decision confirmed, the Group booked in 2019 a provision of Euros 20.4 million to cover this risk, since they estimate that there is a probability of the appeal prospering of less than 50%. At 31 December 2022, this provision remains under the category "Other" as there have been no changes during the current year.

Furthermore, on 16 July 2019, the CNMC opened disciplinary proceedings against Audeca, its parent company and other companies and their parent companies, on the grounds of possible anti-competitive practices prohibited by Article 1 of the LDC (Defence of Competition Act) and Article 101 of the TFEU. On 28 August 2021, the CNMC notified the decision by which Audeca was declared liable for a breach of Article 1 of the LDC and Article 101 of the TFEU and a total fine of Euros 2,639 thousand was imposed on Audeca and, jointly and severally, on Elecnor. Audeca and Elecnor



filed a contentious-administrative appeal against the resolution with the National Court, and requested as a precautionary measure the suspension of the enforcement of the resolution, both in terms of the payment of the fine imposed and the prohibition to contract, and this appeal was admitted for processing. On the basis of the assessments of the Group's legal advisors, as a result of recent developments in the context of other appeals, the Directors have made a provision of Euros 2.6 million in this respect in 2022 under "Other" as they deem the likelihood of the appeal being upheld to be less than 50%.

Furthermore, the category "Other" includes provisions for construction contracts with negative margins for a total amount of Euros 31,446 thousand (Euros 28,713 thousand at 31 December 2021), the most significant of which were booked in 2019 in relation to the "Mataquito Transmisora de Energia" project developed in Chile, which at 31 December 2022 amounted to Euros 5,467 thousand (Euros 9,249 thousand 2021), the amount booked in 2022 relating to the Kwanza Norte project developed in Angola for an amount of Euros 3,742 thousand at 31 December 2022 (Euros 7,717 thousand in 2021 in relation to the Newcastle CityFibre project developed in the UK and applied in 2022 due to the completion of the project) and the amount booked in 2022 relating to a solar project in Spain for an amount of Euros 7,500 thousand. The application of these provisions as and when the work is executed is recorded under "Application" in the above table.

On the other hand, Other provisions at 31 December 2022 include Euros 1,312 thousand (Euros 7,483 thousand at 31 December 2021) relating to guarantees provided to various public bodies that were required for the administrative processing of applications for access and connection or transmission and to guarantee the completion of the installations committed to in relation to wind farm construction projects that were being undertaken by the Group, which are provided for in view of the possibility that they will be executed by the government if the project is not carried out. In 2022, an amount of Euros 5,793 thousand has been reversed in relation to these guarantees, since the viability of the projects has been clarified after progress has been made in their processing or because other projects have not been undertaken for reasons not attributable to the Group (reversal of Euros 7,470 thousand in 2021).

The rest of reversals in 2022 and 2021 correspond to penalties and other contingencies/litigation in relation to the execution of various projects that were completed in 2022 and 2021, respectively, and that were resolved favourably for the Group, the most noteworthy in 2022 being the favourable resolution of the class action lawsuit in Canada, which has resulted in a reversal of Euros 5.4 million.

Decommissioning provisions at 31 December 2022 and 2021 correspond to the provision for the wind farm owned by the Group in Canada and for the wind farms in Brazil. These provisions are calculated by estimating the amount of the decommissioning obligation in the foreseen year of dismantling (at the end of the economic life of the assets) on the basis of estimates received from external suppliers and with the approval of the Group's technicians. These amounts are discounted at the market discount rate and recorded in the fixed assets of the wind farms as an increase in the value of the assets and are depreciated in the period until their decommissioning. The discount rate of the Brazilian wind farms has been updated from 4% in 2021 to 6% in 2022 as a result of the increase during the year of the Interbank CD (Interbank Certificate of Deposit) and the HICP (Brazilian Harmonised Index of Consumer Prices) and the discount rate of the Canadian wind farm has been updated from 3.2% in 2021 to 5.5% in 2022 (update in 2021 of the Brazilian wind farm discount rate from 2.15% in 2020 to 4.01%). The effect has been recorded as a reduction in the cost of the related items of property, plant and equipment (note 11).

19. ADVANCES FROM CUSTOMERS

Advances from customers basically reflect payments made in advance by customers prior to the start of the related contracts. These advances are discounted from invoices issued during the execution of the contracts.

The balance under this heading at 31 December 2022 includes an advanced payment received by Elecnor Servicios y Proyectos, S.A.U. in respect of a project it will execute in conjunction with an external partner (80% Elecnor – 20% the other partner) and amounting to Euros 22,766 thousand (Euros 58,096 thousand as at 31 December 2021). The Group received 100% of the advance payment in 2020 amounting to Euros 72,620 thousand for having submitted all guarantees (its own and those of the other party) and the Group is delivering its share to this partner as it submits the guarantees to which it is entitled.

20. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Details of "Deferred tax assets" and "Deferred tax liabilities" in the accompanying consolidated statement of financial position, and movement in 2022 and 2021, are as follows (in thousands of Euros):

	31 DECEMBER 2020	TRANSFERS	CREDIT/CHARGE TO THE INCOME STATEMENT	CREDIT / CHARGE TO THE ASSETS AND LIABILITIES VALUATION RESERVE	TRANSLATION DIFFERENCES
Deferred tax assets:					
Valuation of financial instruments Derivatives (Note 17)	4,725	(295)	(760)	19,815	-
Property, plant and equipment and intangible assets	5,922	(220)	(197)	-	-
Tax credits	23,887	1,422	(7,213)	-	144
Deductions and credits pending application	3,521	157	(98)	-	4
Losses in external subsidiaries	(18)	141	(94)	-	-
Non-deductible provisions (Note 18)	34,336	1,968	(2308)	-	(365)
Other deferred tax assets	8,182	(3,173)	828	-	(898)
	80,555	-	(9,842)	19,815	(1,115)

Deferred tax liabilities:					
Property, plant and equipment and intangible assets	14,573	79	(1,022)	-	481
Goodwill	593	-	(593)	-	-
Valuation of derivative financial instruments (Note 17)	499	46	-	1,768	4
Other deferred tax liabilities	10,716	(125)	531	-	(21)
	26,381	-	(1,084)	1,768	464

	31 DECEMBER 2021	TRANSFERS	CREDIT/CHARGE TO THE INCOME STATEMENT	CREDIT/CHARGE TO THE ASSETS AND LIABILITIES VALUATION RESERVE	TRANSLATION DIFFERENCES	31 DECEMBER 2022
Deferred tax assets:						
Valuation of financial instruments Derivatives (Note 17)	23,485	-	(3,160)	(10,222)	1	10,104
Property, plant and equipment and intangible assets	5,505	-	(137)	-	(1)	5,367
Tax credits	18,240	186	(5,102)	-	117	13,441
Deductions and credits pending application	3,584	(479)	(766)	-	52	2,391
Losses in external subsidiaries	29	-	15	-	-	44
Non-deductible provisions (Note 18)	33,631	(207)	3,311	-	935	37,670
Other deferred tax assets	4,939	500	5,660	-	215	11,314
	89,413	-	(179)	(10,222)	1,319	80,331

Deferred tax liabilities:						
Property, plant and equipment and intangible assets	14,111	-	(362)	-	455	14,204
Goodwill	-	-	-	-	-	-
Valuation of derivative financial instruments (Note 17)	2,317	14	-	976	66	3,373
Other deferred tax liabilities	11,101	(758)	(112)	-	(295)	9,936
	27,529	(744)	(474)	976	226	27,513

Deferred tax assets and liabilities that are expected to be realised or reversed in periods of less than 12 months are not significant, except for deferred tax assets relating to the valuation of derivative financial instruments for which an amount of approximately Euros 7,582 thousand is expected to be reversed within the coming 12 months.

Deferred tax assets and liabilities: property, plant and equipment and intangible assets, in the foregoing table mainly reflect taxable temporary differences arising from differences between the carrying amount of certain property, plant and equipment and intangible assets and their tax base, as well as the temporary differences derived from the depreciation and amortisation of these non-current assets for accounting and tax purposes.

Deferred tax assets: tax credits and deductions and credits pending application, in the foregoing table, include, respectively, unused tax loss carryforwards and deductions pending application of various Group companies, which have been capitalised as the Parent's Directors consider that they will be recovered against estimated profits in the coming years.

Deferred tax assets: non-deductible provisions, in the above table mainly include the tax impact of adjustments to accounting profit/loss as a consequence of various provisions that were not considered deductible when they were recognised (see Notes 14.a and 18).

At 31 December 2022 and 2021, the tax credits for capitalised tax loss carryforwards and the deferred tax assets and liabilities by entity/subgroup are as follows:

THOUSANDS OF EUROS	2022		
	TAX CREDITS	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
Elecnor, S.A.	-	15,167	7,427
Elecnor Servicios y Proyectos, S.A.U.	9,736	21,681	621
Aplicaciones Técnicas de la Energía, S.A.	2,200	3,146	-
Enerfín subgroup	1,075	18,139	17,230
Audeca, S.L.U.	-	104	1,673
Elecnor do Brasil, Ltda	-	8,653	-
Elecnor Chile, S.A.	-	3,895	-
Elecnor, Inc	-	3,269	-
Other	430	6,277	562
Total	13,441	80,331	27,513

THOUSANDS OF EUROS	2021		
	TAX CREDITS	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
Elecnor, S.A.	-	14,146	4,782
Elecnor Servicios y Proyectos, S.A.U.	12,054	18,877	721
Aplicaciones Técnicas de la Energía, S.A.	2,482	3,533	-
Enerfín subgroup	2,411	34,622	15,757
Audeca, S.L.U.	-	91	2,116
Elecnor do Brasil, Ltda	-	7,498	-
Elecnor Chile, S.A.	-	3,934	-
Elecnor, Inc	920	2,181	-
Other	373	4,531	4,153
Total	18,240	89,413	27,529

Details of the amounts (in thousands of Euros) and expiry years of uncapitalised tax loss carryforwards pending offsetting of the most significant entities/tax groups at 31 December 2022 and 2021 are as follows (in thousands of Euros):

2022	UNUSED, UNCAPITALISED TAX LOSS CARRYFORWARDS	EXPIRY YEAR
Aplicaciones Técnicas de la Energía, S.A.	4,302	Unlimited
Deimos Engineering and Systems, S.L.U.	2,692	Unlimited
Enerfín Enervento, S.L.U.	4,003	Unlimited
Elecnor Perú, S.A.C.	4,389	Unlimited
Enervento Exterior, S.L.U.	2,155	Unlimited
Elecnor Energie Und	1,718	Unlimited
Elecnor South Africa, Ltd.	-	Unlimited
Dunor Energía, Sapi De Cv	13,456	Unlimited
Proyectos Electricos Agua Prieta, Sapi De Cv	7,929	Unlimited
	40,644	

2021	UNUSED, UNCAPITALISED TAX LOSS CARRYFORWARDS	EXPIRY YEAR
Aplicaciones Técnicas de la Energía, S.A.	4,302	Unlimited
Deimos Engineering and Systems, S.L.U.	2,548	Unlimited
Enerfín Enervento, S.L.U.	4,003	Unlimited
Elecnor Perú, S.A.C.	19,062	Unlimited
Enervento Exterior, S.L.U.	2,155	Unlimited
Elecnor Energie Und	1,707	Unlimited
Elecnor South Africa, Ltd.	2,264	Unlimited
Dunor Energía, Sapi De Cv	14,033	Unlimited
Proyectos Electricos Agua Prieta, Sapi De Cv	6,986	Unlimited
	57,060	

Furthermore, the Group has deductions generated and not capitalised in the amount of Euros 3,777 thousand as at 31 December 2022 (Euros 3,650 thousand as at 31 December 2021).

The unused tax loss carryforwards and tax credits for deductions and other items described above were generated by various companies in the Elecnor Group and their future recoverability is conditional upon these companies' ability to generate sufficient taxable profits.

Due to the treatment permitted by prevailing fiscal legislation, additional tax liabilities that cannot be objectively quantified could arise in the event of inspection. However, the Parent's Directors consider that the possibility of such contingent liabilities arising during future tax inspections of Group companies is remote and that, in any case, the tax liability that could result therefrom would not materially affect the consolidated annual accounts of the Elecnor Group.

21. INCOME TAX

The Parent has the following years open to inspection by the tax authorities in respect of the main taxes applicable to it:

TAX	YEARS OPEN TO INSPECTION
Corporate Income Tax (*)	2017-2021
Value Added Tax	2019-2022
Personal Income Tax	2019-2022
Social Security	2019-2022
Capital Gains Tax	2019-2022
Non-residents	2019-2022

(*) The deadline for filing Corporate Income Tax returns is 25 calendar days after the six months subsequent to conclusion of the tax periods, so corporate tax corresponding to 2022 will not be open to inspection until 25 July 2023.

On 10 February 2021, based on its request of 28 December 2020, the Parent company received notification from the tax authority that it will be taxed under the consolidated tax regime from 1 January 2021 with the following companies: Aplicaciones Técnicas de la Energía, S.L.U., Area 3 Equipamiento Diseño e Interiorismo, S.L.U., Jomar Seguridad, S.L.U., Ehis Construcciones y Obras, S.A.U., Elecnor Seguridad, S.L.U., Audeca, S.L.U., Deimos Engineering and Systems, S.L.U., Deimos Space, S.L.U., Aerogeneradores del Sur, S.A., Enerfin Enervento Exterior, S.L., Enerfin Enervento, S.L.U., Enerfin Sociedad de Energía, S.L., Galicia Vento, S.L., Parque Eólico Cofrentes, S.L.U., Parque Eólico de Malpica, S.A., Parque Eólico Cernégula, S.L.U., Enerfin Renovables, S.L.U., Enerfin Renovables II, S.L., Enerfin Renovables IV, S.L.U., Parque Eólico Vollandin, S.L.U., Elecnor Servicios y Proyectos, S.A.U., Elecired Servicios, S.A.U., Internacional de Desarrollo Energético, S.A.U., Eresma Solar, S.L.U., Parque Eólico Montañes, S.L.U., Enerfin Renovables VI, S.L., Enerfin Renovables VII, S.L., Enerfin Renovables VIII, S.L., Enerfin Renovables IX, S.L, Enerfin Renovables X, S.L., Enerfin Renovables XI, S.L. and Luzy Energía Renovable, S.L.

Inspections conducted by the Tax Authority's Large Taxpayers Division at the Parent, and commenced by notification on 1 July 2016, concluded in 2018 and covered all taxes applicable to the Parent for the period 2012-2014, except for Corporate Income Tax, which covered the period 2011-2013.

The aforementioned inspections concluded in 2018 with the signing of statements of disconformity whose settlement implies a payment obligation totalling Euros 14,208 thousand.

On 28 December 2018, the Parent company filed economic-administrative appeals against the settlement agreements derived from the statements of disconformity before the Central Economic-Administrative Court, which were the subject of a request for suspension while the proceedings were underway.

On 23 November 2020, the Parent was notified that the files were accessible, and of the procedure for allegations, which were submitted on 17 December 2020 that have been rejected in 2021. The decisions dismissing the appeals were appealed before the National Court, and judgements are pending.

In light of this situation, the Parent company's Directors, in cooperation with its tax advisers, and although they consider that there are weighty arguments to underpin the position of the Parent company, decided in 2019 to allocate a provision for the amounts claimed in the appealed settlement agreements in connection with differences in interpretation in respect of related party transactions amounting to Euros 7,559 thousand, since they consider that in 2019 retroactivity had been ruled out and, accordingly, the reviewing bodies are more likely to approve the Tax Authority's position than not, and considering the impact for the rest of years open to inspection, should the Tax Authority apply the same criteria for the years open to inspection.

In addition to the foregoing, on 2 October 2019 the Company received a notification of the commencement of tax audits in relation to all taxes applicable to the Company for the period 2015-2016 except for Corporate Income Tax, which also covered the period 2014.

The aforementioned inspections concluded in 2021 with the signing of statements of conformity which resulted in a payment totalling Euros 5,691 thousand.

Lastly, note On 21 December 2022, the Parent received a notification from the tax authorities concerning the commencement of the verification and investigation for the years 2017 to 2020 regarding Corporate Income Tax and 2019 to 2020 for the remaining taxes.

However, the Administration's entitlement to verify or investigate tax loss carryforwards offset or pending offsetting, deductions for double taxation and deductions to encourage certain activities applied or pending application prescribes after 10 years from the day after the end of the established period for filing the tax return or self-assessment for the tax period in which the Company's entitlement to offsetting or application was generated. Once that period has elapsed, the Group must accredit tax losses or deductions by presenting the settlement or self-assessment and the accounts, and also evidencing that they have been filed during the aforementioned period in the Companies Register.

Details of the income tax expense accrued in 2022 and 2021 are as follows:

THOUSANDS OF EUROS	2022	2021
Consolidated profit before income tax	165,931	142,048
Non-deductible expenses	13,971	7,982
Non-taxable income (**)	(22,566)	(4,218)
Adjustment for dividends (****)	10,575	6,259
Profit/loss from equity-accounted investees (Note 12)	(22,498)	(22,752)
Other	(6,260)	(4,172)
Uncapitalised tax credits applied (*****)	(21,667)	(9,176)
Uncapitalised tax loss carryforwards (***)	11,691	17,520
Adjusted accounting profit/loss	129,177	133,491
Gross tax calculated at the tax rate in force in each country (*)	42,716	42,101
Tax deductions for incentives and other	(1,029)	(516)
Adjustment to prior year's Corporate Income		
Tax expense	(1,961)	1,606
Other adjustments	10,298	5,252
Income tax expense	50,024	48,443

(*) The fully consolidated foreign subsidiaries and branches calculate the Corporate Income Tax expense and the amount due in respect of the various other applicable taxes in accordance with the prevailing tax rates and legislation in their respective countries.

(**) Non-taxable income in 2022 mainly reflects adjustments to the accounting profit for income from the sale of financial investments which are exempt from taxation in the amount of Euros 10 million and reversals of provisions that were not deemed taxable at the time of provisioning in the amount of Euros 5 million.

(***) In 2022, mainly relating to Enerfin Energy Company of Canada in the amount of Euros 2.3 million and Enerfin Renovables, LLC in the amount of Euros 1.4 million (Dunor Energía S.A.P.I de C.V. in the amount of Euros 2 million, Acciona Infraestructuras-Elecnor Hospital David,S.A. in the amount of Euros 2.5 million, Enerfin Energy Company of Canada in the amount of Euros 1.8 million and Eledepa in the amount of Euros 5.3 million in 2021).

(****) On 31 December 2020, Law 11/2020 of 30 December, on the General State Budgets for 2021 was published, which includes certain changes to the Corporate Income Tax Law in Spain. The main change to the Corporation Income Tax Law is the elimination of the total tax exemption of dividends and capital gains, which remains at 95%.

(*****) In 2022, mainly relating to the companies Elecnor Perú, S.A.C. for Euros 14 million and Eledepa for Euros 5 million.

Details of the main components of the income tax expense accrued in 2022 and 2021 were as follows:

THOUSANDS OF EUROS	2022	2021
Current tax		
Present year	41,982	32,266
Prior years' adjustments	(1,961)	1,606
Other adjustments	10,298	5,813
Deferred tax		
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	(295)	8,758
Income tax expense	50,024	48,443

22. GUARANTEE COMMITMENTS WITH THIRD PARTIES AND CONTINGENCIES

Guarantee commitments with third parties-

At 31 December 2022 and 2021, details of the risk exposure relating to bank guarantees delivered and other bid, completion and performance bonds, are as follows:

THOUSANDS OF EUROS	2022	2021
Completion bonds	971,601	1,058,003
Advances on contracts:		
Current	563,638	525,098
To be cancelled	3,243	824
Performance bonds	313,486	190,383
Bid bonds	63,671	49,124
Other	94,884	29,414
Total	2,010,523	1,852,846

At 31 December 2022 the Group has provided guarantees to the customer Casablanca Transmisora de Energía (Chile) for the Special Contract for the engineering, supply, permits, easements and construction of new transmission lines and substations as partial deliveries for the amount of Euros 30 million. Additionally, in Australia, it has provided guarantees for the customer Goyder Wind Farm 1 Pty Ltd amounting to Euros 41 million for the Engineering Procurement and Construction Contract for the design, manufacture, installation, commissioning and construction of the project known as EPC. For the customer Flyers Creek Wind Farm Pty Ltd it has provided guarantees amounting to Euros 20 million for the construction of the Flyers Creek Wind Farm. Similarly, the Group has provided guarantees to the customer Mataquito Transmisora de Energía, S.A. in Chile for the amount of Euros 68 million (Euros 65 million in 2021) for the Special Contract for the engineering, supply, permits, easements and construction of new transmission lines and substations as partial deliveries. Furthermore, the most significant guarantees notably include those provided to the customer AB Lietuvos Gelezinkeliu for the Lithuanian project Electrification of the railway section Vilnius-Klaipėda (Draugystės st.) amounting to Euros 96 million.

In addition, in 2021, it provided the most significant guarantees to customers AB Lietuvos Gelezinkeliu for the Lithuanian project "Electrification of the railway section Vilnius-Klaipėda (Draugystės st.)" for the amount of Euros 84 million, to the customer New England Solar Farm for the amount of Euros 74 million for the development of a photovoltaic farm in Australia and to the customer NSW electricity networks operation PTY LTD for the amount of Euros 28 million for the Energy Connect transmission lines project in Australia. Additionally, and in linked to the connection points activity of the wind power business, throughout the year it has issued guarantees for the amount of Euros 58 million.

The remaining amount of the guarantees at 31 December 2022 and 2021 consists of a number of guarantees of insignificant individual amounts.

The Parent's Directors consider that any liabilities that might arise from the bank guarantees provided would not give rise to significant losses in the accompanying consolidated financial statements.

Contingencies-

On 17 January 2020, the Central Court of Instruction No. 5 issued an order decreeing the commencement of a trial concerning a former employee of the Group and concerning the company Deimos Space, S.L., the latter for alleged criminal liability as a legal person for possible crimes of corruption in international commercial transactions and money laundering, requiring that the company provide a guarantee of Euros 1,460 thousand to cover civil liability, and additional guarantees of Euros 10,240 thousand and Euros 2,625 thousand to cover possible future pecuniary sanctions and confiscations.

The Group presented the shares it owns in the Deimos Group to cover the aforementioned guarantee.

The Group is in complete disagreement with the legal decision and is exercising its rights in the proceedings, appealing the guarantee amount required and requesting its free acquittal, as is the former Group employee and the latter's legal team, and it considers that there has been no proof in the proceedings to presume with a sufficient degree of certainty, beyond all reasonable doubt, that either Deimos Space, S.L. or its former employee will be sentenced.

The trial ended on 20 January 2023. The Parent's Directors expect that the judgement could be handed down during 2023 and deem it likely that the result will be an acquittal, which, as a result, would not entail any criminal or civil liability.

On this basis, the Company's Directors do not estimate that this will have any impact on the recoverable amount of net assets contributed by the Deimos Group, which amounts approximately to Euros 15 million.

23. INCOME AND EXPENSES

Net turnover-

Details of this item in the consolidated income statement in 2022 and 2021 are as follows:

THOUSANDS OF EUROS	2022	2021
Construction contracts and services rendered	3,393,260	2,955,828
Energy sales	220,412	166,593
Total	3,613,672	3,122,421

The breakdown of the Group's turnover in 2022 and 2021, by both geographical areas and activities, is as follows:

THOUSANDS OF EUROS	2022	2021
By geographical area		
Domestic	1,491,563	1,422,918
International	2,122,109	1,699,503
Total	3,613,672	3,122,421
By line of business		
Electricity	1,352,435	1,260,553
Power generation (*)	945,146	685,292
Telecommunications and space	242,133	267,522
Construction, environment and water	285,849	298,202
Maintenance	287,998	194,514
Facilities	232,520	209,434
Oil & Gas	165,724	141,279
Railways	101,867	65,625
Total	3,613,672	3,122,421

(*) Includes energy sales both for construction and provision of services as well as energy generation by the Enerfin segment.

Revenue from Contracts with Customers-

Movement in assets and liabilities from contracts with customers in 2022 and 2021 is as follows:

THOUSANDS OF EUROS	ASSETS	LIABILITIES	THOUSANDS OF EUROS	ASSETS	LIABILITIES
31 December 2021	399,621	411,529	At 31 December 2020	338,880	430,974
Revenues recognised	3,393,260	-	Revenues recognised	2,955,828	-
Turnover	-	3,272,434	Turnover	-	2,897,479
Reclassification to income	(3,403,508)	(3,403,508)	Reclassification to income	(2,896,024)	(2,896,024)
Translation differences	4,581	(4,423)	Translation differences	937	(1,455)
31 December 2022	393,954	276,032	31 December 2021	399,621	411,529

In 2022 and 2021, there have been no relevant contractual modifications, including those in which there is a dispute about the scope and/or price.

In 2022 and 2021, there has been no relevant revenue from performance obligations satisfied in prior periods.

In view of the nature of the Elecnor Group's contracts, advances are received on dates close to the execution of the milestones that give rise to them, thus, practically all of the balance of contractual liabilities at the end of each year is recognised as revenue in the following year.

Materials consumed-

Details of this item in the consolidated income statement in 2022 and 2021 are as follows:

THOUSANDS OF EUROS	2022	2021
Purchases of raw materials and other materials consumed	1,312,213	1,087,306
Work carried out by other companies	499,897	490,478
Changes in goods for resale, raw materials and other inventories	(1,329)	4,835
Total	1,810,781	1,582,619

Other operating expenses-

Details of this item in the consolidated income statement in 2022 and 2021 are as follows:

THOUSANDS OF EUROS	2022	2021
Leases	133,232	100,926
Repairs and maintenance	47,659	29,295
Independent professional services	128,169	120,453
Transportation	27,956	14,625
Insurance premiums	22,741	12,011
Banking services	22,207	10,992
Advertising and publicity	1,166	1,210
Utilities	67,768	47,708
Taxes	44,837	31,560
Other expenses	135,569	84,492
Total	631,304	453,272

Other operating income-

Details of this item in the 2022 and 2021 consolidated other operating income accounts are as follows:

THOUSANDS OF EUROS	2022	2021
Grants (Note 3.p)	3,834	3,416
Other income	40,275	20,502
Total	44,109	23,918

Other income for 2022 includes an amount of Euros 18,603 thousand for the collection of insurance in relation to damage suffered in an incident at the Batinah gas pipeline in Oman.

Thousands of Euros-

Details of this item in the consolidated income statement in 2022 and 2021 are as follows:

THOUSANDS OF EUROS	2022	2021
Salaries and wages	748,607	659,734
Termination benefits	6,013	5,954
Social Security payable by the Company	149,884	139,197
Other employee benefits expenses	79,591	63,396
Total	984,095	868,281

At 31 December 2022, the heading "Other current liabilities" includes approximately Euros 62 million in remuneration pending payment (Euros 38 million at 31 December 2021).

Depreciation, amortisation and provisions-

Details of this item in the consolidated income statement in 2022 and 2021 are as follows:

THOUSANDS OF EUROS	2022	2021
Depreciation charge for property, plant and equipment (Note 10)	86,407	67,187
Amortisation charge for intangible assets (Note 9)	6,399	6,155
Changes in provisions for risks and charges without decommissioning (Note 18)	18,837	18,956
Depreciation charge for right-of-use assets (Note 11)	18,237	15,871
Change in impairment of receivables (Note 13.b) and 14)	(14,354)	1,891
Other (Note 18)	(26,216)	(16,974)
Total	89,310	93,086

The heading "Other" at 31 December 2022 and 2021 corresponds mainly to the application of provisions for negative margins the Group recognises against this heading, taking expenses for provisioned payments at 31 December 2022 and 2021 by their type in the accompanying consolidated income statement.

Finance income-

Finance income derives from the application of the effective interest rate method to financial assets in the category of financial assets at amortised cost.

Finance expenses-

Details of this item in the 2022 and 2021 consolidated income statements are as follows:

THOUSANDS OF EUROS	2022	2021
Financial expenses at amortised cost (Note 16)	41,936	39,698
Financial expenses of interest rate derivatives (Note 17)	1,133	1,994
Finance expenses from lease liabilities (Note 11)	4,072	4,305
Other finance expenses	8,264	4,293
Total	55,405	50,290

Finance expenses derive practically entirely from the application of the effective interest rate method to financial liabilities in the category of financial liabilities at amortised cost.

24. INTERESTS IN JOINT VENTURES

In 2022 and 2021 the balance sheets and income statements of Temporary Business Associations (known in Spain as UTEs) and certain foreign entities considered to be a similar vehicle to a UTE (various kinds of joint ventures) (see Note 3 c.) in which Elecnor Group holds interests were included in proportion to their shareholding in each joint operation, in accordance with IFRS 11.

As regards these vehicles, the Group's percentage ownership therein at 31 December 2022 and 2021, the amount of revenues from construction work performed in 2022 and 2021 and the order book at year end are included in Appendix II to these consolidated annual accounts.

The contribution of these UTEs to the various headings in the accompanying consolidated statement of financial position and in the income statement at 31 December 2022 and 2021 are as follows:

THOUSANDS OF EUROS ASSETS	2022	2021	LIABILITIES	2022	2021
Intangible assets	660	763	Profit/loss for the year	7,662	(81)
Property, plant and equipment	42,745	32,205			
Financial assets	1,341	1,334	Other non-current liabilities	11,322	14,958
Inventories	3,642	4,157	Current trade payables	144,441	126,354
Receivables	80,477	61,996			
Temporary investments	(504)	91			
Cash	35,064	40,654			
Accruals		31			
Total	163,425	141,231	Total	163,425	141,231

THOUSANDS OF EUROS INCOME STATEMENT	2022	2021
Net turnover	145,705	106,587
Materials consumed	(94,800)	(72,267)
Non-trading income	736	136
Personnel expenses	(10,572)	(10,169)
External services	(18,799)	(14,546)
Taxes	(815)	(543)
Losses, impairment and changes in trade provisions	3,873	(918)
Other operating expenses	(3)	(319)
Depreciation and amortisation charge	(11,718)	(1,976)
Impairment and profit/loss on disposal of fixed assets	(7)	(3,881)
Finance income	85	159
Finance expenses	(1,530)	(165)
Translation differences	(1,964)	(1,580)
Foreign taxes	(2,528)	(599)
Total	7,663	(81)

25. ORDER BOOK

Details, by business line, of the order backlog of Elecnor Servicios y Proyectos, S.A.U. at 31 December 2022 and 2021, excluding Temporary Business Associations (Note 24), are as follows:

THOUSANDS OF EUROS	2022	2021
By geographical area		
Domestic	589,546	521,461
International	864,997	944,061
Total	1,454,543	1,465,522
By line of business		
Electricity	719,213	797,207
Power generation	23,923	47,422
Telecommunications and space	265,470	189,809
Construction, environment and water	101,304	120,512
Maintenance	4,704	26,916
Facilities	52,762	28,921
Oil & Gas	103,907	108,979
Railways	183,260	145,756
Total	1,454,543	1,465,522

At 31 December 2022 the order backlog of the rest of the subsidiaries amounts to Euros 953,860 thousand (Euros 1,041,446 thousand in 2021) and mainly comprises work for companies in the electricity sector.

26. AVERAGE SUPPLIER PAYMENT PERIOD. FINAL PROVISION TWO OF LAW 31/2014 OF 3 DECEMBER 2014

Information on deferred payments to suppliers by consolidated Spanish companies is as follows:

	DAYS	
	2022	2021
Average supplier payment period	59	55
Transactions paid ratio	64	62
Transactions payable ratio	40	33
EXPRESSED IN THOUSANDS OF EUROS		
Total payments made	1,248,539	1,274,417
Total payments outstanding	333,507	397,289

Information on invoices paid in a term shorter than the maximum period set out in the late payment regulations is as follows:

	2022
Monetary volume paid in Euros (thousands of Euros)	540,093
Percentage of total monetary payments to suppliers	43%
Number of invoices paid	152,408
Percentage of total number of invoices paid to suppliers	32%

The payments to suppliers reflected in the above table are trade payables as they relate to goods and services. They therefore include "Trade and other payables - trade payables for purchases or services".

27. INFORMATION ON EMPLOYEES

The average headcount, by professional category (not including joint ventures), in 2022 and 2021 was as follows:

CATEGORY	AVERAGE HEADCOUNT	
	2022	2021
Management	161	162
Executive	1,396	1,340
Technician	4,861	4,335
Basic	16,542	14,797
Total	22,960	20,634

Of the Group's average workforce in 2022, a total of 6,252 employees had temporary employment contracts (7,929 employees in 2021).

Moreover, the breakdown by gender at the end of 2022 and 2021, specified by professional category, of staff and Directors, not including joint ventures, is as follows:

CATEGORY	31/12/2022		31/12/2021	
	MALE	FEMALE	MALE	FEMALE
Directors	11	3	13	2
Management	143	18	141	20
Executive	1,184	225	1,110	233
Technician	3,220	1,782	2,959	1,647
Basic	14,900	876	14,620	701
Total	19,458	2,904	18,843	2,603

The average number of employees with a disability equal to or greater than 33%, by category, is as follows:

CATEGORY	2022	2021
Management	1	1
Executive	6	5
Technician	15	14
Basic	68	64
Total	90	84

28. RELATED PARTY BALANCES AND TRANSACTIONS

28.1. Related party balances and transactions of the Group

Related party transactions have been carried out at arm's length. Transactions carried out by the Group with investees that are not fully or proportionately consolidated and with other non-consolidated companies during 2022 and 2021 are as follows:

THOUSANDS OF EUROS	2022		2021	
	SALES AND OTHER OPERATING INCOME	FINANCE INCOME	SALES AND OTHER OPERATING INCOME	FINANCE INCOME
Equity-accounted investees:				
Gasoducto de Morelos, S.A.	-	475	94	723
Grupo Celeo Concesiones e Inversiones	78,037	-	166,042	4,111
Total	78,037	475	166,136	4,843

At 31 December 2022 and 2021, balances receivable from and payable to investees that are not fully or proportionately consolidated and other non-consolidated companies, deriving from the above transactions, are as follows:

THOUSANDS OF EUROS	2022			2021		
	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	TRADE PAYABLES TO ASSOCIATES AND RELATED COMPANIES	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	TRADE PAYABLES TO ASSOCIATES AND RELATED COMPANIES
	OTHER FINANCIAL INVESTMENTS (NOTE 14)	RECEIVABLES, RELATED COMPANIES		OTHER FINANCIAL INVESTMENTS (NOTE 14)	RECEIVABLES, RELATED COMPANIES	
Accounted for using the equity method:						
Dioxipe Solar, S.L.	-	2,328	-	-	2,274	-
Aries Solar Termoeléctrica, S.L.	-	2,553	-	-	2,058	-
Diego de Almagro Transmisora de Energía, S.A	-	46	-	-	358	-
Gasoducto Morelos S.A.P.I. de CV	4,437	174	-	-	-	-
Casablanca Transmisora de Energía, S.A.	-	4,489	-	-	1,677	-
Mataquito Transmisora de Energía, S.A.	-	8,147	-	-	1,958	-
Parintins Amazonas Transmissora de Energía, S.A.	-	-	-	-	-	-
Nirivilo Transmisora de Energía, S.A.	-	1,347	-	-	-	-
São João do Piauí	-	-	-	-	13,712	-
Other	-	257	7	-	360	5
	4,437	19,341	7	-	22,397	5

Moreover, at 31 December 2022 and 2021 the Parent had an account payable to the Directors amounting to Euros 2,410 thousand and Euros 2,434 thousand, respectively, recorded under "Other current liabilities" in the consolidated statement of financial position.

28.2. Remuneration of the Board of Directors

a) Remuneration and other benefits-

In 2022 the members of the Parent's Board of Directors received remuneration amounting to Euros 4,809.8 thousand (Euros 4,789.6 thousand in 2021). This remuneration includes that earned in their capacity as management personnel.

The Parent has paid approximately Euros 4.5 thousand for life insurance arranged for former or current members of its Board of Directors in 2022 (Euros 4.3 thousand in 2021).

At 31 December 2022 and 2021, the Parent does not have any pension obligations with former or current members of the Board of Directors nor has it extended any guarantees on their behalf or granted any advances or loans thereto.

At 31 December 2022, the Board of Directors of the Parent is formed by 14 individuals three of whom are female (15 members in 2021, two of whom are female).

At 31 December 2022 and 2021, the amount paid by the Parent with regard to public liability insurance for all or some of the directors in relation to damage caused due to acts or omissions in discharging their duties was not significant.

b) Conflicts of interest concerning the Directors-

The members of the Board of Directors of Elecnor, S.A. and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

c) Transactions other than ordinary business or under terms differing from market conditions carried out by the Directors-

In 2022 and 2021 the Directors of the Parent have not carried out any transactions other than ordinary business or applying terms that differ from market conditions with the Company or any other Group company.

28.3. Remuneration to the Management Team

In 2022, the Elecnor Group's Management Team received remuneration amounting to Euros 4,609 thousand (Euros 4,474 thousand in 2021).

The stated total remuneration includes fixed remuneration and annual variable remuneration.

At 31 December 2022 and 2021, the Parent company does not have any material pension obligations with management nor has it extended any guarantees on their behalf or granted any advances or loans thereto.

29. AUDIT FEES

The auditor (KPMG Auditores, S.L.) of the Group's annual accounts invoiced the following net fees for professional services at 31 December 2022 and 2021:

THOUSANDS OF EUROS DESCRIPTION	2022	2021
For audit services	262	274
For other accounting verification services	114	100
For other services	12	7
Total	388	381

The above amount includes all fees relating to services provided in 2022 and 2021, regardless of when they were invoiced.

Other accounting verification services relate to the limited review of interim financial statements, agreed procedures on ICSFR and agreed procedures on subsidy supporting account, provided by KPMG Auditores, S.L. to Elecnor, S.A. and its controlled companies in the year ended 31 December 2022 (limited review of interim financial statements and agreed procedures on ICSFR in 2021).

Other services relate to agreed-upon procedures reports on compliance with covenants, other agreed-upon procedures reports and the translation of annual accounts provided by KPMG Auditores, S.L. to Elecnor, S.A. and its subsidiaries in the year ended 31 December 2022 (agreed-upon procedures reports on compliance with covenants and other agreed-upon procedures reports in 2021).

Moreover, other affiliates of KPMG International invoiced the Group in the years ended on 31 December 2022 and 2021 for net fees relating to professional services, as follows:

THOUSANDS OF EUROS DESCRIPTION	2022	2021
For audit services	230	182
For other verification services	40	29
Tax advisory services	-	9
For other services	103	50
Total	373	270

Other auditors also invoiced the Group in the years ended on 31 December 2022 and 2021 for net fees relating to professional services, as follows:

THOUSANDS OF EUROS DESCRIPTION	2022	2021
Audit services	815	635
Tax advisory services	392	1,261
Other services	93	772
Total	1,300	2,668

30. EARNINGS PER SHARE

Details of basic earnings per share in 2022 and 2021 are as follows:

	2022	2021
Attributable net profit (thousands of Euros)	102,813	85,883
Total number of shares outstanding	87,000,000	87,000,000
Less – own shares (Note 15.d)	(2,322,384)	(2,320,749)
Weighted average number of shares outstanding	84,677,616	84,679,251
Basic earnings per share (Euros)	1.21	1.01

At 31 December 2022 and 2021 Elecnor, S.A., the Parent of the Elecnor Group, has not issued any financial instruments or other contracts entitling the holder to receive ordinary shares from the Company, and therefore diluted earnings per share coincide with basic earnings per share.

31. ENVIRONMENTAL INFORMATION

The commitment of the Elecnor Group to environmental sustainability is inherent to the undertaking of its activities and its business strategy. On the one hand, the Elecnor Group contributes to building a sustainable, low-carbon future through its renewable energy generation, energy efficiency, water and environmental activities; on the other hand, reducing its carbon footprint and undertaking appropriate environmental management.

In 2022, multisite certification audits were conducted according to ISO standards 9001:2015 and 14001:2015. This represents a single certificate for all Elecnor Group organisations that contains all the scopes of the various activities and all the work centres, extending the scope of this certification to the operation and maintenance activities of solar thermal energy and photovoltaic plants.

Climate change is a challenge in respect of which Elecnor has worked hard since 2013, by calculating its carbon footprint in accordance with internationally accepted standards and by implementing measures to reduce GHG emissions within its scope of action. In February 2022, for the eighth consecutive year AENOR verified greenhouse gas emissions in accordance with the ISO 14064-1:2018 standard, linked to the direct and indirect emissions relating to all its activities. Similarly, Elecnor obtained the “Calculo y Reduzco” seal granted by Spain's Ministry for Ecological Transition's Office for Climate Change (OECC) as part of the National Register for Carbon Footprint, Offsetting and Absorption of CO2 and Demographic Challenge.

Elecnor has taken part for the fifth consecutive year in the Carbon Disclosure Project (CDP), presenting its voluntary report on climate change, strengthening its commitment to sustainability. In 2022, Elecnor upheld the score of A- achieved in 2021, a score that positions the Group yet again at the highest level in terms of sustainability, adaptation and mitigation of the impact of climate change.

Elecnor has also taken another step forward in its commitment to decarbonisation by joining the Science Based Targets (SBT) initiative, establishing corporate emission reduction targets according to science. These targets have been approved in 2022 by the Science Based Targets (SBTi) initiative.

The Elecnor Climate Change Strategy (2020-2035) has been updated in order to address these ambitious targets validated by SBTi, and is structured into four global areas of action: Governance, Strategy, Risk Management, Metrics and Targets, included in three cross-cutting lines: People, Assets and Knowledge, seeking to align with best disclosure practices in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

This Climate Strategy will contribute to ensuring lower costs and, at the same time, more effective responses to climate change. Similarly, it is set to be the basis for a profitable and growing business, making the Elecnor Group a strong, competitive and sustainable company. The Group's resilience to climate change will be defined by its ability to address the risks and take advantage of the opportunities arising from this phenomenon.

32. OTHER DISCLOSURES

This note sets out the main projects of the concession business (of the Enerfin group, which is fully consolidated, and of the Celeo group, which is accounted for using the equity method) with their EBITDA (Gross Operating Profit) and the debt backed by these projects (in thousands of euros):

GRUPO CELEO	CONCESIONES E INVERSIONES	2022						
		EBITDA	GROSS DEBT	CASH	NET DEBT	Km	Mw	% SHAREHOLDING
BRAZIL								
Celeo Redes Transmissão de Energia, S.A.		24,657	60,357	1,491	58,866	--	--	51%
Lt Triângulo, S.A.		20,934	0	4,050	(4,050)	695	--	51%
Vila Do Conde Transmissora De Energia, S.A.		9,009	--	6,257	(6,257)	324	--	51%
Pedras Transmissora de Energia, S.A.		2,668	1,234	3,312	(2,078)	--	--	51%
Coqueiros Transmissora De Energia, S.A.		1,069	504	467	37	65	--	51%
Encruzo Novo Transmissora De Energia, S.A.		2,301	3,013	601	2,412	220	--	51%
Linha De Transmissão Corumbá, S.A.		5,062	5,898	1,215	4,683	279	--	51%
Integração Maranhense Tranmissora de Energia, S.A.		6,026	9,433	5,963	3,470	365	--	26%
Caiuá Transmissora De Energia, S.A.		4,108	6,381	3,971	2,410	142	--	26%
Cantareira Transmissora de Energia, S.A.		21,838	85,645	20,066	65,579	342	--	26%
Serra De Ibiapa Transmissora de Energia, S.A. – SITE		16,894	154,685	18,522	136,163	366	--	51%
Brilhante Transmissora de Energia, S.A.		9,335	29,181	5,245	23,936	581	--	51%
Jaurú Transmissora de Energia, S.A.		11,697	23,565	5,965	17,600	940	--	34.0%
Cachoeira Paulista Transmissora de Energia, S.A.		11,939	43,932	19,605	24,327	181	--	25.5%
Parintins Amazonas Transmissora de Energia, S.A.		(28)	184,483	33,599	150,885	240	--	25.5%
Celeo São João Do Piaui FV I, S.A. (6)		8,614	69,685	4,437	65,248	--	180	51%
CHILE								
Celeo Redes Operación Chile, S.A.		42,767	505,434	27,312	478,122	--	--	51%
Alto Jahuel Transmisora de Energía, S.A.		21,581	(1,212)	7,374	(8,586)	256	--	51%
Charrúa Transmisora de Energía, S.A.		16,892	--	7,003	(7,003)	198	--	51%
CRC Transmisión, SPA		14,562	181,421	4,616	176,805	--	--	25.50%
Casablanca Transmisora de Energía, S.A.		771	1,491	3,231	(1,740)	110	--	25.50%
Mataquito Transmisora de Energía, S.A.		849	1,969	1,099	869	387	--	25.50%
Diego de Almagro Transmisora de Energía, S.A.		4,521	--	637	(637)	52	--	25.50%
Alfa Transmisora de Energía, S.A.		64,097	979,196	54,447	924,749	899	--	10.20%
Transquillota Electrica de Quillota Limitada		2,234	--	2,529	--	8	--	10.20%
PERU								
Puerto Maldonado Transmisora de Energía, S.A.C.		(186)	4,086	70	4,016	162	--	51%
SPAIN								
Celeo Fotovoltaico, S.L.U.		5,725	30,942	4,906	26,036	--	15	51%
Dioxipe Solar, S.L.		16,864	157,062	12,888	144,174	--	50	49.76%
Aries Solar Termoelectrica, S.L.		30,791	325,533	18,731	306,802	--	100	51%
Celeo Redes, S.L.		(81)	4,284	195	4,089	--	--	51%
OTHER								
		29,711	-	34,564		-	-	-
		430,750	2,868,201	334,884	2,590,927	6,812	345	

GRUPO CELEO	CONCESIONES E INVERSIONES	2021						
		EBITDA	GROSS DEBT	CASH	NET DEBT	Km	Mw	% SHAREHOLDING
BRAZIL								
Celeo Redes Transmissão de Energia, S.A.		6,081	61,349	6,179	55,171	--	--	51%
Lt Triângulo, S.A.		15,167	--	7,875	--	695	--	51%
Vila Do Conde Transmissora De Energia, S.A.		8,456	--	8,891	--	324	--	51%
Pedras Transmissora de Energia, S.A.		2,160	2,260	2,849	(589)	--	--	51%
Coqueiros Transmissora De Energia, S.A.		914	729	217	512	65	--	51%
Encruzo Novo Transmissora De Energia, S.A.		1,991	3,313	1,025	2,288	220	--	51%
Linha De Transmissão Corumbá, S.A.		3,272	6,662	2,207	4,455	279	--	51%
Integração Maranhense Tranmissora de Energia, S.A.		4,954	10,431	2,615	7,816	365	--	26%
Caiuá Transmissora De Energia, S.A.		3,068	6,813	969	5,844	142	--	26%
Cantareira Transmissora de Energia, S.A.		17,033	80,597	8,297	72,300	342	--	26%
Serra De Ibiapa Transmissora de Energia, S.A. – SITE		10,533	127,062	11,596	115,466	366	--	51%
Celeo São João Do Piaui FV I, S.A. (6)		12,219	57,766	23,288	34,478	--	180	51%
Brilhante Transmissora de Energia, S.A.		5,902	27,163	4,902	22,262	581	--	51.0%
Brilhante II Transmissora De Energia, S.A.		687	--	--	--	--	--	51.0%
Jaurú Transmissora de Energia, S.A.		8,497	24,163	4,133	20,031	940	--	34.0%
Cachoeira Paulista Transmissora de Energia, S.A.		7,883	40,232	16,788	23,445	181	--	25.5%
Parintins Amazonas Transmissora de Energia, S.A.		(95)	87,714	36,282	51,433	240	--	25.5%
CHILE								
Celeo Redes Operación Chile, S.A.		22,706	468,886	17,774	451,111	--	--	51%
Alto Jahuel Transmisora de Energía, S.A.		22,895	--	10,542	--	256	--	51%
Charrúa Transmisora de Energía, S.A.		14,763	--	5,175	--	198	--	51%
CRC Transmisión, SPA		9,122	151,868	21,284	130,584	--	--	25.50%
Casablanca Transmisora de Energía, S.A.		(270)	4,076	7,833	(3,757)	110	--	25.50%
Mataquito Transmisora de Energía, S.A.		(288)	5,209	9,796	(4,587)	387	--	25.50%
Diego de Almagro Transmisora de Energía, S.A.		4,268	--	944	--	52	--	25.50%
Alfa Transmisora de Energía, S.A.		29,964	973,281	72,557	900,723	899	--	10.20%
PERU								
Puerto Maldonado Transmisora de Energía, S.A.C.		(44)	860	1,995	(1,134)	162	--	51%
SPAIN								
Celeo Fotovoltaico, S.L.U.		4,734	32,400	2,203	30,197	--	15	51%
Dioxipe Solar, S.L.		16,162	196,123	6,015	190,109	--	50	49.76%
Aries Solar Termoelectrica, S.L.		36,583	373,603	18,473	355,130	--	100	51%
Celeo Redes, S.L.		(102)	4,273	23	4,250	--	--	51%
OTHER								
		30,667	-	-		-	-	-
		299,984	2,746,833	312,726	2,467,537	6,804	345	

ENERFIN SUBGROUP	2022					
	EBITDA (*)	GROSS DEBT	CASH	NET DEBT	Mw	% SHAREHOLDING
National Projects:						
Eólica Montes del Cierzo, S.L.	15,529	-	1,607	1,607	60	100%
Eólica Páramo de Poza, S.A.	14,825	-	1,067	1,067	100	70%
Parque Eólico Malpica, S.A.	9,370	-	469	469	17	100%
Aerogeneradores del Sur, S.A.	20,911	(3,671)	2,694	(977)	54	96%
Galicia Vento, S.L.	44,160	(8,565)	7,482	(1,083)	128	91%
Parque Eólico Cofrentes, S.L.U.	8,853	(57,950)	6,471	(51,209)	50	100%
Renovables del Cierzo, S.L.U.	-20	(52.00)	2,395	(49,605)	139	100%
Cobertura de precio energía contrata por Enerfin Sociedad de Energía, S.L.	(46,235)	(21,579)	1,544	(20,035)	-	-
Brazil projects:						
Ventos do Sul, S.A.	31,155	(30,513)	9,313	(21,200)	150	80%
Parques Eólicos Palmarés, S.A.	6,465	(11,038)	3,676	(7,362)	58	80%
Ventos da Lagoa, S.A.	5,484	(11,787)	2,218	(9,569)	58	80%
Ventos Do Litoral Energia, S.A.	4,692	(11,757)	3,829	(7,959)	58	80%
Ventos dos Índios Energía, S.A.	2,854	(15,205)	3,026	(12,179)	53	80%
Ventos do São Fernando I Energía, S.A.	3,072	(46,014)	3,140	(42,874)	76	100%
Ventos de São Fernando II Energía, S.A.	6,379	(39,524)	4,062	(35,462)	73	100%
Ventos de São Fernando III Energía, S.A.	1,878	(15,031)	4,513	(10,518)	24	100%
Ventos do São Fernando IV Energía, S.A.	2,878	(45,692)	5,435	(40,257)	83	100%
Canada Projects:						
Éoliennes de L'Érable, SEC.	25,630	(124,775)	6,645	(118,130)	100	51%
Structure	(161)	-	2,579	2,579	-	-
Developments and other investees	(3,230)	-	7,749	7,749	271	-
	154,490	(495,101)	80,184	(414,917)	1,552	

(*) EBITDA as defined in Note 16.

ENERFIN SUBGROUP	2021					
	EBITDA (*)	GROSS DEBT	CASH	NET DEBT	Mw	% SHAREHOLDING
National Projects:						
Eólica Montes del Cierzo, S.L.	9,026	-	718	718	60.20	100%
Eólica Páramo de Poza, S.A.	9,369	-	1,975	1,975	99.75	70%
Aerogeneradores del Sur, S.A.	10,847	(7,386)	7,471	85	54.40	100%
Galicia Vento, S.L.	27,663	(17,235)	15,830	(1,405)	128.00	91%
Parque Eólico Malpica, S.A.	5,454	(6,939)	4,584	(2,355)	16.58	96%
Parque Eólico Cofrentes, S.L.U.	6,782	(52,093)	5,033	(47,060)	50.00	100%
Cobertura de precio energía contrata por Enerfin Sociedad de Energía, S.L.	(37,558)	(65,987)	-	(65,987)	-	-
Brazil projects:						
Ventos do Sul, S.A.	24,483	(34,607)	7,310	(27,293)	150.00	80%
Parques Eólicos Palmarés, S.A.	5,509	(11,403)	2,912	(8,491)	57.50	80%
Ventos da Lagoa, S.A.	4,836	(12,117)	4,245	(7,872)	57.50	80%
Ventos Do Litoral Energia, S.A.	4,441	(12,019)	4,123	(7,896)	57.50	80%
Ventos dos Índios Energía, S.A.	2,448	(15,021)	2,622	(12,399)	52.90	80%
Ventos do São Fernando I Energía, S.A.	5,630	(42,326)	1,809	(40,517)	76.20	100%
Ventos de São Fernando II Energía, S.A.	6,111	(37,421)	4,012	(33,409)	72.70	100%
Ventos de São Fernando III Energía, S.A.	2,381	(12,580)	2,641	(9,939)	24.20	100%
Ventos do São Fernando IV Energía, S.A.	5,459	(40,624)	4,928	(35,696)	83.20	100%
Canada Projects:						
Éoliennes de L'Érable, SEC.	21,441	(133,662)	5,588	(128,074)	100	51%
Structure	2,894	-	14,230	14,230	-	-
Developments and other investees	(913)	-	4,264	4,264	213	-
	116,303	(501,420)	94,299	(407,121)	1,354	

(*) EBITDA as defined in Note 16.

33. EVENTS AFTER THE REPORTING PERIOD

At the date of authorisation for issue of these consolidated financial statements, no significant events have occurred after the close of year-end 2022 that could alter or have any effect on the consolidated financial statements for the year ended 31 December 2022.



APPENDIX I: COMPANY INFORMATION

2022	PARENT	COMPANY	REGISTERED OFFICE	AUDITOR	ACTIVITY	% PERCENTAGE DIRECT OR INDIRECT
Fully consolidated method	ELEC NOR, S.A.	Elecdal, URL	ALGERIA	***	Construction and assembly	100.00%
		Elecnor Cameroun Société Anonyme	CAMEROON	Mazars	Construction and assembly	100.00%
		Elecnor Servicios y Proyectos, S.A.U.	SPAIN	KPMG	A broad range of business activities	100.00%
		Enerfin Sociedad de Energía, S.L.U.	SPAIN	Deloitte, S.L.	Management and administration of companies	100.00%
	ELEC NOR SERVICIOS Y PROYECTOS, S.A.U.	Aplicaciones Técnicas de la Energía, S.L.U. (ATERSA)	SPAIN	Deloitte,S.L.	Solar energy	100.00%
		Area 3 Equipamiento y Diseño Interiorismo, S.L.U.	SPAIN	***	Interior design	100.00%
		Audeca, S.L.U.	SPAIN	KPMG	Environmental restoration and reforestation and operation of roads	100.00%
		Deimos Space, S.L.U.	SPAIN	KPMG	Analysis, engineering and development of space missions and software	100.00%
		Ehisa Construcciones y Obras, S.A.U.	SPAIN	Jose Francisco Villamonte Fernando	Construction and assembly	100.00%
		Elecdor ,S.A.	ECUADOR	Seel & Company, S.A	Construction and assembly	100.00%
		Elecen, S.A.	HONDURAS	***	Construction and assembly	100.00%
		Elecnor Argentina , S.A.	ARGENTINA	SMS	Construction and assembly	100.00%
		Elecnor Australia PTY LTD	AUSTRALIA	ESV	Management and administration of companies	100.00%
		Elecnor Chile, S.A.	CHILE	KPMG	Construction and assembly	100.00%
		Elecnor Côte D'Ivoire,S.A.	IVORY COAST	BDO	Construction and assembly	100.00%
		Elecnor de Mexico, S.A.	MEXICO	KPMG	Construction and assembly	100.00%
		Elecnor Do Brasil , L.T.D.A.	BRAZIL	KPMG	Construction and assembly	100.00%
		Elecnor Energie and Bau, GmbH	GERMANY	***	A broad range of business activities in the areas of engineering, development, construction, assembly, repairs and maintenance of all types of works, installation work of any kind, particularly in energy	100.00%
		Elecnor Infrastruttre e Aerospaziale, S.R.L.	ITALY	***	Construction and assembly	100.00%
		Elecnor Infrastrutture, LLC	OMAN	BDO	Construction and maintenance	100.00%
		Elecnor Peru, S.A.C	PERU	***	Construction and assembly	100.00%
		Elecnor Philippines Corporation (****)	PHILIPPINES	***	A broad range of business activities	100.00%
		Elecnor Seguridad, S.L.U.	SPAIN	KPMG	Installation and maintenance of fire prevention and safety systems	100.00%
		Elecnor Senegal, SASU	SENEGAL	AC Corporate	Construction and assembly	100.00%
		Elecnor, INC	USA	RP&B	Facilities	100.00%
		Elecred Servicios, S.A.U.	SPAIN	***	Rendering of all manner of services, and development, administration and management of companies	100.00%
		Electrolineas de Ecuador , S.A.	ECUADOR	Seel & Company, S.A	Construction and assembly	100.00%

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		Elecven Construcciones, S.A.	VENEZUELA	Deloitte,S.L.	Construction and assembly	99.88%
		ELEDEPA,S.A.	PANAMA	Ernst & Young	A broad range of business activities	100.00%
		Enertel, S.A. de C.V.	MEXICO	KPMG	Construction and assembly	99.99%
		Hidroambiente, S.A.U.	SPAIN	KPMG	Environmental activities	100.00%
		IDDE,S.A.U.	SPAIN	***	Sales	100.00%
		IQA Operatios Group LTD	SCOTLAND	KPMG	Electrical installations	100.00%
		Jomar Seguridad, S.L.U.	SPAIN	KPMG	Sale, installation and maintenance of fire prevention and safety systems	100.00%
		Los Llanos Fotovoltaica de Castilla la Mancha, S.L.U.	SPAIN	***	Development, construction and generation of electricity	100.00%
		Montajes Electricos Arranz,S.L.	SPAIN	***	Electrical installations and other	100.00%
		Montelecnor, S.A.	URUGUAY	Ernst & Young	Construction and assembly	100.00%
		Omninstal Electricidade, S.A.	PORTUGAL	AUREN	Construction and assembly	100.00%
		Parque Eólico Montañes,SLU	SPAIN	***	Construction and operation of wind farm	100.00%
		TDS, S.A.	ARGENTINA	***	No activity/In the process of winding up	100.00%
	ATERSA	Atersa Senegal, SASU (*)****)	SENEGAL	***	Solar energy generation	100.00%
	DEIMOS SPACE, S.L.U.					
		Deimos Atlantic Launchers,S.A. (*)	ITALY	***	Space transport, launch of satellites and space vehicles	100.00%
		Deimos Engenharia, S.A.	PORTUGAL	ESAC- Espirito Santo & Associados, SROC, Ltda	Services in the areas of telecommunications and aeronautic and space energy	100.00%
		Deimos Engineering and Systems, S.L.U. (*)	SPAIN	KPMG	Software development, engineering and technical assistance in the field of remote sensing	100.00%
		Deimos Space UK, Limited (*)	ENGLAND	James Cowper Kreston	Analysis, engineering and development of space missions and software	100.00%
		S.C. Deimos Space,S.R.L. (*)	ROMANIA	***	Analysis, engineering and development of space missions and software	100.00%
	ELECNOR AUSTRALIA					
		Green Light Contractors PTY, LTD(*)	AUSTRALIA	ESV	Construction and assembly	100.00%
	ELECNOR INC					
		Belco Elecnor Electric, INC (*)	USA	RP&B	Electrical installations	100.00%
		Elecnor Energy Services LLC (*)****)	USA	***	Facilities	100.00%
		Elecnor Hawkeye, LLC (*)	USA	RP&B	Electrical installations	100.00%
	ENERFIN DO BRASIL SOCIEDAD DE ENERGÍA LTDA					
		Solar Serrita Energia SA (*)****)	BRAZIL	Deloitte,S.L.	Renewable energy generation	100.00%
	ENERFIN ENERGY COMPANY OF CANADA, INC					
		Investissements Eoliennes de L'Érable, INC. (*)	CANADA	***	Administration and advisory services	100.00%
		Investissements Eoliennes de L'Érable, SEC. (*)	CANADA	***	Administration and advisory services	100.00%

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		Lambton Enerwind General Partner Inc (Gp) (*)	CANADA	***	Administration and advisory services	100.00%
		Lambton Enerwind Limited Partnership (Sec) (*)	CANADA	***	Wind farm development	100.00%
	ENERFIN ENERVENTO EXTERIOR, S.L.U.					
		Éoliennes des Prairies Commandité Inc (GP) (*)	CANADA	***	Management and administration of companies	100.00%
		Guajira Eolica I,S.A.S. (*)	COLOMBIA	***	Wind farm development	100.00%
		Moose Mountain Wind Projet GP (*)	CANADA	***	Management and administration of companies	100.00%
		Moose Mountain Wind Projet LP (*)	CANADA	***	Wind farm development	100.00%
		Rio Grande Energías Renovaveis LTDA (*)	BRAZIL	Deloitte,S.L.	Development, construction and generation of electricity	100.00%
		Rio Sul 2 Energia,Ltda (*)	BRAZIL	***	Management and administration of companies	100.00%
		SEC Eoliennes des Prairies (LP) (*)	CANADA	***	Wind farm development	100.00%
		Ventos de Sao Fernando V Energía, S.A. (*)	BRAZIL	***	Operation of power plants	100.00%
		Ventos de Sao Fernando VI Energía, S.A. (*)	BRAZIL	***	Operation of power plants	100.00%
		Vientos De Panaba, S.A. de CV (*)	MEXICO	***	Wind farm development	100.00%
	ENERFIN ENERVENTO, S.L.U.					
		Aerogeneradores del Sur , S.A.(*)	SPAIN	Deloitte,S.L.	Construction, operation and use of wind farm resources	100.00%
		Eólica Montes de Cierzo , S.L.(*)	SPAIN	Deloitte,S.L.	Operation of power plants	100.00%
		Eólica Páramo de Poza , S.A. (*)	SPAIN	Deloitte,S.L.	Operation of power plants	70.00%
		Galicia Vento, S.L. (*)	SPAIN	Deloitte,S.L.	Operation of power plants	90.60%
		Parque Eólico Cofrentes,S.L.U.(*)	SPAIN	Deloitte,S.L.	Operation of power plants	100.00%
		Parque Eólico Malpica,S.A. (*)	SPAIN	Deloitte,S.L.	Operation of power plants	95.55%
	ENERFIN RENEWABLES, INC					
		Dry Branch Solar LLC (*)****)	USA	***	Renewable energy generation	100.00%
		Enerfin Renewables, Llc (*)****)	USA	***	Renewable energy generation	100.00%
		Mantle Rock Star, LLC (*)****)	USA	***	Renewable energy generation	100.00%
		Walnut Creek Solar LLC (*)****)	USA	***	Renewable energy generation	100.00%
		West Fork RiverSolar LLC (*)****)	USA	***	Renewable energy generation	100.00%
	ENERFIN SOCIEDAD DE ENERGÍA, S.L.U.					
		Bookar Wind Farm PTY LTD (*)	AUSTRALIA	***	Renewable energy generation	100.00%
		Córdoba Solar 2,S.A.S. (*)****)	COLOMBIA	***	Development, construction, generation, sale and marketing of electricity and any other lawful activity	100.00%

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2022	PARENT	COMPANY	REGISTERED OFFICE	AUDITOR	ACTIVITY	% PERCENTAGE DIRECT OR INDIRECT
		El Roble Solar,S.A.S. (*)****)	COLOMBIA	***	El Roble 19.5 Mw solar photovoltaic generation project	100.00%
		Enerfera, S.R.L. (*)	ITALY	***	Construction, operation and use of wind farm resources	100.00%
		Enerfin do Brasil Sociedad de Energía LTDA (*)	BRAZIL	***	Development and management of wind farm activities	100.00%
		Enerfin Energy Company of Canada, INC (*)	CANADA	***	Management and administration of companies	100.00%
		Enerfin Energy Services,Pty Ltda (*)	AUSTRALIA	ESV	Management and administration of companies	100.00%
		Enerfin Enervento Exterior,S.L.U. (*)	SPAIN	Deloitte, S.L.	Management and administration of companies	100.00%
		Enerfin Enervento,S.L.U. (*)	SPAIN	***	Administration and advisory	100.00%
		Enerfin Québec Services,INC (*)	CANADA	***	Management and administration of companies	100.00%
		Enerfin Renewables, Inc (*)****)	USA	***	Renewable energy generation	100.00%
		Enerfin Renovables II, S.L.U. (*)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables IV,S.L. (*)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables IX, S.L.U. (*)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables VI, S.L.U. (*)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables VIII, S.L.U. (*)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables X, SLU (*)****)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables XI, SLU (*)****)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables, S.L.U. (*)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Servicios,S.A.S (*)	COLOMBIA	***	Management and administration of companies	100.00%
		Enermex Gestión,S.A. de C.V. (*)	MEXICO	***	Management and administration of companies	100.00%
		Eólica Alta Guajira,S.A.S. (*)	COLOMBIA	***	Development, construction and generation of electricity	100.00%
		Eolica La Vela (*)	COLOMBIA	***	Wind farm development	100.00%
		Eolica Los Lagos (*)	CHILE	***	Wind farm development	100.00%
		Eolica Musichi (*)	COLOMBIA	***	Wind farm development	100.00%
		Girasol 1 SAS (*)	COLOMBIA	***	Renewable energy generation	100.00%
		Guajira Eolica II,S.A.S. (*)	COLOMBIA	***	Wind farm development	100.00%
		Harbour Atlantis Green Energy 16 (*)	SPAIN	***	Generation, supply, marketing and sale of any type of energy from renewable sources	51.00%
		Harbour Atlantis Green Energy 17 (*)	SPAIN	***	Generation, supply, marketing and sale of any type of energy from renewable sources	51.00%
		Harbour Atlantis Green Energy 8 (*)	SPAIN	***	Generation, supply, marketing and sale of any type of energy from renewable sources	51.00%
		La Cayena Solar,S.A.S. (*)****)	COLOMBIA	***	Development, construction, generation, sale and marketing of electricity and any other lawful activity	100.00%
		Luzy Energía Renovable, S.L.U. (*)****)	SPAIN	***	Generation of wind and photovoltaic energy, and from any other renewable energy sources	100.00%
		Parque Eólico Cernégula, S.L.U. (*)	SPAIN	***	Wind farm development	100.00%
		Parque Eólico Vollandín, S.L.U. (*)	SPAIN	***	Renewable energy generation	100.00%
		Planta Solar Sahagun SAS (*)****)	COLOMBIA	***	Development, construction, generation, sale and marketing of electricity and any other lawful activity	100.00%
		Promoción Renovables del Bajío, S.A. de CV (*)****)	MEXICO	***	Construction and assembly	100.00%
		Renovables del Cierzo, S.L.U. (*)	SPAIN	Deloitte, S.L.	Renewable energy generation	100.00%

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		Solar 3 Rayas,SLU (antes Enerfin Renovables VII, S.L.U. (*)	SPAIN	***	Renewable energy generation	100.00%
		Solar Sao Fernando I Energía, S.A. (*)	BRAZIL	***	Renewable energy generation	100.00%
		Ventos do Sao Fernando IX Energía, S.A. (*)	BRAZIL	***	Operation of power plants	100.00%
		Ventos do Sao Fernando VII Energía, S.A. (*)	BRAZIL	***	Operation of power plants	100.00%
		Ventos do Sao Fernando VIII Energía, S.A. (*)	BRAZIL	***	Operation of power plants	100.00%
		Ventos do Sao Fernando X Energía, S.A. (*)	BRAZIL	***	Operation of power plants	100.00%
		Vientos de Sucilá,S.A. de CV (*)	MEXICO	***	Wind farm development	100.00%
		Vientos De Yucatan S.A. De Cv (*)	MEXICO	***	Wind farm development	100.00%
		EOLIENNES DE L'ÉRABLE COMMANDITAIRE				
		Eoliennes de L'Érable, SEC.(*)	CANADA	Deloitte, S.L.	Operation of power plants	51.00%
		Eoliennes De L'Erbale Commandite Inc (*)	CANADA	***	Administration and advisory services	100.00%
		GREEN LIGHT CONTRACTORS PTY, LTD				
		Timco Transmission Lines PTY LTD (*)	AUSTRALIA	ESV	Construction and assembly	100.00%
		HIDROAMBIENTE, S.A.				
		Everblue Private Limited	INDIA	***	Environmental activities	100.00%
		INVESTISSEMENTS EOLIENNES DE L'ÉRABLE SEC				
		Eoliennes L'Erbale Commanditaire Inc (*)	CANADA	***	Operation of power plants	100.00%
		RIO GRANDE ENERGIAS RENOVAVEIS, LTDA				
		Gran Sul Geração de Energia(*)	BRAZIL	***	Wind farm development	100.00%
		Rio Norte I Energia, LTDA(*)	BRAZIL	Deloitte,S.L.	Management and administration of companies	100.00%
		Rio Norte II Energia,LTDA(*)	BRAZIL	Deloitte,S.L.	Management and administration of companies	100.00%
		Rio Sul 1 Energia,Ltda(*)	BRAZIL	Deloitte,S.L.	Management and administration of companies	100.00%
		RIO NORTE I ENERGIA, LTDA				
		Ventos do Sao Fernando I Energia(*)	BRAZIL	Deloitte,S.L.	Operation of power plants	100.00%
		Ventos do Sao Fernando II Energia(*)	BRAZIL	Deloitte,S.L.	Operation of power plants	100.00%
		Ventos do Sao Fernando III Energia(*)	BRAZIL	Deloitte,S.L.	Operation of power plants	100.00%
		RIO NORTE II ENERGIA, LTDA				
		Ventos de Sao Fernando IV Energia,S.A. (*)	BRAZIL	Deloitte,S.L.	Operation of power plants	100.00%

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Equity method (Note 12)	RIO SUL 1 ENERGIA, Ltda	Parques Eólicos Palmares, S.A. (*)	BRAZIL	Deloitte, S.L.	Operation of electricity transmission service concessions	80.00%
		Ventos da Lagoa, S.A. (*)	BRAZIL	Deloitte, S.L.	Operation of power plants	80.00%
		Ventos do Litoral Energía, S.A. (*)	BRAZIL	Deloitte, S.L.	Operation of power plants	80.00%
		Ventos do Sul, S.A. (*)	BRAZIL	Deloitte, S.L.	Operation of power plants	80.00%
		Ventos Dos Indios Energia, S.A. (*)	BRAZIL	Deloitte, S.L.	Operation of power plants	80.00%
	ELECNR, S.A.	Celeo Concesiones E Inversiones, S.L.U.	SPAIN	KPMG	Management and administration of companies	51.00%
		GASODUCTO DE MORELOS, S.A.P.I. (Sdad Anónima Promotora de Inversión) DE C.V.	MEXICO	Deloitte, S.L.	Operation and maintenance of the Morelos gas pipeline	50.00%
		Morelos Epc S.A.P.I. De Cv	MEXICO	***	Construction, engineering and supply of the Morelos gas pipeline	50.00%
		Morelos O&M, Sapi, Cv	MEXICO	***	Maintenance of the Morelos gas pipeline	50.00%
	ELECNR SERVICIOS Y PROYECTOS, S.A.U.	Cosemel ingeniería, AIE	SPAIN	***	Development, construction and operation of installations and electrifications of high-speed railway lines	33.33%
	CELEO CONCESIONES E INVERSIONES, S.L.U.	Celeo Apolo FV, S.L. (*)	SPAIN	KPMG	Development	51.00%
		Celeo Energía S.L. (*)	SPAIN	KPMG	Development, construction and operation of all types of energy and services, utilities, waste treatment, etc.	51.00%
		Celeo Redes, SLU (*)	SPAIN	KPMG	Management and administration of companies	51.00%
		Celeo Termosolar, S.L. (*)	SPAIN	KPMG	Construction and subsequent operation of solar thermal plants	51.00%
		Helios Inversión Y Promoción Solar, S.L.U. (*)	SPAIN	KPMG	Development, construction and operation of solar PV farms	51.00%
	CELEO ENERGIA,SLU	Alwa II SpA (*) (****)	CHILE	***	Development, construction and operation of electrical facilities	51.00%
		Celeo Energía Brasil, LTDA (*)	BRAZIL	KPMG	Development, construction and operation of all types of energy and services, utilities, waste treatment, etc.	51.00%

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	CELEO REDES BRASIL,S.A.	Brilhante Transmissora de Energia, SA (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
		Caiua Transmissora de Energia, S.A. (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	26.01%
		Cantareira Transmissora de Energia, S.A. (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	26.01%
		Celeo Barreiras FV I, S.A. (*) (****)	BRAZIL	***	Generation and sale of solar power	51.00%
		Celeo Barreiras FV II, S.A. (*) (****)	BRAZIL	***	Generation and sale of solar power	51.00%
		Celeo Barreiras FV III, S.A. (*) (****)	BRAZIL	***	Generation and sale of solar power	51.00%
		Celeo Barreiras FV IV, S.A. (*) (****)	BRAZIL	***	Generation and sale of solar power	51.00%
		Celeo Barreiras FV IX, S.A. (*) (****)	BRAZIL	***	Generation and sale of solar power	51.00%
		Celeo Barreiras FV V, S.A. (*) (****)	BRAZIL	***	Generation and sale of solar power	51.00%
		Celeo Barreiras FV VI, S.A. (*) (****)	BRAZIL	***	Generation and sale of solar power	51.00%
		Celeo Barreiras FV VII, S.A. (*) (****)	BRAZIL	***	Generation and sale of solar power	51.00%
		Celeo Barreiras FV VIII, S.A. (*) (****)	BRAZIL	***	Generation and sale of solar power	51.00%
		Celeo Barreiras FV X, S.A. (*) (****)	BRAZIL	***	Generation and sale of solar power	51.00%
		Celeo Redes Expansoes, S.A. (*)	BRAZIL	KPMG	Holdings in other national or foreign entities and in consortia	25.50%
		Celeo Redes Transmissao de Energia, S.A. (*)	BRAZIL	KPMG	Holdings in other national or foreign entities and in consortia	51.00%
		Celeo Redes Transmissao e Renovaveis, S.A. (*)	BRAZIL	KPMG	Marketing of solar-generated electricity and maintenance of transmission grids	51.00%
		Coqueiros Transmissora de Energia, S.A. (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
		Encruzo Novo Transmissora de Energia, S.A. (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
		Integracao Maranhense Transmissora de Energia, S.A. (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	26.01%
		Estreito Transmissora de Energia, S.A. (*)	BRAZIL	***	Development, construction and operation of electrical facilities	51.00%
		Linhade Transmissao Corumba, S.A. (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
		Pedras Transmissora De Energia, S.A. (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51,00%
	CELEO REDES CHILE EXPANSION, SPA	Alfa Transmisora de Energia, S.A. (*) (****)	CHILE	EY	Development, construction and operation of electrical facilities	10.20%
		Transquillota Electrica de Quillota Limitada (*) (****)	CHILE	EY	Development, construction and operation of electrical facilities	10.20%
	CELEO REDES CHILE LTDA	Celeo Obras de Ampliación SpA (*) (****)	CHILE	***	Development, construction and operation of electrical facilities	51.00%
		Celeo Redes Operación Chile, S.A. (*)	CHILE	KPMG	Operation of power plants	51.00%

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		CRC Transmisión, SPA (*)	CHILE	KPMG	Operation of power plants	25.50%
		Charrúa Transmisora de Energía, S.A. (*)****	CHILE	***	Development, construction and operation of electrical facilities	51.00%
		Ruil Transmisora de Energía, S.A. (*)****	CHILE	***	Development, construction and operation of electrical facilities	51.00%
		Nirivilo Transmisora de Energía, S.A. (*)****	CHILE	KPMG	Development, construction and operation of electrical facilities	51.00%
	CELEO REDES EXPANSOES, S.A.					
		Cachoeira Paulista Transmissora de Energia, S.A. (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	25.50%
		Jauru Transmissora de Energia, S.A. (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	34.00%
		Parintins Amazonas Transmissora de Energia, S.A. (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	25.50%
	CELEO REDES OPERACIÓN CHILE, S.A.					
		Alto Jahuel Transmisora de Energía, S.A.	CHILE	KPMG	Development, construction and operation of electrical facilities	51.00%
		Charrua Transmisora de Energía, S.A.	CHILE	KPMG	Assembly, installation, operation of the new 2 x 500 Charrúa – Ancoa line	51.00%
	CELEO REDES T. DE ENERGIA, S.A.					
		Lt Triangulo, S.A. (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
		Vila Do Conde Transmissora de Energia, SA (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
	CELEO REDES T. E RENOVAVEIS, S.A.					
		Celeo Sao Joao Do Piaui FV I, S.A. (*)	BRAZIL	KPMG	Generation and sale of solar power	51.00%
		Celeo Sao Joao Do Piaui FV II, S.A. (*)	BRAZIL	KPMG	Generation and sale of solar power	51.00%
		Celeo Sao Joao Do Piaui FV III, S.A. (*)	BRAZIL	KPMG	Generation and sale of solar power	51.00%
		Celeo Sao Joao Do Piaui FV IV, S.A. (*)	BRAZIL	KPMG	Generation and sale of solar power	51.00%
		Celeo Sao Joao Do Piaui FV V, S.A. (*)	BRAZIL	KPMG	Generation and sale of solar power	51.00%
		Celeo Sao Joao Do Piaui FV VI, S.A. (*)	BRAZIL	KPMG	Generation and sale of solar power	51.00%
		Serra De Ibiapa Transmissora de Energia, S.A. - SITE (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
	CELEO REDES, S.L.U.					
		Celeo Redes Brasil, S.A. (*)	BRAZIL	KPMG	Development, construction and operation of electrical facilities	51.00%
		Celeo Redes Chile Expansión, SPA (*)****	CHILE	KPMG	A broad range of activities	51.00%
		Celeo Redes Chile Ltda (*)	CHILE	KPMG	Operation of power plants	51.00%
		Celeo Redes Perú, S.A.C (*)	PERU	KPMG	Development, construction and operation of electrical facilities	51.00%
		Puerto Maldonado Transmisora de Energia, S.A.C (*)****	PERU	EY	Development, construction and operation of electrical facilities	51.00%

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	CELEO TERMOSOLAR					
		Aries Solar Termoelectrica, S.L. (*)	SPAIN	KPMG	Development, construction and operation of thermosolar plants	51.00%
		Dioxipe Solar, S.L. (*)	SPAIN	KPMG	Development, construction and operation of thermosolar plants	49.76%
		Solar Renewables Spain, S.A R.L. (*)	LUXEMBOURG	KPMG	Development, construction and operation of thermosolar plants	51.00%
	CRC TRANSMISION, SPA					
		Casablanca Transmisora de Energía, S.A. (*)	CHILE	KPMG	Development, construction and operation of electrical facilities	25.50%
		Diego de Almagro Transmisora de Energía, S.A. (*)	CHILE	KPMG	Development, construction and operation of electrical facilities	25.50%
		Mataquito Transmisora de Energía, S.A. (*)	CHILE	KPMG	Development, construction and operation of electrical facilities	25.50%
	ENERFIN ENERVENTO EXTERIOR, S.L.U.					
		Woolsthorpe Holding Trust (*)	AUSTRALIA	***	Management and administration of companies	50.00%
	HELIOS INVERSION					
		Celeo Fotovoltaico, S.L.U. (*)	SPAIN	KPMG	Development, construction and operation of solar PV farms	51.00%
	RENOVABLES DEL CIERZO, S.L.U.					
		Gestión de Evacuación La Serna, S.L. (Gelaserna) (*)	SPAIN	***	Wind farm development	17.93%
	WOOLSTHORPE ASSET PTY, LTD					
		Woolsthorpe Development PTY (*)	AUSTRALIA	***	Management and administration of companies	50.00%
	WOOLSTHORPE HOLDING TRUST					
		Woolsthorpe Asset Trust (*)	AUSTRALIA	***	Wind farm development	50.00%

(*) Indirectly held companies.

(***) Companies not required to be audited (auditor field).

(****) Additions to the perimeter.



APPENDIX I: COMPANY INFORMATION

2021	PARENT	COMPANY	REGISTERED OFFICE	AUDITOR	ACTIVITY	% PERCENTAGE DIRECT OR INDIRECT
Consolidation method - Fully consolidated						
ELECNOR, S.A.						
		Elecdal, URL	ALGERIA	***	Construction and assembly	100.00%
		Elecnor Cameroun Société Anonyme	CAMEROON	Mazars	Construction and assembly	100.00%
		Elecnor Servicios y Proyectos,S.A.U.	SPAIN	KPMG	A broad range of business activities	100.00%
		Elecnor South Africa (PTY) LTD	SOUTH AFRICA	***	Construction and assembly	100.00%
		Enerfin Sociedad de Energía,S.L.U.	SPAIN	Deloitte,S.L.	Management and administration of companies	100.00%
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.						
		Aplicaciones Técnicas de la Energía, S.L.U. (ATERSA)	SPAIN	Deloitte,S.L.	Solar energy	100.00%
		Area 3 Equipamiento y Diseño Interiorismo, S.L.U.	SPAIN	***	Interior design	100.00%
		Audeca, S.L.U.	SPAIN	KPMG	Environmental restoration and reforestation and operation of roads	100.00%
		Corporacion Electrade, S.A.	VENEZUELA	***	Construction and assembly	100.00%
		Deimos Space, S.L.U.	SPAIN	KPMG	Analysis, engineering and development of space missions and software	100.00%
		Ehisa Construcciones y Obras, S.A.U.	SPAIN	Jose Francisco Villamonte Fernando	Construction and assembly	100.00%
		Elecdor ,S.A.	ECUADOR	Seel & Company, S.A	Construction and assembly	100.00%
		Elecen, S.A.	HONDURAS	***	Construction and assembly	100.00%
		Elecnor Argentina , S.A.	ARGENTINA	SMS	Construction and assembly	100.00%
		Elecnor Australia PTY LTD	AUSTRALIA	ESV	Management and administration	100.00%
		Elecnor Chile, S.A.	CHILE	KPMG	Construction and assembly	100.00%
		Elecnor Côte D'Ivoire,S.A.	IVORY COAST	BDO	Construction and assembly	100.00%
		Elecnor de Mexico, S.A.	MEXICO	KPMG	Construction and assembly	100.00%
		Elecnor Do Brasil , L.T.D.A.	BRAZIL	KPMG	Construction and assembly	100.00%
		Elecnor Energie and Bau, GmbH	GERMANY	***	A broad range of business activities in the areas of engineering, development, construction, assembly, repairs and maintenance of all types of works, installation work of any kind, particularly in energy efficiency and renewable energies	100.00%
		Elecnor Infrastrutte e Aerospaziale, S.R.L.	ITALY	***	Construction and assembly	100.00%
		Elecnor Infrastruture, LLC	OMAN	BDO	Construction and maintenance	100.00%
		Elecnor Peru, S.A.C	PERU	***	Construction and assembly	100.00%
		Elecnor Seguridad, S.L.U.	SPAIN	KPMG	Installation and maintenance of fire prevention and safety systems	100.00%
		Elecnor Senegal, SASU	SENEGAL	AC Corporate	Construction and assembly	100.00%
		Elecnor, INC	USA	RP&B	Facilities	100.00%
		Elecred Servicios, S.A.U.	SPAIN	***	Rendering of all manner of services, and development, administration and management of companies	100.00%

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APPENDIX I: COMPANY INFORMATION

2021	PARENT	COMPANY	REGISTERED OFFICE	AUDITOR	ACTIVITY	% PERCENTAGE DIRECT OR INDIRECT
		Electrolneas de Ecuador , S.A.	ECUADOR	Seel & Company, S.A	Construction and assembly	100.00%
		Elecven Construcciones, S.A.	VENEZUELA	Deloitte,S.L.	Construction and assembly	99.88%
		ELEDEPA,S.A.	PANAMA	Ernst & Young		100.00%
		Enertel, S.A. de C.V.	MEXICO	KPMG	Construction and assembly	99.99%
		Hidroambiente, S.A.U.	SPAIN	KPMG	Environmental activities	100.00%
		IDDE,S.A.U.	SPAIN	***	Sales	100.00%
		IQA Operatios Group LTD	ESCOCIA	KPMG	Electrical installations	100.00%
		Jomar Seguridad, S.L.U.	SPAIN	KPMG	Sale, installation and maintenance of fire prevention and safety systems	100.00%
		Los Llanos Fotovoltaica de Castilla La Mancha, S.L.U.	SPAIN	***	Development, construction and generation of electricity	100.00%
		Montajes Electricos Arranz, S.L.	SPAIN	***	Electrical installations and other activities	100.00%
		Montelecnor, S.A.	URUGUAY	Ernst & Young	Construction and assembly	100.00%
		Omninstal Electricidade, S.A.	PORTUGAL	AUREN	Construction and assembly	100.00%
		Parque Eólico Montañas, SLU	SPAIN	***	Construction and operation of wind farm	100.00%
		Parque Solar Porton, SAS	COLOMBIA	***	Power generation	100.00%
		Stonewood Desarrollos, S.L.	SPAIN	***	Sales	100.00%
		TDS, S.A.	ARGENTINA	***	No activity / In the process of winding up	100.00%
DEIMOS SPACE,S.L.U.						
		Deimos Engenharia, S.A.	PORTUGAL	ESAC- Espírito Santo & Associados, SROC, Ltda	Services in the areas of telecommunications and aeronautic and space energy	100.00%
		Deimos Engineering and Systems, S.L.U.(*)	SPAIN	KPMG	Software development, engineering and technical assistance in the field of remote sensing	100.00%
		Deimos Space UK, Limited(*)	INGLATERRA	James Cowper Kreston	Analysis, engineering and development of space missions and software	100.00%
		S.C. Deimos Space, S.R.L. (*)	RUMANIA	***	Analysis, engineering and development of space missions and software	100.00%
ELECNOR AUSTRALIA						
		Green Light Contractors PTY, LTD(*)	AUSTRALIA	ESV	Construction and assembly	100.00%
ELECNOR INC						
		Belco Elecnor Electric, INC(*)	USA	RP&B	Electrical installations	100.00%
		Elecnor Hawkeye, LLC(*)	USA	RP&B	Electrical installations	100.00%
ELECTROL, S.A.						
		Zogu, S.A.(*)	ECUADOR	Seel & Company, S.A	Construction and assembly	100.00%
ENERFIN ENERGY COMPANY OF CANADA, INC						
		Investissements Eoliennes de L'Érable, INC.(*)	CANADA	***	Administration and advisory services	100.00%
		Investissements Eoliennes de L'Érable, SEC.(*)	CANADA	***	Administration and advisory services	100.00%
		Lambton Enerwind General Partner Inc (Gp)(*)	CANADA	***	Administration and advisory services	100.00%
		Lambton Enerwind Limited Partnership (Sec)(*)	CANADA	***	Wind farm development	100.00%

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APPENDIX I: COMPANY INFORMATION

2021	PARENT	COMPANY	REGISTERED OFFICE	AUDITOR	ACTIVITY	% PERCENTAGE DIRECT OR INDIRECT
ENERFIN ENERVENTO EXTERIOR, S.L.U.		Gran Sul Geraçao de Energia(*)	BRAZIL	***	Wind farm development	100.00%
		Guajira Eolica I,S.A.S.(*)	COLOMBIA	***	Wind farm development	100.00%
		Moose Mountain Wind Projet GP(*)	CANADA	***	Management and administration of companies	100.00%
		Moose Mountain Wind Projet LP(*)	CANADA	***	Wind farm development	100.00%
		Rio Grande Energías Renovaveis LTDA(*)	BRAZIL	Deloitte, S.L.	Development, construction and generation of electricity	100.00%
		Rio Sul 2 Energia, Ltda(*)	BRAZIL	***	Management and administration of companies	100.00%
		SEC Eoliennes des Prairies (LP)(*)	CANADA	***	Wind farm development	100.00%
		Ventos de Sao Fernando V Energia, S.A.(*)	BRAZIL	***	Operation of power plants	100.00%
		Ventos de Sao Fernando VI Energia, S.A.(*)	BRAZIL	***	Operation of power plants	100.00%
		Vientos De Panaba, S.A. de CV(*)	MEXICO	***	Wind farm development	100.00%
ENERFIN ENERVENTO, S.L.U.		Aerogeneradores del Sur, S.A.(*)	SPAIN	Deloitte, S.L.	Construction, operation and use of wind farm resources	100.00%
		Eólica Montes de Cierzo, S.L.(*)	SPAIN	Deloitte, S.L.	Operation of power plants	100.00%
		Eólica Páramo de Poza, S.A.(*)	SPAIN	Deloitte, S.L.	Operation of power plants	70.00%
		Galicia Vento, S.L.(*)	SPAIN	Deloitte, S.L.	Operation of power plants	90.60%
		Parque Eólico Malpica,S.A.(*)	SPAIN	Deloitte, S.L.	Operation of power plants	95.55%
ENERFIN SOCIEDAD DE ENERGÍA,S.L.U.		Bookar Wind Farm PTY LTD(*)****)	AUSTRALIA	***	Renewable energy generation	100.00%
		Enerfera, S.R.L.(*)	ITALIA	***	Construction, operation and use of wind farm resources	100.00%
		Enerfin do Brasil Sociedad de Energia LTDA(*)	BRAZIL	***	Development and management of wind farm activities	100.00%
		Enerfin Energy Company of Canada, INC(*)	CANADA	***	Management and administration of companies	100.00%
		Enerfin Energy Services,Pty Ltda(*)	AUSTRALIA	ESV	Management and administration of companies	100.00%
		Enerfin Enervento Exterior,S.L.U.(*)	SPAIN	Deloitte, S.L.	Management and administration of companies	100.00%
		Enerfin Enervento,S.L.U.(*)	SPAIN	***	Administration and advisory services	100.00%
		Enerfin Québec Services,INC(*)	CANADA	***	Management and administration of companies	100.00%
		Enerfin Renovables II, S.L.U.(*)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables IV,S.L.(*)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables IX, S.L.U.(*)(****)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables VI, S.L.U.(*)(****)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables VII, S.L.U.(*)(****)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables VIII, S.L.U.(*)(****)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Renovables, S.L.U.(*)	SPAIN	***	Renewable energy generation	100.00%
		Enerfin Servicios,S.A.S(*)	COLOMBIA	***	Management and administration of companies	100.00%

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APPENDIX I: COMPANY INFORMATION

2021	PARENT	COMPANY	REGISTERED OFFICE	AUDITOR	ACTIVITY	% PERCENTAGE DIRECT OR INDIRECT
		Enermex Gestión, S.A. de C.V.(*)	MEXICO	***	Management and administration of companies	100.00%
		Eólica Alta Guajira, S.A.S.(*)	COLOMBIA	***	Development, construction and generation of electricity	100.00%
		Eolica La Vela(*)	COLOMBIA	***	Wind farm development	100.00%
		Eolica Los Lagos(*)	CHILE	***	Wind farm development	100.00%
		Eolica Musichi(*)	COLOMBIA	***	Wind farm development	100.00%
		Girasol 1 SAS(*)****)	COLOMBIA	***	Renewable energy generation	100.00%
		Guajira Eolica II, S.A.S.(*)	COLOMBIA	***	Wind farm development	100.00%
		Parque Eólico Cernégula,S.L.U.(*)	SPAIN	***	Wind farm development	100.00%
		Eolica La Vela(*)	COLOMBIA	***	Wind farm development	100.00%
		Parque Eólico Cofrentes, S.L.U.(*)	SPAIN	***	Operation of power plants	100.00%
		Parque Eólico Vollandín, S.L.U.(*)	SPAIN	***	Renewable energy generation	100.00%
		Renovables del Cierzo, S.L.U.(*)(****)	SPAIN	***	Renewable energy generation	100.00%
		Solar Sao Fernando I Energia, S.A.(*)(****)	BRAZIL	***	Renewable energy generation	100.00%
		Ventos do Sao Fernando IX Energia, S.A.(*)(****)	BRAZIL	***	Operation of power plants	100.00%
		Ventos do Sao Fernando VII Energia, S.A.(*)(****)	BRAZIL	***	Operation of power plants	100.00%
		Ventos do Sao Fernando VIII Energia, S.A.(*)(****)	BRAZIL	***	Operation of power plants	100.00%
		Ventos do Sao Fernando X Energia, S.A.(*)(****)	BRAZIL	***	Operation of power plants	100.00%
		Vientos de Sucilá,S.A. de CV(*)	MEXICO	***	Wind farm development	1
		Vientos De Yucatan S.A. De Cv(*)	MEXICO	***	Wind farm development	1
EOLIENNES DE L'ERABLE COMMANDITAIRE		Eoliennes de L'Érable, SEC.(*)	CANADA	Deloitte,S.L.	Operation of power plants	51.00%
		Eoliennes De L'Erange Commandite Inc(*)	CANADA	***	Administration and advisory services	100.00%
GREEN LIGHT CONTRACTORS PTY, LTD		Timco Transmission Lines PTY LTD(*)****)	AUSTRALIA	ESV	Construction and assembly	100.00%
INVESTISSEMENTS EOLIENNES DE L'ÉRABLE SEC		Eoliennes L'Erange Commanditaire Inc(*)	CANADA	***	Operation of power plants	100.00%
RIO GRANDE ENERGIAS RENOVAVEIS, LTDA		Rio Norte I Energia, LTDA(*)	BRAZIL	Deloitte,S.L.	Management and administration of companies	100.00%
		Rio Norte II Energia,LTDA(*)	BRAZIL	Deloitte,S.L.	Management and administration of companies	100.00%
		Rio Sul 1 Energia,Ltda(*)	BRAZIL	Deloitte,S.L.	Management and administration of companies	100.00%

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APPENDIX I: COMPANY INFORMATION

2021	PARENT	COMPANY	REGISTERED OFFICE	AUDITOR	ACTIVITY	% PERCENTAGE DIRECT OR INDIRECT
Equity method (Note 13)	RIO NORTE I ENERGIA, LTDA	Ventos do Sao Fernando I Energía(*)	BRAZIL	Deloitte,S.L.	Operation of power plants	100.00%
		Ventos do Sao Fernando II Energía(*)	BRAZIL	Deloitte,S.L.	Operation of power plants	100.00%
		Ventos do Sao Fernando III Energía(*)	BRAZIL	Deloitte,S.L.	Operation of power plants	100.00%
	RIO NORTE II ENERGIA, LTDA	Ventos de Sao Fernando IV Energía, S.A.(*)	BRAZIL	Deloitte,S.L.	Operation of power plants	100.00%
	RIO SUL 1 ENERGIA, Ltda	Parques Eólicos Palmares,S.A.(*)	BRAZIL	Deloitte,S.L.	Operation of electricity transmission service concessions	80.00%
		Ventos da Lagoa,S.A.(*)	BRAZIL	Deloitte,S.L.	Operation of power plants	80.00%
		Ventos do Litoral Energía,S.A.(*)	BRAZIL	Deloitte,S.L.	Operation of power plants	80.00%
		Ventos do Sul, S.A.(*)	BRAZIL	Deloitte,S.L.	Operation of power plants	80.00%
		Ventos Dos Indios Energía,S.A.(*)	BRAZIL	Deloitte,S.L.	Operation of power plants	80.00%
	ELEC NOR,S.A.	Celeo Concesiones e Inversiones, S.L.U.	SPAIN	KPMG	Management and administration of companies	51.00%
		GASODUCTO DE MORELOS, S.A.P.I. (Sdad Anónima Promotora de Inversión) DE C.V.	MEXICO	Deloitte	Operation and maintenance of the Morelos gas pipeline	50.00%
		Morelos Epc S.A.P.I. De Cv	MEXICO	***	Construction, engineering and supply of the Morelos gas pipeline	50.00%
		Morelos O&M, Sapi,Cv	MEXICO	***	Maintenance of the Morelos gas pipeline	50.00%
	ELEC NOR SERVICIOS Y PROYECTOS, S.A.U.	Cosemel Ingenieria, Aie	SPAIN	-	Development, construction and operation of installations and electrifications of high-speed railway lines	33.33%
	CELEO CONCESIONES E INVERSIONES,S.L.U.	Celeo Apolo FV, S.L.(*)	SPAIN	KPMG	Development	51.00%
		Celeo Energía S.L.(*)	SPAIN	KPMG	Development, construction and operation of all types of energy and services, utilities, waste treatment, etc.	51.00%
		Celeo Redes, SLU(*)	SPAIN	KPMG	Management and administration of companies	51.00%
		Celeo Termosolar, S.L.(*)	SPAIN	KPMG	Construction and subsequent operation of solar thermal plants	51.00%
		Helios Inversión y Promoción Solar, S.L.U.(*)	SPAIN	KPMG	Development, construction and operation of solar PV farms	51.00%

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2021	PARENT	COMPANY	REGISTERED OFFICE	AUDITOR	ACTIVITY	% PERCENTAGE DIRECT OR INDIRECT
	CELEO ENERGIA, SLU	Celeo Energía Brasil, LTDA(*)	BRAZIL	KPMG	Development, construction and operation of all types of energy and services, utilities, waste treatment, etc	51.00%
	CELEO REDES BRASIL, S.A.	Brilhante Transmissora de Energia, SA(*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
		Caiua Transmissora De Energia, S.A.(*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	26.01%
		Cantareira Transmissora De Energía, S.A.(*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	26.01%
		Celeo Redes Expansoes, S.A.(*)	BRAZIL	KPMG	Holdings in other national or foreign entities and in consortia	25.50%
		Celeo Redes Transmissao de Energía, S.A.(*)	BRAZIL	KPMG	Holdings in other national or foreign entities and in consortia	51.00%
		Celeo Redes Transmissao e Renovaveis, S.A.(*)	BRAZIL	KPMG	Marketing of solar-generated electricity and maintenance of transmission grids	51.00%
		Coqueiros Transmissora de Energia, S.A.(*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
		Encruzo Novo Transmissora de Energia, S.A.(*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
		Integracao Maranhense Tranmissora de Energia, S.A. (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	26.01%
		Linha De Transmissao Corumba, S.A.(*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
		Pedras Transmissora de Energía, S.A.(*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
	CELEO REDES CHILE EXPANSION, SPA	Alfa Transmisora de Energía, S.A.(*)(****)	CHILE	EY	Development, construction and operation of electrical facilities	10.20%
	CELEO REDES CHILE LTDA	Celeo Redes Operación Chile, S.A.(*)	CHILE	KPMG	Operation of power plants	51.00%
		CRC Transmisión, SPA(*)	CHILE	KPMG	Operation of power plants	25.50%
	CELEO REDES EXPANSION, SPA	Cachoeira Paulista Transmissora de Energía, S.A.(*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	25.50%
		Jauru Transmissora de Energia, S.A.(*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	34.00%
		Parintins Amazonas Transmissora de Energía, S.A.(*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	25.50%

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2021	PARENT	COMPANY	REGISTERED OFFICE	AUDITOR	ACTIVITY	% PERCENTAGE DIRECT OR INDIRECT
	CELEO REDES OPERACIÓN CHILE, S.A.	Alto Jahuel Transmisora de Energía, S.A.	CHILE	KPMG	Development, construction and operation of electrical facilities	51.01%
		Charrua Transmisora de Energía, S.A.	CHILE	KPMG	Assembly, installation, operation of the new 2 x 500 Charrúa – Ancoa line	51.01%
	CELEO REDES T. DE ENERGÍA, S.A.	Lt Triangulo, S.A.(*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
		Vila Do Conde Transmissora de Energia, SA (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
	CELEO REDES T. E RENOVAVEIS, S.A.	Celeo Sao Joao do Piaui FV I, S.A.(*)	BRAZIL	KPMG	Generation and sale of solar power	51.00%
		Celeo Sao Joao do Piaui FV II, S.A.(*)	BRAZIL	KPMG	Generation and sale of solar power	51.00%
		Celeo Sao Joao do Piaui FV III, S.A.(*)	BRAZIL	KPMG	Generation and sale of solar power	51.00%
		Celeo Sao Joao do Piaui FV IV, S.A.(*)	BRAZIL	KPMG	Generation and sale of solar power	51.00%
		Celeo Sao Joao do Piaui FV V, S.A.(*)	BRAZIL	KPMG	Generation and sale of solar power	51.00%
		Celeo Sao Joao do Piaui FV VI, S.A.(*)	BRAZIL	KPMG	Generation and sale of solar power	51.00%
		Serra De Ibiapa Transmissora de Energia, S.A. - SITE (*)	BRAZIL	KPMG	Operation of public service concessions for electricity transmission	51.00%
	CELEO REDES, S.L.U.	Celeo Redes Brasil, S.A. (*)	BRAZIL	KPMG	Development, construction and operation of electrical facilities	51.00%
		Celeo Redes Chile Expansión, SPA (*) (****)	CHILE	KPMG	Operation of power plants	51.00%
		Celeo Redes Chile Ltda (*)	CHILE	KPMG	Operation of power plants	51.00%
		Celeo Redes Perú, S.A.C (*) (****)	PERU	KPMG	Operation of power plants	51.00%
	CELEO TERMOSOLAR	Aries Solar Termoelectrica, S.L. (*)	SPAIN	KPMG	Development, construction and operation of thermosolar plants	51.00%
		Dioxipe Solar, S.L.(*)	SPAIN	KPMG	Development, construction and operation of thermosolar plants	49.76%
		Solar Renewables Spain, S.A R.L. (*)	LUXEMBOURG	KPMG	Development, construction and operation of thermosolar plants	51.00%
	CRC TRANSMISION, SPA	Casablanca Transmisora de Energía, S.A. (*)	CHILE	KPMG	Development, construction and operation of electrical facilities	25.50%
		Diego de Almagro Transmisora de Energía, S.A. (*)	CHILE	KPMG	Development, construction and operation of electrical facilities	25.50%
		Mataquito Transmisora de Energía, S.A.(*)	CHILE	KPMG	Development, construction and operation of electrical facilities	25.50%

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2021	PARENT	COMPANY	REGISTERED OFFICE	AUDITOR	ACTIVITY	% PERCENTAGE DIRECT OR INDIRECT
	ENERFIN ENERVENTO EXTERIOR, S.L.U.	Woolsthorpe Holding Trust (*)	AUSTRALIA	***	Management and administration of companies	50.00%
	ENERFIN SOCIEDAD DE ENERGÍA, S.L.	Gestión de Evacuación La Serna, S.L. (Gelaserna)(*)	SPAIN	***	Wind farm development	15.84%
	HELIOS INVERSION	Celeo Fotovoltaico, S.L.U. (*)	SPAIN	KPMG	Development, construction and operation of solar PV farms	51.00%
	WOOLSTHORPE ASSET PTY, LTD	Woolsthorpe Development PTY (*)	AUSTRALIA	***	Management and administration of companies	50.00%
	WOOLSTHORPE HOLDING TRUST	Woolsthorpe Asset Trust (*)	AUSTRALIA	***	Wind farm development	50.00%



APPENDIX II: LIST OF CONSOLIDATED TEMPORARY BUSINESS ASSOCIATIONS (UTES)

(Thousands of Euros)

	%	2022		2021	
		CONSTRUCTION YEAR	BACKLOG NOT YET SETTLED	CONSTRUCTION YEAR	BACKLOG NOT YET SETTLED
UTE PUENTE MAYORGA	50.00%	--	--	--	--
UTE ELNR-CONSTUCSA E. HIDROGENO	50.00%	--	--	--	--
UTE PARQUESUR OCIO	90.00%	--	--	--	--
UTE INSTALACIONES ELÉCTRICAS SINCROTRÓN ALBA	50.00%	--	--	--	--
UTE ROTA HIGH SCHOOL	50.00%	--	--	--	--
UTE VILLASEQUILLA - VILLACAÑAS	21.00%	--	--	--	--
UTE EXPLOTACIÓN ZONA 07-A	60.00%	--	--	2	--
CONSORCIO ELECNOR DYNATEC	100.00%	2,324	--	1,108	1,709
UTE ZONA P-2	50.00%	--	--	--	--
UTE SUBESTACIÓN JUNCARIL	50.00%	--	--	215	--
UTE CASA DE LAS ARTES	50.00%	--	--	--	--
UTE CENTRO DE PROSPECTIVA RURAL	20.00%	--	--	--	--
UTE CENTRO MAYORES BAENA	20.00%	--	--	--	--
UTE TERMINAL DE CARGA	50.00%	--	--	--	--
UTE LED MOLLET	70.00%	--	--	--	--
UTE GALINDO	100.00%	--	--	--	--
UTE EXPLOTACIÓN ZONA P2	50.00%	--	--	--	--
UTE AS SOMOZAS	50.00%	--	--	--	--
UTE JARDINES MOGAN	50.00%	--	--	--	--
UTE ELECNOR ONDOAN SERVICIOS	50.00%	1,306	--	864	--
UTE PATRIMONIO SEGURIDAD	33.33%	--	--	5	5
UTE PLAZAS COMERCIALES T4	50.00%	--	--	--	--
UTE TRANVIA OUARGLA	49.50%	--	--	--	--
UTE ENERGÍA GALICIA	20.00%	--	--	--	--
UTE AEROPUERTO DE PALMA	45.00%	--	--	--	--
GROUPEMENT INTERNATIONAL SANTÉ POUR HAITI	100.00%	(516)	--	2,482	--
UTE ENERGÍA GRANADA	33.34%	33	--	51	--
UTE MOBILIARIO HUCA	50.00%	--	--	--	--
UTE ANILLO GALINDO	25.00%	--	--	--	--
CONSORCIO NUEVA POLICLÍNICA DE CHITRE	100.00%	--	--	4	9
CONSORCIO NUEVA POLICLÍNICA DE CHEPO	100.00%	159	--	144	--
UTE CAMPO DE VUELO TF NORTE	70.00%	--	--	--	--
UTE VOPI4-ELNR CA L'ALIER	50.00%	50	260	48	311
UTE MANTENIMIENTO AVE ENERGÍA	12.37%	20,184	33,747	16,581	53,930
UTE ASEGOP IBIZA	32.50%	(4)	21	1	16
UTE ELECNOR BUTEC BELLARA	60.00%	17,308	--	1,519	--
UTE EDARES SEGOVIA	40.00%	--	--	--	--
UTE SICA	50.00%	--	--	--	--
UTE MANTENIMIENTO AEROPUERTO DE PALMA	50.00%	--	--	--	--

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APPENDIX II: LIST OF CONSOLIDATED TEMPORARY BUSINESS ASSOCIATIONS (UTES)

(Thousands of Euros)

	%	2022		2021	
		CONSTRUCTION YEAR	BACKLOG NOT YET SETTLED	CONSTRUCTION YEAR	BACKLOG NOT YET SETTLED
UTE CUETO DEL MORO	25.00%	--	--	--	--
UTE ELECNOR ALGHANIM	60.00%	700	812	594	1,266
UTE MANTENIMIENTO VALEBU	50.00%	--	--	--	--
UTE EMBARQUE DESEMBARQUE T4	50.00%	--	--	--	--
UTE CONTAR	95.00%	173	--	62	--
UTE INST. RECERCA SANT PAU	50.00%	141	--	312	103
UTE INST. MERCAT DE SANT ANTONI	60.00%	66	--	(10)	56
UTE TUNELES ABDALAJIS	90.00%	2	--	399	156
UTE TORRENTE - XATIVA	50.00%	--	--	--	--
UTE EMPALME II	50.00%	(674)	--	258	--
UTE AEROPUERTO TERUEL	50.00%	--	--	--	--
UTE NAVE SESTAO	50.00%	--	--	--	--
UTE ENERGÍA GALICIA MANTENIMIENTO	20.00%	2,433	23,154	2,288	25,587
URBANIZADORA RIODEL	50.00%	10	--	--	11
ELECNOR TARGET LLC, JV (QURAYAT)	60.00%	52,274	19,194	58,711	57,199
UTE TERMINAL E	50.00%	--	--	96	--
UTE HERNANI-IRUN	50.00%	--	--	(52)	--
UTE CARPIO Y POLLOS	50.00%	126	--	136	--
UTE CAMPO DE VUELOS ASTURIAS	70.00%	0	319	0	320
UTE BIOMASA HUERTA DEL REY	50.00%	--	--	--	--
UTE MOPAEL	80.00%	4,139	3,000	7,499	875
UTE OFICINAS GENCAT	60.00%	--	--	--	--
UTE UYUNI-YUNCHARA	49.00%	--	--	--	--
UTE MANTENIMIENTO SIGMA AENA	50.00%	135	--	223	27
UTE EQUIPAMIENTO AGENTE ÚNICO	30.00%	156	683	132	839
UTE EQUIPAMIENTO DE CCTV	30.00%	--	--	194	1
UTE UCA	50.00%	68	34	27	89
UTE SIPA AENA	50.00%	326	--	623	--
JV ELECNOR AL OWN	70.00%	--	--	--	--
UTE BILBOPORTUA	50.00%	443	--	350	--
UTE BIZKAIKO ARGIAK	23.00%	--	--	--	--
ELECNOR AND RAY, J.V.	60.00%	--	--	--	--
UTE MANTENIMIENTO LOTE 1	50.00%	--	--	--	--
UTE ELECNOR - EIFFAGE	50.00%	--	--	410	--
UTE TIL TIL	50.00%	--	--	--	--
UTE EDAR LAGUNA DE NEGRILLOS	80.00%	--	--	--	--
UTE PORTUKO ARGIAK	23.00%	47	215	35	262
UTE URBANITZACIÓ MERCAT DE SANT ANTONI	60.00%	--	--	--	--
UTE ING PUY DU FOU	50.00%	--	--	--	--

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APPENDIX II: LIST OF CONSOLIDATED TEMPORARY BUSINESS ASSOCIATIONS (UTES)

(Thousands of Euros)

	%	2022		2021	
		CONSTRUCTION YEAR	BACKLOG NOT YET SETTLED	CONSTRUCTION YEAR	BACKLOG NOT YET SETTLED
UTE SICA 2018-2021	50.00%	42	--	38	--
UTE ELECTRIFICACIÓN VILAFRANCA	90.00%	11	--	--	--
UTE TREBALLS PREVIS 1 CAMP NOU	22.50%	177	--	19	177
UTE CLINICA EUGIN BALMES	50.00%	20	--	38	20
UTE SALAS VIP AEROP BCN	50.00%	--	--	--	--
JV TAFILAH	70.00%	--	--	--	--
UTE ACCESOS BANCO DE ESPAÑA	50.00%	--	--	--	--
VARIANTE PAJARES UTE	20.00%	--	--	4,508	--
CONSORCIO CHIELEC DOMINICANA	100.00%	--	--	1,304	--
UTE CASETAS AEROPUERTO DE MÁLAGA	77.00%	--	--	--	--
UTE AMPLIACIÓN TRANVÍA VITORIA	50.00%	--	--	--	--
ELECNOR - EIFFAGE JV	50.00%	236	--	2,935	--
UTE MANTENIMIENTO AEROPUERTO DE PALMA II	50.00%	2,182	--	1,698	242
UTE MONTETORRERO	25.00%	191	--	3,382	--
UTE MONLORA	30.00%	--	--	1,089	--
UTE MONCAYO	10.00%	--	--	--	--
SEP ELECNOR-EIFFAGE GUINEA CONAKRY	50.00%	11,825	--	7,850	3,493
UTE ALSTOM RENOVABLES-ELECNOR II	25.64%	--	--	--	--
SEP ELECNOR-EIFFAGE GUINEA BISSAU	50.00%	1,106	--	4,657	515
UTE PEDRALBA-OURENSE	50.00%	3,048	--	5,018	1,893
UTE EDIFICI LA PEDROSA	50.00%	379	--	1,226	370
UTE BOMBEOS BAKIO-GANDIAS	50.00%	--	70	3	70
UTE ELECTRIFICACIÓN RECOLETOS	50.00%	--	370	--	370
UTE PRESA DE L'ALBAGÉS	50.00%	--	--	66	66
UTE LIMPIEZA AEROPUERTO DE PALMA	50.00%	365	--	260	134
UTE SICA 2020-2022	50.00%	283	--	1,030	--
UTE SEG ESTACIONES MADRID	50.00%	105	--	241	195
UTE NOVA ESCOLA BRESSOL	50.00%	238	35	384	--
UTE MANT MERCAT DE SANT ANTONI	60.00%	226	--	296	66
UTE LINEA 4	20.00%	--	--	--	--
UTE INSTAL. TUNEL GLORIES	40.00%	3,143	--	16,102	868
UTE EDAR ARRIANDI	50.00%	128	--	1,318	276
UTE SIPA 2020-2022	50.00%	1,157	--	228	12,472
UTE UCA 2020-2022	50.00%	13	--	49	12,151
UTE REGADIO VALORIA FASE I	50.00%	--	--	1,062	23
UTE PALMEROLA	56.68%	8,557	73	17,368	6,844
UTE GALILEO	50.00%	--	--	606	481
UTE COMEDOR BANCO DE ESPAÑA	50.00%	--	--	80	--
UTE M.I. MUNDAKA GERNIKA	51.00%	69	--	160	69
UTE LA ESCOCESA	25.00%	23,779	--	21,181	2,496

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APPENDIX II: LIST OF CONSOLIDATED TEMPORARY BUSINESS ASSOCIATIONS (UTES)

(Thousands of Euros)

	%	2022		2021	
		CONSTRUCTION YEAR	BACKLOG NOT YET SETTLED	CONSTRUCTION YEAR	BACKLOG NOT YET SETTLED
UTE SEGURETAT L'AMPOLLA	50.00%	--	--	502	26
UTE MANTENIMIENTO NORESTE	50.00%	9,598	29,518	5,831	39,116
UTE MANTENIMIENTO CENTRO	50.00%	5,200	19,166	3,201	24,366
UTE OBSOLESCENCIA SISTEMES L9	50.00%	1,153	262	1,472	1,415
UTE LOMA DE LOS PINOS	55.63%	4,642	--	3,630	610
UTE CATENARIA ATXURI-BOLUETA	50.00%	30	--	457	30
UTE CIERRE EL MUSEL	50.00%	(19)	--	1,447	--
UTE SEGURIDAD FONTSANTA ITAM	50.00%	1,052	235	391	1,662
UTE LA COMETA I AND II	5.00%	599	--	5,921	20,199
UTE EL FRESNO	50.00%	2,015	--	421	1,598
UTE EDAR ARRIANDI	50.00%	170	275	107	552
UTE MÁLAGA MANTENIMIENTO SICA	50.00%	--	--	178	--
UTE BRINKOLA SAN SEBASTIÁN	50.00%	199	--	347	200
UTE SEGRISOL	50.00%	347	272	--	619
UTE SOLANS	8.00%	4,223	660	1,635	4,883
UTE ZÁRATE	33.34%	2,997	--	--	--
UTE AMPLIACIÓN EDAR XERESA	20.00%	84	--	105	84
UTE ILLA FARGI 22@	25.00%	20,392	34,608	--	--
AGRUPACIÓN SABANITAS	100.00%	14,618	65,973	--	--
UTE EDAR TRASPINEDO	30.00%	27	1,769	--	--
UTE CAMBRE	50.00%	750	685	--	--
UTE MICROINFORMÁTICA	50.00%	--	5,250	--	--
UTE MONITORES TWR MAD	50.00%	--	134	--	--
UTE RENOVACIÓN CATENARIA LOTE 3	50.00%	546	3,344	--	--
UTE RENOVACIÓN CATENARIA LOTE 1	50.00%	477	2,858	--	--
UTE MTO SCADA AENA	50.00%	78	30	--	--
UTE BOMBEO GALDAMES	40.00%	--	428	--	--
UTE REFORMA EDIFICI DIAGONAL 471	50.00%	1,552	29,816	--	--
UTE CENTRE PENITENCIARI Z.F.	50.00%	--	10,241	--	--
UTE EDAR ALCARAZ Y SAN PEDRO	50.00%	23	3,788	--	--
UTE ENERGÍA LÍNEA 9	20.00%	2,287	--	1,701	--
S.E.I. UTE (ELECNOR,S.A.-TERRES)	50.00%	--	--	--	--
UTE REMOLAR	47.02%	--	--	--	--
UTE ELECNOR GONZÁLEZ SOTO	50.00%	99	--	4	39
UTE VILLAGONZALO, Z - 3	35.00%	--	--	--	--
UTE TARAGUILLA	25.00%	--	--	--	--
ACCIONA INFRAESTRUCTURAS - ELECNOR HOSPITAL DAVID, S.A.	50.00%	--	--	--	--
DUNOR ENERGÍA, SAPI DE CV	50.00%	--	--	--	--
PROYECTOS ELÉCTRICOS AGUA PRIETA, SAPI DE CV.	50.00%	--	--	--	--
WAYRA	50.00%	25,945	33,320	17,294	12,790

(*) 100% information provided, not taking into account removals.

APPENDIX III: ELECNOR, S.A. AND SUBSIDIARIES

Condensed financial information of equity-accounted companies.
31 December 2022 (Thousands of Euros)

	GASODUCTO DE MORELOS, S.A. PROMOTORA DE INVERSIÓN DE C.V.	SUBGROUP CELEO CONCESIONES
Information from the statement of financial position		
Non-current assets	250,308	2,983,425
Non-current liabilities	182,609	1,578,724
Non-current financial liabilities	112,516	1,329,270
Total non-current net assets	67,699	1,404,701
Current assets	23,137	256,895
Cash and cash equivalents	19,885	168,366
Current liabilities	11,976	390,378
Current financial liabilities	394	159,922
Total current net assets	11,161	(133,483)
Non-controlling interests	-	121,522
Net assets	78,860	1,149,696
Percentage ownership	0.50	0.51
Share of net assets	39,430	586,345
Carrying amount of the investment (*)	39,430	586,160
Information from the income statement		
Revenue	40,874	306,575
Depreciation and amortisation	(13,057)	(6,461)
Interest income	90	15,597
Interest expense	(8,499)	(86,805)
Income tax expense/(income)	(4,760)	(51,391)
Profit/loss from continuing operations	11,107	33,815
Profit/loss for the year	11,107	33,815
Other comprehensive income (**)	11,181	119,234
Total comprehensive income	22,288	153,049
Dividends received	-	-

(*) The carrying amount is the value of the company in the consolidated group (equity-accounted value).

(**) Other comprehensive income is the change in equity of derivatives and translation difference (and subsidies, where applicable).

APPENDIX III: ELECNOR, S.A. AND SUBSIDIARIES

Condensed financial information of equity-accounted companies.
31 December 2021 (Thousands of Euros)

	GASODUCTO DE MORELOS, S.A. PROMOTORA DE INVERSIÓN DE C.V.	SUBGROUP CELEO CONCESIONES
Information from the statement of financial position		
Non-current assets	236,492	2,785,399
Non-current liabilities	182,335	1,727,213
Non-current financial liabilities	121,575	1,368,637
Total non-current net assets	54,157	1,058,186
Current assets	16,521	-
Cash and cash equivalents	10,057	237,745
Current liabilities	14,107	140,767
Current financial liabilities	295	192,284
Total current net assets	2,414	116,825
Non-controlling interests	-	93,933
Net assets	56,571	1,009,714
Percentage ownership	0.50	0.51
Share of net assets	28,286	514,954
Carrying amount of the investment (*)	28,285	514,970
Information from the income statement		
Revenue	36,044	197,646
Depreciation and amortisation	(11,574)	(56,191)
Interest income	24,154	86,950
Interest expense	(8,832)	(77,796)
Income tax expense/(income)	(4,030)	(21,406)
Profit/loss from continuing operations	10,830	29,859
Profit/loss for the year	10,830	29,859
Other comprehensive income (**)	7,116	51,865
Total comprehensive income	17,946	81,724
Dividends received	-	-

(*) The carrying amount is the value of the company in the consolidated group (equity-accounted value).

(**) Other comprehensive income is the change in equity of derivatives and translation difference (and subsidies, where applicable).



2022 DIRECTORS' REPORT ELECNOR GROUP

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1. PURPOSE, VISION AND BUSINESS MODEL GRI 2-1

The Elecnor Group is a Spanish company operating in more than 50 countries. The company's purpose is to generate change and bring about well-being by deploying infrastructure, energy and services to territories all over the world in order to develop their potential. The Elecnor Group places engineering and technology at the service of people.

It is a global enterprise whose purpose is driven by a people-centric business model and that believes in generating shared value and sustainability.

It is a model implemented by means of two key businesses that are complementary and mutually strengthening:

- **Elecnor** (Essential services and Sustainable projects): execution of engineering, construction and services projects, most notably in the electricity, power generation, gas, telecommunications and systems, railways, maintenance, facilities, construction, water, environment and space sectors.
- **Enerfín y Celeo** (investments in Infrastructure and Renewables)¹: development, financing, construction, investment and management of energy assets.

Efficiency, diversification and robustness are the Elecnor Group's growth and expansion levers.

2. ECONOMIC CONTEXT²

The world economy has undergone a generalised slowdown in 2022 to 3.2% growth (6% in the previous year), with inflation at 8.8% (4.7% in the previous year) as reported by the IMF, higher than it has been in several decades. The cost-of-living crisis, hikes in central bank rates to combat inflation, Russia's invasion of Ukraine and the economic slowdown in China have stunted growth.

In **Spain**, GDP growth in 2022 reached 5.5%, a rate comparable to that of the previous year, according to the Spanish National Statistics Institute (INE). Its economic situation, like other European countries, has been influenced by Russia's invasion of Ukraine, which has fuelled inflationary pressures, with historic rises in international gas and electricity prices. According to INE data, inflation reached 5.7% in 2022 (6.5% in the previous year). Oil and raw materials prices have maintained an upward trend. In March, gas and electricity prices reached record highs, causing the year-on-year rate of the Spanish CPI to climb to 9.8%. Energy, electricity and unprocessed food accounted for nearly 70% of this high year-on-year rate. In 2023, both the Organisation for Economic Co-operation and Development (OECD) and the Bank of Spain forecast growth of 1.3%. In 2024, the OECD expects Spain's activity to register a slight boost of 1.7%. Regarding the employment trend, the Bank of Spain forecasts a slight rise in the unemployment rate to 12.9% in 2023, which would then moderate to 12.2% in 2024 and end 2025 at 12%. According to Funcas, the Spanish public deficit will reach 4.4% of GDP in 2023, a value close to its structural level, and public debt will stand at 112%.

Growth in the **European Union** has slowed abruptly in 2022, to 0.2%. The IMF forecasts growth of 0.7% in the eurozone in 2023 and 1.6% in 2024. In terms of prices, the European Central Bank expects inflation to ease to 6.3% in 2023 and the rate to rise further to 3.4% in 2024, and 2.3% in 2025, still above the European Central Bank's 2% target. With regard to currencies, 2022 has been a year of "unusually high volatility". Experts forecast that the dollar will remain strong in 2023, although it will weaken somewhat in the coming months, while the euro and the pound will continue to be burdened by the challenges posed by geopolitical uncertainty and inflation. In **Italy**, the government anticipates a marked slowdown in its economy in 2023, with gross domestic product growing by 0.6 %, compared with 3.3 % in 2022.

The IMF foresees that growth in the **United States** will fall from 2.0% in 2022 to 1.4% in 2023 and 1.0% in 2024. Meanwhile, the Federal Reserve (Fed) estimates GDP growth for 2023 at 0.5%, which, according to analysts, could mean another technical recession. In terms of interest rates, the Fed expects them to exceed 5% in 2023. This February, the Fed approved its eighth consecutive interest rate hike, the first this year to 4.75%.

The World Bank forecasts that **Mexico's** economy will grow by 0.9 % in 2023, driven by monetary conditions, persistently high inflation and declining exports, all of which will curb activity. Meanwhile, the international organisation sees **Chile's** economy as likely to contract over the course of the year, as falling real incomes erode consumption.

In **Brazil**, the World Bank forecasts that the country will grow by 0.8 % in 2023, given that high interest rates will dampen investment and export growth will decelerate. Growth in the region is forecast to rise to 2.1% in 2024, albeit a downward revision of 0.3 percentage points from the previous estimate due to tighter financial conditions, lower prices for exported raw materials and slower growth in its trading partners. Brazil's government, while more optimistic than the World Bank, has also reduced its projections for growth in 2023 from the 2.5% forecast at the end of 2022 to 2.1% today.

In the case of **Argentina**, GDP is also expected to grow by 2% in 2023, as the country's extremely high inflation will hamper economic activity. Following an increase last year, growth in **Colombia** is also expected to decelerate to 1.3% this year. In **Peru**, strong regulatory uncertainty and lower metal prices will curb its development, which is projected at 2.6% by 2023.

In **Australia**, growth in 2022 was 3.8%, and is projected to reach 1.9% in 2023 (IMF). Australia's top executives are cautiously optimistic when surveyed in the Business Leaders' Outlook 2023. Even so, 46% of them say they expect a recession in 2023. Looking at financial conditions, Australia's inflation soared in the last quarter of 2022 to its highest level in 33 years (6.5% reported by the IMF), driven by rising travel and electricity costs, bolstering the view that the country's central bank could raise interest rates again in the future.

In general, **Africa's** economic outlook is positive but with major challenges, such as political stability and macroeconomic policy management. According to the IMF, growth is expected to reach 4.1% in 2023 compared to 3.4% in 2022. The lack of infrastructure continues to be a major obstacle to economic growth in this region: investment in infrastructure is crucial to improve trade and productivity. Inflation has surged due to the pandemic and the depreciation of local currencies, but is expected to remain at moderate levels in the years ahead. According to the World Bank, growth in the three largest **sub-Saharan African** (SSA) economies —Angola, Nigeria and South Africa— collectively reached 2.6% in 2022. **South Africa** rose by 1.9% as electricity shortages deepened and policy tightening to curb inflation accelerated. In **Angola**, high oil prices and stable production boosted growth by 3.1%. According to the CESCE study, while the current situation is reasonably good, the outlook over a longer time horizon remains uncertain, owing to the country's high exposure to fluctuations in the price of a barrel of oil. Therefore, the current economic scenario should be seen as a temporary window, given that the geopolitical tension in the oil market is unlikely to continue indefinitely.

(1) Formerly named Concession Business.

(2) Sources:

- International Monetary Fund (IMF). World Economic Outlook. World Economic Outlook of January 2023.
- INE: Spanish National Statistical Institute, January 2023.
- OECD: OECD Economic Outlook (page 28), November 2022.
- Funcas, Spanish Economic Forecasts Panel, January 2023.

3. ECONOMIC AND FINANCIAL PERFORMANCE IN THE PERIOD

3.1. Key figures in consolidated profit/loss for the year

KEY FIGURES

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Turnover	3,613,672	3,122,421	15.7%
Domestic	1,491,563	1,422,918	4.8%
International	2,122,109	1,699,503	24.9%
EBITDA	302,052	271,769	11.1%
Profit before tax	165,931	142,048	16.8%
Attributable consolidated net profit	102,813	85,883	19.7%

The Elecnor Group's **sales** reached Euros 3,613.7 million (**Euros 3,122.4 million** in the previous financial year), a 15.7% increase with respect to 2021. Both the domestic market (which represents 41% of the total) and the international market (which makes up 59%) experienced significant growth (4.8% and 24.9% respectively). This rise in the Group's figures for the year was made possible thanks to, on the one hand, **Sustainable Projects activity** in Elecnor's business in Australia, Brazil, Chile, the Dominican Republic, Mozambique, Cameroon and Angola in particular and, on the other hand, to the rise in the **Essential Services activity** conducted by the Group in the United States and in European countries, chiefly Spain and Italy. **Enerfin** increased its sales by 32% 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.

EBITDA reached **Euros 302.1 million**, a rise of 11.1% on last year on account of how well all Group businesses performed.

The Elecnor Group attained **net profits** of **Euros 102.8 million** in 2022, which is a 19.7% increase on the profits obtained in the previous financial year (Euros 85.9 million).

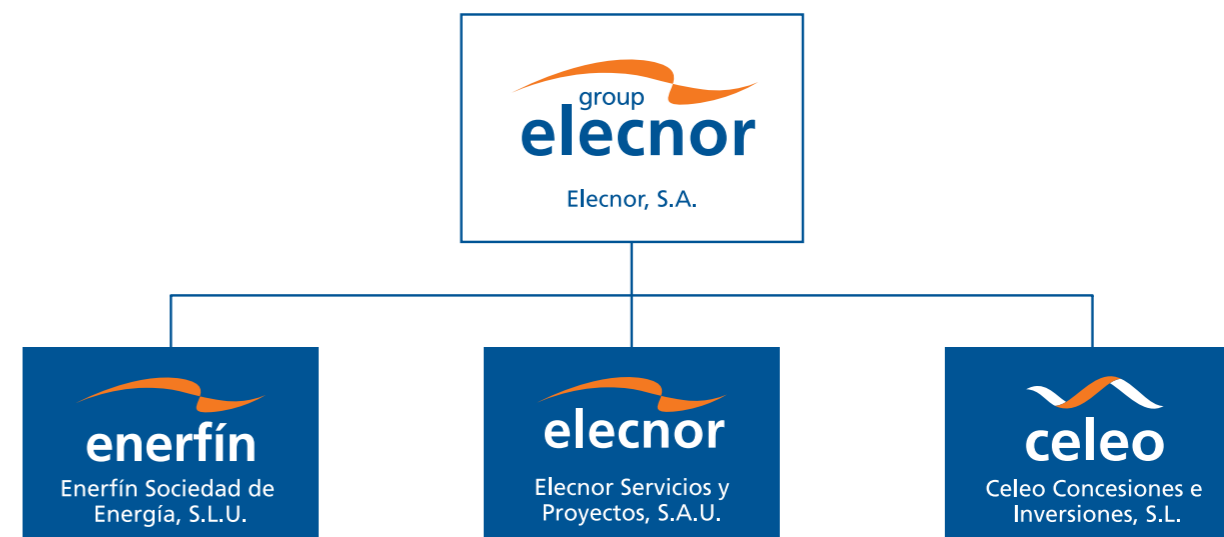
The Group continuously evaluates its operating expenses to reduce any discretionary expenses, applying policies of contention and control to the expenses on a recurring basis, in all its companies.

3.2. Business performance

As explained in the first section of this report (Purpose, vision and business model), the Group conducts its activity through:

- **Elecnor** (Essential Services and Sustainable Projects)
- **Enerfin and Celeo** (Investments in Infrastructure and Renewables)

Until last year, Enerfin and Celeo were managed with a common strategy, under the name of Concession Business. This year, goals have been established on an individual basis in order to analyse their activity, and their main figures have begun to be reported as separate segments in order to better understand the Group's businesses.



Elecnor (Essential Services and Sustainable Projects)

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Turnover	3,422,866	2,958,160	15.7%
EBITDA	168,928	165,838	1.9%
Profit before tax	105,913	114,957	-7.9%
Attributable net profit	77,459	77,119	0.4%

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

In the **domestic market**, activity continued to grow on the back of the **essential 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 enhanced performance can mainly be put down to the **sustainable projects** that the Group undertakes in Australia, Brazil and Chile (especially renewable energies and the electricity transmission lines), in addition to the performance of the US subsidiaries (Hawkeye and Belco). The construction of wind farms in Colombia, solar PV farms in the Dominican Republic, Colombia and Ghana, 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).

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 mainly caused by the fact that some of the aforementioned major projects are at the initial stages, which means that the main risks inherent to these contracts were ongoing at the close of the financial year. In these stages, the Group cautiously estimates margins, thus these projects chiefly contribute to the growth of turnover, but are not yet translated into profit/(loss) growth.

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.

THOUSANDS OF EUROS			
PORTFOLIO OF PRODUCTION THAT CAN BE EXECUTED IN THE FORTHCOMING 12 MONTHS	31 DECEMBER	31 DECEMBER 2021	CHANGE (%)
Domestic	633,939	579,656	9.4%
International	1,774,464	1,711,829	3.7%
Total	2,408,403	2,291,485	5.1%

The **production portfolio**, which can be executed in the next 12 months, **amounts to Euros 2,408 million** (Euros 2,291 million at the close of 2021). Of this portfolio figure, 74% relates to the international market, for an amount of Euros 1,774 million, and 26% to the domestic market, for an amount of Euros 633 million. The domestic portfolio mainly comprises contracts for **essential services**. The international portfolio is increasing in both European countries (Italy and the United Kingdom), where essential **service-related activities** are carried out, and in other countries (Australia, the United States, Brazil, Mexico and Panama, mainly) where major projects for the construction of **sustainable renewable-energy** power generation plants and power transmission projects have been contracted.

Enerfín

Enerfín participates in 1,552 MW of renewable energy in operation and under construction in Spain, Brazil, Canada and Colombia and it continues with its intense development activity to ensure growth and increase its pipeline, which currently amounts to nearly 9 GW of wind energy and photovoltaic projects. It is likewise continuing with the diversification of its activities through storage, hybridisation and green hydrogen projects.

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Turnover	220,412	166,593	32.3%
EBITDA	154,490	116,303	32.8%
Profit before tax	84,934	44,076	92.7%
Attributable net profit	44,124	23,336	89.1%

The positive evolution of Enerfín's profit/(loss) was mainly due to a more favourable price compared to the same period of the previous year for wind farms in Spain. Enerfín energy production for the year amounted to 2,879 GWh. 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 October 2022, Enerfín began the construction of a solar PV farm called Portón del Sol in Colombia. The farm stretches over approximately 216 ha and has a generation capacity of 129 MWp. Construction is expected to take about a year and a half. Moreover, the solar PV project in Brazil, Solar Serrita, with an area of approximately 313 ha and a generation power of 68 MWp has also entered the ready-to-build stage. Construction is expected to take about a year.

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 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. Similarly, the Cofrentes wind farm has entered into a long-term energy sales contract.

A series of Royal Decrees were published during the year that had an impact on the business:

On 29 March, Royal Decree-Law 6/2022 approves the update of the remuneration for investment in wind farms subject to the remuneration regime for electricity production from renewable energy sources, extends the validity of the reduced remuneration for gas prices and stipulates that the cost of the social bonus and that of supplying consumers at risk of social exclusion will be borne by generators and marketers.

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

On 25 June, Royal Decree-Law 11/2022 extends until year-end 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%. Subsequently, on 18 October, Royal Decree-Law 18/2022 prolonged until 31/12/2023 the mechanism to reduce high gas prices, and on 27 December Royal Decree-Law 20/2022 prolonged until 31/12/2023 the 7% generation tax exemption.

On 6 October, EU Regulation 2022/1854 establishes an emergency intervention to mitigate the effects of high energy prices through exceptional, targeted and time-limited measures (€180/MWh cap on market revenues of infra-marginal technologies: wind, solar, hydro without reservoir, nuclear, etc.)

On 2 December, Order TED/1232/2022 updated for 2022 the investment remuneration for wind farms under the RECORE (renewables, cogeneration and waste) scheme.

As notified in the IP dated 18 February 2022, the Group is immersed in a corporate process regarding this business. At the date of preparation of these Annual Accounts, this process remains ongoing.

Celeo

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 Euros 5,924 million assets in operation at the close of the year.

The main figures of Celeo Group (at 100%) are as follows:

CELEO (100% SUBGROUP)

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Turnover	306,575	278,267	10.2%
EBITDA	241,783	191,790	26.1%
Profit before tax	104,070	59,916	73.7%
Attributable consolidated net profit	33,806	29,950	12.9%

It is worth highlighting —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 in which the Group mainly operates in Chile and Brazil, respectively. Increased interest rates on financing transmission projects in Brazil had a significant impact on the profits of this subgroup this year. This impact was offset in the year by revising the sale prices of these projects in accordance with the corresponding inflation rates, as well as by the effect of applying IFRIC 12 to income from the transmission projects in Brazil.

Furthermore, Celeo was awarded a new line in Coquimbo region in Chile this year, between the Don Goyo and La Ruca substations. This is a 220 kV double-circuit transmission line with an estimated investment of 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. As was the case with Enerfín, Celeo was affected by the regulation published in the reporting year to mitigate the impact of high energy prices mentioned above in the Enerfín section.

Moreover, CELEO reviewed the tax credits it had recognised in the companies that manage the solar thermal projects, proceeding to partially impair these by recognising a loss of Euros 14 million (approximately Euros 7 million of which correspond to the Elecnor Group)

Celeo is consolidated in the accounts of the Group using the **equity method**. For this reason, it does not contribute any turnover to the Group. During this year, it contributed an attributable consolidated net profit of **Euros 17,153 thousand** (Euros 14,998 thousand in the same period last year). As a result of the consolidation method used, this profit coincides with the profit before tax and EBITDA contributed to the Group by this business.

3.3. Financial position

In 2022, the Group's operating activity enabled it to generate a cash flow of Euros 226.9 million (Euros 206.2 million the prior year) and its net investment amounted to Euros 128.5 million (Euros 100 million the prior year).

Total net financial debt (Euros 546.9 million) increased by 5.8% with respect to the previous year (Euros 516.8 million).

Net financial debt with recourse (Euros 120.8 million) was reduced by 8% with respect to the end of the previous year (Euros 119.4 million). This was mainly due to the positive cash generation performance of the Group's businesses as a result of their operating activities.

Net Financial Debt with recourse includes debt with cost, both with financial institutions and short-term MARF promissory note issues, bond issues and finance lease transactions; it does not include debt of projects with specific financing without recourse to their shareholder for the project in question.

The indebtedness ratio at year end, calculated as Net Financial Debt with recourse divided by EBITDA with recourse, was 0.63 (0.72 at the end of the previous year). This ratio is now solidly below 1x, and is therefore amply compliant with the benchmark ratio established in the syndicated financing agreement.

The improvement trend in the NFD/EBITDA ratios maintained in recent years has been possible as a result of the positive evolution of the businesses in terms of cash generation. The latter has made it possible to finance the growth of consolidated turnover (15.7% and 27.1% in 2022 and 2021 respectively) as well as the payment of the dividend to our shareholders (31 million and 29.1 million in 2022 and 2021 respectively)

Although the Group analyses and monitors the evolution of Total Net Financial Debt, it pays special attention to Net Financial Debt with recourse, given that the remaining Debt is secured by the investment projects to which this financing is dedicated.

NET FINANCIAL DEBT

THOUSANDS OF EUROS, AT YEAR-END	2022	2021
Net Financial Debt with recourse	120,791	119,392
EBITDA	302,052	271,769
With recourse ³	164,391	138,284
Without recourse ⁴	137,661	133,485
Ratio of Debt/EBITDA with recourse + Projects div.	0.63	0.72
Total Net Financial Debt	546,913	516,815
With recourse	120,791	119,392
Without recourse	426,122	397,423
EBITDA	302,052	271,769
Ratio of Total Net Financial Debt/ EBITDA	1.81	1.90

(3) EBITDA with recourse is Group EBITDA excluding non-recourse EBITDA (EBITDA corresponding to investment projects financed by debt secured by such projects).

(4) EBITDA without recourse is EBITDA corresponding to investment projects financed by debt secured by such projects.

The Total Net Financial Debt to EBITDA ratio is a ratio used in the market to compare the level of indebtedness to the cash generation from transactions and, thus, assess companies' level of solvency.

To present a ratio that reflects the Group's solvency, it is appropriate to present Net Financial Debt with recourse in relation to EBITDA with recourse, in which the contributions to the figures of investment projects funded by debt secured by such projects are excluded from both figures. In turn, the dividends distributed by the abovementioned projects are added to the EBITDA with recourse. The purpose of this ratio is to measure the Group's capacity to meet its recourse debt.

For this purpose, the Group eliminates the effect of IFRS 16 Leases from the calculation of EBITDA, thus offsetting the impact of this standard —the impact increases the figures of EBITDA and Debt— and complying with the method of calculating this figure contained in the financing contracts.

With regard to the Group's **financial strategy**, we note:

- The Elecnor Group maintains a **Syndicated Financing Agreement** which was executed in 2014. Since the latest novation in 2021, financing now has a cap of Euros 350 million, distributed between the Loan Tranche of Euros 50 million and a Credit Facility Tranche of Euros 300 million and a maturity of September 2026. This financing complies with the requirements laid down by the Sustainability Linked Loan Principles and, therefore, it **has been classified as sustainable**.
- In June 2022, Elecnor Group has published a new **multi-currency Promissory Note Programme in the Alternative Fixed Income Market (MARF)** with a limit of Euros 400 million—one of the largest in the market—, to fund Working Capital needs and new projects, both in Spain and abroad, in the areas of engineering, infrastructure development and construction, renewable energies and new technologies. This is the Elecnor's first Programme **linked to sustainability**, including targets for reducing greenhouse gas emissions and accidents at work, which, if not met, imply a commitment to contribute to sustainable projects. This transaction is part of the Elecnor Group's strategy to diversify and optimise the cost of its sources of funding. This new Programme gives the Elecnor Group access to funding, both in Euro and US dollars, at terms of up to 24 months. The reputation and strength of Elecnor's business model is renowned on this market, allowing it to issue promissory notes under beneficial terms. Since the launch of its first promissory note programme in MARF in 2014, Elecnor, S.A. has completed 226 issues for a total nominal amount of Euros 7,050 million, making it one of the main issuers of promissory notes in the Spanish market. For this Promissory Note Programme, Elecnor counts on Banca March and Banco de Sabadell as placement entities. Banca March is the Registered Advisor.
- Since 2021, the Elecnor Group has held three long-term private placements totalling Euros 100 million:
 - Euros 50 million at 10 years, in **sustainable loan** format, placed by Banca March.
 - Euros 20 million at 10 years, which additionally fulfils the Green Loan Principles, as the funds are used for projects classified as **green**, placed by Banco Sabadell.
 - Euros 30 million at 14 years, as **sustainable bonds**, also placed by Banco Sabadell, included in the MARF. They have the Elecnor Group's BBB- rating (investment grade) issued by Axesor.
- The Group has had a **Securitisation Fund** called **"ELECNOR EFICIENCIA ENERGÉTICA 2020, Fondo de Titulización"** since December 2020, to which it has assigned the credit claims derived from the contracts for the management of energy services and maintenance of public street lighting installations which Elecnor executes for 43 municipalities and public entities in Spain. By means of this structure, Elecnor obtains financing for investments in contracts assigned in the amount of Euros 50 million. The securitisation fund issued bonds in the aforementioned amount, which are subscribed and fully paid in, and which are trading in Spain's Alternative Fixed Income Market (MARF). These bonds are compliant with the requirements established by the "Green Bond Principles", and therefore qualify as green bonds for G-advisory, the Garrigues Group's consultancy firm. Axesor Rating has assigned the bonds issued by the Securitisation Fund an A+ rating, indicating a high capacity to meet its credit obligations. This is the first securitisation transaction for the sale of future credit claims derived from contracts with Public Entities conducted in Spain.

The Ecnor Group tackles its investment projects by arranging financing secured by such projects, as described in section 6.2 "Interest rate risk" herein, while it contributes its equity with the resources generated by the businesses of which the Group is comprised.

3.4. Material changes in accounting policies

The accounting policies and methods used to prepare the consolidated annual accounts in 2022 are the same as those applied to the consolidated annual accounts in 2021. All accounting principles with a significant effect have been applied in the drawing up of these consolidated and separate annual accounts.

3.5. Profit/(loss) of the Group's holding company: Ecnor, S.A.

Ecnor, S.A. is the Group's holding company, as detailed in section 3.2 of this report. Its core business is the holding of shares and the rendering of corporate services.

Sales in Ecnor, S.A.'s income statement primarily consist of dividends received from subsidiaries, as well as invoicing for services and financial interest to Group companies. The profit and loss also includes the expenses of the structure of Ecnor, S.A. The increase in profit compared to last year is mainly due to the dividends received from Ecnor Servicios y Proyectos, S.A.U., Euros 55 million, compared to the Euros 32 million received from this company in the previous year.

The main figures of the income statement are as follows:

KEY FIGURES

THOUSANDS OF EUROS	2022	2021
Turnover	102,237	67,456
Operating income	40,894	16,109
Profit before tax	31,606	7,361
Profit after tax	36,882	9,196

3.6. Average payment period

The average payment period to suppliers of the Group's holding company, Ecnor, S.A., calculated as per Additional Provision Three of Law 15/2010, dated 15 July, is 30 days. The average payment period to suppliers of the Group, calculated in the same way, is 59 days.

3.7. Turnover by activity

At 31 December each year and in thousands of Euros.

TURNOVER BY ACTIVITY

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Electricity	1,352,435	1,260,553	7.2%
Power generation	945,146	685,292	37.9%
Telecommunications and space	242,133	267,522	-9.5%
Facilities	232,520	209,434	11.0%
Construction, environment and water	285,849	298,202	-4.1%
Maintenance	287,998	194,514	48.1%
Oil & Gas	165,724	141,279	17.3%
Railways	101,867	65,625	55.2%
	3,613,672	3,122,421	15.7%

For yet another year, the main activities in terms of turnover were **Electricity**, with Euros 1,352.4 million, 7.2% up on 2021, and **Energy Generation**, with Euros 945.1 million, 37.9% up on 2021. This major increase in core activities is driven by the strength of the essential services market, both domestically and abroad (United States, Italy, United Kingdom, etc.), and by sustainable projects for the construction of renewable energy plants.

4. STOCK MARKET INFORMATION

	2022	2021
Closing share price (Euros)	10.6	10.5
Total volume of securities (millions)	6.1	5.6
Total cash traded (millions of Euros)	66.6	57.7
Number of shares (millions)	87	87
Market capitalisation (millions of Euros)	922.2	913.5
PER	9.0	10.6
Dividend yield	3.5%	3.1%

On 1 June 2022, the **supplementary dividend was distributed against profit for 2021**, in a gross amount of Euros 0.29383572 (Euros 0.30188176, including the pro-rata distribution of treasury shares). On 28 December 2022, the **interim dividend against 2022 profit was paid**, in a gross amount of Euros 0.06259868 (Euros 0.06431453, including the pro-rata distribution of treasury shares).

Shares in Ecnor, S.A. closed the year with a price of Euros 10.6 per share and market capitalisation stood at Euros 922.2 million. The total cash amount traded was Euros 66,6 million.

5. CAPITAL MANAGEMENT POLICY

Key to the Group's strategy is its policy of financial prudence. The capital structure is defined by the commitment to solvency and the aim of maximising shareholder returns.

6. RISK MANAGEMENT POLICY

The Group is exposed to certain financial risks, which it manages by grouping together its systems for identifying, measuring and supervising risks and limiting the concentration thereof. Financial risk management and containment is performed on a coordinated basis by Corporate Management and the various Business Units and Subsidiaries that comprise the Group. Financial risk management activities are approved at the highest executive level, in accordance with the rules, policies and procedures in place.

6.1. Foreign currency risks

Market risk due to foreign currency risk arises from transactions that the Group performs on the international markets in the course of its business. Certain income and costs of materials consumed are denominated in currencies other than the functional currency. For this reason, the risk of fluctuating exchange rates of these currencies against the functional currency could have an impact on the Group's profit/(loss).

In order to manage and minimise this risk, the Ecnor Group uses hedging strategies, since its objective is to generate profits only through its ordinary business, and not by speculating in relation to exchange rate fluctuations.

The instruments used to achieve this hedge are essentially borrowings tied to the contract's collection currency, foreign currency hedges and swaps, whereby the Group and the bank exchange the cash flows arising from a loan denominated in Euros for the flows of another loan denominated in the currency in question, as well as the use of "currency baskets" in order to hedge mixed financing tied to various currencies.

6.2. Interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities that accrue interest at fixed rates and the future cash flows from assets and liabilities indexed to floating interest rates. The Group has arranged external financing to enable it to carry on its operations, mainly in connection with the development, construction and operation of wind farms, solar projects and electricity infrastructure concessions. The financing is secured by these projects. This kind of arrangement usually requires under contract that interest rate risk be partly covered using hedging instruments.

In the case of both financing secured by the investment projects and corporate financing, borrowings are arranged mainly at floating interest rates and, where appropriate, hedging instruments are used to minimise the related interest rate risk. The hedging instruments, which are specifically assigned to financial debt, are limited to the same nominal value as the latter and the same maturity dates as the hedged items, and are essentially IRSs, the aim of which is to convert loans originally arranged at floating rates to fixed rates. In any case, the interest rate hedges arranged are all effective for accounting purposes.

6.3. Liquidity risk

Liquidity risk is mitigated through Ecnor's policy of holding cash and highly liquid non-speculative short-term instruments, such as the acquisition of treasury bills under non-optional repurchase agreements and very short-term US Dollar or Euros deposits, through leading credit institutions in order to be able to meet its future commitments and the arrangement of committed credit facilities of sufficient amount to cover its projected needs.

At 31 December 2022, the Ecnor Group has a solid liquidity position, with sufficient cash and available credit facilities to comfortably meet liquidity requirements even if markets contract.

6.4. Credit risk

The main credit risk arises from trade receivables, when the counterparty or customer does not meet their contractual obligations. To mitigate this risk, the Group operates with customers that have adequate credit records. In view of its activities and the sectors in which it operates, the Group has customers with very high credit ratings. However, in the case of non-recurring international sales to customers, mechanisms such as advances, irrevocable letters of credit and insurance policies are used to ensure collection. Furthermore, the financial solvency of customers is analysed and specific terms and conditions are included in contracts, aimed at guaranteeing customer payments of the stipulated price.

In the case of the national wind farms, the power produced - in accordance with the legislative framework in force for the electricity industry - is sold in the Iberian Electricity Market (MIBEL) and income is collected from the operator of the Spanish Electricity Market (OMIE) through a payment-guarantee system and from the Spanish National Commission on Markets and Competition (CNMC), which regulates energy markets in Spain and reports to the Ministry of Industry. P.E. Cofrentes has signed a long-term energy sales contract with CEPSA for fixed annual energy. With regard to facilities located abroad, the wind farms in Brazil have long-term electricity sale-purchase agreements (20 years) with various buyers (Eletrobras, Câmara de Comercialização de Energia Elétrica, Cemig and distributors). Furthermore, the farms in the São Fernando complex in North-East Brazil sell part of the power generated in the Short-Term Market and a volume of short-term bilateral agreements with suppliers until the long-term electricity sales agreements (most exceeding 20 years) enter into force between 2022 and 2024). Furthermore, Éoliennes de L'Érable has signed a 20-year contract to sell the electricity it generates to Canadian electric utility Hydro-Québec.

With regard to transmission lines, specifically those operated as concessions in Brazil, Operador Nacional do Sistema Elétrico (ONS) is responsible for coordinating collections and payments within the country's electricity system and notifies the concession holder of the companies from which collections must be made: generators, major consumers and transmission entities. Prior to connecting to the system

these companies deposit a guarantee. In the event of non-payment this guarantee will be executed, they will be immediately disconnected from the system and the payment obligation will be shared among the remaining users of the system. Accordingly, the concessionaire has the guaranteed payment from the national power grid system.

The transmission lines of Chile belong to that country's national grid (previously known as the backbone system), in which Coordinador Eléctrico Nacional (CEN) coordinates the flow of payments to transmission companies. The current system remained until December 2018, whereby those responsible for paying the transmission companies were the generating companies. From 2019 onwards, distributors also are liable for payments, so the portfolio of payers will be more diversified from that date on. The payment guarantee of the national transmission grid is based on a CEN Procedure that establishes that, in the event of non-payments by a coordinated company (company coordinated by CEN), the defaulting party is disconnected from the grid, and the payment obligation is spread among the remaining coordinated companies.

In addition, in Chile we also participate in dedicated transmission lines, committed to counterparties of proven solvency, most of which are rated Investment Grade. In these cases, the remuneration we receive is regulated in each of the long-term contracts that we have signed with these companies that use our infrastructure, either to evacuate the energy generated or to guarantee their electricity supply.

The Group always seeks to implement the strictest measures to mitigate this risk and conducts periodic analyses of its exposure to credit risk, making the relevant impairment adjustments where necessary.

6.5. Market risk

The Group is also exposed to the risk that cash flows and profit/loss may be affected by changes in energy prices and by oil prices, among other issues. In order to manage and minimise these risks the Group uses hedging strategies.

In the current context of increased global inflation, the Group analyses risk related to increased prices of materials consumed and labour costs that may affect the projects it carries out, taking the appropriate measures to mitigate them.

The Group upholds a policy of ensuring the price of energy on estimated electricity production, which seeks to minimise the exposure of the result to changes in electricity prices in Spain, by procuring derivatives.

Ecnor Group closely monitors regulatory risk, particularly that affecting renewable energy, to adequately reflect its impact on the consolidated income statement.

7. ENVIRONMENTAL SUSTAINABILITY

The commitment of the Ecnor Group to environmental sustainability is inherent to the undertaking of its activities and its business strategy. On the one hand, the Ecnor Group contributes to building a sustainable, low-carbon future through its renewable energy generation, energy efficiency, water and environmental activities; and, on the other hand, reducing its carbon footprint and undertaking appropriate environmental management.

In this connection, and with the aim of contributing to UN Global Compact Sustainable Development Goal 13 "Climate Action", Ecnor fosters the development of its activity in a sustainable manner adapted to climate conditions and always with the involvement and commitment of all persons belonging to the Group.

The Ecnor Group's activity is framed by its Environmental Management System and Energy Management, certified in accordance with ISO 14001:2015 and ISO 50001:2018 standards, respectively, as well as its Climate Change Strategy. The Environmental Management System defines a procedure to identify, assess and record the environmental aspects originating in its activities in order to determine which are

significant and to be able to take measures on them to minimise possible impacts. Thereby, the most relevant aspects have been identified as waste generation, impact on the natural environment, use of natural and energy resources, and impact on flora and fauna.

The principles of the Environmental Management of the Elecnor Group are set out in the Integrated Management System Policy, the scope of which was updated in 2022. These principles of action are described below:

- To incorporate environmental considerations in the decision-making processes regarding investments and the planning and execution of activities, encouraging their being taken into account in cost-benefit analyses.
- Fostering the protection and conservation of biodiversity and the natural environment, implementing the necessary measures in order to mitigate, offset and even avoid the negative impacts produced by the Group's activities, promoting those that generate positive impacts.
- Making sustainable use of resources, fostering responsible consumption, waste minimisation and the circular economy.
- To responsibly and efficiently manage water resources, based on the fully integrated cycle, nurturing social development and the conservation of ecosystems.
- Involving all stakeholders (employees, shareholders, customers, suppliers and society at large) in the joint quest for useful solutions to the challenges of preserving and developing the environment and using natural resources sustainably.

The Elecnor Group actively and decisively contributes to building a low-carbon society. Climate change is a challenge on which the company has been working for years by undertaking various initiatives that have a positive impact on reducing its environmental footprint:

- Calculating its carbon footprint in accordance with internationally recognised standards and implementing actions to reduce GHG emissions within the scope of its activity.
- Verifying, for the eighth consecutive year, the inventory of greenhouse gas emissions pursuant to the ISO 14064-1:2018 standard.
- Obtaining the “Calculo y Reduzco” seal awarded by the Spanish Office for Climate Change (OECC).
- Taking part for the fifth consecutive year in the Carbon Disclosure Project (CDP), presenting its voluntary report on climate change. In 2022, it upheld the score of A- achieved in 2021, a score that positions the Group yet again at the highest level in terms of sustainability, adaptation and mitigation of the impact of climate change.
- After the company joined the Science Based Targets (SBT) initiative to take a further step in its commitment to decarbonisation, it has established corporate emission reduction targets in line with science that have been approved in 2022 by the initiative.
- Updating the 2035 Climate Change Strategy in order to address the abovementioned ambitious targets validated by SBTi, structured into four global areas of action: Governance, Strategy, Risk Management, Metrics and Targets, included in three cross-cutting lines: People, Assets and Knowledge, seeking to align with best disclosure practices in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The Committed to the environment chapter of the Non-Financial Information section of this Report outlines the goals, strategies and all the initiatives implemented in 2022 in relation to the Group's Climate Action and Environmental Performance.

8. HUMAN RESOURCES

ELECNOR'S WORKFORCE (*)

AT 31 DECEMBER EACH YEAR	2022	2021	CHANGE (%)
Domestic	11,210	11,103	0.96%
International	11,138	10,328	7.84%
	22,348	21,431	4.28%

(*) This calculation does not include directors who are not on the Group's workforce.

People are Elecnor's main asset, and its overall strategy is underpinned by values such as talent, transparency and team work in conditions of the utmost safety. In this connection, occupational risk prevention is a common denominator throughout all the Group's activities. The commitment to prevention is part of its culture. And it is a commitment that goes beyond legal regulations and customers' requirements, with exacting and very clear goals: zero accidents and zero tolerance to non-compliances with the preventive measures established by the company.

At 2022 year-end, the Group's workforce had increased by 917 (4.28%) to 22,348 employees. In the domestic market, there was an increase of 0.96%. Abroad, there was a general increase of 7.84%. The increases in workforce in Australia, Mozambique, Peru and Cameroon were particularly noteworthy.

The section Our people, our best asset in the Non-Financial Information section of this Directors' report outlines all the information relating to the Group's workforce.

9. RDI

Innovation in the Elecnor Group contributes greater added value to the services it provides to its customers with the guarantee of sustainability, competitiveness and differentiation of the company. In 2022, the total figure of expenditure on all the Group's R&D&I projects amounted to Euros 12.5 million.

The Group's main strategic lines of RDI target the following areas of activity. Elecnor, S.A. and its subsidiary Audeca are currently certified in accordance with UNE 166002 standard.

In 2022, the main initiatives undertaken were as follows:

- Launch of INNOVA 2022 call for proposals for R&D&I project funding.
- Standardisation of KPIs for the Group and its organisations.
- Implementation of the first proofs of concept of the SMS+ project to develop an emergency and first aid communications network.
- Preparation of the EPC bid to build a hydrogen production plant in Alcázar de San Juan.
- Signing with the Government of Rio Grande do Sul in Brazil for collaboration in the development of a renewable hydrogen plant in the region.
- Creation of a Business Group promoted by Enerfín together with the Port Authority of A Coruña, the A Coruña Tramway Company and AVIA Engineering for the presentation of the “A Coruña Green Port H2 Mobility” initiative to the IDAE (Institute for Energy Diversification and Saving Energy).

- Involvement of Elecnor Deimos in space transport projects within the framework of the EU's Horizon Europe research and development programme.
- Implementation of a Freecooling system in FTTH rooms at 150 sites in the northern half of Spain, using network analysers to measure energy savings, with remote connection to control and visualise the rooms.
- Approval by the Provincial Council of Bizkaia of two innovative projects in the HAZITEK call for proposals: Genio Project in the Railway Department and QR Project for the activity of industrial plants.
- Conducting four workshops on collaborative/open innovation with start-ups in conjunction with Tecnalia, Spain's largest centre for applied research and technological development.

Further information is available referring to R&D&I in the Elecnor Group in the Non-Financial Information section of this Directors' Report, specifically in the Technology and Innovation chapter.

10. SIGNIFICANT EVENTS SUBSEQUENT TO YEAR-END

Between 31 December 2022 and the preparation of the Consolidated Annual Accounts there were no significant events that might materially alter the true and fair view of those financial statements.

11. OUTLOOK FOR 2023

11.1. Economic context

In 2023, the global economy will continue to confront severe challenges, marked by the lingering effects of Russia's invasion of Ukraine and the cost-of-living crisis caused by inflationary pressures. According to the International Monetary Fund (IMF), global growth, which was at 3.2% in 2022, will slow to 2.7% in 2023. The global inflation forecast (same source) shows a drop from 8.8% in 2022, to 6.6% in 2023 and 4.3% in 2024, which is still higher than pre-pandemic levels of around 3.5%.

11.2. Elecnor Group

The Elecnor Group holds a leading position in the main activities that will be the driver of growth and will concentrate most of the stimulus measures promoted, in particular by the European Union and the United States. In that regard, the global trends that will drive the Group's businesses are:

- Electrification and energy efficiency
- Renewable energies
- Digitisation and connectivity
- Comprehensive rendering of urban services

Bearing in mind the above and the solid portfolio of contracts coupled with geographical diversification, the Elecnor Group expects to exceed the previous year's sales figures and profit, as it has continuously done over the last decade.

12. SHARE CAPITAL AND ACQUISITION OF OWN SHARES

At 31 December 2022, the share capital of Elecnor, S.A. was represented by 87,000,000 shares, each with a par value of Euros 0.10 Euro, fully subscribed and paid in, implying a share capital of Euros 8,700,000.

Elecnor, S.A.'s shares are traded in Spain's SIBE electronic trading system, where shares in the leading Spanish companies are traded, and the market with the largest trading volume in Spain.

At 31 December 2021, Elecnor, S.A. had a portfolio of 2,320,749 shares. In 2022 it acquired 227,935 securities, and sold 226,300. Accordingly, at 31 December 2022 it had a total of 2,322,384 own shares, 2.7% of all shares in the company, unchanged on the previous year.

13. RELATED PARTY TRANSACTIONS

With regard to the disclosures on related party transactions, see the details in the notes to the individual and consolidated financial statements at 31 December 2022, as provided in article 15 of Royal Decree 1362/2007.

14. ANNUAL CORPORATE GOVERNANCE REPORT AND ANNUAL REPORT ON DIRECTORS' REMUNERATION

In compliance with the legal stipulations and in accordance with the model circulated by the Spanish National Securities Market Commission (CNMV), the Board of Directors of Elecnor, S.A. has drawn up the Annual Corporate Governance Report, as well as the Annual Report on Directors' Remuneration for the year ended 31 December 2022, which accompany this report. Said documents are available on the CNMV website and on the Group's corporate website.

15. NON-FINANCIAL INFORMATION STATEMENT

15.1. About this Report GRI 2-1, GRI 2-2

This section of the Directors' Report is produced in compliance with the provisions of Law 11/2018, of 28 December, concerning non-financial information and diversity (preceded by Royal Decree-Law 18/2017, of 24 November).

Within this framework, information is included on the activities and the main economic, social, environmental and governance impacts of the Elecnor Group, and any aspects considered relevant for the company's main stakeholders in 2022. As shown in Appendix II, "Contents index of Law 11/2018 of 28 December, on non-financial information and diversity", the compliance options of the international standards of the Global Reporting Initiative (GRI) have been followed in the drafting process and the requirements identified as material for the business have been taken into consideration.

The scope of the information reported in this report is the entire Elecnor Group (Elecnor, S.A. and subsidiaries), and also includes, where applicable, information on the joint venture Celeo Concesiones e Inversiones, S.L. With regard to environmental data, the scope is limited to

those countries where the organisation has a permanent presence. And in relation to corporate information, it includes information on the Elecnor Group, the Elecnor Foundation and the joint venture Celeo Concesiones e Inversiones, S.L.

15.2. Progressing in our commitment to sustainability GRI 2-23, GRI 2-24

The Elecnor Group considers it has an inherent sustainability in every aspect of the implementation of its activities and its business strategy, as well as its relations with stakeholders.

The Elecnor Group has various policies that set out and clarify its principles and values and its commitments, both to its employees and to the business environment and society in general. These policies include, besides the Code of Ethics and Conduct and the Compliance Policy, the Sustainability Policy, the Anti-Corruption Policy, the Anti-Trust Policy, the Human Rights Policy, the Local Community Relations Policy, the Equality Plan and the Tax Policy, among others. All these policies are published on the Elecnor Group's websites and on its corporate intranet "Buenos Días".

In turn, the Group passes these commitments on to its operational management both through its Strategic Sustainability Plan and the various management systems it has in place, including the Corporate Social Responsibility Management System, the Compliance System and the Integrated Management System, which integrates the quality, environment, health and safety, energy management, R&D&I management and information security systems.

SUSTAINABILITY GOVERNANCE GRI 2-14, GRI 2-16

Board of Directors

The Board of Directors of Elecnor Holding is the body with the most wide-ranging powers and faculties to manage and represent the company, and it carries out its functions with unity of purpose and independence of criteria, guided by the corporate interest, which it understands as the achievement of a profitable and sustainable business in the long term, in order to foster its continuity and the maximisation of its economic value.

Pursuant to Article 14 of the Bylaws and Article 5 of the Board of Directors' Regulations, the Board of Directors' policy is to focus its activity on the general function of laying down the strategic and management guidelines of the company and its Group, as well as on supervising their implementation, deciding on matters that are strategically relevant at Group level, entrusting the ordinary direction and management functions of the companies that go to make up the Group to their management and governing bodies, while also overseeing the reconciliation of Elecnor corporate interest with the said entities.

In particular, in the field of sustainability, the Board of Directors is responsible, among other functions and responsibilities, for determining and approving the corporate social responsibility and sustainability policy in environmental and social matters; supervising the process of drawing up and presenting the financial information and the Directors' Report, which includes the mandatory non-financial information; and drawing up the Non-Financial Information Statement for presentation to the General Shareholders' Meeting. It also approves the initiatives of the Elecnor Group's Sustainability Strategy that contribute to its business strategy and long-term interests and sustainability.

Similarly, the Board supervises the effective functioning and performance of the Appointments, Remuneration and Sustainability Committee, which has taken on the duties of promoting, monitoring and assessing all actions and policies on ESG issues undertaken in the company.

Appointments, Remuneration and Sustainability Committee

The Appointments, Remuneration and Sustainability Committee, in connection with the review of corporate governance and sustainability, is responsible for:

- Assessing and periodically reviewing the corporate governance system and the company's corporate social responsibility and sustainability policy in environmental and social matters, with a view to ensuring that they fulfil their mission of furthering the social interest and take into account the legitimate interests of stakeholders.

- Overseeing that environmental and social practices are in line with the strategy and policy set.
- Overseeing and assessing the processes of relations with the different stakeholders.

The members of the Appointments, Remuneration and Sustainability Committee are appointed with the knowledge, skills and experience required for the duties they are called upon to perform. The dynamics and practices set up to strengthen the Directors' knowledge of ESG matters notably include the incorporation of a specific agenda item on sustainability issues at meetings of the Board of Directors, the Executive Committee and other major committees.

The Appointments, Remuneration and Sustainability Committee has designated the Sustainability Committee as the Group's key operational body on sustainability issues.

The Appointments, Remuneration and Sustainability Committee has held quarterly meetings to track and evaluate the actions of the Sustainability Committee.

Sustainability Committee

The Sustainability Committee of Elecnor Group, set up in 2020, is a cross-cutting body with representation from the company's various corporate and business areas. Its goal is to design the tools needed to manage sustainability throughout the Group, foster a coordinated strategy, ensure that it is properly adopted and followed, and monitor progress achieved with a view to nurturing best practices.

This year, the Sustainability Committee met on 5 occasions.

The Sustainability Committee's actions are supervised by Management and referred to the Appointments, Remuneration and Sustainability Committee of the Board of Directors.

ELECNOR GROUP SUSTAINABILITY STRATEGY

At the Elecnor Group, sustainability is regarded as essential both in the implementation of its activities and its business strategy, as well as in its relations with its stakeholders. A commitment that is embodied in its Strategic Sustainability Plan, which lays down the core areas of its social responsibility and the basis for ongoing improvement in sustainability management.

The Elecnor Group's 2021-2022 Strategic Sustainability Plan is based on five pillars that reflect the company's philosophy and culture, as well as its purpose of generating change and well-being in the territories in which it operates. This strategy conveys to the Group's stakeholders its commitment to people, society and the environment, always based on ethical and responsible management.

2021-2022 STRATEGIC SUSTAINABILITY PLAN

6 strategic axes

15 Lines of action

36 initiatives

55 monitoring indicators

The Strategic Sustainability Plan was drafted by the Sustainability Committee, supervised by Management, submitted to the Appointments, Remuneration and Sustainability Committee, and ultimately approved by the Board of Directors.

Work is currently being carried out on the new 2023-2025 Strategic Sustainability Plan, which will be approved in the first quarter of 2023.

ETHICAL AND RESPONSIBLE MANAGEMENT

PROFITABLE AND FORWARD-LOOKING COMPANY



IMPROVE THE QUALITY OF LIFE OF PEOPLE



SOLID GOVERNANCE STRUCTURE



PROMOTING A CULTURE OF BELONGING AND RESPECT



DEVELOP SUSTAINABLE INFRASTRUCTURES



Main strategic lines

PROFITABLE AND FORWARD-LOOKING COMPANY

It comprises one of the core building blocks of sustainability seeking the long-term projection of the company in terms of financial solvency, efficiency and competitiveness. These are its lines of action:

- > Sustainable financing linked to the performance of ESG goals and indicators
- > Consolidating quality and strengthening customer satisfaction
- > Driving digital transformation and innovation

SOLID GOVERNANCE STRUCTURE

Geared towards making further progress in the Good Governance principles and continuing to strengthen the structure of good governance. These are its lines of action:

- > Progressing in Corporate Governance
- > Strengthening compliance
- > Ongoing and preventive risk management and supervision

DEVELOP SUSTAINABLE INFRASTRUCTURES

Being one of the key agents in the development and progress of society through infrastructure, renewable energy, energy efficiency, water and environmental projects. These are its lines of action:

- > Guaranteeing quality and sustainable infrastructures with future projection
- > Undertaking projects and services that contribute to cutting greenhouse gases and facilitating access to renewable energy
- > Progressing towards becoming a carbon neutral company

IMPROVE THE QUALITY OF LIFE OF PEOPLE

Fostering the development and progress of society. These are its lines of action:

- > In constant dialogue with stakeholders
- > Supporting the communities where the Group operates

PROMOTING A CULTURE OF BELONGING AND RESPECT

The importance of people's health and safety, as well as aspects fostering in the motivation and personal and professional enrichment of the teams is particularly linked to the company's DNA. These are its lines of action:

- > Strengthening the commitment to health and safety
- > Attracting and retaining talent
- > Strengthening equality and diversity
- > Promoting work-life balance

Similarly, in the area of ongoing improvement, the company has outlined actions geared towards the more efficient management of sustainability that strengthens the Group's commitment in this area and achieves its full integration into the business.

2021-2022 STRATEGIC PLAN MILESTONES

Some achievements of the 2021-2022 Strategic Plan are set out below:

- > The Elecnor Group has been certified under the IQNet SR10 standard for Social Responsibility Management Systems. This certification guarantees that the Elecnor Group has an effective Social Responsibility Management System in place with the necessary elements to correctly manage sustainability, thus endorsing its level of commitment in this area.
- > In 2022, 73% of corporate financing was deemed to be sustainable financing, i.e. linked to the performance of ESG objectives and indicators.
- > Major progress in the renewable energy projects of wind farm repowering and hybridisation.
- > Approval of emission reduction targets under the Science Based Targets (SBT) initiative.
- > Progress in the implementation of the "Safety Excellence" Project (PES) internationally.
- > Digitalisation of the sustainability report to improve monitoring of non-financial information and to support the Group's sustainability management system.

ELECNOR GROUP MATERIAL MATTERS GRI 2-29, GRI 3-1, GRI 3-2

The Elecnor Group identifies material aspects by preparing its own materiality study, conducted jointly with an external advisor. At the close of 2022, this study was undertaken in order to define the Group's relevant sustainability issues that will form the basis of the new 2023-2025 Sustainability Strategy and to prioritise the contents included in this section of the Directors' Report.

For the first time, this exercise was conducted according to the concept of dual materiality, which involves assessing both the risks and opportunities related to ESG issues that may influence the Group's value (financial materiality), and the impacts of ESG issues on people and the planet (impact materiality).

The process used to identify material issues consisted of the following

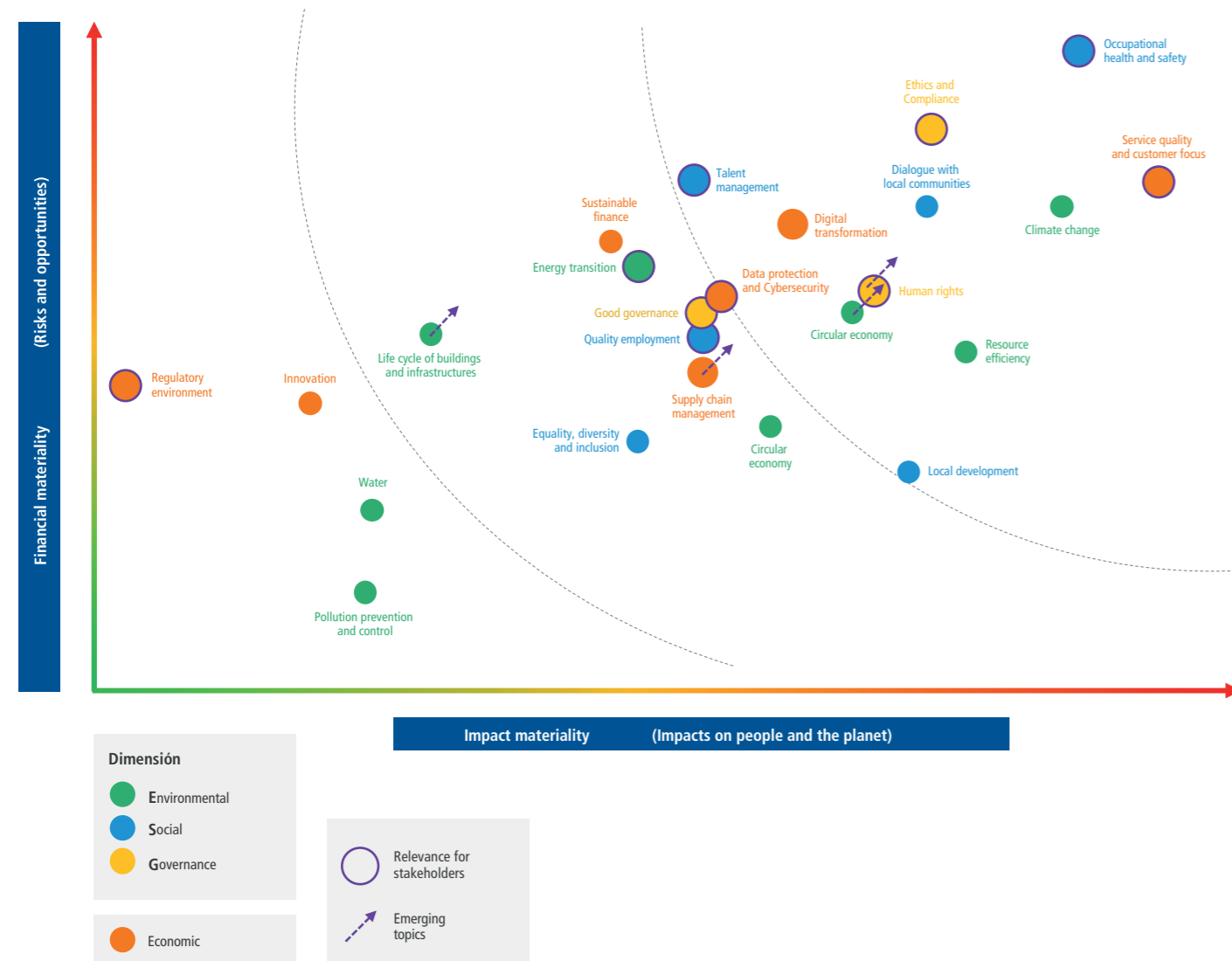
- 1. Identification of material issues.** Sector benchmarking was conducted by analysing publicly available information from companies in the sector, along with regulations and news related to ESG issues. Furthermore, the material issues for the infrastructure and renewable energy sectors were analysed according to SASB, Sustainalytics and S&P Global. As a result of this process, 24 ESG issues were identified.
- 2. Consultation with internal and external stakeholders.** A questionnaire was sent to the key stakeholders asking their opinion on the relevance level that each of the 24 ESG issues that were identified should have for the Elecnor Group. Similarly, with a view to approaching the concept of dual materiality with stakeholders, questions were added to identify their views on the positive and negative impacts of the Elecnor Group on people and the planet, as well as on the financial risks and opportunities for the company arising from each of the ESG issues.
- 3. Assessment of ESG issues by the Sustainability Committee based on the concept of dual materiality.**
 - > Each of the 24 ESG issues identified in the initial phase were assessed according to the dual approach:
 - Financial materiality. The risks and opportunities that could impact the company's value were analysed.
 - Financial risk, taking into consideration variables such as importance (analysing potential impacts on the income statement, reputation, survival, etc.) and probability.
 - Financial opportunity based on its potential impact on the income statement and reputation.
 - Impact materiality. The real and potential positive and negative impacts of the Elecnor Group on people and the planet were evaluated:
 - Negative impacts based on variables such as severity (analysing the scale, extent and irremediability) and probability.
 - Positive impacts based on their contribution to sustainable development.
 - > Prioritisation of ESG issues. On the basis of the above criteria, following the analysis, ESG issues were classified into high, medium and low impact issues, with those classified as having a high impact being deemed to be material issues.
- 4. Preparation of the materiality matrix** on the basis of the results obtained in the assessment exercise conducted by the Sustainability Committee and stakeholder consultation. The results will be submitted to the Appointments, Remuneration and Sustainability Committee for validation.

The Y axis of the matrix shows the results of the financial materiality assessment (risks and opportunities that affect or may affect the Elecnor Group's value creation). The X axis displays the results of the materiality of impact (real and potential impacts of the Elecnor Group on people and the planet).

Furthermore, the stakeholders' perspective is represented by the different size of the bubble that visually represents each ESG issue, depending on the relevance attributed by the respondents.

Lastly, certain issues have been identified that are likely to become more relevant in the medium and long term: human rights, supply chain and biodiversity. The life cycle of buildings and infrastructures is also considered to be an area that will need further attention, given the potential market demand for such projects.

ELECNOR GROUP'S DUAL MATERIALITY MATRIX



RESULTS OBTAINED

ESG	MATERIAL TOPICS	FINANCIAL MATERIALITY	IMPACT MATERIALITY
S	Occupational health and safety	X	X
G	Service quality and customer focus	X	X
G	Ethics and Compliance	X	X
A	Climate change	X	X
S	Dialogue with local communities	X	X
G	Digital transformation	X	X
S	Talent management	X	
S	Human rights		X
A	Resource efficiency		X
A	Biodiversity		X
S	Local development		X

Comparison between the material issues in 2021 and 2022

As there has been a change in methodology, it is not feasible to make a comparison between the material issues in 2021 and 2022.

However, the key findings are outlined below:

- > All issues (except Business Opportunities) that were deemed critical in 2021 are represented in the new matrix as a material issue (Occupational health and safety, Service quality and customer focus, Ethics and compliance, Human rights, Talent management). Business opportunities have been included in 2022 as part of the topics related to innovation and energy transition.
- > Furthermore, in 2022 they have been included as material issues: Climate change, Dialogue with local communities, Digital transformation, Resource efficiency, Biodiversity and Local development.
- > New issues have arisen compared to the previous year: Local development, Sustainable financing, Life cycle effects of infrastructures and Pollution prevention and control.

ALIGNMENT OF MATERIAL ISSUES, THE SUSTAINABLE DEVELOPMENT GOALS AND THE SUSTAINABILITY STRATEGY

CRITICAL MATERIAL MATTERS	GRI CONTENT	SDGS	INTERNAL IMPACT	EXTERNAL IMPACT	CHAPTER OF THIS REPORT WHERE ANSWERS ARE GIVEN
Occupational health and safety	403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-8 403-9 403-10	 	✓	✓	Chapter on We look after our people
Service quality and customer focus	Elecnor Group own indicator 416-1	 		✓	Operational excellence chapter
Ethics and Compliance	2-9 2-23 2-27 201-4 205-1 205-2 205-3 206-1 207-1 207-2 207-3 207-4 415-1	 	✓	✓	Chapter on Responsible management
Climate change	201-2 305-1 305-2 305-3 305-4 305-5	 	✓	✓	Chapter on Committed to the environment

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CRITICAL MATERIAL MATTERS	GRI CONTENT	SDGS	INTERNAL IMPACT	EXTERNAL IMPACT	CHAPTER OF THIS REPORT WHERE ANSWERS ARE GIVEN
Dialogue with local communities	203-2 413-2			✓	Chapter on Social impact
Digital transformation	Elecnor Group own indicator		✓	✓	Chapter on Technology and innovation
Talent management	401-1 401-3 404-1 404-2		✓		Chapter on Our people, our best asset
Human rights	2-23 406-1 407-1 408-1 409-1 411-1		✓	✓	Chapter on Responsible management
Resource efficiency	302-1 302-2 302-3 302-4 302-5 303-1 303-5 306-1 306-2 306-3 306-4 306-5		✓	✓	Chapter on Committed to the environment
Biodiversity	304-1 304-2 304-3 304-4			✓	Chapter on Committed to the environment
Local development	201-1 203-1 204-1 413-1			✓	Chapter on Social impact

SOCIAL DIALOGUE WITH STAKEHOLDERS GRI 2-25, GRI 2-29

The Elecnor Group is in fluent and constant dialogue with its various stakeholder groups through a number of channels, through which it aims to ascertain and respond to their needs and expectations.

The main stakeholders and communication channels with them are outlined below:

STAKEHOLDER GROUP	COMMUNICATION CHANNEL
Shareholders and investors	Shareholders' Meeting Corporate website (Shareholders and Investors) email (Shareholder Services) Social media CNMV website Management Committees, Commissions, Boards of Directors and Shareholders' Meetings Informal channels (in-person dialogue, One-to-One Meetings) Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc. Roadshows and forums Presentations of profit/(loss) Meetings ESG forms
Customer	Meetings and presentations Corporate websites Trade fairs Satisfaction surveys Social media Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc. Code of Ethics channel
Employees	Periodic meetings Work groups Training sessions and courses Corporate websites Social media Buenos Días Elecnor intranet eTalent Signage Awareness-raising and sensitisation campaigns Campaigns for participation in collective initiatives/projects Corporate and financial reporting: Integrated Report, etc. Whistleblower channel Code of Ethics
Public Entities and regulatory bodies	Official filings Meetings Corporate website e-offices Social media Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc.
Suppliers	Meetings and work groups Conventions, fairs and congresses Audits Management platforms Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc. Corporate websites Social media Ethical Code whistleblower channels

Continued on next page

STAKEHOLDER GROUP	COMMUNICATION CHANNEL
Social environment	Social projects
	Corporate and financial reporting: Annual Reports, NFIS, Integrated Report, Elecnor Foundation Annual Report
	Sponsorships and patronage
	Corporate websites
	Social media
	Specific project websites
	Collaboration agreements
Opinion generation	Code of Ethics channel
	Press releases
	Partnership agreements with the media (Observatorio Expansión...)
	Meetings
	Corporate website
	Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc.
	Social media
Partners	ESG forms
	Collaboration agreements
	Forums, fairs and congresses
	Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, Elecnor Foundation Report, etc.
	Corporate websites
Unions	Social media
	Meetings
	Information briefings
	Whistleblower channel Code of Ethics
	Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, Elecnor Foundation Report, etc.
Lenders/Insurers	Corporate websites
	Social media
	ESG forms
	Meetings
	Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc.

These are some key figures in the Elecnor Group's communication with the various stakeholders in 2022:



15.3. Business model GRI 2-6

Information on the company's business model is contained in the Purpose, vision and business model section of this Directors' Report. Information concerning the outlook for 2023 can be found in the section with the same name.

STRATEGIC GOALS

The strategy of the Elecnor Group is in line with its purpose and is backed by a multidisciplinary, qualified and diverse team that enables it to take advantage of opportunities and drive growth.

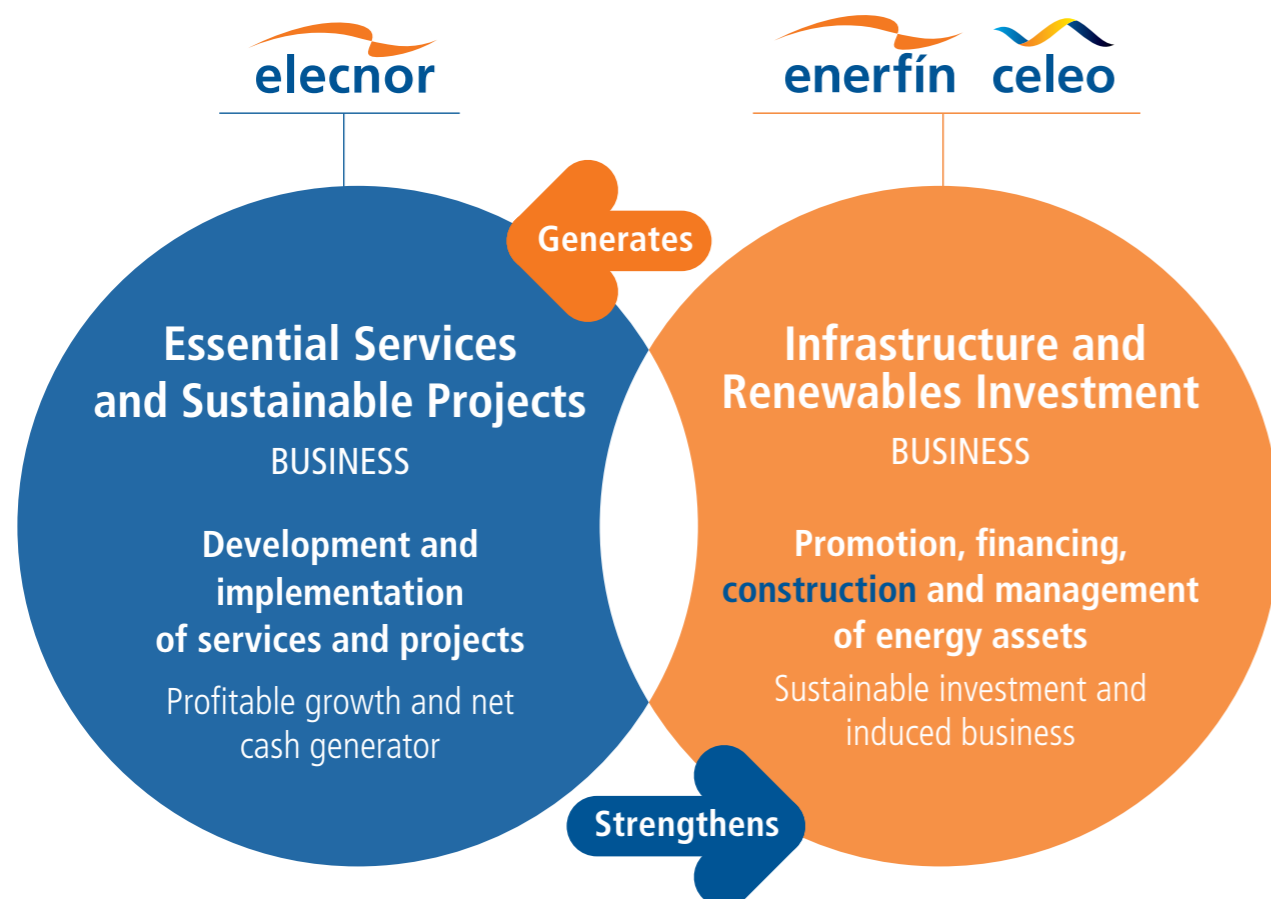
Thanks to a solid, durable business model with strong synergies between its businesses, the Elecnor Group is committed to diversification, internationalisation and technical excellence in order to drive the development of essential services and renewable energies.

In that regard, the Group's strategy is based on the protection and safety of its people and its activity, as well as on technical and financial solvency, efficiency and control. All this with the focus on generating value for all of its stakeholder groups.

OUR PURPOSE, THE REASON WE EXIST



We generate change and well-being: by deploying infrastructure, energy and services to territories all over the world in order to develop their potential



GROWTH DRIVERS

Efficiency, diversification and robustness

DIFERENTIAL BASE

People and values

15.4 Our people, our best asset

People management is a key area for the Elecnor Group. Keeping a committed team, attracting the best talent and supporting their professional development, while fostering good working practices, equal opportunities and a safe and healthy working environment are the keys to the Integrated Human Resources Management System.

At the close of 2022, the Group employed more than 22,000 people of 87 nationalities. They form a committed, professional and diverse team.

INTEGRATED HUMAN RESOURCES MANAGEMENT SYSTEM GRI 3-3

The Group's Integrated Human Resources Management System is geared towards attracting the best talent available, as well as deploying, fostering and developing the existing talent in the organisation.

22,348 employees



Selection

Acquiring and attracting the best available talent in the market, prioritising internal talent.

34%

Increase in new hires



Performance

Process of analysis of the actions and results of each person in their post, as well as the identification of improvement areas.



Compensation

Focused on fair remuneration, that rewards and recognises merits.

- Salary surveys
- Social benefits



Development

This means a maximum commitment to existing potential in order to offer employees opportunities for growth and improvement over the course of their career.



Training

Aimed at developing skills and broadening knowledge to achieve optimal suitability of person to post.

344,005 Training hours

15.39 Training hours/employee

SELECTION

The Elecnor Group strives for the utmost fairness in the duties, remuneration and recognition of posts of equal value within the Group, regardless of the characteristics of the person occupying the post. In this connection, it has established selection guidelines to achieve maximum equality in these aspects.

Moreover, the Group has an internal selection and mobility policy aimed at attracting and retaining the best available talent in the market, which has been reviewed in 2022.

This year, the selection of qualified profiles in the various business areas of the Group was strengthened in order to attract talent according to the specific needs of each area. The goal is to build a multidisciplinary team that operates with a global vision of the business.

Aware of the difficulties inherent to international selection processes and the level of competition in some countries due to the scarcity of skilled profiles, work is ongoing to boost the Group brands as a standard-bearing company for professional development. In this regard, a LinkedIn profile Elecnor Talento is mainly used to coordinate job vacancy postings in the international market. In 2022 a boost was given using specific campaigns on LinkedIn and other employment websites in order to identify talent among those who are not actively seeking work. This year's campaigns have been geared towards boosting the brand image and identifying profiles for renewable energy projects.

This year has continued to be marked by the need to recruit a large number of national and international profiles for renewable energy projects, both wind and photovoltaic, in Spain, Brazil, Colombia and Australia.

Similarly, with the aim of attracting students and recent graduates, the Elecnor Group actively collaborates with the university environment and vocational training schools, taking part in different employment forums, both on-site and virtual.

GRI 2-8

357 INTERNS
268 IN SPAIN
89 ABROAD

Cegarding the international scholarship programme, the Group maintains its collaboration with the Basque Government. The ICEX scholarships in various countries are also upheld.

As described in greater detail in the Equality and diversity section of this Report, the Elecnor Group is committed to including people with disabilities in the workplace. This commitment has materialised in the form of support for the Adecco Foundation's #EmpleoParaTodos (JobsForEveryone) programme. This is an organisation that has been working for over 20 years to foster the employability of people at risk of exclusion. Furthermore, we collaborate through the Aflora project, which seeks to normalise disability in the company by informing and orienting people who, due to certain health conditions, are eligible to obtain a disability certificate. The Group has continued this commitment in 2022.

PERFORMANCE MANAGEMENT

One of the Elecnor Group's main lines of action comprises developing its human capital, working on training, retaining and developing it.

The Group is committed to managing talent by identifying key posts and talent groups (high potential, key people and successors), thereby helping to devise specific development and career plans.

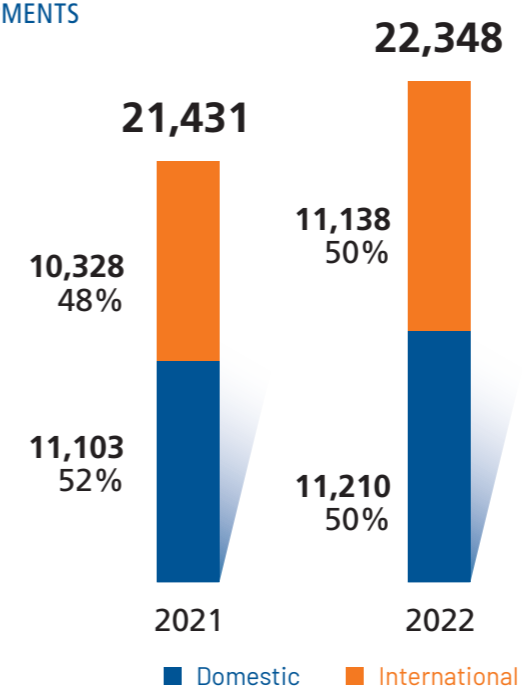
In 2022, the Performance Management process has only been implemented for new university graduates within the framework of the Career Plan, which is currently in place in Madrid and Barcelona.

WORKFORCE PROFILE GRI 2-7

The Elecnor Group has an international, multicultural and diverse profile with a presence in more than 50 countries across five continents. The workforce is split 50/50 between national and international staff.

At the end of 2022, the Elecnor Group employed 22,348 people, a 4.3% increase on the previous year (21,431 employees). This increase chiefly comes from the international market, where the workforce has grown by 7.8% compared to 2021, with a notable rise in Europe and Oceania. In the domestic market, workforce has remained stable.

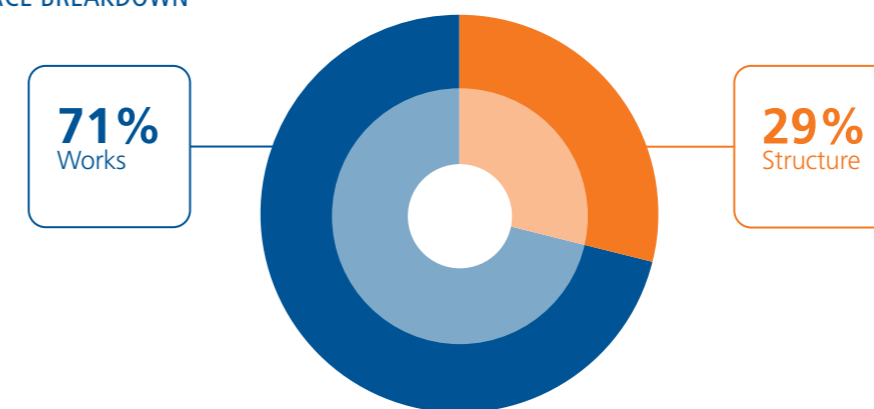
EMPLOYEE DEVELOPMENTS BY MARKET



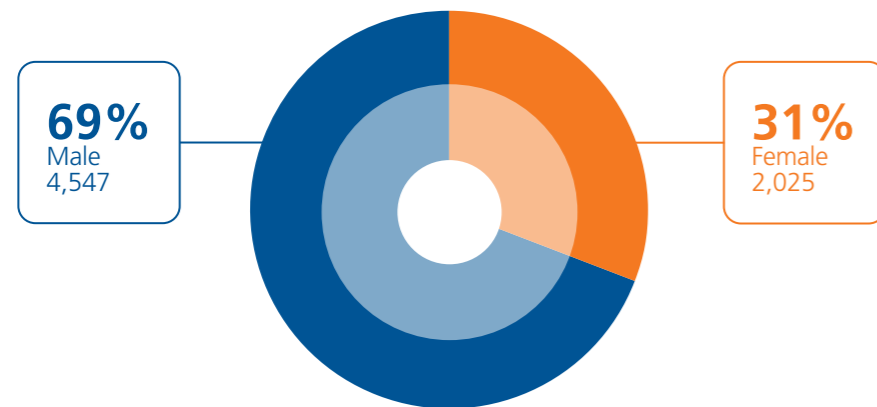
The Elecnor Group's workforce comprised 29% Structure staff and 71% Works staff.

In line with the historical trend in the sector, men have a greater presence in the Group, as they account for more staff in Works, where women only account for 6%. However, in the Structure category, there is a greater balance between men and women (the latter accounting for 31%).

WORKFORCE BREAKDOWN



STRUCTURE WORKFORCE BY GENDER



The company's commitment to equality and diversity fosters growth in the number of women at the organisation, and there has been a 12% increase at Group level in the last year. Note also that 43% of women in the workforce hold degree qualifications or above and they increasingly occupy positions of responsibility in the Group.

It is also worth highlighting the effort made by the company to recruit female engineers as the Group's most demanded profile. At present, in Spain, 38% of the Group's graduates are female engineers or architects, a figure that contrasts with 27% of the total number of female graduates from all Spanish universities.

Over the course of this chapter and in Appendix I hereto, the workforce figures by employee type (Structure and Works) are broken down in the gender information so as to adequately represent the profile of the workforce.

STAFF IN STRUCTURE

	2021	2022	% CHANGE
	6,110	6,572	8%
Male	4,210	4,547	8%
Female	1,900	2,025	7%

STAFF IN WORKS

	2021	2022	% CHANGE
	15,321	15,776	3%
Male	14,620	14,900	2%
Female	701	876	25%

Below is a breakdown of the Structure staff by geographical area and gender:

GEOGRAPHIC AREA	2021		2022	
	MALE	FEMALE	MALE	FEMALE
Spain	2,559	1,159	2,684	1,225
Europe	246	175	317	155
North America	233	48	229	46
Latin America	794	365	886	432
Africa	226	112	232	113
Asia	80	7	51	8
Oceania	72	34	148	46
Total	4,210	1,900	4,547	2,025

The Elecnor Group is committed to enhancing the quality of employment, which is demonstrated by the 23% increase in the number of permanent contracts compared to the figure for 2021. It is also worth noting the increase in the number of open-ended contracts for construction personnel, which has reached 23%.

In 2022, the Elecnor Group worked to adapt to the new requirements of Royal Decree-Law 32/2021, of 28 December, on urgent measures for the labour reform, the guarantee of employment stability and the transformation of the labour market.

Furthermore, 99% of the Group's contracts are full time. All the information broken down by type of contract and type of employment can be found in Appendix I to this report.

In 2022, the number of hours of absenteeism in the Elecnor Group totalled 2,651,853 (2,206,895 hours in 2021), implying an absenteeism ratio of 5.09% (4.9% in 2021).

WORKFORCE TURNOVER ⁴ GRI 401-1

Workforce turnover this year reached 50%. The turnover figures in segment are due mainly to contracts ending due to project completions over the course of the year. Appendix I of this Report contains in-depth figures on workforce turnover.

NEW HIRINGS GRI 401-1

In order to implement projects, 12,412 new recruitments were made in 2022, which implies a 34% increase compared to 2021 (9,270).

By gender and type of employee

	STRUCTURE		TOTAL	WORKS	
	MALE	FEMALE		MALE	FEMALE
2021	1,060	513	9,270	7,366	331
2022	1,316	614	12,412	9,865	617

TRAINING AND DEVELOPMENT GRI 3-3, GRI 404-1, GRI 404-2

A milestone in 2022 in the field of Human Resources was the design of the **Identity Reinforcement Project**. This project outlines several lines of work in various areas of people management geared towards attracting, developing and retaining talent in the Elecnor Group.

The main lines of action of this project are as follows:

- > Initial steps geared towards welcoming new recruits, from welcome to monitoring and evaluation after the probationary period.
- > Training for new recruits over the first three years.

(3) The absenteeism ratio is calculated as hours of absenteeism including all absences (unjustified, remunerated and non-remunerated leave, illness, accident, maternity and paternity)/actual hours worked.

(4) Turnover is determined as total departures (sum of voluntary redundancies, leaves of absence, retirements, deaths, dismissals, end-of-contract and other kinds of departure)/average employment * 100.

- > Monthly and quarterly project monitoring meetings where we foster communication between those in charge and their teams and monitor the achievement of objectives.
- > Holding workshops intended to increase motivation and listen to people's needs:
 - Continuity workshops targeting graduates between 4 and 5 years experience.
 - Teambuilding sessions for key people in the organisations.
- > Compensation/Performance evaluation and monitoring plan. In 2022, the new job mapping of the P&L staff up to the head of production control has been outlined.
- > Career plans:
 - Development/Career Plan has been designed for new university graduates, which outlines the salary aspects for the first three years, which will be associated with their annual performance.
 - Internationalisation is fostered by facilitating professional career opportunities in the countries where the Group is present.
- > Training. We have established the possibility for professionals to request more personalised training.
- > Emotional salary. The Elecnor Group backs the undertaking of sporting activities with communication campaigns.
- > Active listening by drawing up an exit questionnaire for the company that collects information in this respect and interviews between managers and their teams to deal with the different needs on an individual basis.

TRAINING MANAGEMENT

The Elecnor Group has a procedure in place for training management which defines the way to pinpoint and meet the training needs of all the workforce. The training needs identified, and the training and awareness actions to be implemented, are outlined in the Training Plan.

The Group pays special attention to training intended to ensure that staff are aware of the suitability and importance of their activities and how they contribute to achieving its growth, competitiveness and profitability goals, as well as aspects of occupational risk prevention, quality, environmental management, energy management, information security, R&D&I and compliance management.

In 2022, the Elecnor Group continued in its commitment to the training and developing its employees as key factors for the organisation's success, expanding on training and professional growth opportunities.

Thus, of note are the following training itineraries, designed according to existing positions and needs.

> Executive itineraries

Regarding the Management Development programme that was launched in 2021 and geared towards those who occupy the position of Delegate, a total of 25 people participated and completed the course in April 2022. The second edition of the programme was attended by 24 people.

In 2022, the Senior Management Programme (SMP) and the Advanced Negotiation programme have been continued.

Furthermore, for Production Centre Managers, the company has developed a new itinerary entitled "Building Stable Relationships with Customers", which was attended by 63 people.

> Itineraries on management skills

They include courses related to leadership, finance, sales, communication, negotiation and professional productivity strategies and techniques. A total of 461 attendees took part.

> Specialised itineraries

They consist of courses related to the most specific aspects of each position, which have been attended by 532 people (276 through the Pharos digital training tool).

> Office automation/technical IT

177 attendees have taken a course to update or learn new office automation tools. Additionally, 7 Office training sessions were held for 245 people and 25 Google Workspace sessions for 1,000 participants.

Besides classroom training, the Elecnor Group offers training courses with the following methodologies:

- **Online live:** live training where attendees interact with the speaker and participants.
- **Online:** various training contents are hosted on digital platforms. On the online platform Pharos, 348 participants have completed some of the available courses on technical or specific training.

Furthermore, in 2022, the Manager School initiative was implemented, the objective of which is to provide the necessary knowledge to people who occupy or will occupy the position of manager, to enable them to carry out their duties and achieve the established goals.

For this purpose, this initiative consists of two phases. On the one hand, a performance assessment for current managers or potential candidates for the position of manager; and, on the other, a Training Plan is drawn up to address the following skills: command functions, digital, technical, occupational risk prevention and management systems. In 2022, two training sessions were held with 21 participants.

TRAINING INDICATORS⁵

ITEM	2021	2022	% CHANGES
Investment in training (€)	8,445,224	9,839,989	17%
Training hours	352,936	344,005	-3%
No. of attendees*	34,951	35,123	- %
Training hours/employee	16.47	15.39	-7%

(*) The number of attendees measures the number of people who have received training, and one person may have completed several courses.

Structure and Works training for personnel tailored to the needs of their job descriptions:

- **Structure.** In 2022, 8,036 people attended training events, such as: management, technology, IT, languages, quality and environment, and occupational risk prevention.
- **Works.** Works personnel receives training in connection with electricity, installations, maintenance, gas, telecommunications, vehicle and machine operation, quality and environment, and occupational risk prevention. This continuous training makes it possible to acquire and maintain the necessary qualifications to perform specialist tasks involving execution risk. In total, 27,087 people have received some of the aforementioned training.

(5) The figures correspond to 90.91% of the Group's workforce.

2021

STAFF IN STRUCTURE AREA	NO. OF COURSES	ATTENDEES			HOURS		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Management	136	1,219	507	1,726	7,975	3,264	11,239
Technology	115	537	151	688	6,701	1,479	8,180
IT	58	218	146	364	2,519	2,052	4,571
Languages	282	166	118	284	1,957	1,513	3,470
Quality and Environment	72	292	131	423	1,410	863	2,274
Occupational health and safety	361	2,961	1,156	4,117	25,800	9,902	35,703
Total	1,024	5,393	2,209	7,602	46,363	19,073	65,435

STAFF IN WORKS AREA	NO. OF COURSES	ATTENDEES			HOURS		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Management	8	279	19	298	232	29	261
Technology	1,418	10,357	30	10,387	124,759	307	125,066
IT	10	53	14	67	739	280	1,019
Languages	2	2	0	2	274	0	274
Quality and Environment	12	448	2	450	602	4	606
Occupational health and safety	1,956	15,838	307	16,145	157,840	2,435	160,275
Total	3,406	26,977	372	27,349	284,446	3,055	287,501

2022

STAFF IN STRUCTURE AREA	NO. OF COURSES	ATTENDEES			HOURS		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Management	98	666	226	892	5,846	2,101	7,947
Technology	56	1,133	469	1,602	10,880	2,930	13,810
IT	42	166	119	285	2,112	1,328	3,440
Languages	378	321	185	506	5,420	3,826	9,246
Quality and Environment	129	422	265	687	1,877	1,987	3,864
Occupational health and safety	325	2,954	1,110	4,064	26,363	9,123	35,486
Total	1,128	5,662	2,374	8,036	52,498	21,294	73,791

STAFF IN WORKS AREA	NO. OF COURSES	ATTENDEES			HOURS		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Management	18	173	3	176	1,430	23	1,453
Technology	1,222	8,507	28	8,535	117,906	411	118,317
IT	2	24	3	27	268	31	299
Languages	0	4	0	4	3	0	3
Quality and Environment	22	426	31	457	735	53	787
Occupational health and safety	1,951	17,598	290	17,888	147,520	1,836	149,355
Total	3,215	26,732	355	27,087	267,861	2,353	270,214

TRAINING HOURS AND ATTENDEES BY PROFESSIONAL CATEGORY AND TYPE OF EMPLOYEE

PROFESSIONAL CATEGORY	2021		2022	
	ATTENDEES	HOURS	ATTENDEES	HOURS
Structure	7,607	65,472	8,036	73,791
Management	150	1,459	133	1,638
Executive	1,466	12,813	1,520	13,056
Technician	5,991	51,201	6,383	59,098
Works	27,344	287,464	27,087	270,214
Basic	27,344	287,464	27,087	270,214
Total	34,951	352,936	35,123	344,005

TRAINING HOURS BY GENDER AND TYPE OF EMPLOYEE

	STRUCTURE			WORKS	
	MALE	FEMALE	TOTAL	MALE	FEMALE
2021	46,363	19,073	352,936	284,446	3,055
2022	52,498	21,294	344,005	267,861	2,353

AVERAGE HOURS OF TRAINING BY CATEGORY AND GENDER

2021

CATEGORY	MALE		FEMALE		TOTAL	
	NUMBER	AVERAGE	NUMBER	AVERAGE	WORKFORCE	AVERAGE
Structure	4,210	11.01	1,900	10.03	6,110	15.55
Management	141	8.26	20	14.73	161	9.06
Executive	1,110	9.26	233	10.87	1,343	9.54
Technician	2,959	11.81	1,647	9.86	4,606	11.12
Works	14,620	19.45	701	4.36	15,321	18.76
Basic	14620	19.45	701	4.36	15321	18.76
Total	18,830	17.57	2,601	8.51	21,431	16.47

GRI 404-1

2022

CATEGORY	MALE		FEMALE		TOTAL	
	NUMBER	AVERAGE	NUMBER	AVERAGE	WORKFORCE	AVERAGE
Structure	4,547	31.01	2,025	36.62	6,572	31.25
Management	143	10.02	18	11.39	161	10.17
Executive	1,184	8.11	225	15.33	1,409	9.27
Technician	3,220	12.88	1,782	9.90	5,002	11.81
Works	14,900	17.98	876	2.69	15,776	17.13
Basic	14,900	17.98	876	2.69	15,776	17.13
Total	19,447	16.47	2,901	8.15	22,348	15.39

With a view to continuous improvement, the Group assesses each training itinerary considering the opinion of trainees by means of an anonymous questionnaire.

Note also in this connection the personalised training and updating programme in specific skills for the members of the Group's Board of Directors.

REMUNERATION AND BENEFITS

Elecnor's job chart clarifies and simplifies its organisational structure, the responsibilities of each post and the profiles required. This definition of jobs and responsibilities makes it easier to adapt remuneration in a more objective and fair way, rewarding and recognising merit where due. In 2022, a new job map was outlined for staff with an impact on the income statement up to the head of production control, as well as for four-year graduates and business support staff.

The target bonus was also defined during the year up to the level of delegates.

The Elecnor Group offers its employees social benefits that are described in more detail in the Work-Life Balance section of this chapter.

REMUNERATIONS POLICY

In the framework of the Integrated Human Resources Management System, the Elecnor Group seeks to ensure that its remuneration policy respects the criteria of objectivity, fairness and non-discrimination, recognising and rewarding merits.

The Group uses salary surveys as a benchmark to obtain information relating to the salaries and social benefits in the sector or at similar companies. These surveys are a tool to gauge how competitive positions are as compared to the same positions in the market. Furthermore, the Group also accesses other market research to achieve this purpose.

In order to gathering all the necessary information on employee payrolls in a uniform, agile and effective manner, in 2021, the SAP Success Factors tool was implemented. This tool enables the information from the payroll systems of subsidiaries and branches in the foreign market to be obtained by automation.

The Elecnor Group has a remuneration register adapted to the requirements of Royal Decree 902/2020 of 13 October on equal pay for men and women.

The Elecnor Group's wage policy is for men and women performing jobs with equal responsibility to receive equal pay. As outlined in its Equality Plan, The Group implements a remuneration system that guarantees neutrality at all times with no conditioning factors whatsoever on the basis of gender, a circumstance that will continue over time.

The table below details the wage gap ratio which represents the salary difference between men and women by professional category and employee type in the Elecnor Group. The wage gap has been calculated as the difference between the average wage of men and of women, over the average wage of men.*

CATEGORY	2021	2022
Management	15%	13%
Executive	18%	17%
Technician	16%	21%
Basic	33%	47%

EMPLOYEE TYPE	2021	2022
Structure	31%	33%
Works	33%	47%

(*) Data for 2021 have been recalculated on the basis of the average rather than the median.

Moreover, it is worth representing the wage gap in Spain, where 50% of the workforce is located.

SPAIN

EMPLOYEE TYPE	2021	2022
Structure	21%	21%
Works	0.18%	0.3%

CATEGORY	2021	2022
Management	12%	8%
Executive	3%	2%
Technician	10%	10%
Basic	0.18%	0.30%

WORK-LIFE BALANCE

The Elecnor Group organises working hours in accordance with sector-specific and conventional standards applicable to the company and by means of negotiations with the employee representatives at each work centre, and this is materialised in various work schedules.

The company considers that the concept of work-life balance encompasses measures to improve quality of employment, support for families, professional development, equality of opportunities and flexibility in accordance with framework agreements such as family-friendly company. Similarly, this concept is included in the Group's Code of Ethics and Conduct, in which it undertakes to implement steps to facilitate the reconciliation of professional obligations and personal and family life. In this connection, the Group is working to improve each aspect based on the circumstances of the company, country and individual worker.

Although there is currently no formal policy to facilitate disconnection from work, the company encourages the implementation of policies, wherever possible, that facilitate a work-life balance, such as avoiding late meetings, scheduling training during work hours, having flexible working hours, compressed work schedules every Friday and in summer or, where applicable, shorter working days, with all measures provided in the various applicable regulations being implemented.

With respect to digital disconnection, the Elecnor Group has an agenda system marking the workforce's rest and availability periods to prevent any meetings or actions of any kind being scheduled during this period. Furthermore, "scheduled sending" has been enabled in the email system to ensure that, if an email is sent, the recipient receives it during their working hours. The whistleblowing channel and the post office box that the company makes available to employees accepts complaints, reports or observations on this matter.

The Elecnor Group has a Flexible Compensation Plan to which Structure personnel in the domestic market with open-ended contracts have access. This plan includes health insurance (employees may include their spouse and children), meal vouchers and cards, retirement insurance, and kindergarten. 1,149 people joined in 2022.

Moreover, there is a study support programme available to all Group staff in Spain who have children aged 4 to 16. The only requirement is to have been at the company for at least one year. In 2022, 3,519 employees have benefited from this assistance for a total cost of Euros 631,966. Study support is also available for disabled children of employees, which varies depending on the school year.

Other social benefits granted by the company are life insurance and accident insurance, travel insurance for employees who travel, medical insurance for employees in positions of responsibility, medical check-up for all employees, company car for those whose work requires them to travel by car and a retirement plan for Management. As part of the emotional wage, sports activities such as registration fees for races, sports equipment, etc. are supported. Note also that the Más Elecnor digital platform includes special offers and discounts on products and services for the entire workforce and their direct relatives.

In aspects related to health and well-being, there are several initiatives: agreements with physiotherapy clinics and insurance companies, weekly mailing with health tips and good practices, etc. Furthermore, the company seeks to foster and encourage sport among its employees, and has therefore subsidised their participation in running events.

EQUALITY AND DIVERSITY GRI 2-25 GRI 401-3 GRI 406-1

The Group's Gender Equality Plan reflects its commitment to equal opportunities for men and women and non-discrimination in its guiding principles.

Furthermore, Elecnor's commitment to equal opportunities is enshrined in its Code of Ethics and Conduct: "The Elecnor Group applies criteria of non-discrimination and equal opportunities in its selection processes as well as in the development of the professional careers of its employees. Race, colour, nationality, social origin, age, sex, marital status, sexual orientation, ideology, religion and kinship are excluded as factors for professional assessment. The only professional differentiation features used are merit, effort, the results of hard work, training, experience and future potential. Promoting equality entails a special area concerning gender balance, as evidenced in the selection and recruitment practices, professional promotion procedures, training and general work conditions.

The Equality Plan establishes various working areas to boost equality between men and women in the following axes of action: selection and recruitment, professional classification, training, promotion, work conditions, work-life balance, female representation and remuneration.

Moreover, the Group has a Compliance Policy and internal controls to ensure all forms of discrimination are prevented; these controls include workplace harassment, sexual harassment and pregnancy risk protocols, among others.

Furthermore, the Group's Recruitment Policy stipulates that all candidates are given equal consideration, that equal opportunities are respected, that the process is treated with the utmost confidentiality and that the positions in the various fields of activity are filled by the most suitable people, within a framework of equal treatment and without discrimination of any kind.

The e-mail in-box codigoetico@elecnor.com is a communications channel for employees to submit suggestions of any kind or to resolve conflicts. In 2022, no complaints have been received in terms of equality or discrimination of treatment on the grounds of sex or similar matters **GRI406-1**

In line with historical trends regarding gender in the sector, men are more widely represented in the Group, especially among Works personnel. Staff in Structure, however, are more balanced: at 31 December 2022, 31% were women and 69% men; while in Works, 6% were women and 94% men.

In the year, 524 male employees were entitled to paternity leave and 95% took said leave; 110 female employees were entitled to maternity leave and 98% of them took said leave.

In Spain, out of the 321 people who took leave (262 men and 59 women), 305 returned at the end of their leave (252 men and 53 women), which corresponds to a return rate of 95% (96% men and 90% women). On the other hand, out of the 305 employees who returned (252 men and 53 women), 287 were in active employment at the end of the year (236 men and 51 women), corresponding to a retention rate of 94% (94% men and 96% women).



Lastly, it is worth noting that the Elecnor Group has maintained the "Company adhered to the #CEOPorLaDiversidad Alliance" seal. This accreditation acknowledges the Elecnor Group as a company committed to researching, sharing, developing and fostering strategies and good

business practices for diversity, equity and inclusion in order to turn Spain, its companies and its leaders into drivers of an innovative model centred on the dignity of all people, on fundamental rights and on the advantages and opportunities that diversity management can offer to companies and their different stakeholders.

DIVERSITY IN GOVERNING BODIES

The Elecnor Group's Policy for the Selection of Directors and for Board Diversity accessible on the Group's website, outlining all the measures adopted in relation to the selection of Directors, diversity policy in relation to gender, age, experience, etc., as well as the procedures for said selection so as to foster a diversity of experience, knowledge, competencies and gender and so as to ensure that, in general, they do not entail implicit biases that might imply any kind of discrimination.

This Policy was amended in December 2020 in order to adapt it to the reform of the Code of Good Governance approved in June 2020 by the CNMV, and is regularly reviewed by the Appointments, Remuneration and Sustainability Committee in order to make progress in improving this aspect.

The Policy is governed by the following guiding principles:

- Adequate composition of the Board of Directors, for which purpose the Director selection processes must be grounded on a prior analysis of the competencies required by the Board.
- Fostering diversity in the Board and its Committees, among other aspects, in relation to know-how, experience, age and gender.
- Non-discrimination and equal treatment, whether on the grounds of race, gender, age, disability or any other reason.
- Transparency in selecting candidates for Directors, with the Board of Directors being obliged to provide all significant information in this regard, duly documenting the selection processes and including the main conclusions in the reports and proposals by competent bodies that must be made available to shareholders at their General Meeting.
- Compliance with applicable regulations and the principles of good corporate governance.

The bodies in charge of ensuring the diversity of the Board of Directors and its Committees as well as of the processes of selection of members of the Board will be the Board of Directors and the Appointments, Remuneration and Sustainability Committee, without prejudice to the appointment powers of the General Meeting of Shareholders.

Similarly, the company has an Equality Plan, applicable not only to the Board of Directors but also to the Management Team and all Group personnel, which lays down specific actions to be conducted for persons holding positions of responsibility in each of the aforementioned fields of work.

This Equality Plan is one of the main tools used by the Appointments, Remuneration and Sustainability Committee to foster inclusion and diversity among the Group's employees, including its executives.

With regard to the recommendation of the Code of Good Governance of ensuring that the number of female directors represents at least 40% of members of the Board of Directors, the company intends to continue fostering an increased presence of female directors on the Board so as to fulfil the recommendation without affecting the normal functioning of the Board and the suitability of its members as a whole to discharge their duties.

Accordingly, on 18 May 2022, the General Shareholders' Meeting, at the proposal of the Board of Directors and the Appointments, Remuneration and Sustainability Committee, approved the appointment of Francisca Ortega Hernández-Agero as a new Independent Director of the company, thus making progress towards the Board's diversity goal, having increased the percentage of female directors by 8.1% with respect to the previous year. Also on the same date, Irene Hernández Álvarez was re-elected as Independent Director and as Chairperson of the Audit Committee for a further four years.

REPRESENTATION OF WOMEN IN EXECUTIVE POSITIONS	2021	2022
Women in executive positions *	12.4%	11.8%
Women in the Board of Directors **	13.3%	21.4%

(*) Considering Management category of Elecnor Group.
(**) The Board in December of the reporting year.

The Policy for the Selection of Directors and for Board Diversity and the Equality Plan are available on the Group's corporate website.

DISABILITY

The Elecnor Group is committed to having diverse and inclusive teams comprising people with different competencies, skills, perspectives and experiences.

In Spain it employs a total of 90 people with various disabilities, accounting for 0.8% of the national workforce and for 0.4% of the total workforce. The Group combines the hiring of personnel with disabilities with the adoption of alternative measures pursuant to Spain's Disabled Persons and Social Inclusion Act (LGD).

In particular, in Spain, the company resorted to alternative measures by acquiring raw materials, tools, PPE and procuring various services from special employment centres for a value of more than Euros 4 million.

SUPPLIERS	
P&M SL	€2,618,537
Comercial Mathius	€203,621
Integra PMC	€40,365
Gelim	€101,435
I.L. Sijalon	€353,350
Cemi Norte	€106,842
S. Arza	€716,131
Total	4.099.916 €

In the interests of data confidentiality, no information is reported regarding differently-abled persons in the rest of countries in which the Group is present.

In 2021, the Elecnor Group signed a collaboration agreement with the Adecco Foundation to foster the company's commitment to the labour inclusion of people at risk of exclusion, through the #EmpleoParaTodos (JobsForEveryone) programme. In that context, the Aflora Plan was launched with the goal of normalising disability in the Group, seeking to identify employees who are eligible to obtain a disability certificate. This commitment continues in 2022, reinforced by an employee communication plan.

The Group does not currently have a formal policy on universal accessibility.

ABOUT OUR PEOPLE

Internal communication is essential in the Elecnor Group. Its core goal is to maintain a constant connection between the company and the team comprising it. The ongoing dissemination of corporate information and aspects related to the company's social responsibility were the main axes on which internal communication was based in 2022.

The Group's more than 22,000 people are interconnected through the communication channels set up, the main one being the corporate intranet: "Buenos Días Elecnor".

Noteworthy initiatives

As is customary in the Group's culture of ongoing improvement, this year new initiatives were launched and those started in the previous year were advanced.

Aflora Plan, #EmpleoParaTodos (JobsForEveryone)

The Elecnor Group supported the Adecco Foundation's #EmpleoParaTodos (JobsForEveryone) project geared towards helping the most vulnerable people find work and avoid social exclusion.

The Aflora Plan is a corporate strategy comprising actions based on commitment, awareness, information and advice, the goal of which is to normalise disability in the company. Through this strategy, fears, mistrust, mental barriers and lack of knowledge around disabilities are reduced, fostering normalisation and corporate dialogue.

Helping to Help

This year, World Environment Day 2022 with the slogan "Una sola tierra" (Only One Earth) highlighted the need to live sustainably, in harmony with nature, through substantial changes driven by policies and daily choices that will guide us towards cleaner and greener lifestyles.

The Elecnor Group took this opportunity to foster a sustainable way of working with the "Ayudando a Ayudar" (Helping to Help) campaign, which, in this new edition, invited all Elecnor employees to participate in the 2nd Call for Ideas de Carácter Medioambiental (Environmental Ideas).

An award was given to the employee or employees who, representing their organisation within the Elecnor Group, presented innovative ideas in projects or in offices and warehouses. To support the "Una sola tierra" (Only One Earth) motto, the participants' ideas had to be initiatives that would help to combat one of the three planetary crises: climate change, loss of biodiversity and waste generation.

Digital transformation: DIGFLIX

Digital transformation, one of the Elecnor Group's strategic projects, was created to effect cultural change, enhance processes, and boost operating efficiency and competitiveness. This year, DIGFLIX, a new serial digital skills platform was developed and implemented by the Elecnor Group, as described in the Digital Transformation section of this report.

Tú haces Elecnor

With a view to recognising the commitment of the people who have been with the Elecnor Group for the longest time, a meeting called *Tú haces Elecnor* (You make Elecnor) was organised, attended by people who joined the company 25 years ago. This year, the event was attended by more than 200 people from both domestic and international workforce..

The Quality League

Following the success of the first two editions of this initiative, the third edition was launched this year in order to raise awareness around the importance of quality and its processes. This time around, 2,570 people from 31 countries of the Group took part.

Being healthy

This Human Resources initiative seeks to improve the physical and emotional well-being of the people comprising the Elecnor Group. A healthy well-being plan that consists of disseminating content in various formats (audiovisual, infographics, reports, etc.) that combine three areas of knowledge: nutrition, emotional well-being and physical activity.

Parar para poder seguir

As part of World Day for Safety and Health at Work, the Elecnor Group held an annual event on occupational risk prevention that sought to raise awareness, foster and reward occupational prevention actions in all fields and spheres. The event was broadcast throughout the Group's countries of operation. This year's campaign launched a reflection: "Parar para poder seguir" (Stop in order to keep going) in the face of health and safety breaches, concluding with the guidance of the defence of prevention in all circumstances.

Seguridad al día

Within the Elecnor Group's commitment to health and safety, an internal communication is released every week with real images of Elecnor employees who have suffered an accident. The aim is to raise awareness of the lessons learned after the incident and to prevent it from being repeated.

Furthermore, throughout 2022, various awareness-raising campaigns remained ongoing, such as the campaigns designed for International Women's Day, International Workers' Day and World Breast Cancer Day.

Carrera de las Empresas

The Elecnor Group encourages the adoption of healthy habits inside and outside the workplace, achieving a safe and healthy workplace filled with energy. The Carrera de las Empresas (Company Race) is an initiative that also encourages teamwork, a good atmosphere and camaraderie.

SOCIAL DIALOGUE GRI 2-30, GRI 403-1

In Spain, 100% of the workforce is covered by collective bargaining agreements. In the other countries where the Group is present, employees are supported by the labour relations framework established in the relevant local labour legislation.

The Elecnor Group also has Human Resources Departments to ensure compliance with and application of the current legislation throughout all the countries where it operates.

The work centres in Spain with between 10 and 49 employees have staff delegates, with Workers' Committees representing employees at centres with 50 workers or more.

Both the staff delegates and the Committees members are chosen in trade union elections, in which both unions and independent groups may field candidates. At present, the majority union is Comisiones Obreras (CCOO), but others are also represented: UGT, ELA, LAB, USO, ESK, CSIF and independent groups. In the rest of countries the Group is compliant with legislation in force.

Labour relations at the Group are managed on the basis of provincial collective bargaining agreements within the sector. In certain cases, specific agreements are signed with particular groups. The company holds quarterly meetings with each and every one of the Workers' Legal Representations (RLT), in which it provides the information required by both the Workers' Statute and the Organic Law on Trade Union Freedom. Nonetheless, extraordinary meetings may be held at the request of both the Group and the RLTs themselves.

In 2022, the Málaga Iron and Steel Agreement was revised.

The Group has various channels for employee dialogue and participation, such as meetings with workers' representatives, Equality Plan Monitoring Committee, the Buenos Días Elecnor intranet, the platform eTalent and the email address codigoetico@elecnor.com, among others.

15.5 We look after our people GRI 403-1

Our commitment to employee health and safety has been a priority for the Elecnor Group since the outset. Along these lines, the Group conducts work to achieve the goal of zero accidents, zero tolerance to any breaches of preventive measures and the continuous fostering of safe conduct among employees.

This commitment is formalised in the Group's Integrated Management System, which comprises the aspects of environment, quality, health and safety, energy management, R&D&I management and information security. These six vectors comprise the Elecnor Group's Integrated Management System Policy, each with its specific objectives and strategies, but all with a common mission: the ongoing improvement of the organisation.

As regards health and safety, the principles of action reflected in the Integrated Management System Policy are as follows:

- Provision of the necessary material resources.
- Focus on training in prevention techniques.
- Development of awareness campaigns for the entire Group.
- Continuous performance of inspections and audits on site and adoption of the appropriate remedial actions to rectify the origin of the deficiencies.

Furthermore, in the Integrated Management System Policy, employees are encouraged to perform their work according to the established instructions and procedures, to use the individual or collective protection equipment provided, not to perform work in which there is an imminent serious risk to workers and to inform their superior, and to collaborate with the company in ongoing improvement.

In the Elecnor Group, the Health and Safety Area is structured based on the Joint Prevention Service (JPS), which is broken down into Central and Health and Safety Technicians. The latter have a presence in the various countries where the Group operates.

The Central JPS comprised 13 people at the end of the year, structured as follows:

- Technical Office Department. Prepares and maintains the Group's occupational risk prevention (OPR) documentation, campaigns, etc., as well as ensuring that internal audits are conducted in Spain and some countries in the international market.
- Internal Work Audit Department. Which conducts this kind of control in Spain as well as certain other countries.
- International OPR Coordinator Coordinating with all the Group's international organisations by means of reviewing reports, conducting meetings, monitoring implementation of the Safety Excellence Plan and software rollout, among other things.
- Activity, telecommunications and utilities (electricity and gas) coordinators. They undertake coordination tasks with customers and with the Group's organisations in the domestic market, preparing reports, monitoring, etc.

Health and Safety Technicians provide services to the various units on a day-to-day basis. Their duties include, inter alia, technical support to customers, inspections and training, and coordinating the application of the Management System in their business unit.

In the national market, there are 124 technicians, with different levels (chiefly senior level) and specialities (most of them have the three specialities required by Spanish legislation), mainly dedicated to health and safety tasks. Abroad, there are 312 technicians in various categories in accordance with the legislation of each country.

A total budget of Euros 23.5 million (Euros 13.5 million in Spain and Euros 10 million for the international market) was allocated for the development of health and safety activities during 2022.

(6) They do not include health technicians hired specifically for large projects.

HEALTH AND SAFETY MANAGEMENT GRI 3-3, GRI 403-2, GRI 403-3, GRI 403-7, GRI 403-8

Health and safety management in the Ecnor Group is conducted with the conviction of minimising or eliminating the main risk that may occur as a result of undertaking a project: a major or fatal accident. This risk is mainly related to working at heights, electrical risk, handling large loads, confined spaces, etc. Furthermore, the risk of traffic accidents is representative due to the high number of vehicles constantly on the move.

The Ecnor Group has implemented a Health and Safety Management System encompassed within the Integrated Management System, which applies to all workers, activities and places of work. Its goal is to remove or minimise the risk situations that people might face when executing their activity. To this end, the following actions are conducted:

- Safety inspections and internal work audits to monitor the conditions in which work is executed.
- Information and training on health and safety for all workers.
- Monitoring and awareness meetings.
- Campaigns to increase awareness and change behaviours.

All Management System activities have been strengthened during the year with the implementation of the Digital Transformation and Safety Excellence projects, which continue to make positive progress.

The Management System includes the initial risk assessment procedures (adapted to the legal requirements of each country) identifying the risks associated with activities, the probability of those risks emerging and the severity of the consequences of their materialising. Below are the corrective/preventive measures to eliminate or reduce risk.

By means of controlling work conditions (safety inspections, internal work audits, system audits, principal risk permits or spontaneous observations), the environment in which activities are conducted is monitored and remedial measures are implemented, which may include the re-assessment of the work to be executed. If there has not been a re-assessment the risk assessment is reviewed and, where applicable, it is modified every 3-5 years.

The risk assessments are performed by health and safety technicians. The safety inspections involve the entire hierarchical structure to foster integration of health and safety in people's everyday routines. Those directly responsible for projects are in charge of the principal risk permits, observations and other activities. In addition, all these aspects are monitored in conjunction with the Group's Management.

The Ecnor Group's Health and Safety Policy, formalised in the Integrated Management System, includes the right of workers to refrain from performing work where there is grave or imminent risk, requesting that execution of the work should halt and consulting their managers or the Safety Technician to perform the work in a safe way, without being subject to any type of penalty. Employees can report such situations through various mechanisms such as spontaneous risk observations, PRP, safety inspections, etc.

The Management System contains a procedure to investigate workplace accidents and incidents that define the responsibilities and actions, including the application of the remedial measures to avoid the repetition of the event or minimise its consequences. The findings of accident and incident investigations are analysed on a monthly basis, and the advisability of reviewing the System is assessed.

In 2022, Spain, Argentina, Brazil, Chile, Italy, Mexico, Canada, United Kingdom and Uruguay have been certified in accordance with the requirements of ISO 45001:2018. 65% of turnover is certified in accordance with international ISO 45001 standard.

In 2022, 28 internal audits were performed in Spain in accordance with ISO 45001 standards. With respect to external audits, these were conducted for Ecnor and the subsidiaries included in the Multi-site Certificate: Ecnor Servicios y Proyectos, Adhorna, Atersa, Deimos Space,

Deimos Engineering, Ehisa, Ecnor Infrastructure, Ecnor Seguridad and Jomar Seguridad, and they all ended with satisfactory results. Similarly, Audeca and Enerfin, which have independent certification, obtained satisfactory results in their audits.

In the international market, again pursuant to the requirements of ISO 45001, 20 internal audits and 13 external audits were conducted in various countries, also with satisfactory results.

Among other actions, 95,116 safety inspections were conducted throughout the Group, as a result of which 75,413 remedial measures were implemented, and 1,057 internal works audits were implemented as a means of control and in-depth analysis of the safety environment at projects.

HEALTH AND SAFETY COMMITTEES GRI 403-4, GRI 403-8

93% of the Group's employees are represented in formal health and safety committees, in which aspects such as work procedures, protection equipment, etc. are discussed. In Spain the committees are specific to work centres and in other countries they may be specific to work centres or project sites.

Generally speaking, in almost all the countries where the Ecnor Group operates, there are worker participation committees, in which the workers' chosen representatives and representatives of the company intervene. They are equal consultative and participatory bodies. The frequency of the meetings is that established in applicable legislation, but they normally meet monthly or quarterly.

In work places or countries where there is no worker representation, consultation and participation is by means of other mechanisms (awareness meetings, notice boards, circulars, e-mails, etc.).

TRAINING IN WORKPLACE OCCUPATIONAL HEALTH AND SAFETY GRI 403-5

In 2022, the Ecnor Group continued with health and safety training activities to further foster a culture of prevention in the workplace. Depending on the activity, training is given on the following aspects:

- Management systems.
- Ab initio or induction when joining the company or project.
- Significant specific risks: height, electrical hazards, machinery, confined spaces, etc.
- Action in case of emergency: first aid, evacuation, fire prevention, etc.

The attendees who have received health and safety training, as well as the hours dedicated by type of market, are set out below:

	ATTENDEES			HOURS		
	2021	2022	CHANGES	2021	2022	CHANGES
Spain	28,280	16,390	-42%	159,338	163,644	3%
International	226,625	66,967	-70%	452,344	377,613	-17%
Total	254,905	83,357	-67%	611,682	541,257	-12%

Training actions were undertaken in Spain for a collective of 16,390 attendees (15,429 men and 961 women), most of whom attended more than one training action. A total of 163,644 training hours were provided (154,175 hours by men and 9,469 hours by women), 3% up on last

year. There are also other technological and management training, which also have a clear impact on prevention, and which are not included in this total (qualifications/electrical permits, machinery operators, etc.).

The most notable training actions in Spain are:

COURSES	PARTICIPANTS	HOURS
Basic course	918	55,080
First cycle of the TPC	1,579	12,632
Second cycle of the TPC	3,809	23,894
Working at heights	3,512	29,164
Confined spaces	1,772	14,870
First aid	1,181	5,541
The Risk Factor course	811	4,145
Total	13,582	145,326

Training actions were held internationally for a collective of 66,967 attendees (61,154 men and 5,813 women), most of whom attended more than one training action. In terms of total training hours, the figure stood at 377,614 hours (333,164 hours by men and 44,449 hours by women). These figures include the induction actions given for entry to the major projects.

One of the most significant initiatives in 2022 was the World Day for Safety and Health at Work campaign, titled "Parar para poder seguir" (Stop in order to keep going), which was held on 28 April to commemorate the event. This year, the campaign's presentation event was organised globally over streaming from Italy for all the countries in which the Group operates, which featured the participation of Management and which more than 4,900 people from all profiles of the organisation, including Management and other stakeholders. Furthermore, during the months following the initiative, the video obtained more than 30,000 views on LinkedIn, Instagram and Twitter.

It is also worth highlighting the Elecnor Group's 2nd International Health and Safety Meeting, which was attended by the Health and Safety managers of the countries where the Group has operations, as well as technicians from Spain who coordinate its activities, with the goal of improving their training and doing team-building work to help improve their day-to-day work and sense of belonging.

In line with the health and safety awareness-raising of all employees, it is worth highlighting the implementation of the named Safety Contacts. This entails —at all meetings, training sessions, etc.— the person in charge of the meeting beginning by talking about health and safety. The topics addressed can be related to both occupational safety and the non-occupational sphere, since the goal is to raise the level of risk perception in general and to generate a behavioural change towards an interdependent safety culture.

OCCUPATIONAL HEALTH SERVICES GRI 403-3, GRI 403-6

The Elecnor Group is committed to the health of its workers, providing them access to health services at work so as to identify and eliminate hazards and minimise risks. As a result of the monitoring of these services, actions considered necessary are taken and, in extreme cases, may lead to a change of service.

Depending on where the activity is conducted, a different type of service is offered:

- Presence of an adequate medical service on site (doctor, nurse, paramedic or trained personnel).
- If necessary, workers may be transported in their own vehicles if their injuries permit or via ambulance to the nearest hospital.
- If workers use their own transport, the resulting expenses will be reimbursed.

In any event, workers are given the necessary information for their use in the local language or, where applicable, in the language in which said indications are understandable to them.

For workers who are in another country (expatriates/travelling), an emergency notification service has been contracted that channels the action to enable the worker to receive information on where to go wherever they are. Furthermore, the care service for other non-medical emergencies is also included: security events, natural catastrophes, etc. In extreme cases, this service includes the necessary actions for individual or collective repatriation.

ACCIDENT RATES GRI 403-9, GRI 403-10

In 2022, the Group achieved its best accident rates since they were first compiled in 1967. In particular, its frequency rate was 1.7 and its severity rate was 0.08.

ACCIDENT RATE	2021	2022
Frequency rate	2.7	1.7
Severity rate	0.11	0.08
Incident rate	5.76	3.91

Frequency rate = (number of accidents involving more than one day's leave, not counting those on way to or from work/hours worked) x 10⁶.
Severity rate = number of days lost/hours worked) x 10³.
Incident rate = (number of accidents involving more than one day's leave/Average number of employees) x 10³.

In Spain, the frequency rate stands at 2.6, which is the best figure in the historical series, compared to 3.4 in 2021, and the severity score was 0.14 compared to 0.16 in 2021. There were no fatal work-related accidents in 2022 and there were fewer accidents in the year (58 accidents, compared with 79 in 2021).

In the international market, the final frequency rate was 1.1, the second lowest since the series commenced, compared with 1.9 in 2021. The severity rate was 0.03, down from 0.07 in 2021. This year there has been a reduction in accidents (32, from 40 in 2021). Elecnor deeply regrets to have to report that there was a fatal accident involving its own employees in Latin America. This tragedy has served to spur the Group on in its firm commitment to working to reach its target of zero accidents.

FIGURES BROKEN DOWN BY GENDER

	2021		2022	
	MALE	FEMALE	MALE	FEMALE
Frequency rate	3.00	0.0	1.95	0.00
Severity rate	0.12	0.0	0.09	0.00
Occupational illness rate*	0.10	0.0	0.04	0.00

(*) Occupational illness rate = (number of occupational illnesses/hours worked) x 10⁶.

In general, figures are compiled using IT tools, varying from payroll software, intranet, health and safety management tools (Notific@, SegurT, PRPs, e-coordina, etc.), spreadsheets, monthly reports, follow-up meetings, etc.

EMPLOYEE ACCIDENT RATE

GEOGRAPHIC AREA	NO. OF WORK-RELATED INJURIES			NO. OF WORKPLACE ACCIDENTS WITH SERIOUS CONSEQUENCES ¹			HOURS WORKED		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Spain	58	0	58	1	0	1	19,200,469	2,894,432	22,094,901
Europe	8	0	8	0	0	0	2,335,312	472,874	2,808,186
North America	2	0	2	0	0	0	1,520,278	136,515	1,656,793
Latin America	14	0	14	2	0	2	16,988,232	1,697,463	18,685,695
Africa	8	0	8	0	0	0	4,940,318	730,714	5,671,032
Asia	0	0	0	0	0	0	682,933	19,390	702,323
Oceania	0	0	0	0	0	0	453,644	69,580	523,224
Total international	32	0	32	2	0	2	26,920,717	3,126,536	30,047,253
Total	90	0	90	3	0	3	46,121,186	6,020,968	52,142,154

(1) Injury due to workplace accident leading to death or so severe that the employee cannot recover or fully recover their state of health as it was prior to the accident, or is not expected to fully recover their state of health as it was prior to the accident within a period of 6 months.

The most significant workplace hazards with serious consequences are determined based on the record of accidents at the company:

- Working at heights: risk of falling to another level from, in many cases, considerable height.
- Work involving electrical hazard: risk of electrical contact, arc flash, fire or spatter from incandescent material.
- Handling large loads: risk of objects falling or of becoming trapped by objects.
- Work in confined spaces: risk of suffocation or explosion.
- Traffic accidents: risk of crashes, being run over, fire.

ACCIDENT RATE AT SUBCONTRACTORS

GEOGRAPHIC AREA	NO. OF INJURIES DUE TO WORKPLACE ACCIDENTS			HOURS WORKED		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Spain	50	0	50	12,223,641	0	12,223,641
Europe	1	0	1	125,385	0	125,385
North America	0	0	0	4,205	0	4,205
Latin America	2	0	2	5,327,394	0	5,327,394
Africa	7	0	7	3,587,178	0	3,587,178
Asia	0	0	0	1,435,823	0	1,435,823
Oceania	0	0	0	1,012,755	0	1,012,755
Total international	10	0	10	11,492,740	0	11,492,740
Total	60	0	60	23,716,381	0	23,716,381

In 2022, there have been no fatalities due to work-related accidents or occupational diseases or illnesses of subcontracted personnel.

OCCUPATIONAL HEALTH AND SAFETY IN THE WORKPLACE WITH CUSTOMERS AND SUBCONTRACTORS **GRI 403-7**

The Elecnor Group applies to subcontracted staff the same health and safety controls and measures as it applies to its own workers, conducting inspections, training, meetings, etc.

As part of the Safety Excellence Project, there is a specific line of action for subcontractors.

In Spain, there is a procedure for subcontractor assessment and a model for tracking their health and safety performance using the computer software Evalu@.

This procedure enables the actions of subcontractors to be analysed and the action plans to be established in the event that they fail to meet the health and safety standards established by the Elecnor Group.

With regard to customers and other stakeholders (for example, third parties present at the workplace, with or without a contractual relationship with the customer), business health and safety coordination initiatives are implemented to eliminate or reduce to a minimum the potential hazards due to interference.

For the public in general, demarcation, signalling and surveillance helps avoid injury to third parties.

HEALTH SURVEILLANCE **GRI 403-10**

In general terms, the Elecnor Group employees do not perform activities with a high rate or risk of occupational illnesses. In those activities in which there might be a risk of developing an occupational illness (work at nuclear plants, involving asbestos, phytosanitary products, etc.) the necessary preventive measures are implemented and health monitoring performed, including checking physiological parameters that may help detect any problems in those tasks that may harm employees' health and safety. There were no significant cases in 2022.

When Elecnor employees are working in areas where there are endemic diseases (malaria, dengue, yellow fever, typhoid, AIDS, etc.), these are tackled through vaccines or preventive/prophylactic measures, backed by the relevant information campaigns. Accordingly, all expatriate/ deployed workers are required to take a health course using the SOS International e-learning platform.

In 2022, awareness initiatives have focused on conducting campaigns to combat AIDS and sexually transmitted diseases in various countries, with actions and campaigns to foster healthy habits (avoiding cardio-respiratory disease and musculoskeletal disorders, nurturing a healthy and balanced diet, etc.), back training, and prevention of endemic diseases in the international market, etc.

Furthermore, campaigns were conducted to coincide with World Breast Cancer Day and World Prostate Cancer Day, and the physiotherapy programme to prevent musculoskeletal injuries has been upheld in various cities in Spain.

EMPLOYEE OCCUPATIONAL ILLNESSES

GEOGRAPHIC AREA	NO. OF OCCUPATIONAL MEDICAL CONDITIONS			HOURS WORKED		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Spain	2	0	2	19,200,469	2,894,432	22,094,901
Europe	0	0	0	2,335,312	472,874	2,808,186
North America	0	0	0	1,520,278	136,515	1,656,793
Latin America	0	0	0	16,988,232	1,697,463	18,685,695
Asia	0	0	0	682,933	19,390	702,323
Africa	0	0	0	4,940,318	730,714	5,671,032
Oceania	0	0	0	453,644	69,580	523,224
Total international	0	0	0	26,920,717	3,126,536	30,047,253
Total	2	–	2	46,121,186	6,020,968	52,142,154

The most significant workplace hazards that present a risk of medical condition or illness are determined on the basis of their past record at the Group:

- Endemic diseases in certain countries where the company operates: malaria, dengue fever, etc.
- Asbestosis in places where there is asbestos.
- Musculoskeletal diseases at construction sites.

In 2022, there were 2 cases of occupational illnesses in Spain, both in men and of musculoskeletal origin, although these figures are partial as there are countries where they are not registered as such due to their legislation. There were no deaths due to occupational diseases in 2022.

Cases among local staff in countries with endemic diseases are not considered to be occupational illnesses.

SAFETY EXCELLENCE PROJECT (SEP)

The implementation of the SEP was completed in Angola, Argentina, Chile and Uruguay, and the roll-out continued in Italy, Brazil and Mexico throughout the year. In other countries, progress continues to be made in implementing several lines of action in order to continue unifying the Group's actions.

THE DIGITAL TRANSFORMATION OF OCCUPATIONAL HEALTH AND SAFETY

The digital transformation in health and safety enables the optimisation of processes, the most appropriate technology to be applied and efficiency to be gained.

In 2022, initiatives were launched and consolidated within the framework of the Group's Digital Transformation project. Some of the most notable of these are:

- The Principal Risk Permit (PRP) tool is fully implemented in Spain. This year, a total of 313,702 PRPs were conducted in this market.
- Development of various modules of the new CORE tool, which groups together the processes of the Integrated Management System: planning, goals, risks and action plans, improvement management, internal audits, monitoring of corrective measures, etc.
- Progress in the process of implementing the various health and safety IT tools (SegurT, Notific@, PRPs, e-coordina) in various countries (Australia, Brazil, Mexico, etc.), adapting them to current legislation and their specific characteristics. This process will be completed in successive years throughout the international market.
- An artificial intelligence and big data application project has been launched that will improve the monitoring and use of several of the applications (SegurT, Notific@ and PRP), harnessing the potential of the huge amount of data they contain and detecting any possible misuse of the tools in order to correct it.
- A virtual reality training project has been started, which will improve the training of our employees in the local operation of medium- and low-voltage networks.

15.6 Operational excellence GRI 3-3 GRI 2-23 GRI 2-24, GRI 416-1

As mentioned in previous sections, the Elecnor Group has an Integrated Management System that includes the aspects of environment, quality, health and safety, energy management, R&D&I management and information security. All of them comprise the Group's Integrated Management Policy and encompass the organisation's common goal of ongoing improvement.

In January 2022, the Board of Directors approved the update of the Integrated Management System Policy whereby the Elecnor Group consolidates its commitment to the principles that govern the operation of the entire organisation. In this way, they constitute the basis for defining and reviewing objectives that continuously improve the effectiveness of its management systems.

These principles, based on which specific commitments and lines of action are laid down for each area, are as follows:

- Strict compliance with applicable legislation and any other requirements binding upon Elecnor in all the markets in which it operates.
- Customer satisfaction.
- The prevention of any injuries to and deterioration in the health of the Group's workers, improving work conditions to provide them greater health and safety protection.
- Pollution prevention.
- Efficient energy use and consumption.
- The activities having a favourable impact on the social environment.
- Improvement in competitiveness through R&D&I.
- Effective and efficient protection by way of a preventive, detective, reactive and dynamic approach to the use of information.

In 2022, multisite certification audits were conducted according to ISO standards 9001:2015 and 14001:2015. This is a single certificate for all of the organisations in the Elecnor Group's infrastructures area that contains all of the scopes of the various activities and all of the work centres. This year, the scope of this certification was broadened to cover the operation and maintenance of solar thermal and photovoltaic plants. It has also obtained certification as a Maintenance Entity for the Railways activity.

Internationally, Elecnor Mexico's Quality and Environmental Management System has been brought into line with the Group's Integrated System.

A major milestone in the year was the successful completion of the certification audit of the Corporate Social Responsibility Management System under the IQNet SR10:2015 standard, with the following scope:

- Cross-cutting business support, which chiefly covers the rendering of legal, information systems, administrative, economic-financial, tax and human resources consultancy services.
- Execution of engineering, construction and service projects in the areas of electricity, gas, power generation plants, railways, telecommunications, space, water and environment, construction, installations and maintenance.
- The development, supervision of construction, maintenance and management of the operation of renewable energy and storage projects.

The information regarding the rest of the certifications of the Integrated Management System is explained in each of the corresponding sections of this report (We look after our people, Committed to the environment and Technology and innovation).

QUALITY MANAGEMENT GRI 416-1

The Elecnor Group's quality strategy consists mainly of strengthening customer satisfaction, consolidating the continuous improvement in the organisation's processes through risk management and opportunities and implementing opportunities for improvement and lessons learned, and involving the workforce in all this process.

In 2022, various activities and initiatives were undertaken to strengthen both customer satisfaction management and the ongoing improvement process. Highlights include:

- Deploying Management Systems:
 - Aligning the Management System at Elecnor Mexico and broadening the scope of the multi-site certificate to include solar thermal and photovoltaic plants.
 - Obtaining new certifications. The certificate of Entity in Charge of Maintenance was obtained at the Railway Delegation of the Energy Unit, the scope of the Information Management System was broadened to Elecnor Security and the Certification of the Corporate Social Responsibility Management System was obtained.
 - Preparing the necessary documentation for the certification of the Risk Management System.
- Optimising processes through the CORE tool, which encompasses the digitalisation of Integrated Management System processes. At present, the modules for audits, improvement management, objectives and targets, risks and action plans, and planner are available.
- Measures to expand the sample of customers in the satisfaction survey and to manage surveys with low ratings.
- Integration of the offer review process in the CRM.
- Boosting the documentation of lessons learned and opportunities for improvement, identifying, documenting and providing 302 opportunities for improvement and 62 lessons learned.
- Launch of the third edition of the Quality League campaign, which aims to raise awareness of the importance of quality and its processes. It was attended by 55 countries, 2,558 Elecnor professionals and 30 winners in Spain, the United States and Brazil.

68% of turnover is certified in accordance with international ISO 9001 standards.

CUSTOMERS, AT THE HEART OF THE BUSINESS GRI 2-25

Customer satisfaction is a priority goal for the Elecnor Group. For this reason, different activities and initiatives are undertaken to strengthen its management.

The Group measures customer satisfaction through digital surveys, enabling it to gauge the degree of satisfaction with the services offered, as well as to identify strengths and areas for improvement.

This year, 1,952 customer satisfaction surveys were sent, with a response rate of 62% (1,217 responses). The results show that Elecnor's average score among its customers has improved compared to 2021, rising from 8.56 to 8.62.

SATISFACTION SURVEY	2021	2022
Number of surveys	1,169	1,217
Average score	8.56	8.62

The most highly rated aspects in both 2021 and 2022 included attention and communication, training and technical capacity, and compliance with safety requirements.

As proof of the Elecnor Group's commitment to customer satisfaction, a methodology has been set up for surveys that obtain a score under 7.5 in order to find out the causes of this score and to analyse how to improve it. This is implemented by means of improvement Director's reports defining the necessary corrective actions to remedy the cause of the score obtained. Following the implementation of these actions, the customer survey is conducted again to assess the customer's compliance with the action plans.

As for customer claims or complaints, they are managed in accordance with the "Internal and External Communication" and "Improvement Management" procedures that outline the system to be applied for their management, analysis of causes and definition of efficient remedial actions.

Furthermore, the Elecnor Group acts with due diligence when addressing complaints through the following actions:

- Designating persons responsible for assessing customer complaints and coordinating their resolution on the basis of improvement management reports.
- Annual recording and monitoring of the number of complaints received.
- Measuring the degree of resolution of closed/pending complaints and the time invested in this.
- Outlining action plans and/or improvement actions when considered necessary.
- Assessing customer satisfaction once the improvement action has been implemented following the complaint.

In 2022, 194 customer complaints were filed, which is 24% down on the previous year, most of which were linked to technical management, materials and equipment, and workforce. All complaints were fielded within a defined period and 66% of them are closed with a satisfactory result.

SUPPLY CHAIN GRI 2-6, GRI 407-1, GRI 408-1, GRI 409-1

The Elecnor Group guarantees the most stringent levels of quality to its customers by fostering responsible management of the supply chain. This is the reason why the company affords priority to those suppliers of materials and services that can have a significant impact on the final quality provided by the Group to its customers.

Whenever possible, priority is afforded to contracting local suppliers to boost the area's economy. The "Social Impact" chapter of this Report provides details of the Group's procurements from local suppliers.

The core risks affecting the supply chain are analysed from two distinct angles. On the one hand, they are analysed at a high level by Management and, on the other, the analysis is conducted at an operational level after identifying those responsible for the different processes.

In this field, in 2022, the main risk identified in both high-level and operational risks was the late delivery of supplies, both equipment and materials. In order to curb these risks and have a more resilient network of suppliers and contractors, the Elecnor Group has developed an action plan based on fostering digital transformation in the procurement process.

Therefore, this year saw the culmination of the implementation the Fullstep procurement platform nationally. This platform enables all parties involved in the procurement process to view the status of their processes in real time. Some relevant figures are set out below:

- Upwards of 16,200 suppliers have registered with Fullstep, accepting both the General Terms and Conditions of Procurement, in which ethical, labour, social and environmental criteria, among others, are established, as well as the Code of Ethics and Conduct for Suppliers, Subcontractors and Collaborators, and the Information Security Policy.
- More than 3,100 internal procurement users.
- More than 55 training sessions have been given to more than 400 internal users.
- More than 490,000 procurement orders have been placed for approximately Euros 725 million.

The Materials/Services Supplier Management procedure forms the basis for managing the supply chain.

The Elecnor Group deems major suppliers to be all the materials and services that, as a result of their effect on the safety of the installation and/or continuity of service, seriously affect the final quality of the installations it carried out.

Approval as a major supplier is granted after its documentation is analysed using the criteria of quality, environment, energy management, occupational health and safety, compliance, R&D&I, information security and sustainability.

Currently, the Elecnor Group has a total of 7,844 approved suppliers: 6,927 in Spain and 917 internationally across 16 countries. In 2022, 2,287 suppliers have been approved, of which 730 (32%) have been proven to be aligned with environmental requirements and 114 (5%) with the sustainability requirements required by the Group.

It is also worth noting that by including Scope 3 of the carbon footprint in the company, environmental performance data has been requested from certain suppliers and subcontractors, with 207 responses obtained.

The re-assessment of suppliers remains ongoing using 3 tools: surveys to assess procurement, supplier complaints and audits of relevant suppliers.

The Elecnor Group has selected its relevant suppliers, which represent 55% of its procurement volume, and audits them applying quality, environmental, compliance and sustainability criteria. The goal of the audits is not only to pinpoint potential risks, but also to enhance those areas with opportunities for improvement in order to align them with the Group's policies, which is why relevant suppliers are audited every 3 years, keeping the information on their performance up to date.

In 2022, 7 audits were conducted on critical suppliers, the result of which directly affects their approval as a major supplier. This is why the relationship with critical suppliers is ongoing. The Elecnor Group will continue making progress in auditing and assessing suppliers with ESG criteria, by incorporating specific indicators that guarantee compliance with human rights in its supply chain.

Additionally, if deemed necessary, corrective actions are requested from the supplier to resolve non-conformities. These corrective actions contribute to the supplier's internal improvement and reduce risks in the Group's supply chain. Working with suppliers who comply with standards increases performance and generates shared value.

Such is the case that it is worth noting that, in 2022, the Elecnor Group has not suspended its commercial relationship with any of its suppliers due to irregularities detected in both the procurement of materials and the management of services supplied.

Lastly, and resulting from the relationships established, 4 suppliers have taken part in the external audit of the Group's Corporate Social Responsibility System in 2022. The audit interviews enabled the suppliers to express their opinion of the Elecnor Group, highlighting the following:

- The Elecnor Group has high standards in quality, environmental and safety policies.
- They declare that they are familiar with the Code of Ethics and Conduct for Suppliers, Subcontractors and Collaborators.
- The suppliers interviewed from Elecnor do Brasil revealed the protection of the communities of the projects implemented and that there is a model of shared trust with the suppliers. They also see Elecnor as a generator of economic activity.

For the purpose of maintaining optimal relations and processes with suppliers, the Group has several communication channels:

> Fullstep (procurement platform)

- soporteproveedores@elecnor.es

- Purchasing Process Manual and Supplier Quality Manual

> E-coordina (platform for the coordination of business activities)

- soporte@e-coordina.com

- Library for suppliers

> Whistleblowing channel

- codigoetico@elecnor.com

- Apartado de Correos nº 266-48080

15.7 Committed to the environment

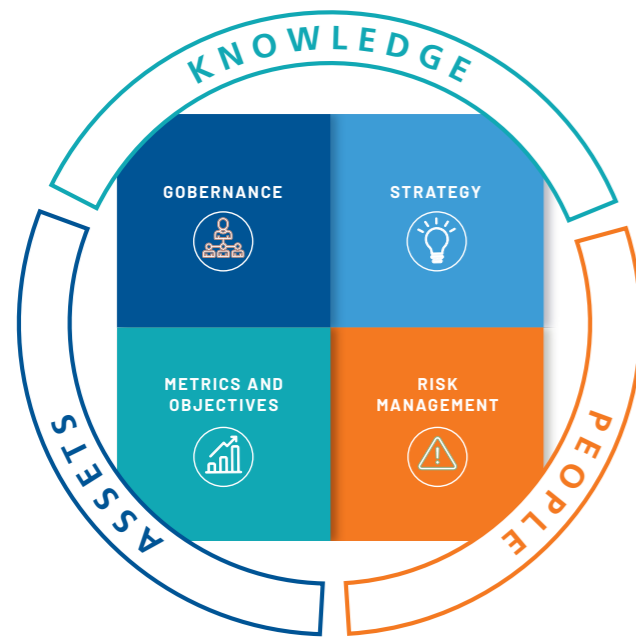
CLIMATE ACTION GRI 3-3

CLIMATE CHANGE STRATEGY GRI 201-2

The Elecnor Group seeks to actively and decisively contributes to building a sustainable and low-carbon future. Climate change is a strategic priority and challenge that is embodied in both the 2021-2022 Sustainability Strategy and the 2020-2035 Climate Change Strategy, which establishes greenhouse gas emission reduction targets in line with the Science Based Targets (SBT) initiative.

The Climate Change Strategy, establishes the framework comprising all the Group's actions to reduce greenhouse gas emissions, adapt to climate change impacts and tap into the associated opportunities.

This Climate Strategy will contribute to providing more effective responses to climate change while at the same time ensuring lower costs. Similarly, it is set to be the basis for a profitable and growing business, making the Elecnor Group a strong, competitive and sustainable company. The Group's resilience to climate change will be defined by its ability to address the risks and take advantage of the opportunities arising from this phenomenon.



In June 2022, the SBT initiative ratified the emission reduction targets presented by the Elecnor Group in 2021, the year in which it joined the initiative. SBT is an initiative led by a partnership between CDP, United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), in order to help companies set ambitious science-based climate targets in order to cut greenhouse gas emissions and limit global warming to below 2°C, taking advantage of opportunities during the transition to a low-carbon economy.

Establishing 2020 as a baseline year, the Elecnor Group's target for 2035 for absolute Scope 1 and 2 emissions is to cut them by 38%. This target is in line with the Paris Agreement to limit the increase in global temperature to below 2°C. With respect to Scope 3, the Group has committed —setting the same base year and time scope— to cut its Scope 3 emissions from the purchase of goods and services and from fuel and energy-related activities by 18%.

This endeavour means we are working along four lines of action:

> Fuels:

- Renewing the fleet for more efficient and less carbon-intensive vehicles.
- Developing country projects for the switch to more sustainable fuels.

> Renewable energy:

- Acquiring 100% renewable energy generated power for 2035.
- Fostering self-consumption in installations.

> Value chain:

- Setting up a collaboration programme with the main suppliers as regards carbon, focusing on obtaining primary information and subsequently accompanying them on their reduction path.

> Risk management:

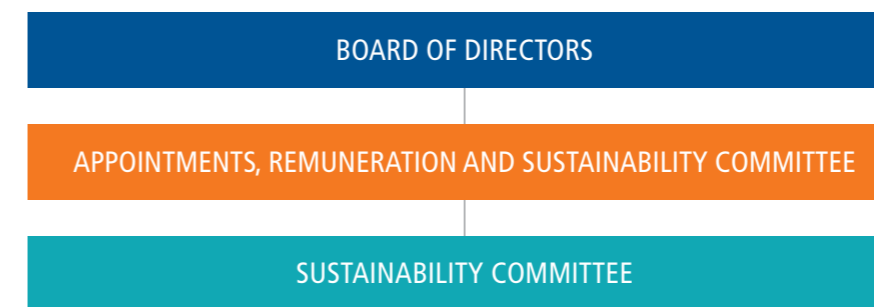
- Managing the short, medium and long-term risks and opportunities linked to climate change.

Governance

The Elecnor Group's climate governance is a cross-cutting responsibility at all levels of the company.

The Group's Appointments, Remuneration and Sustainability Committee, to which the Sustainability Committee reports, holds the ultimate responsibility for climate issues.

The Sustainability Committee meets at least once a quarter in order to monitor the Strategic Sustainability Plan, which includes climate change-related issues among its principal lines of action.



The section "Progressing in our commitment to sustainability" of this report provides a more detailed description of how the Elecnor Group's sustainability governance is organised.

Management of climate risks and opportunities

In 2022, the Elecnor Group undertook a study of climate-related risks and opportunities pursuant to the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures), which will be reviewed annually.

This study contemplates, on the one hand, how climate change affects the Group's physical assets (Enerfin wind farms); and, on the other hand, how it affects the construction of infrastructures in Spain, Australia, the United States, Brazil and Angola, given that these are the countries where most activity is being carried out.

The methodology utilises geographic information systems (GIS) for modelling climate scenarios, which besides considering the various climate trajectories of greenhouse gas emissions concentrations and their physical impacts on the climate, as analysed by the Intergovernmental Panel on Climate Change (IPCC), also takes into consideration trajectories that include socio-economic factors that could vary during the 21st century and affect climate change.

In line with TCFD recommendations, the SSP2-RCP4.5 scenario was selected, which takes into account a temperature increase of 1.7-3.2°C (RCP 4.5), as outlined in the latest IPCC report and includes countries' recent climate actions, policies and commitments (SSP2).

After selecting the climate scenario, the analysis and assessment of the 29 risks and 11 opportunities recommended in the TCFD was conducted in the locations where the most relevant fixed assets for the Group are located.

Each risk and opportunity was assessed based on the following variables based on documentary analysis and the different geographies:

- Time horizon of materialisation. The time horizons linked to climate change are much longer than those used when assessing financial risks and opportunities because the changes caused by climate change occur very gradually, and it can take years before a significant impact is generated. The study has looked at short (0-5 years), medium (6-15 years) and long-term (16-30 years) time horizons.
- Probability of occurrence. Possibility of a risk or opportunity materialising.
- Potential impact. The set of theoretical consequences that the Elecnor Group could face in the event that a risk or opportunity materialises.

The terminology and scale of values used for probability and impact are the same as those used to assess the Group's risks to facilitate their integration. At present, the Elecnor Group's High-Level Risk Map includes the aspect of climate change insofar as the Group's activity may be exposed to both physical and transitional climate events.

The analysis resulted in probability and impact matrices which were used to extract the most severe risks for the Group.

With regard to the Elecnor Group's physical assets, based on the results obtained in the matrices, the most severe risks and the most significant opportunities were analysed, assessing their financial impact and the existing measures for mitigating and responding to them. The following tables show the most relevant risks and opportunities of the study:

HIGH-SEVERITY RISKS

TYPE	CLIMATE HAZARD	TIME HORIZON	RISK MANAGEMENT AND MITIGATION
Transition	New legal requirements for management of waste from wind farms – Wind farms	Medium term (6-15 years)	Elecnor fosters working groups to detect opportunities for recovering waste. For example, together with other companies in the sector, it actively takes part in a task force focused on identifying opportunities for recovering wind turbine blades.
Transition	New legal requirements for environmental protection – Wind farms	Medium term (6-15 years)	Elecnor conducts ongoing monitoring of new legal requirements related to the conservation and protection of birds to ensure that, should new legal requirements be detected, the necessary actions can be identified and implemented immediately.
Physical	Increase in ambient temperature of wind farms Brazil and Spain	Long term (16-30 years)	Elecnor works jointly with suppliers and manufacturers in the search for technological solutions to tackle the risk of increased environmental temperatures in order to incorporate machines that prevent overheating and operate in high temperature conditions.
Physical	Extreme weather events: cyclones, hurricanes, typhoons and tornadoes in Brazilian and Canadian wind farms	Long term (16-30 years)	Elecnor applies risk mitigation measures associated with the increase in wind speed at its wind farms, notably the following: <ul style="list-style-type: none"> • Limiting rotor rotation speed. • Changing the angle of rotation of the blades to reduce the speed. It is also working with suppliers and manufacturers to find technological solutions to address this risk.

NOTABLE OPPORTUNITIES

TYPE	CLIMATE OPPORTUNITY	TIME HORIZON	OPPORTUNITY MANAGEMENT
Products and services	Development and/or expansion of low-emission goods and services – Increased demand for renewable energies	Short term (0-5 years)	The rising demand from companies for renewable energy to combat climate change and develop a low-carbon economy (RE100 initiative, for example), means that the company's strategy includes boosting the renewable energy generation business to meet future demand.
Products and services	Increasing wind speed and frequency in certain geographies presents the potential to expand the technical feasibility of wind farm siting	Short term (0-5 years)	New systems and work methods will be introduced to identify the technical feasibility of siting wind farms in geographies where there is an opportunity for wind at optimum speeds.
Markets	Cost savings through legally required emissions neutralisation	Medium term (6-15 years)	Elecnor has a Climate Change Strategy for 2035 that covers all the actions and steps to meet the company's climate neutrality and emissions reduction targets.

Since the Elecnor Group is committed to diversifying and internationalising its businesses, the physical climate risks identified in the TCFD were also analysed in the countries in which the Group has a significant presence: Spain, Australia, the United States, Brazil and Angola; and in wind farm construction, photovoltaic farm construction and infrastructure activities.

Based on this analysis, we have determined that the Elecnor Group's exposure to the main risks associated with climate change is low, although there are major opportunities associated with the ambitious energy transition and decarbonisation plans at a global level.

Metrics and targets

The Elecnor Group has included in this report key indicators to report on aspects relating to climate and the strategy to combat climate change, which are crucial for the ongoing monitoring of the Group's decarbonisation goals, as well as the resilience of the strategy in the face of the climate events analysed.

The following are the aspects related to calculating the Elecnor Group's carbon footprint, the emissions avoided as a result of the renewable energy generation activity and the results of implementing the Climate Change Strategy for 2021.

These metrics are complemented by other climate-related aspects such as energy and water consumption and waste management. These indicators are described in the "Environmental performance" section.

Monitoring, evaluation and review of the climate change strategy for 2021 GRI 302-4

Below is a description of the main results obtained in 2021 according to the document "Monitoring of the Elecnor Group's Climate Change Strategy", finalised in July 2022.

STRATEGIC LINE	INVESTMENT (€)	SHARES	EMISSIONS AVOIDED tCO ₂ e
Fuel	4,911,339	a. Conference calls encouraged to avoid journeys. b. Acquisition of sustainable and efficient vehicles, machinery and tools. c. Optimising municipal waste collection routes and other services. d. Developing preventive maintenance of vehicles.	204.28
Energy	333,602	a. Acquiring efficient tools (computers, tablets, etc.) b. Installation of timers for electronic devices and automatic off switches. LED lighting to replace existing fixtures. c. Controlling air-conditioning.	3,997.28
Other actions	59,936	a. Developing a plan to cut down on the use of plastics. b. Developing a predictive study of changes in avian routes linked to the company's own	3,794.01
Total	5,304,877		7,995.57

CARBON FOOTPRINT GRI 305-4, GRI 305-5

Each year, the Elecnor Group calculates its carbon footprint pursuant to international standards using a tool that enables each organisation in the Group to report the consumption data associated with Scopes 1, 2 and 3.

Climate change is a challenge in respect of which Elecnor has worked hard since 2013, by calculating its carbon footprint in accordance with internationally accepted standards and by implementing measures to reduce GHG emissions within its scope of action. In March 2022, for the seventh consecutive year Aenor verified greenhouse gas emissions in accordance with the UNE ISO 14064-1:2018 standard, linked to the direct and indirect emissions relating to all its activities. Similarly, Elecnor obtained the "Calculo y Reduzco" seal granted by Spain's Ministry for Ecological Transition's Office for Climate Change (OECC) as part of the National Register for Carbon Footprint, Offsetting and Absorption of CO₂ and Demographic Challenge.

Elecnor Group has taken part for the fourth consecutive year in the Carbon Disclosure Project (CDP), presenting its voluntary report on climate change, strengthening its commitment to sustainability. In 2022, it upheld the score of A- achieved in 2021, a score that positions the Group yet again at the highest level in terms of sustainability, adaptation and mitigation of the impact of climate change.

In 2022, the Elecnor Group's carbon footprint was 77,731 tCO₂e for Scope 1 and Scope 2 (63,959 in 2021). Factoring in Scope 3 emissions (deriving from the value chain), the Group's total emissions amounted to 1,157,445 tCO₂e (360,416 tCO₂e in 2021).

EMISSIONS (tCO₂e) GRI 305-1, GRI 305-2, GRI 305-3

SCOPE	2021	2022	CHANGES (%)
Scope 1 Stationary and mobile combustion*	61,721	76,084	23%
Scope 2 Consumption of electricity	2,238	1,647	-26%
Scope 1 & 2 totals	63,959	77,731	22%
Scope 3**	296,457	1,079,714	264%
Total	360,416	1,157,445	221%

(*) Fugitive emissions were counted, but not reported since they are only reported every three years due to their representing less than 1% of the total carbon footprint.

Scope 3 of the carbon footprint refers to processes associated with the Elecnor Group's value chain, but which take place in sources that do not belong to it and which it does not control. The categories are calculated according to the "GHG Protocol Corporate Value Chain (Scope 3) Standard". This protocol classes Scope 3 emissions into 15 subcategories. Those applicable and relevant to Elecnor are as follows:

- Supply chain (procurement of products and services).
- Capital goods (reported in conjunction with supply chain).
- Life cycle of fuels and energy consumed.
- Transport and distribution of goods.
- Management of waste generated.
- Business travel by air, train and car (private, rental and taxi), in addition to stays at hotels.
- Employee commuting to and from the workplace.
- Leases.
- End of life of products sold.
- Investments.

At 2022 year-end, for Scopes 1 and 2 the ratio of emissions generated per hour worked was 1.67 kgCO₂e/hour, 5% down on 2021 (1.75 kgCO₂e/hour). Nevertheless, taking 2014 as the basis for comparison, the ratio has clearly improved, having fallen by 30% (2.4 kgCO₂e/hour in 2014 vs. 1.67 kgCO₂e/hour in 2022).

Scope 3 emissions account for 93% of total emissions.

SCOPE 3* EMISSIONS*	2021	2022	CHANGES (%)
Acquisition of goods and services and capital goods	252,090	971,335	285%
Energy-production-related activities (not included in Scope 1 or 2)	11,197	18,976	69%
Upstream transport and distribution	1,552	25,732	1,558%
Waste generated during the operation	3,321	942	-72%
Work trips	7,677	21,318	178%
Home-work-home commuting of employees	13,937	23,243	67%
Assets leased by the organisation	1,502	5,563	270%
Waste deriving from products sold by the organisation	77	104	35%
Investments**	5,104	12,481	145%
Total	296,457	1,079,694	264%

(*) Scope 3 emissions come from a detailed study of all relevant categories and are verified.

(**) The investments correspond to Celeo.

It is worth highlighting Elecnor's partnership with the Spanish Quality Agency (AEC) in the Climate Change task force, exchanging experiences and generating useful documentation for all the AEC's members and partners. The matters addressed relate to actions to combat climate change (carbon footprint, energy efficiency, decarbonisation, etc.) and related legal developments.

In 2022, the Elecnor Group took part in a document compiling case studies from various organisations in the task force, which provides details of measures geared towards the fight against climate change. Elecnor has contributed one of the actions of its 2020-2035 Climate Change Strategy as a success story: reducing fuel consumption by renewing the fleet with more efficient and less carbon-intensive vehicles.

MITIGATION THROUGH ACTIVITIES. AVOIDED EMISSIONS GRI 302-5

The Group's power generation activity using renewable sources avoids the emission of greenhouse gases. The company undertakes projects in the areas of wind, solar PV and solar thermal power, hydroelectric and biomass plants.

As part of its commitment to diversification, the Group's renewable subsidiary Enerfin, is implementing innovative projects that include, among others, the hybridisation of wind energy and photovoltaic energy and storage, or generation, storage and supply of green hydrogen. In an initial phase, these projects are centred in Spain in light of the new regulation (Royal Decree Law 23/2020) and the National Recovery and Resilience Plan.

This kind of project responds to the need to decarbonise the economy, enabling, on the one hand, greater penetration of renewables in the electricity system (hybridisation, storage); and, on the other hand, reaching sectors with high emissions such as heavy goods transport or cogeneration. Along these lines, the administrative processing of two hybridisation projects and an innovative green hydrogen production project began. In particular, through its subsidiary Renovables del Cierzo, S.L., it started to process the solar wind hybridisation projects of the Corral del Molino I and El Montecillo wind farms, with an installed solar power of 3.4 and 6.2 MWp respectively.

It is worth noting that Enerfin's renewable energy production amounted to 2,875,260 MWh in 2022, taking into consideration the projects operated in Spain, Brazil and Canada. The table below shows the greenhouse gas emissions that were avoided through renewable energy production.

COUNTRIES	ANNUAL PRODUCTION (MWh)	EMISSIONS AVOIDED (tCO ₂ e)
Spain	881,570	220,393
Brazil	1,674,150	167,080
Canada	319,540	42,174
Total	2,875,260	429,620

By means of its infrastructure and renewables investment business, the Group has holdings in 1,943 MW of renewable energy facilities in operation and construction in Spain, Brazil, Canada and Colombia (1,700 MW in 2021), broken down as follows:

RENEWABLE ENERGY MW	2021	2022
Wind energy	1,355	1,355
Solar thermal energy	150	150
Solar PV energy	195	438
Total	1,700	1,943

Below are some of the most significant renewables projects awarded in 2022:

WIND ENERGY

Spain

Rivera de Navarra wind farm, 139 MW
San Bartolomé wind farm, 9.2 MW
Repowering of Arinaga wind farm, 6 MW
Botija wind farm, 0.8 MW

International

Goyder South I wind farm, 400 MW, Australia
Feijao wind farm, 500 MW, Brazil
Tranque Novo wind farm, 168 MW, Brazil

SOLAR PV ENERGY

Domestic

Cluster Sigma solar PV farm (Arcos I, II, III, IV, V), 204 MW

International

Casablanca solar PV farm, 239 Mwp, Brazil
Piauí solar PV farm, 58 MW, Brazil
Portón del Sol solar PV farm, 129 MW, Colombia
Esperanza solar PV farm, 90 MW, in Dominican Republic
Caraculo solar PV farm, 25 Mwp, Angola

ENVIRONMENTAL PERFORMANCE GRI 3-3, GRI2-23, GRI 2-24

The Elecnor Group's Corporate Services Area is responsible for managing the Integrated Management System, which encompasses the quality management, environmental management, occupational risk prevention, energy management, R&D&I and information security systems of all the company's organisations.

In order to monitor the areas of Quality and Environmental Management, there is a team of 140 people distributed between the Corporate Services Area and the various organisations of the Group, both in Spain and internationally, in order to ensure compliance with Elecnor's established Management Systems.

The principles of the Environmental Management of the Elecnor Group are set out in the Integrated Management System Policy, the scope of which was updated in 2022.

The Elecnor Group's activity is framed by its Environmental Management System and Energy Management, certified in accordance with ISO 14001:2015 and ISO 50001:2018 standards, respectively, as well as its Climate Change Strategy. The Environmental Management System defines a procedure to identify, assess and record the environmental aspects originating in its activities in order to determine which are significant and to be able to take measures on them to minimise possible impacts. Thereby, the most relevant aspects have been identified as waste generation, impact on the natural environment, use of natural and energy resources, and impact on flora and fauna.

In 2022, multisite certification audits were conducted according to ISO standards 9001:2015 and 14001:2015. This is a single certificate for all of the organisations in the Elecnor Group's infrastructures area that contains all of the scopes of the various activities and all of the work centres. This year, the scope of this certification was broadened to cover the operation and maintenance of solar thermal and photovoltaic plants. It has also obtained certification as a Maintenance Entity for the Railways activity. Internationally, Elecnor Mexico's Quality and Environmental Management System has been brought into line with the Group's Integrated Management System.

68% of turnover is certified in accordance with international ISO 14001 standard.

Elecnor has renewed its AENOR Environment CO₂ Verified Certificate as per the ISO 14064-1:2018 standard, as well as the AENOR Energy Management System certification (GE-2013/0033) as per the UNE-EN ISO 50001:2018 standard, thus consolidating the Group's commitment to sustainability.



In 2022, the Elecnor Group has allocated a total of Euros 11,254,000 million to managing environmental impacts, broken down as follows:

ACTIVITY	INVESTMENT
Actions to minimise environmental impacts (climate change strategy, waste management, others)	6,916,500
Environmental awareness-raising	12,000
People dedicated to environmental activity	4,200,000
Environmental certifications	20,000
Environmental consultancy and advice	105,500
Total	11.254.000

The Elecnor Group has two environmental liability policies in force, one until 30 September 2022 and the other for the term from 1 October to 31 December 2022. These policies extend to the Elecnor Group’s activities in the countries where it conducts its business, with a general limit of Euros 20 million. These policies guarantee compensation required from the policyholder for environmental damage, pursuant to the terms established therein.

CONSUMPTION MANAGEMENT

Energy consumption GRI 302-1, GRI 302-2, GRI 302-3

In 2022, energy consumption totals 1,145.92 TJ, 77% up on the previous year (647.47 TJ). Furthermore, the ratio of energy consumed per hour worked was 2.5 GJ/hour.

It is worth highlighting that 100% of the electricity consumed by the Elecnor Group’s facilities in Spain since 2021 comes from renewable sources.

The various energy consumptions are presented below:

ENERGY CONSUMPTION (TJ)

	2021	2022
Natural gas	0.21	0.21
Diesel	48.41	75.38
Petrol	21.49	89.76
Gas oil	507.01	905.95
Biodiesel	0.13	0.03
Electricity	65	71.22
Non-renewable source	31.87	30.20
100% Renewable source	33.12	41.02
Other fuels	5.22	3.37
Total	647.47	1,145.92

Note. All the electricity consumed by the Elecnor Group’s facilities in Spain in 2022 comes from 100% renewable sources.

Energy efficiency initiatives GRI 302-5

Energy management is one of the Elecnor Group’s areas of activity. It is certified as an Energy Services Company (ESC), empowering it to develop projects to boost energy efficiency in street lighting, buildings and facilities. At present, Elecnor manages 285,381 street lights in 100 Spanish municipalities, up 6.5% on the number of street lights managed compared to the previous year.

Meanwhile, internally, over the course of 2022, a number of energy-saving and energy efficiency actions were implemented, most notably:

- Fleet renewal, including new hybrid vehicles in the organisation.
- Installation for self-consumption of electricity for various road maintenance centres using photovoltaic solar panels.
- One-off modifications to the facilities at water treatment plants to reduce electricity consumption, installing more energy-efficient machines.
- Conference calls encouraged to avoid journeys.
- Courses in efficient driving practices to drivers of vans and heavy vehicles.
- Installation of timers for electronic devices and automatic off switches.
- Replacement of existing lighting with low-consumption LED lighting (offices, wind turbines in some wind farms, etc.).
- Implementation of a “PaperCut” user register for the offices’ main printers, in order to keep better control of printing by each user and minimise the number of print-outs.
- Installation of solar panels on buildings (South Directorate).
- Reduction of electricity consumption for water heating (Angola).
- Purchase of green energy (Elecnor Chile).
- Courses on efficient driving (Elecnor Chile).
- The Elecnor Group’s new offices have been designed according to sustainable criteria.

Sustainable financing GRI 201-2

In 2022, the Elecnor Group has published a new multi-currency Promissory Note Programme in the Alternative Fixed Income Market (MARF) with a limit of Euros 400 million –one of the largest in the market–, to fund working capital needs and new projects, both in Spain and abroad, in the areas of engineering, infrastructure development and construction, renewable energies and new technologies.

This is the Group’s first Programme linked to sustainability, including targets for reducing greenhouse gas emissions and accidents at work, which, if not met, imply a commitment to contribute to sustainable projects.

This transaction is part of the Elecnor Group’s strategy to diversify and optimise the cost of its sources of funding. This new Programme will give the Group access to funding, both in Euro and US dollars, at terms of up to 24 months.

The reputation and strength of Elecnor Group’s business model is renowned on this market, allowing it to issue under beneficial terms. Over the last eight years, Elecnor Group has completed 196 issues for a total of €6.5 billion, making it one of the main issuers of promissory notes in the Spanish market.

For this Promissory Note Programme, Elecnor counts on Banca March and Banco de Sabadell as placement entities. Banca March is the Registered Advisor. Cuatrecasas has taken over the legal advice, and G-Advisory is the consultancy firm that will issue the sustainability reports.



This Promissory Note Programme accompanies other sustainable financing operations signed by the Elecnor Group in 2021:

- Three long-term private placements totalling Euros 100 millions:
 - 50 million at 10 years, in sustainable loan format, coordinated by Banca March.
 - 20 million at 10 years, which additionally fulfils the Green Loan Principles, as the funds are used for projects classified as green, executed by ICO and with Banco Sabadell as coordinator.
 - 30 million at 14 years, in the form of a sustainable bond issued in the MARF, with an Elecnor Group rating (investment grade; BBB-, issued by Axesor) and structured and placed by Banco Sabadell.
- The company signed a novation of the Syndicated Financing Agreement which, being in compliance with the requirements of the Sustainability Linked Loan Principles, was rated as sustainable.

Consumption of renewable energy

The electricity consumed by the Elecnor Group’s facilities in Spain in 2022 comes from 100% renewable sources.

Furthermore, the subsidiary Audeca has installed two solar energy generation facilities at road maintenance centres of the Ministry of Transport, Mobility and Urban Agenda. These installations located in Murcia and Toledo have an impact on Elecnor’s Carbon Footprint.

Celeo in Brazil generates photovoltaic energy for its own consumption at its maintenance base in Uberlândia. Celeo in Chile also has photovoltaic panels at the Atacama maintenance base.

Water consumption GRI 303-1

The types of Elecnor Group’s water consumption as a result of its activities is as follows:

- Own consumption. Water used in the facilities and to conduct the Group’s various activities.
- Water treatment for customer. Water captured from waste water treatment facilities or water supply services, or discharged water from treatment plants operated by Elecnor and processed to attain human consumption quality or a degree of treatment as established by law.

Although the activities conducted by Elecnor do not generate a major impact on the water resource and it regards the water footprint as a material issue of low criticality, it is aware of the importance of this limited resource and that some of its activities are conducted in areas with a high risk of water stress, which is why it drives initiatives to reduce and optimise the consumption of this resource. For example, Elecnor Chile decided to use seawater at the Llanos del Viento wind farm, which is located in one of the world’s most arid places, due to its proximity and properties, generating a collection point for raw material that is crucial to the production process.

Similarly, the environmental administration establishes preventive measures to curb possible effects on river ecosystem species and other bodies of water, as well as to fulfil the environmental flow regime and the technical requirements laid down by the administration itself. The processes that ensure compliance with water collection and discharge requirements are part of the environmental management systems that the company implements, verifies and certifies pursuant to the international standard ISO 14001.

Through the Environmental Management System, the Group identifies its own water consumption as a non-material environmental aspect. Even so, the possible impacts related to water consumption in the activities conducted are assessed and monitored at the permanent facilities and in the works executed, and good practices are introduced to foster the minimisation of water consumption.

This monitoring is conducted through:

- Monitoring of consumption
- Identification and compliance with legal requirements
- Standard environmental management procedures
- Location of areas at high risk of water stress (WRI)

Elecnor has emergency plans and protocols in place, in addition to duly trained personnel, in order to ensure that in the event of a spill or dumping in a body of water, correct and rapid action is taken, minimising any adverse effect on the environment, indicating how to collaborate and the means of communication to be used with the stakeholders involved. At the same time, the minimum impact on water is guaranteed, ensuring strict compliance with legislation.

One of the strategic lines of the Elecnor Group’s Climate Change Strategy is water, which covers measures to cut consumption, contributing to the rational use of resources and sustainable development, in addition to providing an economic benefit. Furthermore, in 2022, the Elecnor Group conducted various awareness-raising campaigns geared towards optimising water use and reducing consumption, such as those carried out by the Energy Unit in connection with World Water Day.

Additionally, as stated above, Elecnor ensures compliance with legislation in all areas where it conducts its business, the aspect of water consumption is integrated into the organisation’s management system, and it has the proper means and duly trained personnel in the event of an emergency that could affect a body of water. Elecnor avoids collecting water in areas of high water stress where it operates.

GRI 303-5	2021	2022
Mains water consumption (MI)	102	96
Water consumption in areas of high water stress (MI)	43	68
Water consumption in areas without water stress (MI)	59	28

Note. Water-stress areas have been identified using the “WRI Aqueduct 2019” database, specifically areas of “high” or “extremely high” water stress.

The Elecnor Group ensures compliance with legislation, which guarantees that the discharges conducted are within the limits stated in the corresponding authorisations or permits. Thus, no anomalous circumstances have been detected that could significantly affect water resources and related habitats.

Other consumption

The Elecnor Group uses the following raw materials: steel, cables, insulators, electrical panels, cells, pumps and pipelines. The company currently implements initiatives to recycle and re-use some of these, such as cables and steel.

WASTE MANAGEMENT GRI 306-1, GRI 306-2, GRI 306-3

The Elecnor Group’s Environmental Management System includes the protocol for managing waste generated in order to ensure adequate protection of people’s health and the environment, as well as compliance with applicable legislation. The waste generated is treated in accordance with current legislation for authorised management, seeking the best available techniques for recycling, wherever possible. Moreover, in 2022 the company generated a total of 35,904,107 kilograms of waste (32,980,620 kilograms in 2021), 82% of which was recovered (re-use, recycling, soil treatment or other means), 9% more than the previous year.

The Ecnor Group also contributes to waste recovery by managing municipal recycling centres and recovering silt at the water treatment plants (WWTP and WTP) it manages.

Below are details of the amounts of waste generated in its operations:

WASTE GENERATION BY TYPE	2021	2022
Hazardous waste	397,436	338,667
Non-hazardous waste	37,614,204	35,565,440
Total	38,011,640	35,904,107

For waste generated in the European Union, waste is classified using the EWL Code (European Waste List), which is a system for classifying the different types of waste based on their origin and composition. It is established on the basis of a hierarchy of numerical categories, each of which corresponds to a specific type of waste and is associated with a precise description of its characteristics and composition.

GRI 306-4, GRI 306-5

2022 (KG)	HAZARDOUS WASTE	NON-HAZARDOUS WASTE
Waste not destined for disposal	181,369	29,352,884
Reuse / Preparation for reuse	54,006	11,855,993
Recycling	2,316	14,627,130
Other recovery operations	125,047	2,869,760
Waste destined for disposal	157,298	6,212,556
Incineration (with energy recovery)	8,415	11,761
Incineration (no energy recovery)	8,950	19,676
Transfer to landfill	71,188	5,897,587
Other elimination operations	68,745	283,532
% Destined for recovery	82 %	
Total	35,904,107	

Other initiatives

Certain major initiatives implemented to prevent waste generation (recycling, reuse, etc.) are described below.

Enerfin is committed to circular economy initiatives, which can be highlighted with the increasing repowering of old wind farms and the consequent dismantling of existing wind turbines. Along these lines, it is taking part in a business partnership project with AIN Circular Platform, whose aim is to develop a circular economy strategy to integrate it into management, and to provide a collaborative approach between the participating companies.

The goal is to develop and work on these strategies applicable to wind blades, considering aspects such as the composition of the materials, applicable legislation, the principal technologies and applications for the reuse and recycling of these blades in wind farms where Enerfin plans to repower them in the short term. Work has been conducted along the following lines:

- Support and participation in advanced circular economy strategies linked to the destination of deinstalled wind turbines, paying special attention to the blades. In that regard, it is partnering with companies involved in waste management.
- It has taken part in the AIN Circular Platform project driven by the Industrial Association of Navarra, the aim of which is to identify opportunities for transformation within the framework of the circular economy, analysing options for new approaches and developments within value chains.

- It has taken part in the launch of the Renecycle business project alongside 17 other companies, which will work on three possible lines of business linked to the circular economy in wind farms: dismantling and industrial reconditioning of the primary components of wind turbines, recovery of certain raw materials and recycling of materials composed of glass fibres and non-reusable resins.

The subsidiary Atersa has improved the efficiency of photovoltaic panels marketed. Here, efficiency means the amount of Watts used in a solar panel expressed in W/m². This improvement entails fewer product units needed to achieve the same installation power, resulting in reduced waste generated. It also works with Ecolec, a non-profit organisation that fosters the proper management of electronic and electrical waste and care for the environment, to ensure the removal and recycling of solar panels at the end of their useful life.

Lastly, Audeca has recovered the office furniture after the move to the new building, through the SURUS initiative, by selling all types of materials and equipment. This exercise has been undertaken with elements that are no longer in use on the construction sites, with a view to finding a second life for them through other companies.

ENVIRONMENTAL AWARENESS

The Ecnor Group involves its employees and all other stakeholders in environmental awareness programmes and campaigns. While some actions are undertaken at Group level, others are implemented locally.

Some of the most notable initiatives include:

- II Edition of Ayudando a ayudar (Helping to help). This initiative seeks to continue fostering a sustainable way of working. In this second edition, employees were invited to enter the exhibition of innovative ideas under the slogan: “Una sola tierra” (Only One Earth) and the ideas had to help combat the following environmental challenges: climate change, loss of biodiversity and waste generation.
- At Ecnor Chile, the IT Department, together with the Quality and Environment Department, donated disused electronic equipment to the Chilenter Foundation, which repairs and reconditions the equipment and then donates it to underserved schools.
- At the Chimuará-Nacala project in Mozambique, they are committed to innovation through the production of ecological wood coming from paper and cardboard waste, which is donated to families in local communities. The benefits of this initiative include cutting waste management costs, minimising and recovering waste and incorporating good environmental practices.
- Volunteering to clean beaches with the Fundación Oxígeno, the winning organisation in the 2021 Ayudando a ayudar initiative. Rubbish was collected from beaches along the Spanish coast through the La Mar de Limpio campaign.
- Awareness-raising campaigns, communications and training related to the care of water to reduce consumption on construction sites and the responsible use of this resource. Brazil, Argentina and Angola are among the countries that have participated on this initiative.

MANAGEMENT OF BIODIVERSITY AND PROTECTION OF THE NATURAL ENVIRONMENT

GRI 2-25, GRI 3-3, GRI 304-1, GRI 304-2, GRI 304-3

The Ecnor Group's human-induced impact on bioversity refers to the potential effects on flora and fauna due to disturbances, loss of habitat and even loss of species. The Group identifies and assesses this impact from all its activities, either for legal compliance or at the own initiative of the organisation or its customers. As a result, it undertakes activities and measures that reduce the impact on biodiversity to a minimum or even generate a positive impact on biodiversity.

Some of the mitigation actions conducted in 2022 to minimise and limit the impact on biodiversity are described below:

Related to fauna conservation

- Calatrava Solar PV Plant, Iberelétrica Solar PV Plant, Ninobe Solar PV Plant (Spain). Infrastructure for the construction of a primrose grove, formation of piles and installation of owl nest boxes and platforms for owls.
- Portón del Sol solar PV farm (Colombia). Several actions are undertaken, such as:
 - Relocating all the fauna located in the project area through scaring, collection and relocation.
 - Relocating the ichthyofauna present in the project's ponds.
 - Postponing the felling of trees until the birds abandon their nests.
 - Relocating hymenopteran nests present in the trees to be felled in order to contribute to conserving pollinator species and relocating the *Tetragonisca angustula* species of bee.
- Goyder South Wind Farm (Australia). A Wombat Management Plan is under development due to their presence in the area of influence.
- Aerosur wind farm (Spain). Enerfin has set up conservation actions for the Egyptian vulture (*Neophron percnopterus*) and the Montagu's harrier (*Circus pygargus*). Monitoring is conducted for reproduction, marking specimens, supplementary feeding or the maintenance of unharvested cultivated plots to allow the species to nest. We have also carried out reintroduction and reinforcement sessions for endangered birds.
- Valle del Chira substation (Peru). The project is situated in the district of Miguel de Checa-Sullana, in a savannah-type forest where species with conservation status are found. Programmes for the repelling, rescue and relocation of fauna are being implemented.
- SIGMA solar PV plant. Arco 1-5 farms (Spain). Actions were undertaken to identify Montagu's harrier (*Circus pygargus*) nests in the Arco 4 and 5 projects, following the detection of their presence in the vicinity.
- Ecnor Deimos, along with the Tragsa Group, has implemented a new project to monitor the brown teal bird species. This initiative aims to conserve this species of waterfowl, which is endangered as a result of the poor state of the Guadalquivir marshes and wetlands in Alicante.
- The subsidiary Audeca has carried out a project in which it designed, built and validated a system of escape ramps for the fauna that falls into the Villalaco and Arriola irrigation canals. The construction of these ramps helps to prevent the specimens from becoming trapped and dying in the canal.

Lastly, during the pre-operational (construction) phase of its projects, the renewable energy subsidiary Enerfin conducts exhaustive environmental impact studies in agreement with the administration and lasting at least one year, for the purpose of characterising the bird species and populations existing in the area and their behaviour in the different seasons (identifying nesting and roosting areas, determining flight heights, etc.). The findings of these studies are crucial for the projects' viability.

Once the facility enters operation, Enerfin conducts birdlife monitoring plans, in addition to various checks for the conservation of ecosystems existing in the project area, reporting the data from this monitoring to these administrations in due course.

Related to flora conservation

The Ecnor Group and Enerfin undertake several actions for the protection of flora in the projects they carry out. The most significant ones for 2022 are outlined below:

- Portón del Sol solar PV farm (Colombia). Various measures have been taken, such as drying out the ponds, and rescuing and relocating species of flora in the national closed category (orchids, bromeliads, bryophytes and lichens).
- We have also rescued individual saplings, treated them in a nursery until they can be transplanted, and rescued epiphytic plants. Additionally, the trees of the *Pseudomalmea boyacana* species have been spared until they flower so that they can disperse the seeds, as this is a species with a scarce presence in the area.
- Esperanza solar PV plant (Dominican Republic). Some of the measures implemented have included: transplanting protected species of flora such as the cayuco (*Pilosocereus polygunus*), the maguey (*Agave antillarum*), the guayacán (*Guaicun officinale*) and the guatapanal (*Caesalpina coriaria*), planting day with customers, transplanting grass as a measure to control erosion on the slope within the project and production and acclimatisation of plants in a nursery within the project.
- Yaoundé Lake (Cameroon). A plan is being implemented to protect the tree species present on the site of the Yaoundé municipal lake tourism and economic development project. Furthermore, a floristic inventory was drawn up to ascertain the state and evolution of the trees present on the site.

Connected with restoration projects

The Ecnor Group carries out and implements actions to restore habitats in the areas of influence of the projects. The most important ones are described below:

- La Pólvara substation (Chile). Sea fig (*Carpobrotus chilensis*) has been planted in the slope area of the project. This kind of plantation helps to stabilise the clay and sandy soils while adding organic matter through the dried leaves and branches. Its flowers also provide food and shelter for various insects.
- Calatrava I Solar PV Plant, Ninobe Solar PV Plant, Iberelétrica Solar PV Plant (Spain). Planting and revegetation measures have been carried out:
 - Isolated planting of teselas: planting in designated spaces in teselas or small land (surfaces) measuring 500-3,500 m² of "natural" appearance, with irregular, non-linear contours.
 - Vegetation screen: linear planting in selected sectors. Planting has been staggered with a planting frame of 2.5 m with an approximate density per space of 1,283 ft/ha.
 - Tree plantations: planting has been conducted by preparing the land beforehand by ploughing to a depth of 60 cm or subsoiling; the hollow space for each plant will be 40×40×40 cm, planting will be conducted, tree surrounds will be covered and watering will be carried out.
- The subsidiary Audeca has undertaken the restoration of the river Zapardiel in the province of Ávila up to the mouth of Tordesillas, in Valladolid. The project will enable the management of water resources of the Duero river basin through innovative, sustainable, participatory solutions that can be exported to the rest of the river basins. This project began in 2018 and will run until 2027.

Furthermore, the Ecnor Group includes projects located in or near protected areas of great value, the information on which is set out in Appendix I of this report.

Similarly, the Group and its subsidiaries also monitor species that appear on the International Union for Conservation of Nature (IUCN) Red List and on national conservation lists whose habitats are in areas affected by the organisation's operations, by level of risk of extinction. Appendix I of this report lists the projects that conduct this monitoring.

EUROPEAN TAXONOMY OF ENVIRONMENTALLY SUSTAINABLE ECONOMIC ACTIVITIES

The European taxonomy forms part of a series of actions that seek to redirect capital flows towards sustainable activities within the European Union's European Green Pact, which in turn identifies a set of policy initiatives geared towards compliance with the commitments made in the Paris Agreement and, more specifically, with the goals set out in the United Nations 2030 Agenda for Sustainable Development adopted in 2015.

Under the European Taxonomy Regulation (EU Regulation 2020/852) (hereafter, TR), the taxonomy is intended as a classification system for environmentally sustainable economic activities to assist in informing investors —under a single, official criterion— about which investments are sustainable, providing transparency and clarity in the market.

Pursuant to these regulations, the Ecnor Group discloses in this Non-Financial Information Statement (NFIS) information on the manner and extent to which the company's activities are associated with economic activities that are considered environmentally sustainable in relation to goals to mitigate and adapt to climate change. In particular, the Group publishes the proportion of its total turnover, CapEx and OpEx that is linked to environmentally sustainable economic activities.

In that regard, there are two levels of classification of economic activities in terms of their contribution to environmental objectives:

- On a first level, an economic activity will be regarded as an **eligible** economic activity pursuant to the taxonomy to the extent that it fits one of the descriptions of activities included in the delegated acts implementing this regulation¹ (1st Delegated Act, as extended by the 3rd Delegated Act), regardless of whether it fulfils any or all of the technical eligibility criteria laid down for it to be deemed environmentally sustainable. As a consequence, the fact that an economic activity is eligible under the taxonomy does not provide any indication of its actual environmental performance and sustainability.
- On a second level, an eligible economic activity will also be regarded as an **environmentally sustainable** activity when it meets the technical selection criteria identified for each activity in the appendices to the abovementioned delegated acts, i.e. when:
 - it contributes substantially to one or more of the environmental objectives laid down in Article 9 of the TR,
 - does not cause any material detriment to one or more of the environmental objectives laid down in Article 9 of the TR, and
 - it is conducted in conformity with minimum social safeguards that ensure that the activity is performed in compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights laid down in the eight core conventions referred to in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Note 1. Appendix I of this Report identifies in greater detail the main implementing legislation of the European Taxonomy Regulation.

Methodology for the identification of eligible activities

Categorisation of activities into eligible and non-eligible activities

The Ecnor Group has found that the activities it conducts may contribute primarily to mitigating the effects of climate change rather than contributing to adapting to it and its consequences (without prejudice to the positive effects that they may also generate in this field). In such circumstances, the analysis of the eligibility of its activities (and, subsequently, of their environmental sustainability) under the taxonomy regulations has focused on the assessment of their contribution to the goal of **mitigating climate change**.

The Ecnor Group classifies its activities and sub-activities using an internal coding system.

These activities and their corresponding sub-activities have been analysed using the classification of economic activities included in the delegated acts of the Regulation corresponding to the goal to mitigate climate change, and which are based on the NACE (Statistical Classification of Economic Activities in the European Community) classification.

Following the exercise conducted, it has been concluded that the following Ecnor Group activities and subactivities are deemed eligible according to the taxonomy:

- Electricity. Subactivities: distribution and transmission networks, substations, transformer stations and live working
- Energy efficiency. Subactivity: street lighting.
- Power generation. Subactivities: wind farms, solar photovoltaic, power generation and self-consumption plants.
- Railways. Subactivities: catenary, traction substations, signalling and interlocking, and communications.
- Maintenance. Sub-activities: urban services.
- Facilities. Subactivities: electricity and instrumentation, air-conditioning, HVAC, PCI and plumbing and comprehensive installations.
- Water. Subactivities: water treatment plants.
- Environment. Subactivities: environmental works.

Appendix I of this Report contains an itemised list of the Ecnor Group's eligible and ineligible activities and sub-activities and their correspondence with the abovementioned NACE codes and environmentally sustainable activities according to the Taxonomy Regulation and implementing regulations.

Methodology for identifying environmentally sustainable activities: analysing compliance with technical selection criteria

With the aim of analysing which activities or projects comply with the technical selection criteria laid down in the taxonomy regulation that enable them to be classified as environmentally sustainable, the Ecnor Group first identifies and reviews all the projects under execution registered in its works system and determines the scope of this analysis. The analysis on the fulfilment of the selection criteria is conducted at project level when, given its nature (type of activity and requirements of the taxonomy, geographical location and deployment and execution of the applicable management and control procedures, primarily) and magnitude, it is deemed necessary to accredit this fulfilment on an individualised basis. Conversely, in cases where the nature of the projects included in a given activity is homogeneous, the management procedures set up are applied across the board and the individual volume of each project is not significant; the analysis is performed at the activity level.

The technical selection criteria applicable to each of the eligible activities pursuant to the taxonomy are substantially different and, accordingly, there is a substantial variation in the assessment of compliance with them from one activity to another. As can be seen below, a highly significant part of the Ecnor Group's activity is identified with the construction or rendering of services associated with the operation of electricity transmission or distribution systems and with the construction or operation (in the latter case, through the Enerfin Subgroup's activity) of electricity generation facilities based on wind energy or photovoltaic solar technology. The most notable aspects included in this analysis process in relation to these activities are described below.

Substantial contribution to the goal of mitigating climate change

Set out below are the main aspects of assessing whether projects for the **construction or rendering of services related to operating electricity transmission or distribution systems** substantially contribute to the goal of mitigating climate change:

- Identifying whether the transmission and distribution infrastructure or equipment subject to the project is located within the interconnected European system;

- Identifying, if not, whether the infrastructure in question is connected or intended to create a connection or extend an existing connection to an energy production facility with a level of greenhouse gas emissions below the thresholds laid down in the taxonomy regulation (low-carbon generation) or whether the primary goal of the infrastructure is to increase the generation or use of renewable electricity generation; and
- As a last resort, where neither of the above two circumstances can be proven, analysing the characteristics of the electricity system in which the infrastructure is located and, specifically, whether the average emissions factor of the system network or whether more than 67% of the newly activated capacity in the system falls below certain emissions thresholds, in both cases considering a successive period of five years.

Generally speaking, the participation of renewable energy in the production and installed capacity of electricity generation in the main countries in which the Elecnor Group is present executing transmission and distribution system construction projects is very high. In all cases, major efforts have been made in recent years to increase the percentage of renewable energy in their installed generation capacity.

With regard to projects related to the **construction or operation of electricity generation facilities using renewable energy sources (wind and solar)**, their very nature proves their substantial contribution to this goal of mitigation.

No significant harm to other environmental goals

In line with the nature of the Elecnor Group's principal eligible activities, our analysis of compliance with these selection criteria has been particularly focused on the goals of adaptation to climate change, transition to a circular economy and protection and recovery of biodiversity and ecosystems. Although the requirements laid down in the taxonomy regulations to demonstrate that economic activities do not cause significant harm to any of the identified environmental goals also differ between eligible activities, in general, the activities of electricity transmission and distribution and the construction and operation of renewable generation facilities have important elements in common in terms of demonstrating compliance with these requirements.

The nature of the core activities conducted by the Elecnor Group sometimes limits its ability to significantly influence some of these environmental goals. This is especially true with respect to the goals of adapting to climate change and the transition to a circular economy, given that the Group —with the exception of the energy generation facilities, mainly wind power, which it operates through the Enerfin Subgroup— does not own or operate the infrastructures it builds throughout their entire lifecycle. As a rule, the design and technical specifications of the projects are determined by the customer and the Group has no ability to manage these assets after the completion of their construction and delivery.

In any case, and as regards the goal of **adapting to climate change**, the abovementioned technical specifications generally address the most adverse climatic conditions and set out the appropriate adaptation solutions. These are usually related to implementing the best technology in the installations and using highly durable materials that can withstand the most extreme conditions and, above all, to the location of the various supports of the transmission and distribution lines and of the photovoltaic and wind complexes themselves and of the foundations and towers of the wind turbine generators.

Furthermore, and as explained in the Climate Action section of this Report, the Elecnor Group has a Climate Change Strategy that lays down the goals in this area for the 2020-2035 period. This strategy constitutes the framework within which all of its initiatives to reduce greenhouse gas emissions, adapt to the impacts of climate change and take advantage of the associated opportunities are included. As a core part of the design and implementation of this strategy, the Group has identified the risks and opportunities related to climate change in its operations, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Specifically, the impact of climate change has been assessed both on the Elecnor Group's physical assets and on the infrastructure construction activity in the countries in which it currently has a greater presence or significant medium- and long-term business opportunities.

The Elecnor Group, as also outlined in the Environmental Performance section, conducts its operations pursuant to the procedures established in its Environmental Management System certified under ISO 14001:2015. In particular, as regards the goal of **transitioning towards a circular economy**, and as outlined in the "Waste management" section of the abovementioned section on environmental performance, the Elecnor Group fosters the circular economy by reducing and recovering the waste generated whenever possible and

optimising the resources used at all worksites and work centres. In that regard, it has specific Waste Management procedures in place to ensure both adequate protection of human health and the environment and fulfilment of the applicable legislation, seeking the best available techniques for recycling. Similarly, the key characteristics of its operations and activities that may have a material impact on the environment are regularly monitored and measured through the Environmental Action Control Plans, and compliance with legal requirements is verified.

Furthermore, and as also outlined in detail in the abovementioned section of this Report on Waste Management, the Group is fully committed to and working intensively on a number of initiatives geared towards preventing the generation of waste and enhancing the circular economy, especially with respect to wind power generation facilities.

Lastly, as regards the goal of **protecting and recovering biodiversity and ecosystems**, and as detailed in the Biodiversity management and protection of the natural environment section of the abovementioned Environmental Performance section, the Elecnor Group identifies and assesses in all its operations the impact they may have on fauna and flora, taking the appropriate measures to reduce this impact or even to generate a positive impact on the environment. Most of the projects implemented by the Group have the mandatory Environmental Impact Assessment reports and the corresponding environmental impact statements, based on which environmental monitoring plans are prepared to ensure the application of the appropriate mitigation and compensation actions.

As a result of the assessment conducted regarding these selection criteria, the Group has concluded that, overall, its eligible activities do not cause material detriment to any of the environmental goals set out in the taxonomy regulations.

Minimum social safeguards

To assess whether the operations conducted by the Elecnor Group are performed pursuant to minimum social safeguards, the outcome of the Final Report on Minimum Safeguards issued by the European Sustainable Finance Platform in October 2022 has been considered primarily. Based on this report, the analysis has been conducted with respect to the Group's management and performance in the following four areas:

- Combating bribery and corruption.
- Human rights.
- Taxation.
- Free competition.

To prevent and adequately manage the risks linked to these four areas and to ensure adequate performance in full compliance with the law and its principles and values, the Elecnor Group has a fully operational Compliance System that is structured and operates according to the best national and international practices. The Elecnor Group's Compliance System is certified according to the UNE-ISO 37001 anti-bribery management system standard and the UNE 19601 criminal compliance management system standard. The Ethical management and regulatory compliance section of this report outlines the key components of this system and the manner in which the Group conducts its operations in these areas of management.

The Human Rights section of the Responsible Management chapter of this report makes explicit in particular the Elecnor Group's commitment to support, uphold and protect human rights to the fullest extent and the mechanisms it has in place to ensure that all of its operations are conducted pursuant to these principles.

Lastly, the Tax Transparency section included in the abovementioned chapter on responsible management covers the key areas and elements of governance in tax matters that ensure compliance with legislation in this field.

Neither Elecnor, S.A. nor any of its subsidiaries have been convicted in a final judgment in 2022 for any offence relating to tax evasion or human rights. Similarly, neither Elecnor, S.A. nor any of its subsidiaries or its management team have been convicted by a final judgment in matters of corruption, bribery or infringement of laws related to free competition. **GRI 2-27**

Estimation of the indicators for eligible and environmentally sustainable activities: Turnover, capital expenditure (CapEx) and operating expenses (OpEx)

Having catalogued the Ecnor Group's activities as eligible and ineligible and assessed compliance with the technical selection criteria for the projects and activities identified as eligible, the indicators (KPIs) required by the abovementioned regulations have been calculated using the following methodology.

In order to calculate them, and pursuant to the applicable regulations, the scope of the Ecnor Group's companies and organisations that comprise its consolidation scope for in order to prepare the consolidated annual accounts was considered. This includes all those consolidated using the full or proportionate consolidation method, and therefore does not include the figures relating to other organisations over which the Ecnor Group exercises joint control or significant influence, which are included in the annual accounts using the equity method. As a consequence, the figures relating to the Celeo subgroup have not been considered when calculating these indicators, even though its activities, which mainly comprise the development, third-party financing, construction and operation and management of electricity transmission lines and photovoltaic and solar thermal farms, have been classified as eligible.

Proportion of turnover from products or services related to environmentally sustainable economic activities

The works systems of the various subsidiaries and organisations comprising the Ecnor Group integrate all the information related to the economic figures of the works in progress (chiefly turnover, expected margin at the end of the works and allocated costs). The sales (production) recorded in these systems (using the percentage of completion or degree of progress method, as stipulated in the applicable accounting regulations) and which are included in the Group's accounting systems represent practically all of the organisation's turnover.

Each of the works registered in the system is associated with an activity code, which helps in the process of identifying and aggregating the production associated with environmentally sustainable activities.

Taking this into account, the Ecnor Group has calculated the turnover indicator for 2022 that derives from eligible and environmentally sustainable activities by dividing the aggregate turnover of the activities and projects deemed to meet the criteria for eligibility and alignment with environmental objectives (technical selection criteria), respectively, by the Ecnor Group's "Net turnover" figure shown in the consolidated annual accounts for 2022 prepared by the Board of Directors on 22 February 2023 – Euros 3,613,672 thousand. From this calculation, the following results have been obtained:

- Proportion of turnover corresponding to eligible activities: 69.71%.
- Proportion of turnover corresponding to environmentally sustainable activities or projects (based on turnover of eligible activities): 79.38%.
- Proportion of turnover corresponding to environmentally sustainable activities or projects (based on total consolidated turnover): 55.34%.

Appendix I of this Report contains in-depth information on the Ecnor Group's turnover related to environmentally sustainable activities.

Proportion of capital expenditure (CapEx) related to assets or processes associated with sustainable environmental economic activities

The nature of the Ecnor Group's main capital expenditure, without taking into account investments made through its subgroup Celeo (mainly electricity transmission lines and facilities generating photovoltaic and solar thermal energy) is as follows:

- Wind power generation facilities and rights of use over associated assets.
- Machinery, hand and machine tools, transport equipment and other assets necessary for the rendering of services and execution of works and projects, in addition to rights of use over assets of this nature (hereinafter, assets for the execution of projects).
- Other supporting property, plant and equipment not directly related to business activities, such as computer systems or furniture and fixtures.

These assets are not individually assigned to any of the activities established in the internal activity coding system or to the different works in progress, as they, and in particular the assets for the execution of projects, are used in a cross-cutting manner in various works and even in different activities. The cost of the use and utilisation of these assets, materialised through their systematic depreciation and amortisation and other costs directly related to them, is allocated to the various projects through the corresponding equipment utilisation reports and vehicle utilisation reports (cost allocation rates of equipment per day of use), which are completed monthly by the operators.

In such circumstances, the Ecnor Group deems the best approximation of the extent to which its investments in this type of asset are related to sustainable activities is the abovementioned allocation of the consumption of the assets (depreciation and other costs related to their use and utilisation) to the various projects and works. This means, with the due precautions, that the percentage of these costs associated with eligible activities is represented by the indicator relating to turnover estimated in the above section. Therefore, in order to avoid duplication when calculating the various indicators, as laid down in the regulations in force, investments in assets for the execution of projects have not been included as part of the numerator for the purposes of calculating this indicator, even though, as previously stated, a very significant part of them is consumed in projects related to eligible and environmentally sustainable activities.

Among the strategic objectives of the Ecnor Group in the field of climate change, the renewal of the fleet for more efficient vehicles and the development of projects by country for the switch to more sustainable fuels are prominent.

Furthermore, investments in wind power generating facilities and associated rights of use, which are incurred in their entirety by the Enerfin subgroup, have been categorised as related to sustainable activities.

Taking this into account, the Ecnor Group has calculated the indicator for capital expenditure (CapEx) for 2022 associated with eligible and environmentally sustainable activities. To do so, it takes the amount corresponding to the capital expenditure made in 2022 by the Enerfin Subgroup (investments in wind power generating facilities and associated rights of use) —calculated as the sum of the consolidated "Additions" for the year under "Intangible Assets – Other Intangible Assets", "Right-of-use assets" and "Property, Plant and Equipment" of the Enerfin Subgroup that form part of the consolidated Ecnor Group, which amounted to Euros 85,713 thousand— and divides it by the sum of the "Additions" for the year under "Intangible Assets – Other Intangible Assets", "Right-of-use assets" and "Property, Plant and Equipment" of the Ecnor Group included in the related explanatory notes to the consolidated annual accounts for 2022 prepared by the Board of Directors on 22 February 2023 – Euros 200,415 thousand. From this calculation, the following results have been obtained:

- Proportion of capital expenditure (CapEx) corresponding to eligible activities: 42.77%.
- Proportion of capital expenditure (CapEx) corresponding to environmentally sustainable activities or projects (based on the amount of eligible CapEx): 100.00%.
- Proportion of capital expenditure (CapEx) corresponding to environmentally sustainable activities or projects (based on the amount of total consolidated CapEx): 42.77%.

Appendix I of this Report contains in-depth information on the Ecnor Group's capital expenditure (CapEx) related to assets or processes associated with environmentally sustainable activities.

Proportion of operating expenses (OpEx) related to assets or processes associated with sustainable environmental economic activities

The regulations on taxonomy establish that in order to calculate this indicator, only the percentage of certain operating costs that are related to assets or processes associated with eligible activities should be considered as a percentage of the total operating costs. Specifically, and as a basis of calculation of the indicator, only the costs of research and development, building renovation, leases, maintenance and repair and other direct costs related to the day-to-day operation of fixed assets (exclusively property, plant and equipment) necessary for their ongoing and correct functioning must be taken into account. The Ecnor Group recognises these costs under "Research and development expenses", "Leases" and "Repair and maintenance", as identified in the related note to its annual accounts, under "Other operating expenses" in the income statement.

As stated in the above section, the subsidiaries and organisations included in the consolidation scope of the Ecnor Group do not generally own fixed assets other than assets required for the execution of projects, wind power generating facilities and other support assets not directly related to business activities.

As regards the assets necessary for the execution of projects, and as previously stated in relation to the depreciation thereof, the various related operating costs are allocated to the projects through the corresponding equipment utilisation reports and vehicle utilisation reports. For this reason, and once again, the Elecnor Group deems the best measure to establish how the operating expenses referred to in this section are associated with sustainable activities to be through this allocation, which is already represented by the indicator corresponding to turnover.

Furthermore, all of the operating expenses of this nature incurred by the Enerfin subgroup are directly related to the wind power generation facilities it owns. In that regard, and in relation to 2022, the expenses incurred by the Enerfin subgroup recorded under the headings "R&D&I expenses", "Leases" and "Repair and maintenance" amounted to a total of Euros 7,283 thousand.

The Elecnor Group's total operating expenses included under the headings stated in this section for 2022 amounted to Euros 181,207 thousand. Therefore, the percentage of the abovementioned expenses incurred by the Enerfin subgroup as a percentage of the total amounts to 4.02%.

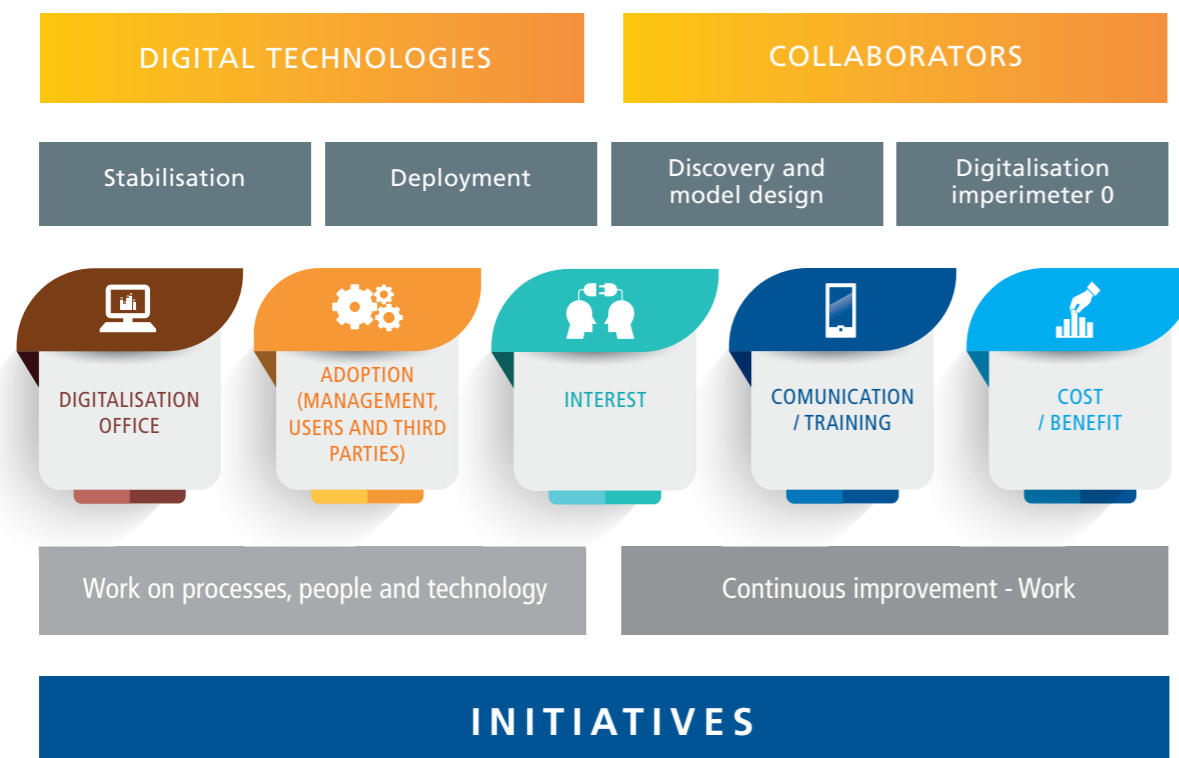
Appendix I of this Report contains in-depth information on the Elecnor Group's operating expenses (OpEx) related to assets or processes associated with environmentally sustainable activities.

15.8 Technology and innovation

THE DIGITAL TRANSFORMATION IN THE ELECNOR GROUP: PROCESSES, TECHNOLOGY AND PEOPLE GRI 3-3

The strategic project on Digital Transformation addresses the design, digitalisation and deployment of an innovative management model seeking to improve processes, operational efficiency, cultural change and competitiveness.

Along these lines, the Elecnor Group has developed a transversal technological innovation process for management that is now in a mature phase. The main achievement consists of having brought the digital transformation within the company through an application implementation system, which is based on the collection of requirements with task forces (demand management), software development (in-house or with subcontractors or the purchase of licences) and evolutionary maintenance and measurement of application use (change management).



The now-consolidated Digitalisation Office is the driving force behind this innovation and is in charge of providing it with a structure, method and a governance model that is responsible for fulfilling the goals set and measuring progress using two complementary indices: the Digital Development Score and the Implementation Rate.

Through various initiatives, the Digitalisation Office coordinates the progress of innovation in processes, technologies and people. Each initiative involves the required number of people within the organisation to reach a decision on which process to implement and the most suitable IT medium.

The decisions adopted are assessed by the Digital Transformation Committee, which includes representation from all areas of the company and contributes a transversal business approach. This Committee met 11 times during the year.

ACHIEVEMENTS 2022

- > The initiatives implemented obtained a Digital Development Score (DDS) of 96.3% and an Implementation Rate (IR) of 96.03%.
- > Progress in digitalising 27 cross-cutting and business processes, achieving 100% compliance with the Digital Development and Implementation Indexes.
- > Digital Skills. DIGFLIX is the Elecnor Group's new platform for digital skills in series, which seeks to train employees in the digital sphere through an innovative and dynamic format that imitates the "Netflix" platform. Two series are available on the platform: Breaking Fears (mini video shorts with a range of topics related to digital transformation for employees to watch and take part in a quiz at the end of the video) and The Office (with chapters with training on the main office tools and Google WorkSpace).
- > Communication. Another of the Group's goals is to broadcast news about significant progress through the Buenos Días Digital Transformation channel and the monthly newsletter. Videos of a manager or user who has taken part in a digital transformation initiative are also published, in which they share their experience. It is worth highlighting the dissemination campaign conducted on the DIGFLIX platform.
- > Dissemination. Monthly informative sessions or internal case studies have been held on various applications developed in the Group, with the following results of interest:

Office and Google sessions



30
Sessions



350
Chat members



1,200
Attendees



8
Sessions



150
Chat members



280
Attendees

Highlights of Digital Transformation training



Training of 24 applications for implementation



52 demos and trainings



+2,500 trained

INFORMATION SECURITY

The Elecnor Group includes the information security aspect in its Integrated Management System, as well as in the Integrated Policy. Furthermore, the Information Security Management System is certified pursuant to the ISO 27001 standard. Through this system, security measures are conveyed in order to reduce the possibility of threats materialising and to ensure that the security incidents detected are resolved as soon as possible to prevent them from affecting the information processed or the services provided by the Elecnor Group.

Cybersecurity in the Elecnor Group is based on a zero trust policy. Cybersecurity is a relevant area for the company as a result of, on the one hand, the increase in attacks on companies in the most digitalised economies, and on the other, the greater need for connectivity in companies as a result of the pandemic, which has occasionally generated greater risk and vulnerability of systems.

In that regard, the Elecnor Group has undertaken the following projects:

- Awareness and training to the workforce, crucial to maintain a high degree of protection against external threats. Both workforce awareness campaigns and specialised training for specific users requiring more in-depth knowledge are conducted. A cyber awareness campaign was launched for 3,666 employees with a participation rate of 73%.
- Phishing simulation. A phishing campaign was carried out by sending it to 3,663 users. No vulnerability related to the software analysed was detected.
- Internal and external audits conducted.
- Active email protection.
- Safety policies. The following policies were drafted and updated in 2022: Information Security Vendor Policy, Security Event Management, Password Policy and Application Development Policy.
- Business continuity plan. This plan lays down the action guidelines to guarantee the continuity of all Elecnor's systems, processes and services developed at all its sites. To this end, a series of action plans are drawn up to resolve contingencies that may affect the availability of the business.
- Preparation of the Operations Guide. This is a document that describes the steps to be taken when performing a management task on Elecnor's systems that affect the organisation's security. All tasks must be submitted through the CAU (User Service Centre) portal.

INNOVATION AND NEW BUSINESS OPPORTUNITIES

Innovation in the Elecnor Group contributes greater added value to the services it provides to its customers with the guarantee of sustainability, competitiveness and differentiation of the company. In 2022, the total figure of expenditure on all the Group's R&D&I projects amounted to Euros 12.5 million.

The Group's main strategic lines of RDI target the following areas of activity. Elecnor, S.A. and its subsidiary Audeca are currently certified in accordance with UNE 166002 standard.

The Group's main strategic lines of RDI target the following areas of activity:

INFRASTRUCTURE

- Railway
- Electricity transmission/distribution
- Gas transmission/distribution
- Roads
- Construction and building solutions

ENERGY

- Renewable/conventional generation
- Substations
- Energy storage systems
- Hybrid fossil fuel + solar PV systems
- Biomass
- Construction solutions
- Improvements in efficiency, O&M and management of generation plants

FACILITIES

- Electrical installations
- Energy services
- Safety
- Buildings and large facilities (ports, airports, industry, hospitals, etc.)
- Construction solutions
- Smart Cities

ENVIRONMENT

- Management and treatment of waste and waste-to-energy
- Carbon capture systems (CCS)
- Soil decontamination
- Improvements in efficiency, O&M and management of plants

WATER

- Systems for desalinating sea water and brackish water
- Waste water treatment systems
- Drinking water purification systems
- Water transport and distribution networks
- Improvements in efficiency, O&M and management of plants and water networks

SINGULAR PROJECTS

- Development of projects in which innovation provides a significant qualitative leap.

The Elecnor Group works to encourage the necessary climate in which innovative ideas are generated by creating committees of experts by activity, holding creativity workshops or specific monographs. Some of the year's achievements are set out below:

ACHIEVEMENTS 2022

- > Launch of INNOVA 2022 call for proposals for R&D&I project funding.
- > Standardisation of KPIs in R&D&I for the Group and its organisations.
- > Obtaining tax deductions for R&D&I.
- > Implementation of the first proofs of concept of the SMS+ project to develop an emergency and first aid communications network
- > Preparation of the EPC bid to build a hydrogen production plant in Alcázar de San Juan.
- > Signing with the Government of Rio Grande do Sul in Brazil for collaboration in the development of a renewable hydrogen plant in the region.

Continued on next page

- > Creation of a Business Group promoted by Enerfín together with the Port Authority of A Coruña, the Coruña Tramway Company and AVIA Engineering for the presentation of the "A Coruña Green Port H2 Mobility" initiative to the IDAE (Institute for Energy Diversification and Saving Energy).
- > Involvement of Ecnor Deimos in space transport projects within the framework of the EU's Horizon Europe research and development programme.
- > Implementation of a Freecooling system in FTTH rooms at 150 sites in the northern half of Spain, using network analysers to measure energy savings, with remote connection to control and visualise the rooms.
- > Approval by the Provincial Council of Bizkaia of two innovative projects in the HAZITEK call for proposals: Genio Project in the Railway Department (completion in 2022 and testing in early 2023) and QR Project for the activity of industrial plants.
- > Conducting four workshops on collaborative/open innovation with start-ups in conjunction with Tecnalía, Spain's largest centre for applied research and technological development.

INNOVATION PROJECTS

In the year, the Ecnor Group was involved in a huge number of innovation projects that, on various occasions, it performs in collaboration with various universities and technological centres and institutes, such as Railway Innovation Hub, University of Valladolid, Madrid's Polytechnic University, Carlos III University, University of León, CENES in France, UKSA in the United Kingdom, POLSA in Poland, CENER (National Renewable Energy Centre); the company Tekniker or aerospace agencies such as Spain's Institute of Aerospace Technology (INTA) and Tecnalía, among others.

Highlighted projects

FREECOOLING. Developing a new energy efficiency system by free-cooling

The goal of the project is to create a new specific solution adapted to meet the real energy needs of air-conditioning in technical rooms for the telecommunications sector based on free-cooling, which results in lower energy consumption of the air-conditioning system in the technical room. At present, air-conditioning systems in technical rooms consume a high amount of energy, so this is an opportunity to improve the energy efficiency of these systems.

QReAum. A New Industrial Plant Monitoring System with Augmented Reality, Geolocation and QR Code

It consists of developing an evolved application, which is new at an international level and unprecedented, where the implementation of AR in SCADA (Supervisory Control And Data Acquisition) monitoring systems enables the monitoring and remote control of industrial processes. Reading QR codes and geolocation will permit total independence from suppliers and telematic manipulation by operators, avoiding the consequent occupational risks and improving safety.

Green Port H2 Mobility project

Aligned with the goals laid down at national level in the Integrated National Energy and Climate Plan (PNIEC) as well as in the Hydrogen Roadmap, a project has been designed to foster and deploy the use of green hydrogen (H2V) for heavy mobility in Galicia: A Coruña Green Port H2 Mobility.

As the driving force behind the group formed by the Port Authority, Compañía de Tranvías de La Coruña and AVIA Ingeniería, Enerfín seeks to implement an initiative to provide a refuelling service to the port, urban and inter-urban environment for heavy goods vehicles and public and private bus fleets, thus fostering and deploying sustainable mobility in the region.

Furthermore, the project allows for the viability of a model with a high degree of replicability for similar future developments, by implementing a hydrogen plant that offers the supply of renewable hydrogen generated in an adjacent electrolysis plant powered by renewable generation installed on site.

The initiative integrates everything from the renewable generation that feeds the electrolysis plant to the end consumer of the hydrogen (Compañía de Tranvías de La Coruña), which in this case is used for mobility. Enerfín will invest in and build the electrolysis plant for hydrogen production, as well as the hydrogen plant to refuel the vehicles. Compañía de Tranvías is also involved in this project through the acquisition of a fuel cell bus from Caetano. Thus, the goal is to acquire sufficient experience to gain a detailed understanding of the technology, how it is adapted to the operation and the skills necessary to maintain the vehicle.

Acadiems Project

This project, comprising a consortium of six companies led by Enerfín, seeks to develop an expert system based on artificial intelligence for intelligent energy management, which coordinates renewable generation resources, storage systems and demand flexibility in order to offer services in the daily and intraday electricity markets, as well as balancing services.

This all results in benefits for all the agents in the electricity system value chain, and enables consumers-prosumers to obtain economic returns from the rendering of flexibility services. Enerfín is working alongside CENER on developing the optimal strategy for commercialisation in the daily and intra-daily market for hybrid wind-photovoltaic plants featuring accumulation.

Environment Management

This includes the development of a people counting system to detect and analyse the number of individuals inside the designated area or building in real time. This enables us to keep track of the number of people who are obstructing an aisle, causing queues and delays, and to make decisions to minimise them. Similarly, the counting system is intended to be extended to detect and analyse the number of vehicles in a similar situation.

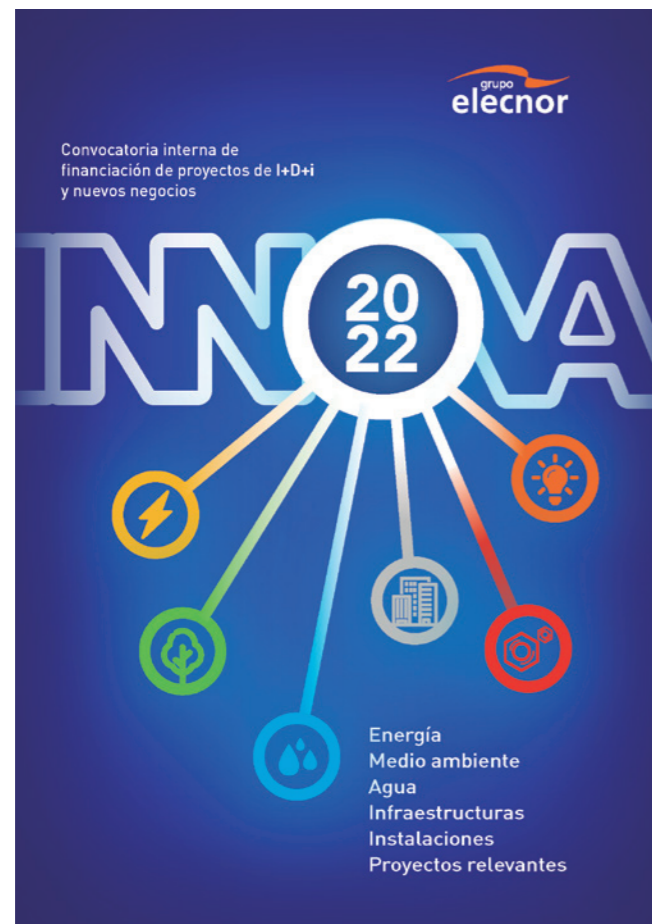
Analysis and Navigation Technology for Space Missions

Design and development of a technology that captures terrestrial and space samples and information, enabling us to expand our knowledge of this unknown territory, the behaviour of asteroids, minor bodies, space debris, etc.

Air and maritime navigation

Design and development of an innovative technology for real-time tracking and monitoring of air, sea and cargo vehicles using UAVs (unmanned aerial vehicles).

Continued on next page



INNOVA 2022 CALLS FOR PROPOSALS

The Elecnor Group, through its Innova programme for funding RDI projects proposed, aims to align RDI with the development of new business for the Group, to boost competitiveness, achieve early identification of RDI projects and enhance internal collaboration.

All Elecnor Group organisations based in Spain and foreign subsidiaries can apply for funding for RDI projects.

Innova 2022 featured projects

Sigidel 4.0

Under this project, Elecnor's Systems Department intends to develop a new version of Sigidel (a proprietary control system used by the Group's major customers since the 1990s) that more closely matches Industry 4.0 technologies and complies with cybersecurity standards.

The project proposes the following goals:

- Product continuity by means of a completely new proposal.
- Improving competitiveness compared to current products.
- Control system within the technological context of Industry 4.0.

A modular, scalable and global product will be generated based on this need, which will serve not only as an electrical control system, but also as a specialised control system for photovoltaics, green hydrogen, industry and electrical substations.

INNOVATING THROUGH STARTUPS

Collaboration with startups enables the Elecnor Group to access greater knowledge, develop innovative solutions and create new business opportunities that may contribute added value to customers.

In that regard, the Group conducts initiatives with disruptive or exponential technology in partnership with innovative start-ups. Noteworthy is the **Bind 4.0 programme**, a public-private acceleration programme seeking to encourage the development of the best start-ups in the field of Industry 4.0 by fostering projects with leading industrial companies and a comprehensive support programme. In this context, the following projects are being carried out:

- Asimob. It comprises a proof of concept in the monitoring of traffic signs and road surface irregularities at a road maintenance centre on the Iberian Peninsula using artificial vision. In 2022, the project has made progress towards the goal of achieving a tool for the comprehensive monitoring of all road elements. Work is also being carried out on developing the lane line and safety barrier control module.
- Codecontract. Two proofs of concept on the traceability of IT developments and the traceability of the company's insurance applications using blockchain technology.
- Grabit. Proof of concept of PPE inventory control through artificial vision.
- Presentys. Using VR (virtual reality) technology for the acquisition of a standard transformer station simulator.
- Datatons. The goal is to apply an advanced data analytics and artificial intelligence tool for graphic evidence to the Elecnor Group's three occupational risk prevention tools: PRP, SegurT and Notific@.

Furthermore, Elecnor has joined the **B Accelerator Tower (BAT)** initiative, an entrepreneurship and innovation centre driven by the Provincial Council of Bizkaia and the Bilbao City Council and operated by the international alliance led by PwC with the backing of Talent Garden and Impact Hub, leading players in the field of business and innovation.

BAT is located in Torre Bizkaia (Bilbao), hosting an ecosystem of more than 220 entities including start-ups, corporations, venture capital firms, technology centres and universities. Around thirty companies, including the Elecnor Group, will be placed alongside the entrepreneurs.

In this context, the Group will provide knowledge, market access, access to relevant resources and assets, sector experience, advice, etc. as one of the benchmarks for the BAT start-ups. They will bring to the Elecnor Group access to new technologies, disruptive solutions, agility, access to talent, risk management through risk sharing, passion and the pursuit of breaking down barriers.

MEMBERSHIP OF RDI ASSOCIATIONS AND PLATFORMS GRI 2-28

- Associate member of the Asturias Innovation Club (Innovasturias).
- Platinum member of the Efficient Energy Cluster of Catalonia.
- Member of the Interior Air Quality Cluster (IAQ), an association of businesses that cooperate and share synergies with the main goal of leading future decisions on how to improve interior air quality in buildings and infrastructure.
- Members of the R&D committees of Spain's Association of Technological Aeronautics, Space and Defence Companies (TEDAE), the European Association of Remote Sensing Companies, the European Association of Space Companies Eurospace and the Open Geospatial Consortium. Elecnor Deimos chairs the R&D committee of the space sector.
- Elecnor Deimos is a member of the Spanish Aerospace Platform, which comprises all the players in this sector, including companies, public and private research centres and universities, and submits the proposed strategic RDI agenda to administrations.

- Enerfín is a member and actively participates in various working groups in AEPIBAL, Batteries, Cells and Energy Storage Business Association; AeH2, Spanish Hydrogen Association; AIN, Navarre Industry Association; AEE, Spanish Wind Energy Association and REOLTEC, Innovation Platform within the Spanish Wind Energy Association.
- Galician Wind Energy Association (EGA).
- Association of Wind Energy Developers of Castilla y León (APECYL).
- Enercluster (Cluster Eólico de Navarra)
- Galician Hydrogen Association (AgH2), established this year for the development and promotion of hydrogen projects. Enerfín is one of the original members of the association and is involved in the Technology and Market task forces and in the preparation of the draft of the Action Measures of the Hydrogen Industry Sectorial Agenda.
- Plataforma Enertic.

PARTICIPATION IN FORUMS, CONGRESSES AND AWARDS

Forums and conferences

- IAQ Cluster-Technical Conference "Maintenance and quality of indoor air, an investment for the future: health, efficiency and safety". Elecnor shared its experience in building maintenance.
- Participation in Global Innovation Day, the Basque Country's biggest forum dedicated to innovation, where the major scientific, technological, social and cultural trends are discussed in order to show society the importance of innovation as a driver of economic development. This year, the event revolved around the importance of talent as the driving force behind innovation.
- II International Innovation Congress, organised by APD.
- South Summit Bilbao Congress.
- Closing of the sixth edition of BIND 4.0.
- Sponsor of the National Road Safety Conference in Málaga.
- Andalusian Road Congress.
- European Hydrogen Congress (EHEC 2022).
- IX Solar Forum organised by UNEF
- Madrid Tech Show
- Participation as speakers at the event "Hablando de Hidrógeno en Femenino" (Talking about Hydrogen for Women). The event brought together a group of women from the industry to debate on the importance of committing to green hydrogen as a driver of the ecological transition and to help build a sustainable economy with high added value.
- A public event co-organised by Enerfín to present a pilot test of a Caetano hydrogen bus in the framework of the "Green H2 Langosteira" project in the city of A Coruña.

AWARDS

18th National ACEX Award for Safety in Conservation

The Baliza Láser Guía project of the subsidiary Audeca has won the 18th National ACEX Award for Safety in Conservation, in the associates category.

This is an innovative system designed to delimit the working area on the road at night. It comprises a luminous beacon consisting of a laser and a small LED directional panel, which projects a red line on the road surface, the purpose of which is to transmit to drivers the perception of a continuous barrier between cones that delimit the road work area and which cannot be crossed.

This award acknowledges initiatives that focus on occupational and road safety in the conservation and maintenance of infrastructures with a major social and/or business impact. The winning project addresses the need to improve signage on construction sites in low visibility conditions.

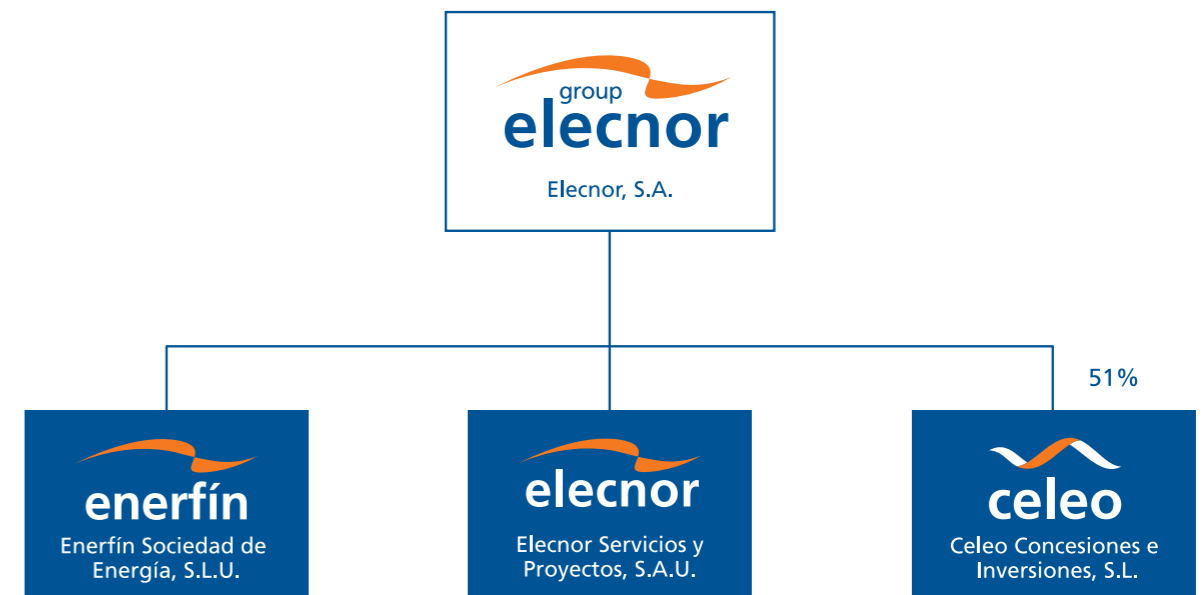
15.9 Responsible management

CORPORATE GOVERNANCE

The Elecnor Group meets the requirements established in Spanish Companies Act and is guided by the recommendations in the Code of Good Governance of Listed Companies issued by the National Securities Market Commission⁷.

CORPORATE STRUCTURE

Elecnor, S.A. is the Group's head listed company and the main business subsidiaries Elecnor Servicios y Proyectos, S.A.U. and Enerfín Sociedad de Energía, S.L.U., as well as the partner company Celeo Concesiones e Inversiones, S.L., report to it.



This corporate structure of the Group is in line with the organisational reality in which the company has been working for years, and enables the risks, assets employed or profits of the activities conducted by each of them to be correctly individualised, thus adequately differentiating the added value of each of the Group's activities.

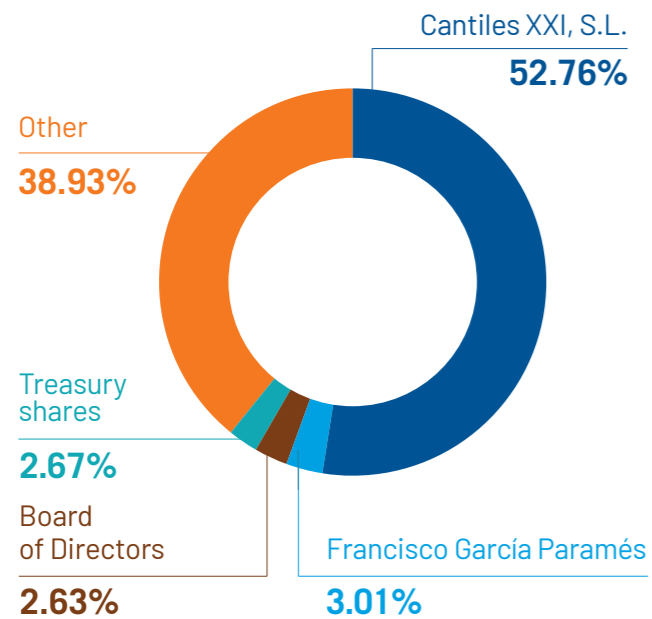
(7) This information is available under the Corporate Governance section and in the Annual Corporate Governance Report (ACGR) of the Shareholders and Investors section of the Elecnor Group corporate website.

OWNERSHIP STRUCTURE

The company Cantiles XXI, S.L., comprising various family groups, holds a 52.76% interest in Elecnor, S.A., which gives it control of the company within the meaning of article 42 of the Code of Commerce.

The heading "Other" in the chart includes shareholders with a non-material shareholding (less than 3%).

SHAREHOLDING



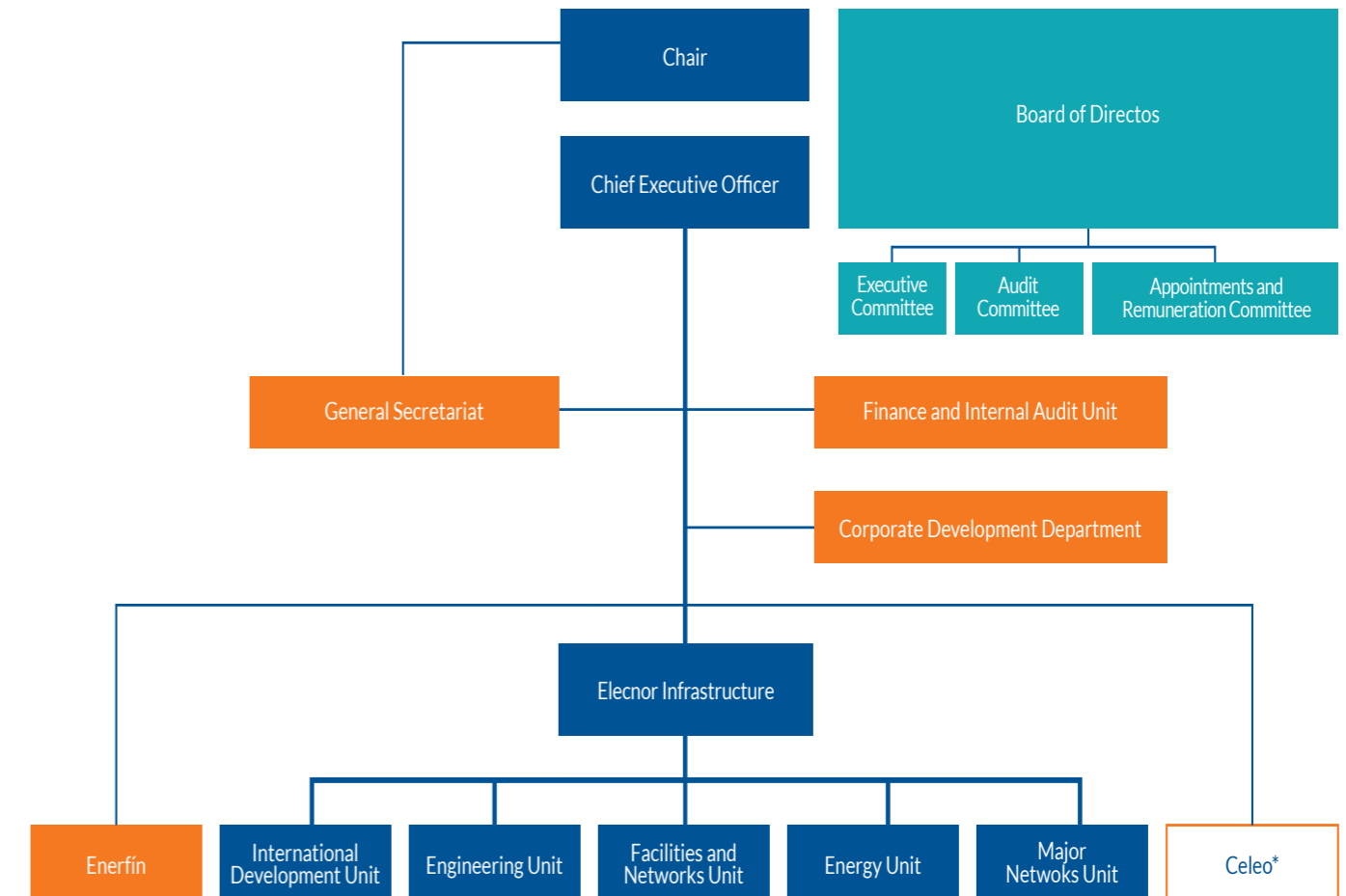
GOVERNANCE STRUCTURE

The governing bodies of the parent company (Elecnor, S.A.) are its General Shareholders' Meeting and the Board of Directors. The Executive Committee, Audit Committee and Appointments, Remuneration and Sustainability Committee report to the Board of Directors.

In 2022, the General Shareholders' Meeting was held, for the first time, in "hybrid" format, i.e. with both physical and online attendance of shareholders and their proxies, with 84.40% attendance.

ORGANISATIONAL STRUCTURE AT 31 DECEMBER 2022

GRI 2-9



(*) Company co-managed by the Elecnor Group (51%) and APG (49%).

BOARD OF DIRECTORS

GRI 2-10, GRI 2-11



DIRECTOR NAME	POSITION ON THE BOARD	CATEGORY	DATE LAST APPOINTED
Jaime Real de Asúa Arteché*	President (non-executive)	Proprietary	18/05/2022
Ignacio Prado Rey-Baltar*	Vice-Chair	Proprietary	18/05/2022
Rafael Martín de Bustamante Vega	Director and Chief Executive Officer	Executive	23/06/2021
Cristóbal González de Aguilar Alonso-Urquijo	Deputy-Secretary	Proprietary	22/05/2019
Miguel Cervera Erarle*	Member	Proprietary	18/05/2022
Isabel Dutilh Carvajal	Member	Independent	22/05/2019
Joaquín Gómez de Olea y Mendaro	Member	Proprietary	20/05/2020
Irene Hernández Álvarez*	Member	Independent	18/05/2022
Juan Landecho Sarabia*	Member	Proprietary	18/05/2022
Santiago León Domecq	Member	Proprietary	23/06/2021
Miguel Morenés Giles*	Member	Proprietary	18/05/2022
Francisca Ortega Hernández-Agero**	Member	Independent	18/05/2022
Rafael Prado Aranguren*	Member	Proprietary	18/05/2022
Emilio Ybarra Aznar	Member	Independent	22/05/2019
Pedro Enrile Mora-Figueroa	Secretary non-director		24/06/2020

(*) Reappointed for four more years

(**) Appointed as a new independent director by the General Shareholders' Meetings.

BOARD OF DIRECTORS' COMMITTEES GRI 2-12

Executive Committee

The core functions of the Executive Committee are to prepare information on the issues to be addressed by the Board of Directors and the drafting of proposed resolutions; monitoring the implementation of the Elecnor Group's policies; and monitoring of the business of the company and its Group, which comprises confidential information due to its competitive sensitivity, which must be treated with the utmost safeguards on confidentiality. All of the foregoing is pursuant to the rules of operation of this Committee, as set forth in the deed of incorporation of the same.

In 2022, the composition of the Executive Committee changed to the current one:

NAME	POSITION	TYPE
Jaime Real de Asúa Arteché*	President	Proprietary
Joaquín Gómez de Olea Mendaro**	Member	Proprietary
Cristóbal González de Aguilar Alonso-Urquijo	Member	Proprietary
Rafael Martín de Bustamante Vega	Member	Executive
Miguel Morenés Giles*	Member	Proprietary
Ignacio Prado Rey-Baltar*	Member	Proprietary
Pedro Enrile Mora-Figueroa***	Non-Director Secretary	--

(*) Re-elected on 18/05/2022

(**) Appointed 18/05/2022

(***) Appointed 11/05/2022

EXECUTIVE COMMITTEE	NUMBER	% OF TOTAL
Executive directors	1	16.7%
Proprietary directors	5	83.3%
Committee meetings	22	

The Executive Committee met 22 times in 2022, with all members attending all meetings, with the sole exception of the meeting held on 9 March 2022, which Fernando Azaola Arteché—who at that date was still Secretary of the Committee—was unable to attend for justified reasons.

Key Group matters were discussed at these meetings, such as the principal investment and divestment operations, the progress of the subsidiaries' businesses, the 2023-2025 Strategic Plan and actions regarding sustainability and climate change, among others.

Comprehensive information on the composition and actions of the Executive Committee in 2022 can be found in both the Executive Committee's Annual Report and the Annual Corporate Governance Report. Both documents are available in the Shareholders and Investors section of the Group's corporate website.

AUDIT COMMITTEE GRI 2-16, GRI 2-27

The Audit Committee provides support to the Board in the supervision of financial and non-financial reporting, internal control and internal and external auditing, risk management and control, compliance with the company's corporate governance rules and internal codes of conduct, and it reports, among other matters, on related-party transactions.

In 2022, the composition of the Audit Committee changed to the current one:

NAME	POSITION	TYPE
Irene Hernández Álvarez*	President	Independent
Miguel Morenés Giles*	Secretary	Proprietary
Isabel Dutilh Carvajal	Member	Independent
Ignacio Prado Rey-Baltar*	Member	Proprietary
Francisca Ortega Hernández-Agero**	Member	Independent

(*) Re-elected on 18/05/2022

(**) Appointed 18/05/2022

AUDIT COMMITTEE	NUMBER	% OF TOTAL
Independent directors	3	60%
Proprietary directors	2	40%
Female directors	3	60%
Committee meetings	11	

The Committee met 11 times in 2022, with an attendance rate of 100%. Additionally, when deemed appropriate, the Committee has requested that various persons from the company or its Group or external professionals attend meetings, depending on the matters to be discussed, in all cases at the invitation of the Chair of the Committee and to address those items on the agenda in relation to which they have been summoned.

The Audit Committee has put into practice each of the functions attributed to it by article 5 of its Internal Regulations in 2022, by means of the following main actions:

- The review of regular financial and non-financial information published in markets and the goals and forecasts at year end.

- The monitoring of the main risks with the potential impact on the income statement and other material matters relating to the annual accounts, the Risk Management System and the Internal Audit system.

- The relationship with the Group's external auditors, supervision of their independence and approval of fees.

- Supervision of the Compliance System and the activities of the Compliance Committee.

- Monitoring of the Group's Digital Transformation Project and the management of Information Systems Security.
- Information to the General Shareholders' Meeting.
- Supervision of compliance with the company's Corporate Governance rules and internal codes of conduct. Assessment of the Committee.

Comprehensive information on the composition and actions of the Audit Committee in 2022 can be found in both the Audit Committee's Annual Report and the Annual Corporate Governance Report. Both documents are available in the Shareholders and Investors section of the Group's corporate website.

Appointments, Remuneration and Sustainability Committee

This Committee is in charge of assessing the competencies, knowledge and experience necessary in the Board. Additionally, it proposes and reviews the remuneration policy for Directors and Management, and reviews the corporate governance and sustainability of the company.

The Appointments, Remuneration and Sustainability Committee agreed in 2022 to re-elect two of its members (one of them being its Secretary), thus its composition has not changed during the year, and remains as follows:

NAME	POSITION	TYPE
Emilio Ybarra Aznar	President	Independent
Jaime Real de Asúa Arteche*	Secretary	Proprietary
Miguel Cervera Earle*	Member	Proprietary
Isabel Dutilh Carvajal	Member	Independent

(*) Re-elected on 18/05/2022

APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE	NUMBER	% OF TOTAL
Proprietary directors	2	50%
Independent directors	2	50%
Female directors	1	25%
Committee meetings	8	

The Committee met 8 times in 2022, with all members attending all meetings. Additionally, when deemed appropriate, the Committee has requested the presence of the Chief Executive Officer and other members of the management team, in all cases at the invitation of the Chair of the Committee and to address those items on the agenda in relation to which they have been summoned. Similarly, when deemed appropriate, external advisors or suppliers have participated in connection with certain particularly complex matters within the remit of the Appointments, Remuneration and Sustainability Committee.

The Appointments, Remuneration and Sustainability Committee has implemented each of the duties assigned to it in 2022 in relation to, inter alia:

- The composition of the Board of Directors and its Committees, having reviewed the category of each of the Directors, concluding that the current categories remain fully in line with their circumstances.
- The selection of Directors and members of the management team, by carrying out a prior analysis of needs of the Board of Directors including competencies, know-how and experience required, all of which was taken into account when compiling proposals and reports submitted to the Board concerning the appointment and re-election of Directors.
- Board positions, having updated the Succession Plan for the Chairman of the Board of Directors and the Chief Executive Officer, and also reviewed the Succession Plan for the management team.

- Remuneration of Directors and members of the management team, proposing the Directors' Remuneration Policy for 2022, 2023, 2024 and 2025, which was approved by a large majority at the Ordinary General Shareholders' Meeting held on 18 May 2022.
- The review of corporate governance and sustainability; accordingly, it has overseen the actions of the Sustainability Committee and has issued a report in connection with the functions of supervising compliance with the Corporate Policies within its remit and reviewing the Corporate Governance system.

Comprehensive information on the composition and actions of the Appointments, Remuneration and Sustainability Committee in 2022 can be found in both the Committee's Annual Report and the Annual Corporate Governance Report. Both documents are available in the Shareholders and Investors section of the Group's corporate website.

DIVERSITY OF THE BOARD OF DIRECTORS AND DIRECTOR SELECTION

The Elecnor Group's Policy for the Selection of Directors and for Board Diversity accessible on the Group's website, outlining all the measures adopted in relation to the selection of Directors, diversity policy in relation to gender, age, experience, etc., as well as the procedures for said selection so as to foster a diversity of experience, knowledge, competencies and gender and so as to ensure that, in general, they do not entail implicit biases that might imply any kind of discrimination.

This Policy was amended in December 2020 in order to adapt it to the reform of the Code of Good Governance approved in June 2020 by the CNMV, and is regularly reviewed by the Appointments, Remuneration and Sustainability Committee in order to make progress in improving this aspect.

The Policy is governed by the following guiding principles:

- Adequate composition of the Board of Directors, for which purpose the Director selection processes must be grounded on a prior analysis of the competencies required by the Board.
- Fostering diversity in the Board and its Committees, among other aspects, in relation to know-how, experience, age and gender.
- Non-discrimination and equal treatment, whether on the grounds of race, gender, age, disability or any other reason.
- Transparency in selecting candidates for Directors, with the Board of Directors being obliged to provide all significant information in this regard, duly documenting the selection processes and including the main conclusions in the reports and proposals by competent bodies that must be made available to shareholders at their General Meeting.
- Compliance with applicable regulations and the principles of good corporate governance.

The bodies in charge of ensuring the diversity of the Board of Directors and its Committees as well as of the processes of selection of members of the Board will be the Board of Directors and the Appointments, Remuneration and Sustainability Committee, without prejudice to the appointment powers of the General Meeting of Shareholders.

Similarly, the company has an Equality Plan, applicable not only to the Board of Directors but also to the management team and all Group personnel, which lays down specific actions to be conducted for persons holding positions of responsibility in each of the aforementioned fields of work.

This Equality Plan is one of the main tools used by the Appointments, Remuneration and Sustainability Committee to foster inclusion and diversity among the Group's employees, including its executives.

With regard to the recommendation of ensuring that the number of female directors represents at least 40% of members of the Board of Directors, the company intends to continue fostering an increased presence of female directors on the Board so as to fulfil the recommendation without affecting the normal functioning of the Board and the suitability of its members as a whole to discharge their duties.

Accordingly, on 18 May 2022, the General Shareholders' Meeting, at the proposal of the Board of Directors and the Appointments, Remuneration and Sustainability Committee, approved the appointment of Francisca Ortega Hernández-Agero as a new Independent Director of the company, thus making progress towards the Board's diversity goal, having increased the percentage of female directors by 8.1% with respect to the previous year. Also on the same date, Irene Hernández Álvarez was re-elected as Independent Director and as Chairperson of the Audit Committee for a further four years.

REMUNERATION POLICY GRI 2-19, GRI 2-20

With the aim of incorporating the new features of the Code of Good Governance approved by the CNMV in June 2020 and of Law 5/2021, of 12 April, amending the revised text of the Spanish Companies Act, with regard to the promotion of long-term shareholder involvement in listed companies, on 18 May 2022, the General Shareholders' Meeting of Elecnor, at the proposal of the Board of Directors and the company's Appointments, Remuneration and Sustainability Committee, approved the new Directors' Remuneration Policy for the remainder of 2022 from its approval and for 2023, 2024 and 2025, with 96.79% of the share capital present and represented voting in favour.

The current Policy, which continues the previous Remuneration Policy, seeks to ensure that the remuneration system for all Directors—for the performance of both non-executive and executive duties—falls within the framework of the new statutory remuneration system (art. 12 of the Bylaws) approved by the General Shareholders' Meeting held on 18 May 2022, and encourages the attraction, retention and development of the best talent, contributing to the business strategy and to the long-term interests and sustainability of the company.

In that regard, the Policy is governed by the following guiding principles:

- Moderation:** remuneration should be reasonable, in keeping with trends and benchmarks in similar companies, and in reasonable proportion to the company's situation and the economic situation at any given time, taking into consideration, in the case of remuneration linked to the company's earnings, any qualifications that may be included in the external auditor's report and reduce those earnings.
- Proportionality:** Directors' remuneration will be reasonably proportionate to the size of the company, its financial position at any given time and the performance of consolidated profits, as well as to market standards of comparable companies.
- Suitability:** Directors' remuneration will be sufficient to attract and retain Directors with the desired profile and to reward the dedication, qualifications and responsibility demanded by the position, but not so high as to compromise the independence of judgement of non-executive Directors.
- Profitability and sustainability:** the remuneration of the Chief Executive Officer will incentivise performance and professional performance and reward long-term value creation, ensuring alignment with the interests of the company and its shareholders.
- Transparency:** the Policy will be designed, approved and implemented in a manner that ensures adequate transparency. Specifically, the company will make available to shareholders when the General Meeting is called, the reasoned proposal regarding this Policy and the specific Report of the Appointments, Remuneration and Sustainability Committee. Comprehensive information on the preparation, approval or, where applicable, amendment and implementation of the Policy will be included both in the notes to its annual accounts and in the company's Annual Report on Directors' Remuneration.
- Protection of shareholders' interests:** the current Policy seeks to set up a system of Directors' remuneration that protects shareholders' interests in the short, medium and long term.

Total remuneration accrued both in the company and in Group companies, by the Board of Directors in 2022 amounted to Euros 4,809.8 thousand (Euros 4,789.6 thousand in 2021), including remuneration deriving from their executive functions (Chief Executive Officer) and their non-executive functions.

The table below shows a breakdown of this amount, in thousands of Euros, on an individual basis for each member of Elecnor, S.A.'s Board of Directors. This breakdown is also available in the Annual Report on Remuneration to the Directors of the Company for 2022, published by the CNMV and on the Group's corporate website.

FIGURES IN THOUSANDS OF EUROS	REMUNERATION ACCRUED WITHIN THE COMPANY					REMUNERATION ACCRUED WITHIN GROUP COMPANIES					
	TOTAL CASH REMUNERATION	GROSS PROFIT ON VESTED SHARES OR FINANCIAL INSTRUMENTS	REMUNERATION FROM SAVINGS SCHEMES	OTHER ITEMS OF REMUNERATION	TOTAL IN 2022	TOTAL CASH REMUNERATION	GROSS PROFIT ON VESTED SHARES OR FINANCIAL INSTRUMENTS	REMUNERATION FROM SAVINGS SCHEMES	OTHER ITEMS OF REMUNERATION	GROUP TOTAL IN 2022	COMPANY + GROUP TOTAL IN 2022
DIRECTOR NAME											
Jaime Real de Asúa Arteche PROPRIETARY	487.3				487.3	20.0				20.0	507.3
Ignacio Prado Rey-Baltar PROPRIETARY	219.8				219.8	20.0				20.0	239.8
Rafael Martín de Bustamante Vega EXECUTIVE	1,728.90			5.5	1,734.4	20.0				20.0	1,754.4
Joaquín Gómez de Olea y Mendaro PROPRIETARY	191.5				191.5	20.0				20.0	211.5
Cristóbal González de Aguilar Alonso-Urquijo / PROPRIETARY	201.9				201.9	20.0				20.0	221.9
Fernando Azaola Arteche EXTERNAL	82.9			2.6	85.5						85.5
Miguel Cervera Earle PROPRIETARY	189.4				189.4	20.0				20.0	209.4
Isabel Dutilh Carvajal INDEPENDENT	194.8				194.8						194.8
Irene Hernández Álvarez INDEPENDENT	184.4				184.4						184.4
Juan Landecho Sarabia PROPRIETARY	161.5				161.5	20.0				20.0	181.5
Santiago León Domecq PROPRIETARY	174				174	20.0				20.0	194
Miguel Morenés Giles PROPRIETARY	219.8				219.8	20.0				20.0	239.8
Gabriel Oraa y Moyúa PROPRIETARY	67.3			1.9	69.2	20.0				20.0	89.2
Francisca Ortega Hernández-Agero INDEPENDENT	119.3				119.3						119.3
Rafael Prado Aranguren PROPRIETARY	161.5				161.5	20.0				20.0	181.5
Emilio Ybarra Aznar INDEPENDENT	195.5				195.5						195.5
Total	4,579.8			10.0	4,589.8	220.0				220.0	4,809.8

BOARD OF DIRECTORS' EVALUATION GRI 2-18

The Company's Board of Directors evaluates, by means of various questionnaires to be completed by all of its members, its own activity and that of its Committees, as well as the activity and actions of its Chair, Secretary and Chief Executive Officer, pinpointing the strengths and areas for improvement and applying the adequate remedial measures. The results of these evaluations are reviewed by the Board and the Committees (each with their own results) and, additionally, the Appointments, Remuneration and Sustainability Committee reviews the results of the evaluation of the Board and the Chair.

The abovementioned questionnaires include the assessment of areas such as preparation, dynamics and culture of the meetings, monitoring of the matters discussed (among others, strategic issues, ESG, etc.), composition of the Board and its Committees, training of its members, communication between governing bodies, the performance of the duties of the Chair, Secretary and Chief Executive Officer, etc.

Pursuant to the recommendation 36 of the Code of Good Governance, it is worth noting that for the 2021 assessment conducted in 2022, the external consultant Russell Reynolds has again been hired to review and update the assessment system, conducting individual interviews with each of the members of the Board of Directors as part of the assessment process.

PROGRESS ON THE PRINCIPLES OF GOOD GOVERNANCE

The endeavour and constant will of the Elecnor Group is to advance and improve in compliance with the recommendations of the Good Governance Code of Listed Companies. Thus, we report that the degree of compliance at 31 December 2022 with the recommendations of the abovementioned Code was 95%, one point higher than in 2021, after having partially complied with recommendation no. 37 through the appointment of the non-director Secretary of the Board as Secretary of the Executive Committee.

Similarly, the General Shareholders' Meeting of Elecnor, S.A. held in Madrid on 18 May 2022, in hybrid form, resolved to amend the directors' remuneration system to the new regulatory framework introduced by Law 5/2021, of 12 April, which amended the revised text of the Spanish Companies Act, with regard to the promotion of long-term shareholder involvement in listed companies. In that regard, the General Meeting approved the amendment of article 12 of the Bylaws regarding the remuneration of the Board of Directors as well as the new Directors' Remuneration Policy for the remainder of 2022 from its approval and for 2023, 2024 and 2025. Similarly, on 21 December 2022, the Board of Directors approved the amendment of art. 24 of its Regulations in coordination with the resolutions approved by the General Meeting.

Additionally, the General Shareholders' Meeting, at the proposal of the Board of Directors and the Appointments, Remuneration and Sustainability Committee, approved the appointment of Ms. Francisca Ortega Hernández-Agero as a new Independent Director of the company, thus making progress towards the Board's diversity goal, having increased with this appointment the percentage of female directors by 8.1% with respect to the previous year. Also, on the same date, Ms. Irene Hernández Álvarez was re-elected as Independent Director and as Chairperson of the Audit Committee for a further four years.

Lastly, since 2021, the Elecnor Group has had an Equity Story as a tool for transparency and market positioning, which provides a summary of its value project and future investment proposal. This document is periodically updated and is published both at the CNMV and on the corporate website.

RISK MANAGEMENT GRI 205-1, GRI 2-13

Elecnor Group is exposed to various risk factors linked to the sectors in which it operates and the long list of countries in which it is present, either consistently or by means of one-off projects.

The Group continually manages and prevents these risks, reducing to acceptable levels the probability of their materialising and mitigating their potential impact, where applicable, on business volume, profitability and efficiency, reputation and sustainability.

Ultimate responsibility for identifying the key risks and for implementing and monitoring the internal control and information systems lies with the Group's Board of Directors, which is assisted by the Audit Committee in this function of supervising and assessing the risk management and internal control systems.

Notwithstanding the foregoing, the day-to-day management and effective direction of the Elecnor Group's businesses and activities is undertaken by the Chief Executive Officer and the management team who, in the ordinary course of these responsibilities, and through the various business units and organisational structures, identify, assess, appraise and manage the various risks affecting the performance of the Group's activities.

The Elecnor Group's Risk Management System is therefore designed as an integrated, structured and dynamic system, the core elements of which are as follows:

- Identifying risks on an ongoing basis, and assessing and prioritising them in terms of impact and likelihood of occurrence.
- Assessing and implementing the most appropriate strategies for managing the major risks identified on the basis of their risk tolerance levels.

- Identifying and implementing the management and control mechanisms and tools of the main risks and conducting ongoing assessment on their efficacy.
- Continuous improvement of risk management by means of the development and implementation of initiatives and projects aimed at enhancing management mechanisms and tools.
- Permanent supervision and monitoring of the System.

To ensure that risks are properly identified and their management is integrated and coordinated at all levels and in all areas of the organisation, the Elecnor Group has a Corporate Risk Map, which is a structured list of risks in which each one is assessed according to its potential impact (measured by turnover, profitability and efficiency, reputation and sustainability) and its likelihood of occurrence, which determines the inherent risk associated with each event and the effectiveness of the control measures in place, resulting in a residual risk assessment. The result of this assessment exercise, which is reviewed annually, makes it possible to prioritise these risks accordingly and to focus the organisation's resources on supervising and improving the management of the most significant risks.

To ensure better identification and management of the risks identified, the Risk Map is structured into five broad categories:

- **Governance risks.** They primarily relate to risks associated with the organisation's governance structure and method (structure and composition of the governing body, risk management, social responsibility and sustainability strategy and management of stakeholders' expectations).
- **Strategic, planning and economic environment risks.** Those linked to the main strategic variables and decisions, with the manner in which the strategy is executed and with movements or changes in the economic environment that might have a material impact on the organisation's activities and compliance with its goals. These notably include risks related to the business model, management and attention to changing customer needs, growth, outsourcing strategy, business concentration, changes in the market, industry and competition, public health, laws and regulations, the political or social (geopolitical) situation, changes in exchange rates and interest rates, and climate change.
- **Operating risks.** This chapter covers risks related to the way in which the organisation conducts its activity and administers its resources in accordance with the established processes and procedures. These include, inter alia, risks relating to the management of projects, management and maintenance of assets, supply chain, commercial management, financing, credit, liquidity, financial and budget planning, legal aspects, human resources, information systems.
- **Reporting risks.** Risks relating to information at both internal and external level, including risks ranging from the capture and processing of information to the preparation of reports and distribution thereof to designated recipients, whether Director's reports or mandatory reports (annual accounts, reports and tax filings, etc.). The risks included in this chapter notably include those related to the process of preparing the financial and non-financial information to be disclosed to the markets.
- **Compliance risks.** These risks are relating to the mechanisms in place to ensure compliance with laws and regulations and with the organisation's policies and procedures, emphasising areas such as the promotion and consolidation of the culture of compliance, management of risks of this kind, communications or incident management. The key risks managed within the framework of the Compliance System include those relating to corruption, money laundering and the financing of terrorism, competition law, taxation, the environment and human, social and labour rights..

Within the framework of the ongoing review process of the risks to which the Group is exposed, this year the Group stepped up its assessment in terms of impact and probability of certain risks, such as those related to geopolitics, inflation and human resources management, among others.

Using the Corporate Risk Map as a basis and integrated as part of the Risk Management System, the Elecnor Group has designed and implemented various management and control systems that provide a more precise identification of the risks associated with certain specific areas of management and an appropriate deployment, monitoring and improvement of the measures established to adequately prevent, detect and mitigate them.

Similarly, and as part of its Integrated Management System, the Elecnor Group has devised a system, fully aligned with the methodology described for the development, updating and management of the Risk Map, which makes it possible to identify and manage the main risks related to certain processes by means of a periodic review and the establishment and monitoring of action plans. This system complements the initiatives and actions carried out based on the abovementioned corporate Risk Map.

The key areas of management that are covered by these specific management and control systems include project management, compliance, taxation, environmental and health and safety management, preparation of financial and non-financial information and information systems.

The management and control mechanisms and tools identified and implemented for appropriate risk management are integrated in the organisation's various processes so as to operate continuously in the daily course of business, without prejudice to other standalone initiatives and actions that may be determined for each individual case.

ETHICAL MANAGEMENT AND REGULATORY COMPLIANCE GRI 3-3, GRI 2-23, GRI 2-24

The Elecnor Group's responsible management and ethical, honest and transparent conduct with stakeholders is underpinned by a firm commitment, solid corporate values and the implementation of robust ethical management and regulatory compliance systems. At present, the Company has the necessary tools to ensure compliance with legislation in force and responsible management in its relations with shareholders, employees, customers, suppliers, competitors and social representatives.

OUR MISSION

We generate change and well-being by deploying infrastructure, energy and services to territories all over the world in order to develop their potential.

We place engineering and technology at the service of people.

VISION

A global enterprise whose purpose is developed through a people-centric business model and that believes in generating shared value and sustainability.

Efficiency, diversification and robustness are our levers for growth and expansion.

VALUES

CUSTOMERS



COMMITTED

Hard Work
Perseverance
Trust

We are reliable

TEAM



FOCUSED ON PEOPLE

Talent
Passion
Safety

We are a family team

COMPANY



RESPONSIBLE

Integrity
Ethics
Respect

We care about others

From the outset, the Elecnor Group has remained unwaveringly committed to implementing the highest ethical standards in the course of its activities, a commitment that is the embodiment of its business culture and philosophy and the abovementioned solid values upon which its way of conducting business and relating to the environment rest.

The Elecnor Group's Code of Ethics and Conduct is the cornerstone of its ethical and compliance culture and is designed to serve as a guide for the personal and professional behaviour of everyone belonging to the organisation, as well as the rest of persons and companies collaborating and having relations with the Group in the course of its activities.

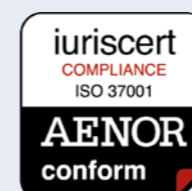
This commitment to ethical behaviour and doing the right thing is not optional. No specific business circumstance may ever justify acting unlawfully or behaving in a manner that is contrary to its ethical values and standards. Everyone at the Elecnor Group must accept and foster the values and principles laid out in this Ethical Code. The Elecnor Group takes a zero tolerance approach to malpractice in connection with ethics and integrity.

COMPLIANCE SYSTEM

GRI 2-16, GRI 205-1, GRI 205-3, GRI 407-1, GRI 408-1, GRI 409-1

With a view to preventing and adequately managing the compliance-associated risks, the Elecnor Group has a fully operational Compliance System that is designed and operates according to the best national and international practices and is applicable to all the Group's subsidiaries and employees. The company also trusts that all its business partners will act to uphold its principles and values, which are mainly set out in the Code of Ethics and Conduct and in the Group's Compliance Policy, both of which can be found on the organisation's different websites, as well as on the corporate intranet "Buenos Días".

The Compliance System is certified according to the UNE-ISO 37001 anti-bribery management system standard and the UNE 19601 criminal compliance management system standard.



Certification to UNE-ISO 37001 anti-bribery management system standard

This is the most updated and stringent international standard on anti-bribery management systems and the adoption of compliance protocols in general.



Certification to UNE 19601 criminal compliance management system standard

A national standard based on the requirements of UNE-ISO 37001. This standard establishes the requirements to implement, maintain and continuously improve the criminal compliance management system in order to prevent crimes being committed inside the organisation and to reduce criminal risk by fostering a culture of ethical behaviour and compliance.

The main elements of the Compliance System



The main policies and documents in relation to the Compliance System are available on the Group's various websites and on the Buenos días corporate intranet.

The Compliance System of the Elecnor Group is based on and structured using the appropriate identification of compliance risks and the controls established or necessary to ensure their correct management.

To identify these risks, the Group first analyses situations in which legal entities may be criminally liable for certain offences committed by their employees or by certain related parties, pursuant to the provisions of the Spanish Criminal Code in force and equivalent local regulations.

Similarly, for each of these situations, the main areas in which the organisation may be exposed to them are identified, with the Group conducting impact and probability analyses in order to establish the degree of criticality associated with each of these areas of exposure, which facilitates the appropriate design of the corresponding procedures and controls and the effective allocation of resources for their management. In that regard, and in relation to corruption-related risks, for instance, special importance is given to tender processes, to those related to managing claims or collection procedures (for instance, with customers), and those related to administrative procedures or claims before public entities or the courts, in addition to others, whether these processes are undertaken exclusively by the Group's own employees or with the support of third parties.

With regard to human rights, the Group places special emphasis on working conditions, both for Group employees and subcontracted workers who carry out work on the various projects under way. And with regard to competition law enforcement, efforts are concentrated on monitoring and supervising public tender processes, relations and agreements with competitors and participation in business associations.

These risk analyses cover all the operations and geographical areas in which the Group conducts its business.

The following table includes the main risks associated with these offences potentially imputable to legal persons and that could potentially affect the Group:

TYPE OF RISK	IMPACT
Foreign citizens and human trafficking	Imposition of forced labour or services, slavery or similar practices and helping persons to remain unlawfully.
Bribery and corruption	Inducement to lack of impartiality or obtaining undue benefits by delivering or promising gifts, favours, etc.
Moral integrity and sexual harassment (*)	Inflicting degrading treatment or repeatedly engaging in hostile or humiliating acts amounting to gross harassment and soliciting favours of a sexual nature by bringing about an objectively and seriously intimidating, hostile or humiliating situation.
Natural resources and environment	Failure to comply with laws, legal provisions or regulations.
Taxation authorities and Social Security	Evading taxes or Social Security contributions (including false accounting) and improperly obtaining grants, aid or funds.
Money laundering	Using, performing transactions with or concealing the unlawful origin of goods obtained through criminal activity.
Financing of terrorism	Performing activities with goods or securities in the knowledge that they will be used in terrorist activities.
Market and consumer fraud	Incurring in antitrust practices, deceiving in order to make a profit, changing prices, disseminating, revealing or passing on trade secrets and using insider information.
Industrial and intellectual property	Profit from goods protected by industrial and/or intellectual property rights without the rights holder's consent.
Discovery and revelation of secrets	Discovering secrets or breaching privacy or using private information without permission.
IT damage	Erasing or damaging computer data or hampering the operation of systems.
Illegal financing of political parties	Performing donations or making contributions to political parties or similar organisations in breach of the law.

(*) On the occasion of the amendment of the Criminal Code introduced by Organic Law 10/2022, on the comprehensive guarantee of sexual freedom, risks relating to undermining the moral integrity of persons and sexual harassment have been added to the Compliance System.

Due to the very nature of these risks, inasmuch as they imply a potential criminal liability, their possible impacts would be both short- and long-term, so the Elecnor Group lays particular emphasis on preventive management in this regard.

With a view to reducing the Group's exposure to such risks and areas to an acceptable level, the Elecnor Group has specific controls, such as the publication and dissemination of the Code of Ethics and Conduct and Compliance, Anti-Corruption Policy and Anti-Trust Policy; specific compliance training; the Ethics Channel; establishing procedures for procurement and compliance risk management in the supply chain, payment management, comprehensive management of major projects, setting up temporary business associations/consortiums/joint ventures, etc.; compulsory models for contracts with subcontractors and collaboration agreements for joint bidding; centralised management and control of powers of attorney; various corporate policies; structured and standardised recruitment and selection process; a supplier evaluation system, etc.

All these procedures and controls can be classified as financial and non-financial. The latter includes certain due diligence procedures, both in relation to Group employees and third parties.

With regard to employees, the main due diligence measures planned involve the design of the personnel recruitment process and compliance training and awareness-raising activities. Similarly, the Elecnor Group has a well-defined structure of powers and responsibilities.

With regard to the third parties with which the Group has relations (business partners), the corresponding due diligence measures are devised according to the assessment of the risk associated with each of them. Thus, at present, the main due diligence measures with third parties are intended for possible partners with whom collaboration agreements, temporary business associations or joint ventures are signed, for consultants of a commercial nature, business development and for subcontractors. In any case, all third parties that interact with the Elecnor Group must expressly confirm in writing their knowledge of the content of the Elecnor Group's Code of Ethics and Conduct for Suppliers, Subcontractors and Collaborators and their commitment to complying with it. This Code of Ethics and Conduct for Suppliers therefore constitutes an essential Elecnor Group tool to encourage its suppliers, subcontractors and collaborators to conduct their professional pursuits in accordance with only the best business practices and the highest ethical standards.

As regards the first two groups, the Elecnor Group has specific procedures for requesting the contracting or agreement, due diligence, approval and contracting or signing the agreement. The main characteristics of such procedures are as follows: making a centralised request for contracting or agreement through the legal counsel; obtaining compliance reports on the third party through a specialised external entity; collection and analysis of specific compliance questionnaires; obtaining express statements from the third party with regard to its adherence to the Elecnor Group's Code of Ethics and Conduct for Suppliers and to the highest ethical standards; having models of contracts and agreements with specific clauses on integrity and regulatory compliance; gaining approval for the contract or agreement at the highest level following a report prepared by legal counsel; and restrictive powers of attorney for signing the corresponding contracts or agreements.

As regards subcontractors, the Elecnor Group has a specific contracting, control and monitoring procedure, the main characteristics of which are as follows: centralised request for the preparation of contracts through the respective management areas of the various business units; models of contracts and agreements with specific clauses on integrity and regulatory compliance; restrictive powers of attorney for signing the corresponding contracts; and centralised control, validation and monitoring of the necessary documentation to be provided by subcontractors.

With respect to other suppliers, the Elecnor Group's General Procurement Conditions, which must be signed by all suppliers, include a specific clause on integrity and compliance, which is frequently reviewed and updated.

Similarly, and whenever circumstances may determine the existence of a higher than normal risk in relation to the supply chain, Elecnor assesses on a case-by-case basis the advisability of bolstering these procedures for suppliers and subcontractors. It does so by requesting, in these cases, that they fill in specific questionnaires on compliance, and analysing, through specialised platforms or other public sources, their profile in matters related to integrity and regulatory compliance.

The Compliance System of the Elecnor Group is subject to an ongoing improvement process to guarantee the adequate management of the risks identified in terms of prevention and detection, correction and monitoring, which, among other matters, encompasses the implementation and/or review and ongoing improvement of its procedures and controls. The Elecnor Group uses certain indicators (KPIs) to conduct better monitoring on the correct operation and performance of its Compliance System. The key indicators are concentrated on aspects such as training or awareness-raising, the scope of the review of procedures and controls, the activity of the Ethics Channel and the management of compliance risk associated with third parties.

The Compliance Committee, which functionally reports to the Audit Committee, is entrusted with the duties of continuously improve and ensuring the correct operation of the Compliance Management System, through its appropriate supervision, monitoring and control. The Committee is headed by the Elecnor Group's head of Compliance and currently comprises him and nine other members representing the fields of general services, human resources and the Group's various business divisions, primarily through the corresponding legal counsel areas. In 2022, the Compliance Committee held 6 meetings.

The main actions that guarantee the ongoing improvement and correct operation of the Compliance System are as follows:

- Establishing on an annual basis and conducting ongoing monitoring on compliance goals, which are reported to and approved by the Audit Committee.
- Regularly reporting to the Audit Committee on any aspect or matter related to compliance (ongoing projects, initiatives, etc.).
- Designing, developing and deploying the annual compliance and awareness training plan.

- Operating the whistleblowing channel and regularly reporting to the Audit Committee regarding the communications received and, where applicable, the investigations in progress and the conclusions reached.
- Conducting an ongoing review and audit of identified key controls related to compliance risks.
- Two annual external audits of the Compliance System conducted by two different audit/consultancy firms.

The Compliance Committee compiles an Annual Report describing the main actions conducted during the year in the spheres of prevention and monitoring of and response to compliance risks, which is submitted to the Audit Committee and the Management to help them in their duties of supervision of the System.

GRI 2-26 The Elecnor Group provides its professionals and/or third parties with a legitimate interest with a confidential channel through which to report any questions regarding the interpretation of this Code of Ethics and Conduct or its implementing regulations, to propose improvements in the existing internal control systems, and to report in good faith any conduct that is unlawful or contrary to the provisions of the abovementioned Code, the regulations on which it is based, its implementing policies and/or procedures or the applicable legislation.

All Elecnor Group professionals are obliged to immediately report any irregular practice or unlawful or unethical conduct of which they become apprised or which they witness. This channel may be accessed via the email address codigoetico@elecnor.com or post office box 266-48080.

In 2022, no complaints were received in the sphere of human rights, in particular, violations of freedom of association and the right to collective bargaining, forced or compulsory labour, child labour, discrimination or violation of the rights of indigenous people through the Ethics Channel or other available channels. Likewise, neither were any complaints received through the Ethics Channel in connection with corruption, bribery or money laundering.

The twelve complaints received in the year through the Ethics Channel refer mainly to labour-related issues, and were handled by the relevant persons belonging to the Compliance Committee. At the time of completing this Report, there were no complaints pending resolution.

Actions in 2022 GRI 205-2

- Continuing the process of rolling out improvements in compliance risk management and due diligence procedures in relation to third parties (mainly suppliers and subcontractors), notably including:
 - Requesting and obtaining from suppliers and subcontractors registered on the Group's procurement platform their express acceptance of and compliance with the Elecnor Group's Code of Ethics and Conduct for Suppliers, Subcontractors and Collaborators. By year-end 2022, more than 15,000 suppliers had expressed their acceptance and adherence to it.
 - Completion of the integration process for supplier approval through the procurement platform of the Group's specific compliance due diligence questionnaire.
 - Consolidating the use of the new platform for conducting third-party compliance risk analysis.
- Compliance Training: :
 - In addition to other training actions conducted in the Group's various organisations and subsidiaries, more than 275 professionals from the Elecnor Group, both nationally and internationally, received specific anti-trust training. For the preparation and delivery of these training sessions, the company partnered with a specialised firm (Deloitte). This training comes on top of the training received in 2021 by almost 250 members of the Group's management team.
 - A total of 376 new employees in Spain have completed compliance training in the on-boarding phase through the digital platform, which is compulsory for structural staff joining the organisation in Spain.

The Elecnor Group allocates significant investment to raising awareness and training its staff in connection with compliance issues. Below are details of the number of employees who have received this kind of training in the last 3 years (from the end of 2019 up to the present), broken down by professional category and geographical area:

GEOGRAPHIC AREA	MANAGEMENT		EXECUTIVE		TECHNICIAN	
	NO. EMPLOYEES	%	NO. EMPLOYEES	%	NO. EMPLOYEES	%
Spain	135	96%	621	88%	1910	94%
Europe	2	1%	20	3%	26	1%
America	3	2%	24	3%	26	1%
Asia	1	1%	29	4%	62	3%
Africa	-	-	6	1%	3	1%
Oceania	-	-	5	1%	3	-
Total (*) (**)	141	100%	705	100%	2,030	100%

(*) Compliance training is intended for staff in Structure. Staff in Works, given their lower exposure to compliance risk, are not included in these specific training plans.

(**) Includes a total of 376 employees (practically all from the geographical area "Spain" and professional category "Technician") who have joined the Elecnor Group in Spain in 2022 and who have received specific training on compliance as part of the on boarding phase training.

- Reviewing the specific compliance clause ("Integrity and Regulatory Compliance") included in the various model contracts.
- Designing and launching the initial phase of the campaign to confirm commitment/adherence to the Group's principles and values (Code of Ethics and Conduct and related policies) by structural staff (both national and international). In January 2023, the corresponding communication was made by the Group's Chief Executive Officer to a group of around 4,000 employees, and at the closing date of this report, this confirmation process was ongoing (it is expected to be completed during the first quarter of the year). The Group plans campaigns of this nature in a multi-annual frequency with the scope it deems appropriate at any given time to enhance the commitment of its employees to ethics, integrity and compliance.
- Designing, developing and publishing a short presentation regarding the core areas of the Elecnor Group's Compliance System ("Compliance at a glance") to help and support the Group's dissemination and promotion of its principles and values and the main elements of the abovementioned system to both its staff and third parties.
- Reviewing and strengthening the procedure for participation in associations.
- Continuous improvement and consolidating the large projects integrated management procedure (opportunity, bid and contract), aimed at improving the system, risk assessment (including compliance risk) and coordination between departments as soon as a major project opportunity arises and until the relevant contract is signed.
- Continuing the consolidation and improvement of the Compliance System at the various subsidiaries and organisations belonging to the Group, in accordance with the Compliance System Rollout Plan.
- Executing the IE-Elecnor work plan Observatory on Sustainable Compliance Cultures, by the Elecnor Foundation, notably featuring:
 - Drafting the second study on "Comparative study on cultures of compliance among various LATAM countries" (currently in the final stages of completion).
 - Continuous improvement of the content of the Observatory's website (articles written by compliance experts or compliance video shorts).
 - Designing the Observatory Newsletter.

- Launching and consolidating the initiative consisting of the recording and dissemination of videopodcasts (Compliance Matters: We care about sustainable future) with various personalities from the business, academic and legal worlds, etc. in order to discuss various aspects related to business ethics, compliance and sustainability, culture in organisations, etc. Six videopodcasts have been released throughout 2022.

- Drafting practical factsheets to help companies and organisations implement and enforce the highest standards of compliance.

Goals in 2023

In 2023, the work of the Elecnor Group will be continued in relation to the following goals in terms of compliance, among others:

- Finalising the roll-out process of the enhancements implemented in 2022 in relation to compliance risk analysis and third party due diligence procedures.
- Improving the system for outlining training needs and for designing, developing and implementing compliance training initiatives (developing new training materials, using digital platforms, etc.).
- Improving the systematic approach to the design, development and implementation of awareness-raising initiatives in the field of compliance.
- Publishing and disseminating the second study of the IE-Elecnor Observatory on Sustainable Compliance Cultures and conducting the rest of the planned activities.
- Completion of the project to improve systems relating to the preparation, issuance and approval, dissemination, review and monitoring of the mandatory Corporate Policies and Procedures.
- Improvement of integration between the Compliance and Integrated Management Systems (better harnessing of know-how, systems and resources).
- Continuation of the consolidation and improvement of the Group's Compliance System at the various subsidiaries in accordance with the "Compliance System Rollout Plan".

The Elecnor Group has partnered various sector associations in order to continue driving the sectors of activity in which it operates. In accordance with its Compliance System, it does not make financial contributions that are unlawful or aimed at obtaining special treatment. In 2022, the Group has tightened its controls in relation to its participation in industry associations with a view to preventing and reducing related risks in the field of competition law (mainly accepting or implementing recommendations or collective decisions that could limit competition or exchanging commercially sensitive information). **GRI 2-28**

In 2022, the Elecnor Group contributed Euros 1.8 million to sector associations (Euros 1.2 million in 2021).

COMMITTED TO FIGHTING CORRUPTION, BRIBERY AND MONEY LAUNDERING GRI 415-1

The Elecnor Group's Compliance System is its main tool to combat corruption, bribery and money laundering. The effectiveness of the system has led to the company being certified in accordance with the UNE-ISO 37001 and UNE 19601 standards, as mentioned above.

Pursuant to the principles and values in force since its incorporation in 1958, the Elecnor Group is firmly committed to ensuring strict compliance with anti-bribery and anti-corruption regulations, and one of its priorities is to develop a solid corporate culture of regulatory compliance that permeates the daily decision-making processes by its Directors, executives and employees, as well as any other natural

or legal persons acting on behalf of the Elecnor Group in law or in fact, enabling them, within the scope of their respective functions and responsibilities, to detect and prevent practices that might constitute acts of corruption or bribery.

The Elecnor Group implements the principle of zero tolerance to practices that contravene any provisions concerning ethics and integrity, and in particular concerning bribery and corruption, and expects its professionals and third parties with whom it has dealings to always act and behave in a manner consistent with the principles and values established in its Code of Ethics and Conduct, in its Compliance Policy and, specifically, in the Group's Anti-Corruption Policy.

Under no circumstances shall the employees of the Elecnor Group and its partners resort to unethical practices that could be construed as being conducive to a lack of impartiality, transparency and integrity in the decisions of any third party with whom they have dealings, whether they belong to the public sector (authorities, civil servants or persons involved in the performance of public duties) or the private sector.

The Elecnor Group, as established in its Anti-Corruption Policy, adopts a position of strict political neutrality and does not make donations to any political parties, political candidates, federations, coalitions, voter groups or foundations that serve as a vehicle for political contributions.

In particular, the Elecnor Group strictly prohibits:

- Offering, promising or granting, directly or indirectly, bribes to any third party, whether in the public or private sector.
- Offering, promising or granting, directly or indirectly, facilitation payments to commence or facilitate administrative processes or procedures.
- Offering, promising or granting, directly or indirectly, gifts, presents or courtesies to any third party who breaches the provisions of the "Elecnor Group's Policy on Gifts, Presents and Courtesies".
- Offering, promising or performing, directly or indirectly and on behalf of the Elecnor Group, contributions for political purposes.
- Using sponsorships or donations as a means of obtaining favourable treatment.
- Requesting, accepting or receiving any kind of unwarranted benefit or advantage with a view to unduly favouring a third party in the acquisition or sale of products, contracting of services and any other commercial or business dealings.
- Establishing business relationships with third parties without complying with the duty of minimum due diligence in getting to know them.

In order to promote respect for these action principles by its employees and partners, the Elecnor Group is firmly committed to:

- Acting and requiring others to act at all times in accordance with the provisions of the applicable legislation on combating bribery and corruption, its Anti-Corruption Policy and the rest of regulations, policies and complementary internal procedures, applying, where necessary, the applicable disciplinary framework, in accordance with labour regulations and collective bargaining agreements in force, in the event of non-compliance in this sphere.
- Disseminating the organisation's commitment to strict compliance with legislation, in particular in combating bribery and corruption, among both its employees and its partners.
- Disseminating among its employees, by means of suitable communication and training programmes, the importance of discharging their duties and responsibilities in accordance with the highest ethical standards and in strict compliance with the law.
- Providing Elecnor Group employees the necessary knowledge and tools to detect, prevent and properly manage any situations that may lead to a breach of the law or that may contravene the principles and values of the Elecnor Group and the Anti-Corruption Policy.

- Encouraging and requiring its partners to have the utmost respect for the principles and values of the Elecnor Group.

- Making available to its employees proper communication channels to enable them to convey any queries they may have in connection with the Anti-Corruption Policy and to fulfil their duty to report and inform of any irregular conduct of which they are aware or which they suspect.

In that regard, and among the dynamics and practices established to foster and disseminate this commitment among employees, it is worth noting that all meetings of the Board of Directors, Executive Committee, Management Committee and other major committees have included a specific item on the agenda on compliance issues since the end of 2018, at the proposal of the Board of Directors.

With regard to money laundering, the corresponding associated risks are identified among those monitored by the Elecnor Group's Compliance System, as stated above. In that regard, the Elecnor Group's Code of Ethics and Conduct expressly states that "The Elecnor Group is firmly committed to the prevention of money laundering. Under no circumstances will we engage in activities aimed at affording the appearance of legitimacy or legality to property or assets obtained through criminal actions".

In the same manner, the Compliance Policy states that "...under no circumstances shall the Elecnor Group's staff or the related persons acquire, own, use, convert or transfer goods if it is known that they arise from crime, irrespective of whether the criminal activity was carried out on national territory or abroad. Likewise, the performance of any act to hide or conceal its illegal origin, or to help someone who has participated in such breach by avoiding the legal consequences of his actions, is expressly prohibited. Elecnor Group's staff shall therefore be extremely cautious and diligent in their transactions with third party providers of goods and services, to assure that they do not arise from a criminal activity."

The Elecnor Group has procedures and controls in place to prevent and manage these risks, which are subject to ongoing review and improvement to ensure that they operate correctly.

No incidents of corruption or money laundering have been identified in 2022. In any case, and following its due diligence procedures with respect to third parties, the Group assesses —should potential indications of malpractice by third parties be identified— whether or not it is appropriate to start or continue the corresponding business relationship, taking the appropriate measures.

HUMAN RIGHTS GRI 3-3, GRI 407-1, GRI 408-1, GRI 409-1, GRI 411-1

Since it commenced its activities, the Elecnor Group has been fully committed to supporting, respecting and safeguarding human rights in all spheres of action, based on its ethical principles and its corporate social responsibility.

As outlined in its Human Rights Policy, all the Group's companies are unwaveringly committed to compliance with and defence of human rights in developing their activities in all of the countries where they operate. Moreover, this Policy extends to all the Company's stakeholders with a view to sharing and requiring the same exacting level of commitment in its relationships with them.

This Policy is fully aligned with the Group's Sustainability Policy and its Ethical Code, as well as with the UN Universal Declaration of Human Rights, the principles of the UN Global Compact and the Sustainable Development Goals, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

In the context of its ongoing management of the risks to which it is exposed, the Elecnor Group identifies the main fields in which human rights risks may materialise with a view to establishing the appropriate measures to prevent possible human rights violations and to mitigate any impact that may arise in this regard. As a result of this analysis, the Group attaches particular attention and focuses its efforts on fostering and defending non-discrimination and equal opportunities regardless of people's characteristics, the abolition of forced labour and child labour, health and safety, respect for the rights of local communities, with special care for the most vulnerable groups, such as ethnic minorities and indigenous populations, and the recognition and defence of the freedom of affiliation and association of its workers.

In particular, and as regards the above-mentioned local communities, the Group has a Local Community Relations Policy that outlines its commitment to fostering a culture of respect, generating relationships of trust and furthering the generation of value by promoting specific initiatives and establishing an ongoing dialogue with these communities in the countries and environments in which it conducts its business. In that regard, a special effort is made to identify the communities impacted by the projects; to assess the environmental, social and economic factors that may result from their activity and have an effect on these communities; to engage in dialogue, inform and encourage the participation of the communities in the various stages of the projects through different consultation processes; to respect the values, traditions and cultures of the local communities; and to responsibly manage the positive and negative impacts that may materialise.

The Group manages the abovementioned human rights risks through various initiatives and procedures integrated into its operations and activities. These mechanisms notably include its labour procedures, the primary goals of which are to ensure a fluid and honest dialogue with its employees, to guarantee fair working conditions in line with applicable legislation, and to ensure non-discrimination and equal opportunities; the procedures and controls in place in the field of health and safety based on the principle of zero accidents; the identification and registration of its workers and of the people who work on its projects through the corresponding subcontractors, as well as their ongoing and appropriate training; and dialogue with local communities, the implementation of initiatives to protect them from the effects that may arise from the projects and to improve their situation.

Furthermore, as regards third parties that collaborate with the organisation in carrying out its activities, the Elecnor Group sets up various due diligence measures, already mentioned above, the primary goals of which include acquiring adequate knowledge of the performance of its business partners in terms of human rights and fostering respect for them throughout the entire supply chain.

In particular, the Code of Ethics for Suppliers, Subcontractors and Collaborators states, among other matters, that the Group's business partners must maintain working practices and conditions with their employees that are respectful of the relevant national and international regulations and acknowledge their workers' freedom of affiliation and association and right to collective bargaining, as well as reject forced labour in all its forms, any manifestation of abuse of authority and the use of child labour.

No situations have been identified in 2022 in which these rights have been deemed to have been violated or compromised.



Furthermore, as a Signatory of the United Nations Global Compact, the Group has undertaken to incorporate the 10 principles in relation to human rights, labour, environment and anti-bribery into its corporate strategy, and to promote the Sustainable Development Goals (SDGs).

The companies co-owned by the Elecnor Group, Celeo Redes in Chile and Brazil, have also subscribed to the Global Compact.

FISCAL TRANSPARENCY GRI 207-1, GRI 207-2, GRI 207-3

The Elecnor Group has a governance framework for tax matters in order to ensure that the Group's actions and operations are governed by clear principles, values and standards, to enable any employee, person or entity having a relationship with the Group, when appropriate, and the Board itself to adopt suitable decisions so as to comply with tax legislation. This framework is fully aligned with the principles and criteria on which the Group's Risk Management and Control System is based.

Accordingly, the Elecnor Group's Tax Policy reflects the Group's fiscal strategy and its commitment to the application of best tax practices, which is available on the Group's corporate website. The strategy consists of ensuring compliance with applicable tax regulations and seeking to properly coordinate the fiscal practices followed by Group companies, for the corporate interest and in support of a long-term business strategy that avoids tax risks and inefficiencies in executing business decisions.

The Group's tax strategy is based on the following principles:

1. Fulfilling their tax obligations with the utmost diligence in the various countries and territories in which the Group operates.
2. Submitting all the Group's tax filings in a timely manner, including those that do not involve tax payments.
3. Paying in a proper and timely manner all taxes payable in accordance with the applicable laws.
4. Making tax decisions on the basis of a reasonable interpretation of the regulations, refraining from taking material tax risks, without relinquishing legitimate tax efficiency to maximise the Group's value for shareholders.
5. Paying particular attention, when applying tax law, to the interpretation thereof emanating from the courts in relation to each of the operations or matters that have a tax impact.
6. Preventing and minimising, to the extent possible, the tax risks associated with the Group's strategic operations and decisions.
7. Defining and implementing frameworks for the supervision, review and control of the tax function.
8. Informing the management bodies in regard to the main tax implications of the operations or matters submitted for their approval, when they constitute a significant factor in determining their intentions.
9. Fostering an open relationship with the tax authorities based on respect for the law, loyalty, trust, professionalism, collaboration, reciprocity and good faith, without prejudice to any legitimate disputes that, upholding the above principles and in defence of the corporate interest, may emerge with said authorities in connection with the interpretation of the regulations.

The Elecnor Group's Tax Policy is available on the corporate website and intranet.

The Elecnor Group publishes its tax information in an exercise of reporting transparency. The taxes paid by the Group in the countries and territories where it operates constitute one of its main contributions to society.

GRI 207-4 In 2022, the Elecnor Group has submitted the 2021 Country by Country Report, which can be found in Appendix I hereto. The full list of Elecnor Group companies and their main activities is published annually in Appendix I of the Consolidated Annual Accounts.

PROFIT BEFORE TAX BY COUNTRY

FIGURES IN THOUSANDS OF EUROS

COUNTRIES	2021	2022
Germany	-69	-26
Angola	6,352	10,701
Algeria	-1,625	-75
Argentina	1,231	1,629
Australia	11,704	-7,119
Belgium	1,228	-3,655
Bolivia	-23	147
Brazil	83,400	75,280
Cameroon	2,679	-5,623
Canada	-121	6,229
Chile	4,931	14,023
Colombia	-4,062	-21
Ivory Coast	-1,404	2,630
Ecuador	571	-2,072
El Salvador	88	165
Spain	-2,864	7,659
United States	12,317	11,996
Philippines	-	-31
Finland	-321	1,011
France	-15	-
Ghana	-1,556	-2,006
Guatemala	0	-
Guinea	-76	-124
Honduras	2,985	1,763

PAYMENT OF INCOME TAX

FIGURES IN THOUSANDS OF EUROS

COUNTRY	2021	2022
Angola	1,163	4,257
Argentina	445	113
Australia	-3	4,685
Belgium	-	29
Bolivia	0	0
Brazil	19,593	16,408
Cameroon	0	200
Canada	0	92
Chile	952	-696
Colombia	239	515
Ecuador	376	397
El Salvador	69	29
Spain	11,202	8,378
United States	1,001	1,564
Finland	-	51
France	0	0
Ghana	17	1
Guinea	10	5
Honduras	-55	38

COUNTRIES	2021	2022
Italy	-4,161	2,263
Jordan	310	-691
Kuwait	-15	-25
Lithuania	3,278	7,211
Morocco	-17	-1,616
Mauritania	-1,283	-600
Mexico	11,497	9,860
Mozambique	-898	-1,345
Norway	8,256	4,800
Oman	3,883	2,743
Panama	-2,896	5,102
Paraguay	-23	-
Peru	2,405	16,164
Portugal	2,695	683
UK	2,795	5,871
Dominican Republic	390	3,952
Romania	70	79
Senegal	185	-1,496
South Africa	8	60
Uruguay	391	536
Venezuela	-203	-40
Zambia	31	-79
Total	142,048	165,913

COUNTRY	2021	2022
Italy	109	322
Jordan	0	5
Kuwait	25	46
Lithuania	6	127
Morocco	435	0
Mauritania	68	315
Mexico	1,552	3
Mozambique	4	5
Norway	1,080	-1,053
Panama	0	0
Peru	0	0
Portugal	102	662
UK	-116	687
Dominican Republic	0	18
Romania	5	10
Senegal	0	0
Uruguay	207	107
Venezuela	46	-
Total	38,532	37,320

The Ecnor Group has made its best estimate of the breakdown of results by country, as well as the payments made in income tax by country, based on the data available at the time of preparing these Annual Accounts. For this breakdown by country, the same criteria were used as those applied to preparing the Consolidated Annual Accounts, likewise breaking down harmonisations and removals as required for the presentation of the Consolidated Income Statement.

Estimated corporate income tax payments in countries in which the Group operates, correspond mainly to the final settlement of taxes accrued in 2021, and to payments on account of taxes accrued in 2022 which will be settled in 2023.

PUBLIC GRANTS RECEIVED GRI 201-4

In 2022, the Ecnor Group received public grants amounting to Euros 1,079 thousand, compared with Euros 3,307 thousand in the previous year, as detailed below.

FIGURES IN THOUSANDS OF EUROS

COUNTRY	2021	2022
Spain	2,348	2,531
Canada	178	130
Italy	29	99
UK	110	99
Portugal	491	744
Romania	151	10
Total	3,307	3,613

15.10 Social impact GRI 3-3

Through its various initiatives, the Ecnor Group has a direct impact on employment, progress and social welfare. It also acts as a driving force for development in the countries in which it operates, while contributing to resolving specific major global challenges reflected in the 2030 Agenda, such as the fight to combat climate change, the reduction of the energy gap and secure access to essential resources such as energy and drinking water, among others.

Furthermore, the Ecnor Group generates value and distributes it among its main stakeholders as a result of its sustained growth.

The Group's social commitment is chiefly coordinated through the Ecnor Foundation with social infrastructure projects in the places most in need and through a commitment to the training, research and employability of young people.

Moreover, by means of the main Group companies, numerous social and/or environmental programmes are implemented with local communities in the various countries in which they operate.

VALUE GENERATION GRI 2-7, GRI 203-2**DIRECT FINANCIAL VALUE GENERATED AND DISTRIBUTED** GRI 2-28, GRI 201-1

The information concerning the creation and distribution of the financial value shows how the Elecnor Group continues to generate wealth for its stakeholders.

IN THOUSANDS OF EUROS	2021	2022
Generated financial value	3,165,816	3,714,068
Income ¹	3,165,816	3,714,068
Distributed financial value	3,028,383	3,573,529
Operating costs ²	2,035,937	2,454,755
Personnel expenses ³	868,281	984,095
Payments to capital suppliers ⁴	84,981	96,580
Tax contribution ⁵	38,532	37,320
Investment in the community ⁶	652	779

Source. Figures from the income statement in the Consolidated Annual Accounts for 2022, except for dividend payments and income tax payments shown in the statement of cash flows included in the Consolidated Annual Accounts.

(1) Includes: Amount of turnover + change in inventories + self-constructed assets + other operating income + finance income.

(2) Includes: Materials consumed + external services + taxes + other management expenses.

(3) Includes: Personnel expenses.

(4) Includes: Finance expenses + dividend payments (statement of cash flows).

(5) Includes: Income tax payments (from the statement of cash flows).

(6) Includes: Contributions to the Elecnor Foundation and to various non-profit organisations, associations and foundations.

JOB CREATION

With a team of more than 22,000 people in over 50 countries, people are the main asset for the Elecnor Group, being crucial to the optimum execution of its activities.

At the end of 2022, the Group's workforce had increased by 917 people (up 4% on the previous year).

WORKFORCE	2021	2022	CHANGES
Domestic	11,103	11,210	1%
International	10,328	11,138	8%
Total	21,431	22,348	4%

The Elecnor Group contributes to the development and well-being of local communities by means of direct job creation by contracting local employees and suppliers.

LOCAL EMPLOYMENT

LOCATION	2021		2022	
	EMPLOYEES	LOCAL EMPLOYMENT	EMPLOYEES	LOCAL EMPLOYMENT
Spain	11,103	94%	11,210	93%
Europe	1,253	79%	1,461	78%
America	6,396	97%	6,831	98%
Africa	2,378	95%	2,403	94%
Asia	188	43%	207	45%
Oceania	113	73%	236	86%
Total	21,431	94%	22,348	93%

PROCUREMENTS FROM LOCAL SUPPLIERS GRI 204-1

As described in the chapter on Operational Excellence of this NFIS, the Elecnor Group is focused on the ongoing optimisation of the supply chain. In that regard, and whenever possible, it gives priority to hiring local suppliers to foster the economy in the countries in which it operates.

Below is the percentage of the volume of purchases made from local suppliers:

COUNTRIES	2021	2022
Spain	93%	92%
Brazil	100%	100%
Chile	74%	74%
United States	100%	100%
Mexico	87%	83%
UK	80%	79%
Other	77%	77%
Total	90%	89%

PROFITABILITY FOR SHAREHOLDERS

Elecnor, S.A.'s shares are traded in Spain's SIBE electronic trading system, where shares in the leading Spanish companies are traded, and the market with the largest trading volume in Spain.

The Company has been able to consistently create value for its shareholders in the last few years. In 2022, the dividend yield has been increased compared to the previous year.

STOCK MARKET INDICATORS	2021	2022
Closing share price (Euros)	10.50	10.60
Dividend yield	3.1%	3.5%

In 2022, two dividends were paid to shareholders: a supplementary dividend against 2021 profit and voluntary reserves in a gross amount of Euros 0.29383572 per share (Euros 0.30188176 including the pro-rata distribution of treasury shares); and an interim dividend against 2022 profit in a gross amount of Euros 0.06259868 per share (Euros 0.06431453 including the pro-rata distribution of treasury shares).

ELECNOR GROUP SOCIAL ACTION GRI 203-1 GRI 413-1

The Group's social action is mainly coordinated by means of the Elecnor Foundation.

In 2022, the Elecnor Group donated a total of Euros 779,126 to various associations, foundations and non-profit entities to support a range of social causes (Euros 651,604 in 2021). Of that amount, the Elecnor Group contributed Euros 622,300 to Elecnor Foundation.

ELECNOR FOUNDATION. GENERATORS OF CHANGE AND WELL-BEING

Since its launch, the Foundation's mission has been closely linked to the Elecnor Group's own activities, with the aim of helping to improve people's living standards and powering the economic and social progress of the communities in which Elecnor has a stable presence.

Throughout its history spanning more than 60 years, the Elecnor Group has built a corporate culture based on conducting its activity in a responsible and committed manner, voluntarily incorporating social and environmental criteria into business practice.

With the Elecnor Foundation, the company took another step forward in this strategy, expanding the scope of its commitment to the environments in which it operates and to key aspects of today's society, such as training and research. In that regard, the work of the Foundation is strongly tied to the Elecnor Group's own activity, with the priority areas of action being countries in which the company is present and projects related to its lines of business.

Since its creation in 2008, the Elecnor Foundation has been projecting the more human side of engineering with solid values through all its actions, geared towards:

- The development and building of infrastructures that provide access to water and energy for the benefit of those most in need and the environment.
- Boosting training and research to nurture the professional development and projection of young people, stimulating and boosting relations between business, public institutions and the educational sector.

It is worth highlighting that, since its creation, the Elecnor Foundation has signed numerous collaboration agreements with NGOs, universities and training centres, private companies and public bodies, with a view to combining efforts, knowledge and experience to achieve the best practical results and to progress in meeting the SDGs.

As such, the Foundation has been present in Spain, Honduras, the Dominican Republic, Chile, Uruguay, Peru, Nicaragua, Mexico, Brazil, Cameroon, Ghana, Angola, Senegal and the Democratic Republic of Congo.

Since it was first set up, the Elecnor Group has donated funds amounting to Euros 7,300,000 million. Moreover, the Foundation has obtained other funds totalling Euros 5,850,000. Accordingly, the Elecnor Foundation has led projects worth a total of Euros 13,150,000 million.

In 2022, the Foundation invested Euros 622,195 in the various projects.

Social infrastructure projects

In 2022, the Elecnor Foundation has focused on the following projects:

> *Nos importa el aire que respiras, Spain*

This project, which opened this year, consisted of treating the air inside the Ronald McDonald House in Madrid in order to improve the health of particularly vulnerable children who live in the house as they are forced to move far from their usual home to receive medical treatment with their families. The Elecnor Foundation has been a member of the Board of Trustees of the Ronald McDonald House in Madrid since 2013, the year in which Elecnor built this home for 30 families and implemented an energy efficiency project at the facility.

The project involved installing air filtration systems in the central air conditioning units, specifically SIPAP® active polarisation systems that reduce energy consumption and CO₂ emissions, and SFEG® photocatalysis systems, which treat the air flow of the air conditioning units to eliminate microorganisms and reduce the risk of contamination by chemical compounds.

Purification systems have also been installed in the communal areas —given that it is essential— especially in densely populated areas, to renew and clean the air in the various rooms.

> **Health Energy, Senegal**

The Elecnor Foundation, in conjunction with the NGO Manos Unidas, has implemented this project at the Saint Jean de Dieu Hospital, located in Thiès (Senegal), with the aim of introducing a more efficient energy consumption system that allows for cost savings and, in turn, makes it possible to acquire new machinery for the detection and treatment of diseases.

This hospital is recognised for its universality, caring for all patients free of charge and without discrimination, fostering respect and equality. Nevertheless, the obsolescence of its electrical installations entails a high risk of power supply disruption, which hampers the work of the doctors and nurses and puts the lives of their patients at risk, while at the same time generating high maintenance costs.

With Health Energy, a technical solution has been implemented based on the installation of a photovoltaic system. This system has helped **cut energy consumption by 70%** and ensure an adequate power supply to the hospital's medical services. This project, and the resulting improvements in treatment, contribute to lowering the mortality rate in Senegal and improving the well-being and quality of life of the approximately 500,000 inhabitants of the region of Thiès.

> **H₂OMe, Brazil**

This project, based in the Amazon, in the municipality of Óbidos in the Brazilian state of Pará, is currently in the development phase, and seeks to provide more resources to the public school of the Quilombola Community.

This public school, which caters for 95 children, only has water collected by hand from an Amazon tributary and has serious power supply problems. The proposal currently being deployed by the Elecnor Foundation is intended to solve these issues, but also to offer new resources, bearing in mind that in addition to being an educational centre, it is also a social and meeting place for more than 290 families.

The core goals are to provide energy by supplying electricity to the school using photovoltaic power; to provide water by pumping water from the well to the water treatment plant to ensure that they have clean water at all times; and to create multifunctional spaces for different activities including an audio-visual library and an outpatient clinic fully equipped to serve the community, especially women and children.

Training and research projects

In the field of training and research, the Elecnor Foundation has developed the following initiatives

> **IE-Elecnor Observatory on Sustainable Compliance Cultures**

This Observatory was created at the end of 2019 by the Elecnor Foundation and the Instituto de Empresa Foundation, in partnership with the law firm Eversheds Sutherland. Its aim is to foster the culture of compliance and sustainability with a special focus on small and medium-sized enterprises.

This year, the following actions were performed:

- Launching Compliance Matters, a video podcast channel to deliver a 360-degree view of the world of compliance. To date, leading professionals have been interviewed, such as Eduardo Torres-Dulce, former State Attorney General, Beatriz Saura, Co-President of the Compliance section of ICAM, and Eloy Velasco, Magistrate of the National Court, among others. This podcast is available on all digital audio platforms.
- Publishing articles and compliance information shorts on the Observatory's website.
- Drafting the "Compliance and Sustainability in Latin America" report to continue developing the conceptual framework of a culture of compliance and sustainability, to analyse compliance and sustainability policies in representative Latin American countries, and to publish a comparative study on the cultural dimensions related to the values of compliance and sustainability and the dissemination of this culture.

- Organising the event “Ethics and Artificial Intelligence” at IE Tower featuring Javier Camacho Ibáñez, Managing Partner of Ethical Sustainability and professor, Manuela Battaglini, Consultant and researcher in AI Ethics and Richard Benjamins, Chief AI & Data Strategist at Telefónica.

> Corporate Leadership in Entrepreneurship and Innovation, Deusto Business School

The Elecnor Foundation has a collaboration agreement with Deusto Business School and Icade Business School to collaborate in the development of this programme, which includes the most innovative entrepreneurial initiatives of major corporations explained by the executives who have led them.

This year marked the graduation of the 2021/2022 graduating classes of the Executive Education programme.

This programme is in line with three Sustainable Development Goals: SDG 4 Quality education, SDG 9 Industry, innovation and infrastructure, and SDG17 Partnerships for the goals.

> Improving in Emotional Prevention

This educational project on emotional risk prevention is undertaken through the digital environment and classroom activities. Growing in Emotional Prevention is intended for 3rd, 4th and 5th year Primary School pupils and their teachers.

These are its goals:

- Raising awareness among pupils and the education community regarding the importance of educational orientation and the prevention of emotional risks in all the areas and facets of the life, so that they can integrate these lessons into their daily routines and future careers.
- Providing educational resources to teachers and students in order to work on the importance of emotional risk prevention in students' most everyday contexts: home, outside and school.
- Fostering emotional risk prevention in the family context by families being involved and participating in students' educational and training process.

By December 2022, some 20,000 children in the Community of Madrid, Extremadura and the Autonomous Community of Navarre will have benefited from this educational project.

> Specialist course in medium- and low-voltage electrical installations. Vocational training at Colegio Salesianos Deusto.

The tenth edition of this course has been organised this year, lasting 131 hours.

It is worth noting that the facilities where the 14 students are trained are also used for the training and recycling of Elecnor workers.

> Advanced qualification in renewable energies. Dual vocational training.

This initiative is intended to train students as professionals specialised in Elecnor's own activities, so that they can become site managers in the future. The aim of this vocational training is to provide students with knowledge through apprenticeships both at school and in companies.

In 2022, a partnership agreement was signed with the school IES Cuatro Caminos (Don Benito, Badajoz) to carry out the project. Three students have finished their internships during their first year of studies: two students at the Astexol Thermosolar Power Plant and one student at a PV farm in Cuenca.

> Master's thesis grants. Valencia's Polytechnic University (UPV).

The Elecnor Foundation, as part of its collaboration with the UPV spanning more than 30 years, has awarded eight scholarships, acknowledging the talent of students who have developed their work in various areas of knowledge linked to the Elecnor Group's activities.

> Agreement with the Jaume I University of Castellón. Scholarships for Bachelor's Degree Theses.

The Jaume I University in Castellón, the Elecnor Foundation and Elecnor signed a general collaboration agreement in 2021 to establish and develop academic, cultural and scientific relations between the three entities.

The Bachelor's Degree Thesis selected for completion in 2022 is called “Design of a photovoltaic canopy for the UJI car park”, which seeks to design a photovoltaic canopy for the four parking areas in front of the University building.

OTHER SOCIAL PROJECTS

The Elecnor Group has a clear commitment to the communities where it operates, and programmes to foster social, environmental and economic development in the surrounding communities have become especially significant.

Below are some of the initiatives launched by Elecnor and the companies Enerfín and Celeo.

Angola

Elecnor in Angola is involved in several social initiatives, including the donation of material to the community of Mevayela-Matala (AH Matala). Given the difficulty of obtaining footwear, some farmers work barefoot. Thus, Elecnor salvaged some PPE from its works and donated them so that these farmers could work more safely.

Brazil

In Brazil, Elecnor is conducting the “Casablanca Project”, which prioritises the recruitment of women. The programme aims to foster gender equality on the construction site by encouraging the recruitment of women in the renewable energy generation sector through actions and commitments that advocate for the inclusion of women.

A further initiative by Elecnor in Brazil is related to the Orquestra Sinfónica Juvenil Carioca (Carioca Youth Symphony Orchestra). This project will serve children and young people by organising after-school music workshops and other activities linked to the project's goals: democratising cultural goods through teaching and musical performances for pupils in the Public Education Network, extended to their families.

Elecnor is also assisting in the construction of a new building for the Casa do Pontal Museum (the country's biggest popular art museum), in Barra da Tijuca, with its installations, equipment, furniture, landscaping and urban works. The land for the new headquarters was donated by the Rio de Janeiro City Council.

The Group's renewable power subsidiary, Enerfín, approved by the Brazilian government and in compliance with tax incentive legislation, has contributed to social development, culture and sport. Some of these initiatives were being undertaken in 2021 and have been maintained during 2022.

> Visitors' centre at the Osorio wind complex.

Following the visitor centre's construction in 2016, visits are received each year from different groups, mainly schoolchildren between 7 and 18 years of age, and content is provided on wind energy and the sustainability of this wind farm complex.

> Renovation – Hospital Beneficente São Vicente de Paulo - RS

This project is intended to make improvements to the rooms of the São Vicente de Paulo hospital for hospitalised patients. The goal is to perform a full overhaul that will involve masonry, painting, bathroom refurbishment, replacing furniture, replacing carpentry and flooring where necessary. Repairs will also be made to the electrical and water networks.

- > Physical Activity Incentive Programme for the Elderly - PIAFI. It involves a series of actions proposed by the UBEA - PUCRS, the São Lucas Hospital and the PUCRS Institute of Geriatrics and Gerontology to be undertaken in partnership with the Municipal Health Secretariat and the Municipal Council for the Elderly of Porto Alegre, geared towards the practice of physical exercise by people over 60 years of age.
- > Karatê e Capoeira: Revelando Campeões. The primary goal of the project is to encourage the development of Karate and Capoeira sports for children and adolescents. It is focused on integrating participants based on interpersonal relationships and individual differences, avoiding selectivity and hyper-competitiveness, seeking a better quality of life for all, as well as fostering and promoting regular sporting practice.
- > Conhecer para Transformar Project. Its aim is to generate knowledge through research that can be used to increase the chances of a cure for children and adolescents facing childhood cancer.
- > Casa Lar, Acolhimento e Cuidado Humanizado a Idosos com Deficiência (COMUI) - RS. This project seeks to improve the quality of life and dignity of the elderly by providing continued care in the long term.
- > Túnel do Tempo - 250 anos de Porto Alegre (PRONAC) - RS. To celebrate the city of Porto Alegre's 250th anniversary, we will bring the museums to the people, creating an exhibition space in the busiest place in the city. Each alcove in the space will represent 50 years of the city, with an exhibition of photographs and objects from the period. The exhibition will be free for 14 days and as a social contribution, 5 trips will be organised with public schools to take pupils to the exhibition sites.
- > Festival de Artes e Sustentabilidade Vila Flores (PRONAC) - RS. The aim is to support the Vila Flores Festival of Arts and Sustainability, which is intended to highlight new cultural languages, the diversity of forms and modes of expression and the promotion of unusual artistic encounters. The festival highlights the aspect of sustainability and the Sustainable Development Goals as a central theme of contemporary urban life in the city of Porto Alegre.
- > The project, approved by the Ministry of Health, supports oncological projects in hospitals with the goal of developing a therapeutic vaccine, intended for paediatric patients, for the treatment of adrenocortical carcinoma and to reduce the adverse effects of chemotherapy.
- > Pelo Direito a Vida III (FIA - CEDCA) - PR. The goal is to ensure the right to life and health of children and adolescents by promoting inpatient and outpatient care; investment in technological innovation and scientific research; and providing training and continuing education of health professionals.

Celeo has implemented various initiatives aiming to contribute to the quality of life and the development of local human capital through a range of social projects, including the following:

- > Celeo Aquece Campaign. A charity project for the voluntary collection of warm clothes for the most needy.
- > Project Quipá - cultivating knowledge. This is a youth education project for the world of work in São João de Piauí. 66 young people have benefited.
- > Green Ecoe project: Esmeralda community space. An environmental education project benefiting 1,593 children and adolescents and 80 residents of the Esmeralda neighbourhood.

- > Restore CAATINGA Project (2022-2024). The voluntary reforestation of 20 ha, together with the Caatinga Association, Vbio, Universidade Federal do Rio Grande do Norte, FIEC, Prefeitura de Caracara and PPPN Neném Barrios. 40 rural communities will benefit from this project.
- > Green Initiative Project. It involves the voluntary reforestation of 20 ha in São Paulo, in partnership with the Green Initiative association for three years. At present, 8 ha have been reforested.

Canada

Enerfin performed the following actions:

- > Guided tours of the L'Érable wind farm. These visits are organised in partnership with the local tourism office, but in a new format for small, independent groups as a result of the health restrictions.
- > Providing support to community organisations and events in the municipalities of Saint Ferdinand, Saint-Pierre-Baptiste and Sainte-Sophie-d'Halifax. This year, we have collaborated with: the construction of a permanent stage for concerts and exhibitions in the municipality of Sainte-Sophie-d'Halifax, financial backing for the association Agri-Ressources Arthabaska-Érable and sponsorship of the Forestry Day of the community of L'Érable.

Chile

Celeo's social projects are mainly geared towards environmental education. In 2022, the environmental education programmes were continued in the Corel and Charrúa schools, Los Alisos School and Bajo Perquin School, with workshops on environmental awareness, flora, fauna and conservation.

An energy efficiency workshop was also held in Diego de Almagro, which had been requested by the community itself in prior consultation processes.

Colombia

The company supported the Ministry of Defence with school kits for the communities of Uribe in La Guajira.

DIALOGUE WITH LOCAL COMMUNITIES **GRI 2-25 GRI 3-3, GRI 203-2 GRI 413-2**

Communication, ongoing dialogue and proper management of impact on local communities are essential to maintain social legitimacy and ensure the success of the Group's projects.

In the context of the Environmental Assessment Studies of the projects, there are stakeholder outreach processes, the goal of which is to outline the main characteristics of projects, their design and planning to communities that might be affected. Queries are also fielded and their comments taken on board so as to minimise the projects' impact on their territory.

Africa

This year Enerfin hired a local company in Zimbabwe to carry out the environmental impact study for the Guruve-Mazowe wind project. As part of this work, over 20 organisations and associations potentially affected by or interested in the project were consulted.

Brazil

In Brazil, citizen participation is a cornerstone of the environmental licensing process, through which project-affected parties have the chance to be heard, either in public hearings or in technical briefings. Celeo has a stakeholder engagement process called the Integra Project. This voluntary project is chiefly geared towards:

- Minimising risks.
- Fostering stakeholder awareness of environmental conservation, burning and forest fires.
- Training the Operation and Maintenance teams in approaching and communicating with local stakeholders.
- Increasing transparency.
- Understanding stakeholder concerns and interests and bringing them into its processes and activities.
- Enhancing the way it communicates and interacts with stakeholders.

The main channels of communication are open meetings with the local community, landowners and other people affected by the projects.

Canada

As part of the agreements signed with the town councils and the community in which the L'Érable project is located, in operation since 2013, annual contributions are made which the town councils allocate to their most imminent needs. Enerfin is also an active member of the community, making annual contributions to several non-profit associations that request sponsorship for their activities.

Chile

Enerfin has hired a social consultancy firm to draw up the Community Engagement Plan during the processing and subsequent phases of the wind farm project Los Lagos del Sur.

The goals are as follows:

- To socialise and delve deeper into the measures and/or Voluntary Environmental Commitments for each sector, clarifying the difference between Environmental Measures and Environmental Commitments.
- To clarify any queries about the project processing process.
- To continue with the ongoing community relationship initiated with the Advance Citizen Participation process, delivered in the environmental impact study, establishing trusting and working relationships.

The initial meetings have been held with each of the communities and human groups in the project's area of influence.

In Chile, Celeo has implemented the Community Relations Strategy, which shows how to approach communities, carry out diagnoses and needs assessments, and manage social actions.

Celeo carried out a community diagnosis in the commune of Hualqui (MATE) during 2022. A total of 47 interviews were held with stakeholders (local and regional authorities, neighbourhood councils, businesses, media, etc.), in which four priority areas of action were identified: education and training, employment and entrepreneurship, environmental protection culture, sport and recreation.

As part of the education and training component, a workshop on vegetable gardens and food security was held in a local school.

Colombia

The recently launched "Portón del Sol Solar Park Project" has an employment board that includes the neighbourhood councils of the area of influence of the project, the mayor's office of La Dorada (Caldas) and a company in charge of identifying skilled and unskilled labour for hiring during the construction of the project. To date, 38 people from the community have been hired for logging and earthwork operations, and a further 32 people are currently in the process of being hired.

At the end of 2022, gifts were given to children in the communities within the areas of influence of the projects.

RESPECT FOR INDIGENOUS COMMUNITIES GRI 2-25

The Ecnor Group sometimes executes projects close to indigenous communities or areas with other social minorities. In these cases the social and/or environmental impacts on the affected areas are analysed and, where necessary, measures are implemented to mitigate them.

Chile

The environmental impact study of the Los Lagos del Sur wind farm, submitted to the Environmental Assessment Service by Enerfin, includes anthropological studies which confirm the detection of indigenous communities and human groups of interest in the project's area of influence and the degree of impact of the project on them. Additionally, the impact study includes a series of mitigation measures for communities that have a declared material impact and voluntary environmental and social commitments for those with non-material impacts.

In order to manage and ensure compliance with the mitigation measures and voluntary commitments, we have hired a social consultancy firm to draw up the Community Engagement Plan during the processing and subsequent phases of the project, as specified in the previous section. The plan includes workshops and roundtables with indigenous and local communities with a view to establishing trusting and sensitive relationships.

Colombia

In the context of the El Ahumado, Musichi, Trupillo, Dividivi and Brisas del Caribe wind farm projects, since 2018, Enerfin has achieved 88 Preliminary Consultation processes and 13 agreements with a differential approach, obtaining the free and informed consent of these communities.

This has meant that the projects located in Colombia have been developed under a policy of dialogue and respect for the customs and traditions of the neighbouring indigenous communities. These participatory processes are conducted in several meetings and are accompanied by various Colombian state entities.

More than 40 meetings have been held in the territory in 2022, guaranteeing the participation of the various communities, which has enabled permanent channels of communication with residents.

Similarly, follow-up meetings have been held by the Colombian government in order to report to the communities on the progress of the development of the Brisas Wind Farm project studies. This shows that the company Eólica Alta Guajira SAS (a subsidiary of Enerfin) is complying with the principle of providing clear and timely information as laid down in international conventions on the subject, which proves that the company is socially responsible with its neighbouring communities.

Brasil

IN the context of its environmental legislation, Celeo Brazil conducted Indigenous Component Studies (ICS) or Quilombola Component Studies (QCS), to gauge the specific impacts of the project on these communities. Subsequently, control and mitigation measures are conducted for each impact identified in a Basic Indigenous Environmental Plan (BIEP) or Quilombola (BQEP).

Throughout the year, Celeo Brazil monitored the studies and plans awaiting assessment and approval by the relevant bodies (PBAI CAIUA, BQEP IMTE, BIEP JTE JAURÚ, ICS and ENTE).

Mexico

Enerfin's Social Management Plan that was agreed with the communities in the indigenous consultation will be rolled out during the construction phase of the Yucatán projects. However, in 2022, Enerfin has provided the communities with various training programmes: candle making workshops, hammock weaving workshops and the creation of community gardens.

ELECNOR, COMMITTED TO THE SDGs

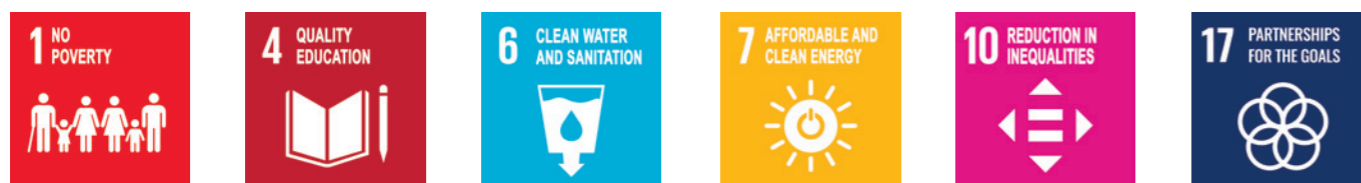
The goal of the Elecnor Group is to ensure that its actions, together with those of the Foundation, are in keeping with the challenges presented by the 2030 Agenda Sustainable Development Goals.

Because of the nature of its activity, the Elecnor Group is a key player in society's development and progress. Its infrastructure, renewable energy, water and environmental projects contribute solutions to some of the current and future challenges such as climate change, the reduction of inequalities, and the energy gap, among others.

CONTRIBUTION TO SDGS DERIVING FROM THE MAIN BUSINESSES



CONTRIBUTION TO THE SDGS DERIVING FROM THE ELECNOR FOUNDATION'S SOCIAL ACTION



SDGs

SOME PROJECTS AND INITIATIVES BY THE ELECNOR GROUP AND ELECNOR FOUNDATION



Enerfin
Social projects
Celeo
Social projects
Elecnor Foundation
Social infrastructure projects



Celeo
Social projects



Elecnor Group
Safety Excellence project
ISO 45001 certification
Awareness campaigns
Health and safety training plan
Elecnor Foundation
Social infrastructure projects



Elecnor Group
Collaboration with universities and vocational training centres
Enerfin
Training programmes in various projects
Celeo
Social initiatives
Elecnor Foundation
Proyectos de educación



Elecnor Group
Plan de Igualdad
Education projects

SDGs

SOME PROJECTS AND INITIATIVES BY THE ELECNOR GROUP AND ELECNOR FOUNDATION



Elecnor Group
Services specialising in water infrastructure
Audeca
Water and waste water treatment projects
Hidroambiente
Water treatment solutions
Elecnor Foundation
Social infrastructure projects



Elecnor Group
Renewable energy generation projects
Promotion of renewable energy
Energy efficiency projects and initiatives
Atersa
Development, production and distribution of solar photovoltaic products

Enerfin
Wind farms

Celeo
Energy transportation projects
Solar PV farms
Solar thermal plants

Elecnor Foundation
Social infrastructure projects



Elecnor Group
Creation and promotion of local employment
Hiring local suppliers
Signatories of the UN Global Compact

Elecnor Foundation
Training and research projects



Elecnor Group
Infrastructure development
Initiatives involving start-ups
Digital Transformation Plan
Innova calls for proposals
Innovation projects

SDGs

SOME PROJECTS AND INITIATIVES BY THE ELECNOR GROUP AND ELECNOR FOUNDATION



Elecnor Group

Equality plan

Enerfin

Social projects

Celeo

Energy transportation projects

Social projects

Elecnor Foundation

Social infrastructure projects



Elecnor Group

Energy efficiency projects

Smart Cities Projects

Managing street lighting

Audeca

Urban waste collection projects



Elecnor Group

Energy efficiency projects

Smart Cities Projects

Managing street lighting

Audeca

Urban waste collection projects

Enerfin

Wind farms

Celeo

Energy transportation projects

Solar PV farms



Elecnor Group

Renewable energy projects: wind, solar PV, hydroelectric and biomass

Climate change strategy

Calculation and verification of the carbon footprint

Emission reduction plan

SDGs

SOME PROJECTS AND INITIATIVES BY THE ELECNOR GROUP AND ELECNOR FOUNDATION



Audeca

Water and waste water treatment projects

Projects to preserve natural spaces

Hidroambiente

Water treatment solutions



Elecnor Group

Initiatives to foster biodiversity

Audeca

Projects to preserve natural spaces

Enerfin

Plan to monitor bird life in wind projects

Celeo

Environmental initiatives



Elecnor Group

Certification to UNE-ISO 37001 anti-bribery management system standard

Certification to UNE 19601 criminal compliance management system standard

Compliance Training

Elecnor Foundation

The IE-Elecnor Observatory on Sustainable

Compliance Cultures



Elecnor Group

Partnerships and collaborations with entities and associations

Participation in forums

Elecnor Foundation

Partnerships and collaborations with entities and associations

OTHER CHANNELS FOR ENGAGEMENT WITH SOCIETY

PARTICIPATION IN ASSOCIATIONS GRI 2-28

The Elecnor Group is actively involved in flagship associations in the industries and countries where it operates. There follows a list of the most important of these for the Group:

SPAIN

ACEX, Asociación de Empresas de Conservación y Explotación de Infraestructura

ADEMI, Asociación de Empresas de Ingeniería, Montajes, Mantenimientos y Servicios Industriales

AEDYR, Asociación de Desalación y Reutilización del Agua

AEE, Asociación Empresarial Eólica

AeH2, Asociación Española del Hidrógeno

AESPLA, Asociación Española de Servicios de Prevención Laboral

AEPIBAL, Asociación Empresarial de Pilas, Baterías y Almacenamiento Energético

AIN, Asociación de Industria de Navarra

ANCI, Asociación Nacional de Constructores Independientes

ANDECE, Asociación Nacional de la Industria del Prefabricado de Hormigón

ANESE, Asociación Nacional de Empresas de Servicios Energéticos

APECYL, Asociación de Promotores de Energía Eólica de Castilla y León

APIEM, Asociación Profesional de Instaladores Eléctricos y de Telecomunicaciones de Madrid

APPA Renovables - Asociación de Empresas de Energías Renovables

ARPHO Asociación de Reparación, refuerzo y Protección del Hormigón

ASAGUA, Asociación Española de Empresas de Tecnologías del Agua

ASEALEN, Asociación Española de Almacenamiento de Energía

ASEJA Asociación de Empresas de Gestión de Infraestructura Verde

ASERPUMA, Asociación de Empresas Restauradoras del Paisaje y Medio Ambiente

Asociación de transmisores de Chile

ATC, Asociación Técnica de Carreteras

CEOE, Confederación Española de Organizaciones Empresariales

CETRÉN, Asociación de Acción Ferroviaria

CONFEMETAL, Confederación Española de Organizaciones Empresariales del Metal

Enercluster, Cluster Eólico de Navarra

Plataforma enerTIC

EGA, Asociación Eólica de Galicia

FEMEVAL, Federación Metalúrgica Valenciana

FVEM, Federación Vizcaína de Empresas del Metal

PROTERMOSOLAR

Sedigás, Asociación Técnica Española de la Industria del Gas

SERCOBE, Asociación Nacional de Fabricantes de Bienes de Equipo

UNEF, Unión Española Fotovoltaica

BRAZIL

ABRATE, Associação Brasileira das Empresas de Transmissão de Energia Elétrica

ABSOLAR, Associação Brasileira de Energia Solar Fotovoltaica

ABRAMAN, Associação de Manutenção e Gestão de Ativos

ABREN, Associação Brasileira de Recuperação Energética de Resíduos

AUI Cutural Produção Cultural e Artes Cénicas EIRELI

Spanish Chamber of Commerce in Brazil

CIGRE, Comitê Nacional Brasileiro de Produção e Transmissão de Energia Elétrica

IDEC, Instituto Para o Desenvolvimento do Esporte e da Cultura



CANADÁ

CCIBF Chamber of Commerce and Industry of the Bois-Francs Region
AQPER, Quebec Association for the Production of Renewable Energy
CANREA, Canadian Renewable Energy Association
Spain-Canada Chamber of Commerce

CHILE

Asociación Gremial de Transmisoras de Chile
CIGRE, Consejo Internacional de Grandes Sistemas Eléctricos
Asociación Avanza de Inclusión Socio - Laboral

MEXICO

Cámara Española de Comercio en México
Cámara Nacional de Manufacturas Eléctricas

PORTUGAL

APIEE, Associação Portuguesa Ind. Eng. Energetica
AECOPS, Associação Emp. Construção Obras Publicas e Serviços

PARTICIPATION IN FORUMS

Throughout 2022, the Elecnor Group took part in various forums and events related to its fields of activity. Some of the most noteworthy ones are listed below:

Co-responsible Conference “Risks, actions and main sustainable opportunities in ESG matters”. Over 35,000 online viewers attended the Co-responsible Conference to present the 2022 Yearbook.

- > **Spain-Greece Business Forum.** Elecnor travelled to Athens to take part in a Business Forum held by ICEX and sponsored by the Spanish Chamber of Commerce, the CEOE, the Ministry of Foreign Affairs of the Republic of Greece and Enterprise Greece. The event, chaired by the Secretary of State for Trade and the Greek Deputy Minister of Foreign Affairs, focused on the energy sector, transport, water and waste management. It was attended by some 30 Spanish companies and more than 55 Greek companies and 20 Greek institutions.
- > **10th Director’s Forum.** The CEO of the Elecnor Group attended the 10th Anniversary of the Director’s Forum, a forum promoted by KPMG Spain, El Mundo and IESE. The forum addressed matters related to the role of the Board of Directors in the governance of companies and the challenges it faces in the present environment.
- > **IV National Real Estate Servicing Congress.** Elecnor was a Silver Sponsor at this event, which was attended by numerous companies from the real estate, management and consultancy sectors.
- > **Frankfurt Midcap Event.** The Elecnor Group’s Chief Financial Officer took part in this event hosted by the BME Group, where he explained the organisation’s value proposition to international analysts and investors.

> **MedCap Forum.** This forum, organised by the BME Group, gave the Group the opportunity to share the company’s strategy and future with investors and analysts.

> **Energy Week, Panamá.** Elecnor exhibited its experience in the implementation of onshore wind projects at the 7th Panamá Energy Week, organised by OLADE (Latin American Energy Organisation).

Similarly, the Group’s various subsidiaries have been present at forums in their sectors of activity. Some of the most relevant ones are set out below:

Africa

Enerfin was present at regular meetings held by the African Task Force of GWEC, congresses and talks organised by ALER and AMER, and several webinars held by ICEX, the Exporters Club and other foreign organisations on investments and the renewable energy sector in African markets.

In 2022 Enerfin took part in the Africa Energy Forum, held in Brussels. This is an event that brings together governments, financial institutions, investors and professionals from the sector working in Africa for the energy transition.

Brazil

Enerfin took part in WindPower 2022, the country’s leading congress that brings together companies, federal bodies and other agents operating in the country’s electricity sector.

Signing the agreement between ENERFÍN and the Government of Rio Grande do Sul in Brazil for collaboration in the development of a green hydrogen plant in the state.

Colombia

Enerfin was noteworthy with its participation as a panellist at:

- a. Colombian Hydrogen Congress.
- b. “Actions to mitigate the difficulties of preliminary consultation for FNCER projects in Colombia” at the 5th Renewables and DER LATAM Meeting and Trade Fair held in Barranquilla.
- c. PAAU Working Group Ministry of Defence - Intervention Uribe - La Guajira.
- d. Procolombia 30th Anniversary Event.
- e. Spain – Colombia business encounter.
- f. Infrastructure and Renewable Energy Commission of the Spanish Chamber of Commerce in Colombia.

Spain

In Spain, it is worth highlighting Enerfin’s participation in the following events:

- a. Participation in the European Hydrogen Congress (EHEC 2022).
- b. A public event co-organised by Enerfin to present a pilot test of a Caetano hydrogen bus in the framework of the “Green H2 Langosteira” project in the city of A Coruña.
- c. Participation as speakers at the event “Hablando de Hidrógeno en Femenino” (Talking about Hydrogen for Women). The event brought together a group of women from the industry to debate on the importance of committing to green hydrogen as a driver of the ecological transition and to help build a sustainable economy with high added value.
- d. Third General Assembly of the Electron Project in Athens, Greece, which Enerfin attended to observe the progress of this project. The ELECTRON (rEsilient and self-healed EleCTRical pOwer Nanogrid) project is a European Union initiative on cybersecurity and sustainability of Energy Sector installations in normal, critical and emergency circumstances.



- e. I Ebro #Hydrogen Corridor Forum, an event featuring 43 projects representing the entire renewable hydrogen value chain, which Enerfín attended as a guest.
- f. Participation in the Employment Forums of the Carlos III University in Leganés, Madrid, the University of Comillas, Madrid, and the University of Navarra.

The subsidiary Audeca took part in the following initiatives:

- a. The Málaga National Road Safety Conference as a sponsor, with a stand with information on R&D&I projects.
- b. Andalusian Road Congress, setting up a stand and participating in the podcast under the slogan "Towards a new generation of roads".
- c. Participation in the Almazán Trade Fair with a stand, informing the public about the waste collection service currently being undertaken in the municipality.
- d. Sponsorship of the Murcia Branch of the College of Civil Engineers at the 1st Santo Domingo de la Calzada Engineering Week.
- e. Sponsorship of VII Encontros da Enxeñería de Camiños, Canais e Portos de Galicia.

Lastly, Atersa was an exhibitor at the GENERA 2022 trade fair held in Madrid.

Mexico

Enerfín participated in the WindPower 2022 and the Energy Commission of the Spanish Chamber of Commerce in Mexico.

RECOGNITION

- > Aster Awards, ESIC. Winners of the "Corporate Career Path towards Big Business" category. The aim of the award is to acknowledge the merits of individuals and entities achieved in the exercise of their professional activity and which foster the integration of academic training and business work.
- > Vocento Business Awards. Winners of the sixth edition in the category "Best Internal Communication Campaign".
- > Co-responsible Awards. Finalist at the 13th Co-responsible Awards in the categories "Best advertising campaign" and "Written press".
- > ACEX. Audeca, winner of the national award in the "Conservation Safety" category.
- > Queen's Award for Enterprise. IQA wins an award in the "International Trade" category. The award, which applies for the next five years, is the most prestigious of its kind in the UK and recognises achievement and business excellence throughout Britain.
- > Elecnor, one of the world's 30 leading photovoltaic "EPC contractors" according to Wiki-Solar.
- > Valor 1000. Elecnor Do Brasil won the award for best construction and engineering company in the country by the newspaper Valor Económico.
- > "Green Loan" rating of the loan obtained for the construction of the Ribera de Navarra wind farms.
- > Celeo Chile and Celeo Brazil are ranked first and second, respectively, in the GRESB ranking of power transmission companies in the Americas.

APPENDIX I

Supplementary information

OUR PEOPLE, OUR BEST ASSET GRI 2-1, GRI 2-7

Workforce data (year-end)

GEOGRAPHICAL AREA AND COUNTRY	2021	2022	CHANGES
Spain	11,103	11,210	1%
Europe	1,253	1,461	17%
Germany	1	1	-%
Belgium	1	-	-100%
Finland	3	2	-33%
The Netherlands	1	1	-%
Italy	627	805	28%
Lithuania	19	82	332%
Norway	68	25	-63%
Portugal	224	280	25%
UK	286	243	-15%
Romania	23	22	-4%
North America	759	805	6%
Canada	6	7	17%
United States	753	798	6%
Latin America	5,637	6,026	7%
Argentina	94	114	21%
Brazil	4,283	4,766	11%
Chile	611	453	-26%
Colombia	33	31	-6%
Ecuador	3	3	-%
El Salvador	48	1	-98%
Honduras	41	51	24%
Mexico	99	97	-2%
Panama	75	62	-17%
Paraguay	1	1	-%
Peru	-	49	-
Dominican Republic	112	162	45%
Uruguay	218	220	1%
Venezuela	19	16	-16%
Africa	2,378	2,403	1%
Angola	1,622	1,335	-18%
Algeria	1	1	-%
Cameroon	473	610	29%
Ivory Coast	6	30	400%
Ghana	113	177	57%
Guinea Conakry	1	-	-100%

GEOGRAPHICAL AREA AND COUNTRY	2021	2022	CHANGES
Mauritania	5	4	-20%
Mozambique	140	225	61%
Senegal	17	13	-24%
Zambia	-	8	-
Asia	188	207	10%
India	1	1	-%
Jordan	3	3	-%
Oman	184	203	10%
Oceania	113	236	109%
Australia	113	236	109%
Total	21,431	22,348	4%

PROFESSIONAL CATEGORY	2021			2022		
	MALE	FEMALE	TOTAL	MEN	WOMEN	TOTAL
Structure	4,210	1,900	6,110	4,547	2,025	6,572
Management	141	20	161	143	18	161
Executive	1,110	233	1,343	1,184	225	1,409
Technician	2,959	1,647	4,606	3,220	1,782	5,002
Works	14,620	701	15,321	14,900	876	15,776
Basic*	14,620	701	15,321	14,900	876	15,776
Total	18,830	2,601	21,431	19,447	2,901	22,348

(*) The "Basic" professional category comprises mainly men as it corresponds to Works personnel.

By age

STAFF IN STRUCTURE	2021			2022		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
>50	653	189	842	696	181	877
From 30 to 50	2,733	1,212	3,945	2,868	1,269	4,137
<30	824	499	1,323	983	575	1,558
Total	4,210	1,900	6,110	4,547	2,025	6,572

STAFF IN WORKS	2021			2022		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
>50	2,930	86	3,016	2,951	85	3,036
From 30 to 50	9,209	439	9,648	9,138	515	9,653
<30	2,481	176	2,657	2,811	276	3,087
Total	14,620	701	15,321	14,900	876	15,776

Breakdown of information by contract type

BY AGE	2021	2022	CHANGES
Open-ended	14,160	17,447	23%
>50	2,971	3,287	11%
From 30 to 50	9,039	10,704	18%
<30	2,150	3,456	61%
Temporary	7,271	4,901	-33%
>50	887	626	-29%
From 30 to 50	4,554	3,086	-32%
<30	1,830	1,189	-35%
Total	21,431	22,348	4%

AVERAGE BY AGE	2021	2022	CHANGES
Open-ended	12,705	16,708	32%
>50	2,929	3,264	11%
From 30 to 50	8,122	10,346	27%
<30	1,655	3,098	87%
Temporary	7,929	6,252	-21%
>50	1,222	786	-36%
From 30 to 50	5,107	3,984	-22%
<30	1,600	1,482	-7%
Total	20,634	22,960	11%

BY GEOGRAPHICAL AREA	2021	2022	CHANGES
Open-ended	14,160	17,447	23%
Spain	7,487	9,642	29%
Europe	838	1,022	22%
North America	297	307	3%
Latin America	5,105	5,791	13%
Africa	375	555	48%
Asia	5	6	20%
Oceania	53	124	134%
Temporary	7,271	4,901	-33%
Spain	3,616	1,568	-57%
Europe	415	439	6%
North America	462	498	8%
Latin America	532	235	-56%
Africa	2,003	1,848	-8%
Asia	183	201	10%
Oceania	60	112	87%
Total	21,431	22,348	4%

By gender

STAFF IN STRUCTURE	2021	2022	CHANGES
Open-ended	4,541	5,596	23%
Male	3,072	3,830	25%
Female	1,469	1,766	20%
Temporary	1,569	976	-38%
Male	1,138	717	-37%
Female	431	259	-40%
Total	6,110	6,572	8%

Average by gender

STAFF IN STRUCTURE	2021	2022	CHANGES
Open-ended	4,240	5,095	20%
Men	2,901	3,484	20%
Women	1,339	1,611	20%
Temporary	1,597	1,323	-17%
Men	1,175	975	-17%
Women	423	348	-18%
Total	5,837	6,418	10%

BY PROFESSIONAL CATEGORY	2021	2022	CHANGES
Open-ended	14,160	17,447	23%
Management	161	161	-%
Executive	1,160	1,222	5%
Technician	3,220	4,213	31%
Basic	9,619	11,851	23%
Temporary	7,271	4,901	-33%
Management	0	0	-
Executive	183	187	2%
Technician	1,386	789	-43%
Basic	5,702	3,925	-31%
Total	21,431	22,348	4%

AVERAGE BY PROFESSIONAL CATEGORY	2021	2022	CHANGES
Open-ended	12,705	16,708	32%
Management	162	161	-1%
Executive	1,147	1,210	5%
Technician	2,931	3,724	27%
Basic	8,465	11,613	37%
Temporary	7,929	6,252	-21%
Management	0	-	-
Executive	192	186	-3%
Technician	1,405	1,137	-19%
Basic	6,332	4,929	-22%
Total	20,634	22,960	11%

STAFF IN WORKS	2021	2022	CHANGES
Open-ended	9.619	11.851	23%
Hombres	9.173	11.213	22%
Mujeres	446	638	43%
Temporal	5.702	3.925	-31%
Hombres	5.447	3.687	-32%
Mujeres	255	238	-7%
Total	15.321	15.776	3%

STAFF IN WORKS	2021	2022	CHANGES
Open-ended	8,465	11,613	37%
Men	8,063	11,075	37%
Women	402	538	34%
Temporary	6,332	4,929	-22%
Men	6,075	4,664	-23%
Women	257	265	3%
Total	14,797	16,542	12%

(*) In Spain, the category of fixed-term discontinuous contracts is included in the category of permanent contracts.



Breakdown of information by employment type

BY AGE	2021	2022	CHANGES
Full-time	21,209	22,163	4%
>50	3,713	3,802	2%
From 30 to 50	13,544	13,744	1%
<30	3,952	4,617	17%
Part-time	222	185	-17%
>50	145	111	-23%
From 30 to 50	49	46	-6%
<30	28	28	-%
Total	21,431	22,348	4%

BY GEOGRAPHICAL AREA	2021	2022	CHANGES
Full-time	21,209	22,163	4%
Spain	10,915	11,058	1%
Europe	1,227	1,441	17%
North America	755	799	6%
Latin America	5,635	6,023	7%
Africa	2,378	2,403	1%
Asia	187	207	11%
Oceania	112	232	107%
Part-time	222	185	-17%
Spain	188	152	-19%
Europe	26	20	-23%
North America	4	6	50%
Latin America	2	3	50%
Africa	0	0	-
Asia	1	0	-100%
Oceania	1	4	300%
Total	21,431	22,348	4%

By gender

STAFF IN STRUCTURE	2021	2022	CHANGES
Full-time	6,020	6,481	8%
Male	4,160	4,494	8%
Female	1,860	1,987	7%
Part-time	90	91	1%
Male	50	53	6%
Female	40	38	-5%
Total	6,110	6,572	8%

AVERAGE BY AGE	2021	2022	CHANGES
Full-time	20,333	22,759	12%
>50	3,999	3,926	-2%
From 30 to 50	13,126	14,282	9%
<30	3,208	4,551	42%
Part-time	301	201	-33%
>50	152	124	-18%
From 30 to 50	103	48	-53%
<30	47	29	-38%
Total	20,634	22,960	11%

BY PROFESSIONAL CATEGORY	2021	2022	CHANGES
Full-time	21,209	22,163	4%
Management	160	161	1%
Executive	1,329	1,397	5%
Technician	4,531	4,923	9%
Basic	15,189	15,682	3%
Part-time	222	185	-17%
Management	1	-	-100%
Executive	14	12	-14%
Technician	75	79	5%
Basic	132	94	-29%
Total	21,431	22,348	4%

AVERAGE BY PROFESSIONAL CATEGORY	2021	2022	CHANGES
Full-time	20,333	22,759	12%
Management	160	160	-%
Executive	1,324	1,381	4%
Technician	4,260	4,779	12%
Basic	14,589	16,438	13%
Part-time	301	201	-33%
Management	2	-	-100%
Executive	16	15	-6%
Technician	75	82	9%
Basic	208	104	-50%
Total	20,634	22,960	11%

STAFF IN WORKS	2021	2022	CHANGES
Full-time	15,189	15,682	3%
Male	14,503	14,818	2%
Female	686	864	26%
Part-time	132	94	-29%
Male	117	82	-30%
Female	15	12	-20%
Total	15,321	15,776	3%

Average by gender

STAFF IN STRUCTURE	2021	2022	CHANGES
Full-time	5,744	6,321	10%
Men	4,018	4,404	10%
Women	1,726	1,917	11%
Part-time	93	97	4%
Men	57	55	-4%
Women	36	42	17%
Total	5,837	6,418	10%

STAFF IN WORKS	2021	2022	CHANGES
Full-time	14,589	16,438	13%
Men	13,952	15,646	12%
Women	637	792	24%
Part-time	208	104	-50%
Men	187	93	-50%
Women	22	11	-50%
Total	14,797	16,542	12%

Workforce turnover ⁸ GRI 401-1

By age range, gender and geographical area

LOCATION	DEPARTURES	AVERAGE EMPLOYMENT	% ROTATION IN 2022	ROTATION IN 2021	CHANGE IN ROTATION 2022 VS. 2021
Spain	2,338	11,067	21%	18%	3%
Male	2,094	9,658	22%	19%	3%
>50	446	2,525	18%	13%	5%
From 30 to 50	1,259	6,094	21%	18%	3%
<30	389	1,039	37%	40%	-3%
Female	244	1,409	17%	13%	4%
>50	26	184	14%	7%	7%
From 30 to 50	133	942	14%	12%	2%
<30	85	283	30%	21%	9%
Europe	457	1,324	35%	46%	-11%
Male	407	1,135	36%	43%	-7%
>50	83	251	33%	33%	-%
From 30 to 50	220	630	35%	45%	-10%
<30	104	254	41%	51%	-10%
Female	50	189	26%	58%	-32%
>50	2	16	13%	53%	-40%
From 30 to 50	29	98	30%	56%	-26%
<30	19	75	25%	68%	-43%
North America	293	769	38%	33%	5%
Male	272	711	38%	34%	4%
>50	58	173	34%	22%	12%
From 30 to 50	149	405	37%	37%	-%
<30	65	133	49%	42%	7%
Female	21	58	36%	19%	17%
>50	6	10	60%	14%	46%
From 30 to 50	8	34	24%	15%	9%
<30	7	14	50%	31%	19%
Latin America	7,274	6,899	105%	85%	20%
Male	6,866	6,204	111%	88%	23%
>50	601	665	90%	70%	20%
From 30 to 50	3,961	3,739	106%	86%	20%
<30	2,304	1,800	128%	106%	22%
Female	408	695	59%	46%	13%
>50	13	41	32%	36%	-4%
From 30 to 50	255	405	63%	43%	20%
<30	140	249	56%	55%	1%

(8) Turnover is determined as total departures (sum of voluntary redundancies, leaves of absence, retirements, deaths, dismissals, end-of-contract and other kinds of departure)/average employment * 100.

Continued on next page

LOCATION	DEPARTURES	AVERAGE EMPLOYMENT	% ROTATION IN 2022	ROTATION IN 2021	CHANGE IN ROTATION 2022 VS. 20211
Africa	1,034	2,479	42%	33%	9%
Male	934	2,125	44%	35%	9%
>50	27	97	28%	35%	-7%
From 30 to 50	623	1,504	41%	34%	7%
<30	284	524	54%	37%	17%
Female	100	354	28%	23%	5%
>50	-	11	-%	20%	-20%
From 30 to 50	55	232	24%	20%	4%
<30	45	111	41%	33%	8%
Asia	70	228	31%	4%	27%
Male	68	219	31%	3%	28%
>50	8	25	32%	9%	23%
From 30 to 50	41	137	30%	0%	30%
<30	19	57	33%	9%	24%
Female	2	9	22%	17%	5%
>50	-	-	-%	0%	-%
From 30 to 50	1	6	17%	25%	-8%
<30	1	3	33%	0%	33%
Oceania	81	194	42%	37%	5%
Male	58	147	39%	42%	-3%
>50	16	42	38%	74%	-36%
From 30 to 50	32	75	43%	31%	12%
<30	10	30	33%	22%	11%
Female	23	47	49%	23%	26%
>50	7	8	88%	17%	71%
From 30 to 50	6	30	20%	36%	-16%
<30	10	9	111%	0%	111%
Total Group	11,547	22,960	50%	39%	11%

By geographical area, gender and type of employee

2021

STRUCTURE		LOCATION	WORKS	
MALE	FEMALE		MALE	FEMALE
13%	11%	Spain	20%	21%
36%	56%	Europe	45%	0%
17%	23%	North America	41%	0%
36%	34%	Latin America	99%	75%
25%	14%	Africa	36%	28%
0%	17%	Asia	6%	0%
40%	20%	Oceania	60%	0%
20%	19%	Total	46%	38%

2022

STRUCTURE		LOCATION	WORKS	
MALE	FEMALE		MALE	FEMALE
15%	17%	Spain	24%	22%
26%	25%	Europe	40%	34%
23%	28%	North America	45%	67%
43%	50%	Latin America	122%	70%
31%	28%	Africa	46%	28%
22%	22%	Asia	37%	
36%	40%	Oceania	54%	150%
23%	26%	Total	61%	43%

New hirings GRI 401-1

By gender and geographical area

STAFF IN STRUCTURE LOCATION	2021	2022	CHANGES
Spain	645	704	9%
Male	450	482	7%
Female	195	222	14%
Europe	166	177	7%
Male	79	117	48%
Female	87	60	-31%
North America	45	78	73%
Male	38	61	61%
Female	7	17	143%
Latin America	485	695	43%
Male	314	444	41%
Female	171	251	47%
Africa	100	101	1%
Male	70	68	-3%
Female	30	33	10%
Asia	48	42	-13%
Male	46	38	-17%
Female	2	4	100%
Oceania	84	133	58%
Male	63	106	68%
Female	21	27	29%
Total Group	1,573	1,930	23%

STAFF IN WORKS LOCATION	2021	2022	CHANGES
Spain	1,476	1,673	13%
Male	1,441	1,632	13%
Female	35	41	17%
Europe	503	541	8%
Male	437	505	16%
Female	66	36	-45%
North America	237	310	31%
Male	233	300	29%
Female	4	10	150%
Latin America	4,353	6,969	60%
Male	4,220	6,543	55%
Female	133	426	220%
Africa	1,106	891	-19%
Male	1,016	795	-22%
Female	90	96	7%
Asia	14	43	207%
Male	14	43	207%
Female	-	-	-
Oceania	8	55	588%
Male	5	47	840%
Female	3	8	167%
Total Group	7,697	10,482	36%

LOCATION	2021	2022	AVERAGE EMPLOYMENT 2022	NEW HIRING RATE 2022
Spain	2,121	2,377	11,067	21%
Male	1,891	2,114	9,658	22%
Female	230	263	1,409	19%
Europe	669	718	1,324	54%
Male	516	622	1,135	55%
Female	153	96	189	51%
North America	282	388	769	50%
Male	271	361	711	51%
Female	11	27	58	47%
Latin America	4,838	7,664	6,899	111%
Male	4,534	6,987	6,204	113%
Female	304	677	695	97%
Africa	1,206	992	2,479	40%
Male	1,086	863	2,125	41%
Female	120	129	354	36%
Asia	62	85	228	37%
Male	60	81	219	37%
Female	2	4	9	44%
Oceania	92	188	194	97%
Male	68	153	147	104%
Female	24	35	47	74%
Total Group	9,270	12,412	22,960	54%

By gender and age range

STAFF IN STRUCTURE				STAFF IN WORKS			
AGE	2021	2022	CHANGES	AGE	2021	2022	CHANGES
>50	104	142	37%	>50	812	975	20%
Male	85	128	51%	Male	776	935	20%
Female	19	14	-26%	Female	36	40	11%
From 30 to 50	807	1,029	28%	From 30 to 50	4,718	5,827	24%
Male	552	717	30%	Male	4,533	5,519	22%
Female	255	312	22%	Female	185	308	66%
<30	662	759	15%	<30	2,167	3,680	70%
Male	423	471	11%	Male	2,057	3,411	66%
Female	239	288	21%	Female	110	269	145%
Total	1,573	1,930	23%	Total	7,697	10,482	36%

AGE	2021	2022	AVERAGE EMPLOYMENT 2022	NEW HIRING RATE 2022
>50	916	1,117	4,048	28%
Male	861	1,063	3,778	28%
Female	55	54	270	20%
From 30 to 50	5,525	6,856	14,331	48%
Male	5,085	6,236	12,584	50%
Female	440	620	1,747	35%
<30	2,829	4,439	4,581	97%
Male	2,480	3,882	3,837	101%
Female	349	557	744	75%
Total	9,270	12,412	22,960	54%

Dismissals

Dismissals in the Elecnor Group are displayed, referring to the non-voluntary termination of the employment contract due to application of the disciplinary code governing the employee, regardless of whether it is declared proper or whether the company acknowledges that the dismissal is improper when so declared by a court.

The figures below include information from Spain, Angola, Australia, Brazil, Cameroon, Colombia, United States, Ghana, Italy, Mozambique, Oman, Panama, United Kingdom and Uruguay.

By gender and professional category

CATEGORY	2021			2022			CHANGES
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	
Structure	85	41	126	62	31	93	-26%
Management	6	1	7	0	1	1	-86%
Executive	20	4	24	7	3	10	-58%
Technician	59	36	95	55	27	82	-14%
Works	718	35	753	986	44	1,030	37%
Basic	718	35	753	986	44	1,030	37%
Total	803	76	879	1,048	75	1,123	28%

By gender and age

STAFF IN STRUCTURE AGE	2021			2022			CHANGES
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	
>50	19	4	23	8	2	10	-57%
From 30 to 50	56	28	84	40	16	56	-33%
<30	11	9	20	14	13	27	35%
Total	86	41	127	62	31	93	-27%

STAFF IN WORKS AGE	2021			2022			CHANGES
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	
>50	84	3	87	105	5	110	26%
From 30 to 50	491	17	508	591	26	617	21%
<30	142	15	157	290	13	303	93%
Total	717	35	752	986	44	1,030	37%

Remunerations Policy

Fixed average remuneration by gender, age and professional

2021 AGE	MANAGEMENT		STRUCTURE EXECUTIVE		TECHNICIAN		WORKS BASIC	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Spain								
>50	141,357	111,793	54,599	55,235	32,021	28,277	22,816	21,749
From 30 to 50	98,311	88,054	48,637	47,491	32,234	27,856	21,713	21,458
<30			36,273	38,423	27,609	26,271	19,312	19,864
Europe (Italy, Norway, Portugal, United Kingdom and Romania)								
>50			71,381	62,575	41,064	32,959	27,546	36,345
From 30 to 50			47,055	38,293	35,717	32,968	27,160	33,377
<30			25,250	19,854	28,584	23,988	21,212	35,014
North America (United States and Canada)								
>50	173,089		119,846	90,056	125,808	58,139	92,419	77,757
From 30 to 50	178,111	149,966	109,555	81,168	79,149	50,556	86,975	69,556
<30			80,165	51,862	52,708	43,405	77,476	60,728
Latin America (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Honduras, Mexico, Panama, Peru, Dominican Republic and Uruguay)								
>50			51,344	38,646	22,778	10,734	8,547	8,177
From 30 to 50			41,299	35,250	17,813	12,405	6,722	5,019
<30			20,784		9,092	6,365	4,494	3,912
Africa (Angola, Algeria, Cameroon, Ghana, Mauritania and Senegal)								
>50			71,246		28,868	14,350	6,262	2,626
From 30 to 50			35,136	36,202	13,272	7,536	5,036	2,376
<30			4,131	5,237	4,530	5,110	2,517	2,315
Asia (Jordan and Oman)								
>50					62,689		23,546	
From 30 to 50			45,322		19,459	21,575	13,454	
<30					14,244	17,836	11,756	
Oceania (Australia)								
>50			88,634	46,793	100,581	63,297		*
From 30 to 50			105,652		79,719	49,154	87,488	
<30					51,936	51,406	59,183	

(*) This information is not shown in the interest of protecting the data of the persons represented, since there is only one employee in that professional category.

2022 AGE	MANAGEMENT		STRUCTURE EXECUTIVE		TECHNICIAN		WORKS BASIC	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Spain								
>50	138,963	116,834	56,950	57,408	33,724	30,547	24,342	24,309
From 30 to 50	101,773	98,391	49,849	49,758	33,626	29,203	22,718	22,740
<30			40,233	44,219	29,605	28,572	20,584	21,336
Europe (Germany, Finland, The Netherlands, Italy, Lithuania, Norway, Portugal, United Kingdom and Romania)								
>50			88,764		45,236	32,787	25,636	*
From 30 to 50			44,136	41,153	36,926	31,750	26,564	26,122
<30			24,352	22,925	27,703	24,618	22,533	19,618
North America (United States and Canada)								
>50	208,696		133,694	89,694	129,734	60,793	100,610	73,491
From 30 to 50	199,225	*	125,200	88,631	73,182	57,504	98,737	71,264
<30			87,061	67,995	63,839	51,182	81,644	49,849
Latin America (Argentina, Brazil, Chile, Colombia, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Dominican Republic and Uruguay)								
>50			63,844	34,577	31,599	22,888	10,817	10,588
From 30 to 50			47,088	44,468	20,940	14,982	8,647	5,656
<30				*	9,743	8,283	5,569	4,935
Asia (Jordan and Oman)								
>50					48,833		35,869	
From 30 to 50			64,888	*	32,940	23,602	18,240	*
<30					21,121	14,449	15,434	
Africa (Angola, Algeria, Cameroon, Ivory Coast, Ghana, Mauritania, Mozambique, Senegal and Zambia)								
>50			48,798		31,476	16,824	7,765	2,833
From 30 to 50			40,051	28,574	17,130	10,166	5,865	2,491
<30			13,028		4,843	5,450	2,637	2,120
Oceania (Australia)								
>50			204,697		105,801	70,767	99,966	
From 30 to 50			105,883		89,972	58,169	79,606	79,618
<30					61,348	46,406	67,978	

(*) This information is not shown in the interest of protecting the data of the persons represented, since there is only one employee in that professional category.

Fixed average remuneration by geographical area, gender and type of employee

2021	STRUCTURE		WORKS	
	MALE	FEMALE	MALE	FEMALE
Spain	40,565	31,731	21,851	21,348
Europe (Italy, Norway, Portugal, United Kingdom and Romania)	35,991	30,809	26,144	34,521
North America (United States and Canada)	112,062	61,976	85,803	68,374
Latin America (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Honduras, Mexico, Panama, Peru, Dominican Republic and Uruguay)	19,931	11,401	6,319	4,832
Africa (Angola, Algeria, Cameroon, Ghana, Mauritania and Senegal)	23,837	20,507	13,966	-
Asia (Jordan and Oman)	13,833	8,777	4,416	2,367
Oceania (Australia)	82,336	53,708	78,053	*

(*) This information is not shown in the interest of protecting the data of the persons represented, since there is only one employee in that professional category.

2022	STRUCTURE		WORKS	
	MALE	FEMALE	MALE	FEMALE
Spain	42,034	33,092	23,001	22,932
Europe (Germany, Finland, The Netherlands, Italy, Lithuania, Norway, Portugal, United Kingdom and Romania)	35,923	28,893	25,465	22,870
North America (United States and Canada)	125,918	73,073	94,736	64,621
Latin America (Argentina, Brazil, Chile, Colombia, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Dominican Republic and Uruguay)	23,599	13,900	7,917	5,701
Asia (Jordan and Oman)	35,479	20,170	19,737	*
Africa (Angola, Algeria, Cameroon, Ivory Coast, Ghana, Mauritania, Mozambique, Senegal and Zambia)	17,637	9,458	5,088	2,383
Oceania (Australia)	92,021	58,315	82,069	79,618

(*) This information is not shown in the interest of protecting the data of the persons represented, since there is only one employee in that professional category.

Ratio of total annual compensation GRI 2-21

The annual remuneration ratio of the organisation's highest paid person to the median annual remuneration of all employees (excluding the highest paid person) is 27.8. Only fixed remuneration has been taken into account in this ratio, with the Chief Executive Officer's compensation corresponding to the fixed remuneration for his executive duties. The Elecnor Group is working on its reporting systems in order to be able to report the total compensation ratio with all variable items in 2025.

MANAGEMENT OF BIODIVERSITY AND PROTECTION OF THE NATURAL ENVIRONMENT GRI 304-1

Projects located in or near protected and high-value areas

COUNTRY	PROJECT/ACTIVITY	PROXIMITY TO PROTECTED AREAS OR ZONES OF GREAT VALUE FOR BIODIVERSITY		
		TYPE AND NAME OF PROTECTED AREA AFFECTED	LOCATION WITH RESPECT TO THE PROTECTED AREA (WITHIN THE AREA, ADJACENT TO THE AREA OR WITH PLOTS IN THE PROTECTED AREA)	AREA/LENGTH AFFECTED
Brazil	LTT	Parque Estadual do Pau Furado" (Unidade de Conservação de Proteção Integral no Estado de Minas Gerais)	Inside	10.5 km
Brazil	PATE- LT230 kV Oriximiná-Juruti-Parintins e Subestações Associadas	Áreas Prioritárias para a Conservação da Biodiversidade: Várzeas do Médio Amazonas, Rio Amazonas, Várzea Médio Amazonas e Cachoeira do Aruã	Adjacent	N/A
Brazil	Complexo Solar Fotovoltaico Lar do Sol – Casablanca	Próxima a APCB Buritizeiro/Pirapora e a APCB Rio São Francisco e Grandes Afluentes	Adjacent	N/A
Spain	Brovales solar photovoltaic installation project and associated infrastructures	Natura 2000 network: ZEPA "Embalse Valuengo", ZEC "Río Ardila" ZEC "Río Ardila Alto"	Adjacent	N/A
Spain	Aerosur wind farm	"La Janda" lagoon, African-European migratory flyway (Strait of Gibraltar)/ Important Bird and Biodiversity Area (IBA)	Adjacent	N/A
Spain	SIGMA solar PV plant. Arco 1-5 farms	The nearest protected natural areas are the ZEC Río Guadalete, the Medina Sidonia IBA and the La Sauna periurban park	Adjacent	N/A
Colombia	Portón del Sol	Regional Integrated Management Districts	Adjacent	N/A
Australia	New England Solar Farm	PCT 510 - Blakely's Red Gum - Yellow Box grassy woodland	Adjacent	N/A
Australia	Goyder South Wind Farm	Mimbara Protected Area. Category VI UICN	Inside	Tower 49
Mozambique	Temane Thermal Power Plant 400 kV transmission line – Vilanculos Substation (Lot 4)	KBA Inhassoro-Vilankulos (Key Biodiversity Area)	Part-time	30 towers occupying 11.5 linear km featuring 50 m of easements
Spain (Audeca)	Improvement cuts and partial treatments to modify the structure of the masses in the Public Utility Forests of Las Hurdes	ES4320011 ZEC Las Hurdes, ES0000355 ZEPA Hurdes and ES4320047 ZEC Sierras de Risco Viejo	Inside	424 ha
Spain (Audeca)	Fire prevention forestry treatments on 280 hectares and other improvements to the natural environment in 13 municipalities in the San Leonardo and Navaleno districts in the Province of Soria	LIC ZEPA, Natural P. "Cañón del río Lobos" MUP 72,287,223,98 LIC "Sabinas Sierra Cabrejas MUP 243, 247	Inside	280 ha
Spain (Audeca)	Grey partridge conservation actions	Sanabria Lake Natural Park and Sierras Segundera and Porto Mountains	Inside	40 ha

Projects including monitoring of species appearing on the International Union for Conservation of Nature (IUCN) Red List GRI 304-4

COUNTRY	PROJECT	CLASSIFICATION ACCORDING TO IUCN					
		CR*	EN*	VU*	NT*	LC*	OTH
Chile	Prime medium-voltage line					11	
Chile	Cardonal Substation			1		1	2
Chile	Llanos del Viento wind farm		1			2	
Brazil	PATE- LT230 kV Oriximiná-Juruti-Parintins e Subestações Associadas			18	3	82	5
Brazil	Complexo Solar Fotovoltaico Lar do Sol		2	1	1		12
Colombia	Portón del Sol					21	8
Peru	Valle del Chira substation						21
Panama	Sabanitas					2	1
Dominican Republic	Solar PV plant - ESPERANZA	1	2	1		4	1
Spain	Brovales solar photovoltaic installation project and associated infrastructures		3	10			13
Spain	Aerosur wind farm		1			1	
Spain	SIGMA solar PV plant. ARCO 1-5 FARMS					2	
Australia	New England Solar Farm					7	
Australia	Goyder South Wind Farm					1	
Mozambique	Temane Thermal Power Plant 400 kV transmission line – Vilanculos Substation (Lot 4)				1		6
Chile	AJTE and CHATE			4			
Chile	CHATE				1		
Brazil	PATE	2					
Brazil	PATE			11			
Brazil	PATE					7	
Brazil	PATE						1
Total		3	9	46	6	141	70

(*) **CR**: Critically endangered.

(*) **EN**: Endangered.

(*) **VU**: Vulnerable.

(*) **NT**: Near threatened.

(*) **LC**: Least concern.

European taxonomy of environmentally sustainable economic activities

In 2020, the European Parliament and the Council of the European Union adopted Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments, amending Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) (hereinafter referred to as the *Taxonomy Regulation (TR)*).

The requirements on how and to what extent the activities of companies are associated with economic activities that are deemed environmentally sustainable are specified in Article 8 of the TR which, in its first two paragraphs, states:

1. Any company required to disclose non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU will include in its consolidated non-financial statement information on how and to what extent the activities of the company are associated with economic activities that are deemed to be environmentally sustainable in accordance with Articles 3 and 9 of this Regulation.
2. In particular, non-financial companies will disclose the following information:
 - a. The proportion of their turnover that comes from products or services related to economic activities that are deemed environmentally sustainable pursuant to Articles 3 and 9.
 - b. The proportion of its capital expenditure and the proportion of its operating expenses related to assets or processes associated with economic activities that are deemed environmentally sustainable pursuant to Articles 3 and 9.

Furthermore, three delegated regulations have been published to implement the TR:

- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (hereinafter referred to as the *1st Delegated Act*).
- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (hereinafter referred to as the *2nd Delegated Act*).
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy markets and Delegated Regulation (EU) 2021/2178 as regards public disclosure of specific information on these economic activities. Specifically, this Delegated Regulation includes technical selection criteria that enable some activities in the fossil gas and nuclear energy sectors to be deemed environmentally sustainable activities (hereinafter the *3rd Delegated Act*).

In this way, the European Taxonomy is set up as a classification system for environmentally sustainable economic activities to assist in informing investors —under a single, official criterion— about which investments are sustainable.

Eligible and ineligible activities

The following tables contain a list of the activities and sub-activities that the Elecnor Group has deemed eligible and ineligible pursuant to the regulations:

			TAXONOMY		
ACTIVITY	SUB-ACTIVITIES	NACE CODE	TAXONOMY ACTIVITY	ACTIVITY DESCRIPTION	ACTIVITY GOAL AND TYPE
Electricity	Distribution and transmission networks, substations, transformer stations and live working	3512: Electricity transmission 3513: Electricity distribution	4.9. Transmission and distribution of electricity	Construction and operation of: transmission systems that transport electricity on the very high voltage and high voltage interconnected system; and distribution systems that transport electricity on high, medium and low voltage distribution systems	Mitigation (enabling activity)
Energy efficiency	Street lighting	3312: Machinery repair	7.3. Installation, maintenance and repair of energy-efficient equipment	Individual renovation measures comprising installation, maintenance or repair of energy-efficient equipment	Mitigation (enabling activity)
Power generation	Wind farms, solar photovoltaic, power generation and self-consumption plants	3511: Wind, hydroelectric and other electricity production 4321: Electrical installations 2711: Manufacture of electric motors, generators and transformers	4.1. Generation of electricity using solar photovoltaic technology 4.3. Electricity generation from wind energy 4.5. Electricity generation from hydropower 4.8. Electricity generation from bio-energy 7.6. Installation, maintenance and repair of renewable energy technologies	Construction and operation of solar photovoltaic (PV), concentrating solar-power, wind, hydro or biomass-only, biogas or bioliquid electricity generation facilities, installation, maintenance and repair of renewable energy technologies, in situ, and manufacturing of renewable energy technologies	4.1, 4.3 and 7.6 Mitigation (direct contribution activity) 4.5 and 4.8 Mitigation (enabling activity)
Railways	Catenary, traction substations, signalling and interlocking, and communications	4212: Construction of aboveground and underground railway lines 4321: Electrical installations	6.14. Rail transport infrastructure	Construction, modernisation, operation and maintenance of aboveground and underground railways, bridges and tunnels, stations, terminals, railway service facilities, safety and traffic management systems, including the rendering of architectural, engineering, draughting, building inspection, surveying and mapping services, in addition to services performing physical, chemical and other analytical testing of all types of materials and product	Mitigation (enabling activity)

Continued on next page

ACTIVITY	SUB-ACTIVITIES	NACE CODE	TAXONOMY		
			TAXONOMY ACTIVITY	ACTIVITY DESCRIPTION	ACTIVITY GOAL AND TYPE
Maintenance	Urban services	3811: Non-hazardous waste collection	5.5. Collection and transport of non-hazardous waste in source-segregated fractions	Separate collection and transport of non-hazardous waste in individual or mixed fractions to prepare it for reuse or recycling	Mitigation (direct contribution activity)
Facilities	Electricity and instrumentation, air-conditioning, HVAC, PCI and plumbing and comprehensive installations	4120: Construction of buildings 4321: Electrical installations 4322: Plumbing, heating and air-conditioning systems installations	7.1. Construction of new buildings 7.2. Renovation of existing buildings	Construction of complete residential or non-residential buildings Construction and civil engineering works or preparation of such works	7.1. Mitigation (direct contribution activity) 7.2. Mitigation (transition activity)
Construction	Non-residential buildings	4120: Construction of buildings	7.1. Construction of new buildings 7.2. Renovation of existing buildings	Construction of complete residential or non-residential buildings Construction and civil engineering works or preparation of such works	7.1. Mitigation (direct contribution activity) 7.2. Mitigation (transition activity)
Water	Water treatment plants	4299: Construction of other civil engineering projects n.e.c	5.1. Construction, expansion and operation of water catchment, purification and distribution systems	Construction, expansion and operation of water collection, purification and distribution systems and centralised waste-water systems, including collection (sewerage) and treatment and their renewal	Mitigation (direct contribution activity)

Furthermore, the Elecnor Group undertakes a number of other activities which, under taxonomy regulations, are eligible activities, such as those related to the construction and operation of waste-water collection and treatment systems or activities in the field of forestry and forest management. In any case, these activities have not been taken into account when calculating the corresponding indicators on environmentally sustainable activities due to their scant significance in the Elecnor Group's current turnover, CapEx and OpEx.

Furthermore, the following activities of the Elecnor Group are not described in the delegated acts implementing the TR and have therefore been catalogued as ineligible activities:

ACTIVITY	SUB-ACTIVITIES	NACE CODE
Power generation	Combined cycle thermal power plants	3516: Production of conventional thermal electricity
Gas&oil	Distribution and transmission, infrastructure operations (domestic grid), domestic services and miscellaneous facilities and oil	3522: Distribution of gaseous fuels through pipelines 3523: Trade in gas by pipeline 4950: Pipeline transport 0610: Extraction of crude oil
Telecommunications and systems	Network creation, customer registration, internal plant and equipment, network engineering and maintenance, projects and maintenance of communications, security and automation and control systems, special and unique installations, product engineering and development, smart cities (systems)	4222: Construction of electrical grids and telecommunications networks 6110: Cable telecommunications 6120: Wireless telecommunications 6130: Satellite telecommunications 6190: Other telecommunications activities 8020: Security systems services
Maintenance	Comprehensive maintenance of buildings, electrical and instrumentation, air conditioning, HVAC, plumbing, mechanical, industrial maintenance and maintenance of transport infrastructure and green areas	3314: Repair of electrical equipment 3320: Installation of industrial machinery and equipment 4211: Construction of roads and motorways 4213: Construction of bridges and tunnels 4322: Plumbing, heating and air-conditioning systems installations 8130: Landscaping activities 9104: Activities of botanical gardens, zoos and nature reserves
Facilities	Interior design	7410: Specialised design activities
Construction	Non-residential buildings	4211: Construction of roads and motorways 4213: Construction of bridges and tunnels 2361: Manufacture of concrete elements for construction purposes
Water	Waste disposal plants, waterworks and water distribution systems	4299: Construction of other civil engineering projects n.e.c. 4291: Waterworks 4221: Construction of fluid power networks
Space	Space	6190: Other telecommunications activities 8030: Research activities

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES RELATED TO ENVIRONMENTALLY SUSTAINABLE ECONOMIC ACTIVITIES

TURNOVER (THOUSANDS OF EUROS)					SUBSTANTIAL CONTRIBUTION CRITERIA		DO NO SIGNIFICANT HARM (DNSH) CRITERIA									
ECONOMIC ACTIVITIES	CODES	ABSOLUTE TURNOVER (€ '000)	PROPORTION OF TURNOVER (%)		CLIMATE CHANGE MITIGATION (%)	CLIMATE CHANGE ADAPTATION (%)	CLIMATE CHANGE MITIGATION (Y/N)	CLIMATE CHANGE MITIGATION (Y/N)	WATER AND MARINE RESOURCES (Y/N)	THE TRANSITION TO A CIRCULAR ECONOMY (Y/N)	POLLUTION PREVENTION AND CONTROL (Y/N)	BIODIVERSITY AND ECOSYSTEMS (Y/N)	MINIMUM GUARANTEES (Y/N)	PROPORTION OF TAXONOMY-ALIGNED TURNOVER 2022 (%)	CATEGORY OF ENABLING ACTIVITY	CATEGORY OF TRANSITION ACTIVITY
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1 Environmentally sustainable activities (Taxonomy-aligned)																
Transmission and distribution of electricity	4.9	950,172	26.29%		26.29%	0,00%	Y	Y	N/A	Y	Y	Y	Y	37.72%	F	
Generation of electricity using solar photovoltaic technology	4.1	493,007	13.64%		13.64%	0,00%	Y	Y	N/A	Y	N/A	Y	Y	19.57%		
Electricity generation from wind energy	4.3	378,088	10.46%		10.46%	0,00%	Y	Y	Y	Y	N/A	Y	Y	15.01%		
Collection and transport of non-hazardous waste in source-segregated fractions	5.5	3,045	0.08%		0.08%	0,00%	Y	Y	N/A	Y	N/A		Y	0.12%		
Rail transport infrastructure	6.14	92,322	2.55%		2.55%	0,00%	Y	Y	Y	Y	Y	Y	Y	3.66%	F	
Construction of new buildings	7.1	2,034	0.06%		0,06%	0,00%	Y	Y	Y	Y	Y	Y	Y	0.08%		
Renovation of existing buildings	7.2	12,980	0.36%		0.36%		Y	Y	Y	Y	Y	N/A	Y	0.52%		T
Installation, maintenance and repair of energy-efficient equipment	7.3	65,548	1.81%		1.81%	0,00%	Y	Y	N/A	N/A	Y	N/A	Y	2.60%	F	
Installation, maintenance and repair of renewable energy technologies	7.6	2,500	0.07%		0.07%	0.00%	Y	Y	N/A	N/A		N/A	Y	0.10%	F	
Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1)		1,999,697	55.34%		55.34%	0,00%								79.38%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned)																
Generation of electricity using solar photovoltaic technology	4.1	27,345	0.76%											1.09%		
Electricity generation from wind energy	4.3	1,825	0.05%											0.07%		
Electricity generation from hydropower	4.5	26,970	0.75%											1.07%		
Electricity generation from bio-energy	4.8	12,593	0.35%											0.50%		
Transmission and distribution of electricity	4.9	335,740	9.29%											13.33%	F	
Construction, expansion and operation of water catchment, purification and distribution systems	5.1	33,544	0.93%											1.33%		
Rail transport infrastructure	6.14	3,158	0.09%											0.13%	F	
Construction of new buildings	7.1	13,364	0.37%											0.53%		
Renovation of existing buildings	7.2	64,809	1.79%											2.57%		T
Turnover from Taxonomy-eligible but not environmentally sustainable activities (Taxonomy-non-eligible activities) (A.2)		519,349	14.37%											20.62%		
Total (A.1 + A.2)		2,519,046	69.71%													
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																
Turnover from Taxonomy non-eligible activities (B)		1,094,626	30.29%													
Total (A + B)		3,613,672	100.00%													

PROPORTION OF CAPITAL EXPENDITURE (CAPEX) RELATED TO ASSETS OR PROCESSES
ASSOCIATED WITH SUSTAINABLE ENVIRONMENTAL ECONOMIC ACTIVITIES

CAPEX (THOUSANDS OF EUROS)					SUBSTANTIAL CONTRIBUTION CRITERIA		DO NO SIGNIFICANT HARM (DNSH) CRITERIA									
ECONOMIC ACTIVITIES	CODES	ABSOLUTE CAPEX (€ '000)	PROPORTION OF CAPEX (%)		CLIMATE CHANGE MITIGATION (%)	CLIMATE CHANGE ADAPTATION (%)	CLIMATE CHANGE MITIGATION (Y/N)	CLIMATE CHANGE MITIGATION (Y/N)	WATER AND MARINE RESOURCES (Y/N)	THE TRANSITION TO A CIRCULAR ECONOMY (Y/N)	POLLUTION PREVENTION AND CONTROL (Y/N)	BIODIVERSITY AND ECOSYSTEMS (Y/N)	MINIMUM GUARANTEES (Y/N)	PROPORTION OF TAXONOMY-ALIGNED CAPEX 2022 (%)	CATEGORY OF ENABLING ACTIVITY	CATEGORY OF TRANSITION ACTIVITY
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1 Environmentally sustainable activities (Taxonomy-aligned)																
Electricity generation from wind energy	4.3	85,713	42.77%		0.00%	0.00%	Y	Y	Y	Y	N/A	Y	Y	100.00%		
CapEx from environmentally sustainable activities (Taxonomy-aligned) (A.1)		85,713	42.77%		0.00%	0.00%								100.00%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned)																
														0.00%		
CapEx from Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities) (A.2)		0	0.00%											0.00%		
Total (A.1 + A.2)		85,713	0.00%													
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																
CapEx from Taxonomy non-eligible activities (B)		114,702	57.23%													
Total (A + B)		200,415	57.23%													

PROPORTION OF OPERATING EXPENSES (OPEX) RELATED TO ASSETS OR PROCESSES ASSOCIATED WITH SUSTAINABLE ENVIRONMENTAL ECONOMIC ACTIVITIES

OPEX (THOUSANDS OF EUROS)					SUBSTANTIAL CONTRIBUTION CRITERIA		DO NO SIGNIFICANT HARM (DNSH) CRITERIA									
ECONOMIC ACTIVITIES	CODES	ABSOLUTE OPEX (€ '000)	PROPORTION OF OPEX (%)		CLIMATE CHANGE MITIGATION (%)	CLIMATE CHANGE ADAPTATION (%)	CLIMATE CHANGE MITIGATION (Y/N)	CLIMATE CHANGE MITIGATION (Y/N)	WATER AND MARINE RESOURCES (Y/N)	THE TRANSITION TO A CIRCULAR ECONOMY (Y/N)	POLLUTION PREVENTION AND CONTROL (Y/N)	BIODIVERSITY AND ECOSYSTEMS (Y/N)	MINIMUM GUARANTEES (Y/N)	PROPORTION OF TAXONOMY-ALIGNED OPEX 2022 (%)	CATEGORY OF ENABLING ACTIVITY	CATEGORY OF TRANSITION ACTIVITY
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1 Environmentally sustainable activities (Taxonomy-aligned)																
Electricity generation from wind energy	4.3	7,283	4.02%		4.02%	0.00%	Y	Y	Y	Y	N/A	Y	Y	100.00%		
OpEx from environmentally sustainable activities (Taxonomy-aligned) (A.1)		7,283	4.02%		4.02%	0.00%								100.00%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned)																
OpEx from Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities) (A.2)		0	0.00%											0.00%		
Total (A.1 + A.2)		7,283	4.02%													
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																
OpEx from Taxonomy non-eligible activities (B)		173,924	95.98%													
Total (A + B)		181,207	100.00%													



FISCAL TRANSPARENCY

Country by Country Report GRI 207-4

TAX JURISDICTION	NUMBER OF EMPLOYEES	INCOME FROM SALES TO THIRD PARTIES	INCOME FROM INTRA-GROUP TRANSACTIONS WITH OTHER TAX JURISDICTIONS	PROFIT OR LOSS BEFORE TAXES	TANGIBLE ASSETS OTHER THAN CASH AND CASH EQUIVALENTS	INCOME TAX PAID	INCOME TAX ACCRUED	DIFFERENCE BETWEEN ACCRUED TAX AND THAT RESULTING FROM APPLYING THE TAX RATE TO THE ACCOUNTING RESULT *
GERMANY	-	20,000.00	-	-49,359.62	-	-	-	4
ANGOLA	1,622.00	47,570,280.11	2,089,992.00	7,292,437.13	4,057,511.00	1,162,929.88	1,154,234.91	8
ALGERIA	12.50	557.86	-	-3,158,669.61	3,984.25	125.95	520,881.47	8, 11
ARGENTINA	94.00	7,940,845.09	720.09	1,231,468.23	610,235.48	445,404.66	19,614.47	5, 6, 8
AUSTRALIA	109.00	201,418,182.66	99,619.87	17,296,989.06	1,828,814.30	-3,251.11	3,408,836.93	6, 11, 12
BELGIUM	1.00	28,267,181.63	-	1,227,847.75	-	-	-31,701.63	12
BOLIVIA	-	53.10	-	-23,247.68	7,760.50	-	-	9
BRAZIL	4,283.00	336,460,093.75	140,117,453.81	88,797,012.42	351,541,452.22	19,783,688.23	18,638,646.30	10, 11
CAMEROON	473.00	20,578,415.17	-	2,633,682.83	3,361,830.90	391,990.30	1,120,254.36	6
CANADA	6.00	27,206,654.45	6,001,574.74	5,008,958.65	152,086,814.63	-	660,629.56	5, 6, 11
CHILE	611.00	71,039,557.32	47,029,612.56	8,280,567.40	3,448,713.90	952,321.59	1,209,137.36	5, 11
COLOMBIA	33.00	9,663,988.66	23,286.98	-4,040,182.28	179,913.94	238,983.61	59.60	4, 6, 11
IVORY COAST	6.00	602,101.96	-	-1,404,475.40	143,263.31	-	-	4
DOMINICAN REPUBLIC	139.00	17,145,551.29	890,342.00	1,057,795.18	418,621.37	77,893.54	413,604.89	1, 5, 6, 11, 12
ECUADOR	3.00	17,420,002.09	1,508,354.83	1,484,456.69	63,160,309.38	375,766.69	234,989.76	5, 11
USA	753.00	256,084,858.36	-	11,054,481.74	14,674,951.67	1,000,561.58	3,030,511.16	11, 12
EL SALVADOR	48.00	9,057,396.01	99,963.60	88,136.76	122,182.72	69,124.95	-	12
UNITED ARAB EMIRATES	-	-	-	-	1,223.06	-	-	N/A
SPAIN	11,104.00	1,604,169,934.00	137,238,036.84	110,045,070.69	261,661,671.38	6,695,282.05	-4,279,609.31	5, 6, 7, 11
FINLAND	3.00	4,041,934.77	-	-320,948.33	135,214.32	-	-	4
GAMBIA	5.00	1,572,990.59	-	354,259.64	228,793.22	-	-	3
GHANA	113.00	7,134,676.40	-	-2,390,611.05	389,021.14	16,917.46	-	4
GUINEA	3.50	5,307,781.82	-	-673,523.17	859,617.39	9,520.00	9,520.00	1, 3
GUINEA-BISSAU	4.00	2,328,836.24	-	-197,485.38	282,982.35	-	-	3
HAITI	3.00	2,132,999.53	-	-232,586.46	119,876.03	94,962.05	-	4, 9
HONDURAS	41.00	6,658,855.48	739,846.00	2,465,374.94	47,850.24	-55,319.91	-22,368.71	3, 7
ENGLAND	286.00	36,006,996.43	27,790,293.47	2,776,849.98	688,491.66	-115,797.15	514,890.15	5, 6, 11
ITALY	627.00	71,865,676.42	27,310.97	-4,155,941.53	4,180,411.51	66,038.40	300,889.70	1, 6, 11
JORDAN	3.00	830,112.78	-	-16,569.29	-	-	-	11, 12
KUWAIT	-	220,737.21	-	153,454.26	-	25,294.44	21,670.32	11
LIBERIA	16.00	175,026.65	156,128.35	-109,161.00	-	-	-	3
LITHUANIA	19.00	16,857,741.68	-	3,277,644.39	10,771,849.71	5,765.00	115,537.63	12
MOROCCO	-	23,407.52	-	-21,062.51	-	434,938.05	435,228.01	1, 13
MAURITANIA	-	197,131.42	252,237.68	-1,282,729.54	127,400.96	68,022.37	26,067.60	1
MEXICO	52.00	75,993,558.05	3,328,303.61	12,416,073.44	218,773,447.91	1,551,849.09	4,860,683.98	11
MOZAMBIQUE	140.00	4,808,423.41	-	-1,241,235.12	1,142,933.34	3,735.52	1,859.52	1, 6
NORWAY	68.00	40,862,416.60	2,494,907.48	8,043,927.78	152,254.87	1,079,596.12	1,297,437.17	2, 6
OMAN	184.00	85,805,890.58	-	4,563,494.84	8,285,009.94	599,575.71	92,602.13	4, 7, 11, 12
PANAMA	75.00	15,351,695.50	113,041.85	-10,666,032.62	878,708.61	-	55,638.35	1, 4, 7, 11
PARAGUAY	1.00	389.73	-	-214,566.15	-	-	38.77	4, 11, 12
PERU	1.08	1,687,310.20	-	507,427.41	123,092.71	-1,668.14	88,368.29	7, 8, 11
PORTUGAL	224.00	25,969,279.59	1,872,931.55	2,698,693.86	1,065,522.99	101,844.08	511,642.78	6, 7, 11
ROMANIA	23.00	666,545.88	411,186.01	69,926.32	10,099.48	4,541.87	8,679.08	5, 6, 7
SENEGAL	18.00	6,354,854.32	227,467.21	-562,139.03	3,002,287.11	-	-6,588.85	1, 7, 11
SOUTH AFRICA	-	9,451.73	-	7,686.57	0.16	-	-	7
URUGUAY	218.00	13,090,841.76	111,166.54	473,371.33	498,015.04	206,933.61	79,000.11	1, 7
VENEZUELA	19.00	104,506.47	-	-322,339.29	949,759.84	48,345.05	52,865.89	6, 11
ZAMBIA	-	53,268.57	-	30,542.52	-	-	-	4
Overall total	21,444.08	3,080,758,990.83	372,623,778.04	262,254,766.77	1,110,021,894.53	35,335,915.54	34,543,751.74	

(*) Explanatory notes about the differences between effective tax rates and nominal rates:

1. Application of minimum tax
2. Special scheme that defers the tax payment
3. Projects that are exempt from the profits tax
4. A country that did not have any activity, or losses were generated, and therefore no tax payable was generated
5. Negative tax adjustment (non-taxable income)
6. Positive tax adjustment (non-deductible expenses) and inflationary adjustment
7. Application of tax credits
8. Application of deferred taxes
9. Tax year different from the calendar year
10. Presumed profit
11. The group of companies of the same fiscal jurisdiction with before-tax losses reduces the estimate of accrued corporations tax
12. Adjustments due to accounting integration
13. Prior years' tax from inspection



APPENDIX II

Index of content required by Law 11/2018, of 28 December, concerning non-financial information and diversity

INFORMATION REQUIRED BY LAW 11/2018	MATERIALITY	PAGE OR SECTION OF THE REPORT RESPONDING TO THE REQUIREMENT UNDER LAW 11/2018	REPORTING CRITERION: GRI (2016 VERSION OTHERWISE STATED)
General information			
A brief overview of the business model including the business environment, organisation and structure	Material	3, 33-34	GRI 2-6
Markets where it operates	Material	5-7, 36-37	GRI 2-1 GRI 2-6
The organisation's goals and strategies	Material	33-34	GRI 2-22
The main factors and trends potentially affecting future performance	Material	114-116	GRI 2-22
Reporting framework used	Material	22	GRI 1
Principle of Materiality	Material	27-30	GRI 3-1
Environmental issues			
Management approach: description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities	Material	66-85	GRI 3-3
Detailed general information			
Detailed information concerning current and foreseeable effects of the Company's activities on the environment and, where applicable, health and safety	Material	75-76	GRI 3-3
Procedures for environmental assessment or certification	Material	75	GRI 3-3
Resources allocated to preventing environmental risks	Material	75	GRI 3-3
Application of the precautionary principle	Material	60-61.75	GRI 3-3
Amount of provisions and guarantees for environmental risks	Material	76	GRI 3-3
Pollution			
Measures to prevent, reduce or remedy severe environmental emissions; taking into account any kind of atmospheric pollution specific to an activity, including noise and light pollution	Not material	Not material	
Circular economy and waste prevention and management			
Prevention, recycling, re-use, other methods of waste recovery and elimination	Material	80-82	GRI 306-1 (2020) GRI 306-2 (2020) GRI 306-4 (2020) GRI 306-5 (2020)
Actions for combating food wastage	Not material	Not material	
Sustainable use of resources			
Water consumption and water supply in accordance with local constraints	Material	78-80	GRI 303-5 (2018)
Consumption of raw materials and measures implemented to boost efficiency in their usage	Material	76 and 80	GRI 3-3
Direct and indirect energy consumption	Material	76	GRI 302-1
Measures taken to boost energy efficiency	Material	77	GRI 3-3
Renewable energy use	Material	78	GRI 302-1

Continued on next page

INFORMATION REQUIRED BY LAW 11/2018	MATERIALITY	PAGE OR SECTION OF THE REPORT RESPONDING TO THE REQUIREMENT UNDER LAW 11/2018	REPORTING CRITERION: GRI (2016 VERSION OTHERWISE STATED)
Climate change			
Greenhouse gas emissions generated as a result of the Company's activities, including the use of the goods and services it produces	Material	72-73	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4
Measures implemented to adapt to the consequences of climate change	Material	66-71	GRI 3-3 GRI 201-2
Targets established voluntarily in the medium and long term to reduce greenhouse gas emissions and the measures implemented for that purpose	Material	66-71	GRI 305-5
Safeguarding biodiversity			
Measures implemented to preserve or restore biodiversity	Material	82-85	GRI 304-3
Impacts of the activities or operations on protected areas	Material	82-85	GRI 304-2
Social matters and issues concerning staff			
Management approach: description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities	Material	34-51	GRI 3-3
Employment			
Total number of employees and breakdown by country, gender, age and professional category	Material	36-39, 151-152	GRI 2-7 GRI 405-1
Total number and distribution of contract modalities and annual average numbers of open-ended, temporary and part-time contracts by gender, age and professional category	Material	153-157	GRI 2-7
Number of layoffs by gender, age and professional category	Material	39.163-164	GRI 3-3 GRI 401-1
Average remuneration and evolution thereof by gender, age and professional category or equal value	Material	44-45, 165-167	GRI 3-3 GRI 405-2
Wage gap, remuneration of equal jobs or company average	Material	45	GRI 3-3 GRI 405-2
Average remuneration of directors and executives, including variable remuneration, per diem expenses, termination benefits, payments to long-term benefit schemes and any other items, broken down by gender	Material	44-45, 110-112	GRI 3-3 GRI 405-2
Policies to facilitate disconnection from work	Material	45-46	GRI 3-3
Number of disabled employees	Material	48-49	GRI 405-1
Organisation of work			
Organisation of work time	Material	45	GRI 3-3
Number of hours of absenteeism	Material	39	GRI 3-3
Measures aimed at facilitating work-life balance and fostering a mutually responsible approach thereto by both parents	Material	45-47	GRI 3-3

Continued on next page



INFORMATION REQUIRED BY LAW 11/2018	MATERIALITY	PAGE OR SECTION OF THE REPORT RESPONDING TO THE REQUIREMENT UNDER LAW 11/2018	REPORTING CRITERION: GRI (2016 VERSION OTHERWISE STATED)
Health and Safety			
Occupational Health and Safety conditions	Material	53-60	GRI 403-1 (2018) GRI 403-2 (2018) GRI 403-3 (2018) GRI 403-4 (2018) GRI 403-5 (2018) GRI 403-6 (2018) GRI 403-7 (2018) GRI 403-8 (2018)
Workplace accidents, in particular their frequency and severity, as well as occupational illnesses; broken down by gender	Material	56-58	GRI 403-9 (2018) GRI 403-10 (2018)
Social relations			
Organisation of social dialogue, including procedures to inform and consult employees and to negotiate with them	Material	51	GRI 3-3
Percentage of employees covered by collective bargaining agreements by country	Material	51	GRI 2-30
Balance of collective bargaining agreements, especially in connection with occupational health and safety	Material	54	GRI 403-4 (2018)
Mechanisms and procedures that the company has in place to encourage workers' involvement in the management of the company, in terms of information, consultation and participation	Material	51	GRI 3-3
Training			
Training policies implemented	Material	39-41	GRI 3-3
Total number of training hours by professional category	Material	41-44	GRI 404-1
Universal access			
Universal access for disabled people	Material	49	GRI 3-3
Equality			
Measures implemented to promote equal treatment and equal opportunities for women and men	Material	46-47	GRI 3-3
Equality plans, measures adopted to promote employment, protocols against sexual harassment and gender-based harassment	Material	46	GRI 3-3
Policy against any kind of discrimination and, in the event, for managing diversity	Material	47	GRI 3-3
Respect for Human Rights			
Management approach: description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities	Material	127-128	GRI 3-3
Application of due diligence procedures			
Application of due diligence procedures in connection with human rights and the prevention of risks of human rights breaches and, where applicable, measures to mitigate, manage and remedy potential abuse	Material	127-128	GRI 2-23 GRI 2-26
Complaints regarding human rights breaches	Material	47, 122	GRI 3-3
Measures implemented for the promotion and compliance with the provisions of ILO fundamental conventions relating to respect for freedom of association and the right to collective bargaining; elimination of discrimination in the workplace and occupation; elimination of forced or compulsory labour; effective abolition of child labour	Material	127-128	GRI 3-3

Continued on next page

INFORMATION REQUIRED BY LAW 11/2018	MATERIALITY	PAGE OR SECTION OF THE REPORT RESPONDING TO THE REQUIREMENT UNDER LAW 11/2018	REPORTING CRITERION: GRI (2016 VERSION OTHERWISE STATED))
Combating bribery and corruption			
Management approach: description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities	Material	118-121, 125-126	GRI 3-3
Measures implemented to prevent bribery and corruption	Material	118-121, 125-126	GRI 3-3 GRI 2-23 GRI 205-3
Anti-money laundering measures	Material	118-121, 125-126	GRI 3-3 GRI 2-23 GRI 205-3
Contributions to foundations and non-profit organisations	Material	124.135	GRI 2-28 GRI 201-1
Company information			
Management approach: description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities	Material	132-150	GRI 3-3
The company's commitment to sustainable development			
Impact of the business on society, with regard to jobs and local development	Material	133-143	GRI 3-3 GRI 203-2 GRI 204
The impact of the business on local communities and territory	Material	28-29, 133-143	GRI 2-29 GRI 203-2
Relations with the stakeholders in local communities and modalities of dialogue with them	Material	28-29, 31-33, 142-143	GRI 2-29
Association or sponsorship actions	Material	101-102, 124, 133, 146-147	GRI 2-28 GRI 3-3 GRI 201-1
Subcontracting and suppliers			
Inclusion in procurements policy of social issues, equality and environmental considerations	Material	63-65	GRI 3-3
Consideration, in relations with suppliers and subcontractors, of their social and environmental responsibility	Material	63-65	GRI 2-6 GRI 308-1
Supervisory system and audits, and findings thereof	Material	63-65	GRI 2-6
Consumers			
Measures to ensure consumer health and safety	Material	60-62	GRI 3-3
Complaints systems, complaints received and resolution thereof	Material	62-63	GRI 3-3
Tax information			
Profits obtained by country	Material	129-130	GRI 207-1 (2019) GRI 207-2 (2019) GRI 207-3 (2019)
Income tax paid	Material	131	GRI 207-1 (2019) GRI 207-2 (2019) GRI 207-3 (2019)
Public grants received	Material	132	GRI 201-4

EU Regulation (202/852) - Taxonomy

Regulation requirement	Material	85-92, 172-177	Elecnor Group's own methodology prepared based on article 8 of the European Taxonomy
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APPENDIX III

GRI content index

STATEMENT OF USE	Elecnor has prepared the report pursuant to GRI Standards for the period from 1 January to 31 December 2022.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARDS	Not applicable

GRI STANDARD	CONTENTS	PAGE OF THE REPORT FEATURING RESPONSE	OMISSIONS
GRI 1: Foundation 2021			
GRI 2: General disclosures 2021			
2-1	Organizational details	3, 22, 151-152 Paseo de la Castellana, 81 - Planta 20 28046 - Madrid - Spain	–
2-2	Entities included in the organization's sustainability reporting	22 Appendix I to the Annual Accounts of Elecnor, S.A. and Subsidiaries	–
2-3	Reporting period, frequency and contact point	Year 2022 Annual submission Contact address elecnor@elecnor.com	–
2-4	Restatements of information	There have not been any significant changes	–
2-5	External assurance	191-193 ACGR C.1.30	–
2-6	Activities, value chain and other business relationships	33, 63-65	–
2-7	Employees	36-38, 133, 151-157	–
2-8	Workers who are not employees	36	Information on Workers who are not employees controlled by the Elecnor Group is not available in the company's systems with the required breakdown. The Elecnor Group is working towards improving its systems to report this information in 2027
2-9	Governance structure and composition	105-109	
2-10	Nomination and selection of the highest governance body	105-106 ACGR C.1.16.	
2-11	Chair of the highest governance body	105-106	
2-12	Role of the highest governance body in overseeing the management of impacts	106-109 ACGR C.2.1	
2-13	Delegation of responsibility for managing impacts	114 ACGR C1.3, C.2.1	
2-14	Role of the highest governance body in sustainability reporting	23-24	
2-15	Conflicts of interest	ACGR D6	
2-16	Communication of critical concerns	23-25, 107-108, 118-122	
2-17	Collective knowledge of the highest governance body	ACGR C1.3	
2-18	Evaluation of the performance of the highest governance body	113 ACGR C.1.17	

Continued on next page

GRI STANDARD	CONTENTS	PAGE OF THE REPORT FEATURING RESPONSE	OMISSIONS
2-19	Remuneration policies	110-112 Remuneration Policy 2022-2025	–
2-20	Process to determine remuneration	110-112 Remuneration Policy 2022-2025	–
2-21	Annual total compensation ratio	168	The information in section b has not been reported. Section a. Only fixed remuneration has been taken into account in this ratio, with the Chief Executive Officer's compensation corresponding to the fixed remuneration for his executive duties. The Elecnor Group is working on its reporting systems in order to be able to report the total compensation ratio with all variable items in 2025
2-22	Statement on sustainable development strategy	The Chairman's Letter is published in the 2022 Integrated Report	
2-23	Policy commitments	22, 60-61, 75-76, 116-124	
2-24	Embedding policy commitments	22, 60-61, 75-76, 116-124	
2-25	Processes to remediate negative impacts	30-32, 46-47, 62-63, 82-85, 141-143	
2-26	Mechanisms for seeking advice and raising concerns	121	
2-27	Compliance with laws and regulations	90, 107	
2-28	Membership associations	101-102, 146-147, 124, 133	
2-29	Approach to stakeholder engagement	27-30, 30-32	
2-30	Collective bargaining agreements	51	

GRI 3: Material Topics 2021

3-1	Process to determine material topics	27-30	–
3-2	List of material topics	27-30	–

THEMATIC CONTENT

GRI STANDARD	CONTENTS	PAGE OF THE REPORT FEATURING RESPONSE	DIRECT RESPONSE / OMISSIONS
Talent management			
3-3 Material topics			
3-3	Management of material topics	34-36, 39-41	–
GRI 401: Employment 2016			
401-1	New employee hirings and employee turnover	39,158-163	–
401-3	Parental leave	47	–
GRI 404: Training and education 2016			
404-1	Average hours of training per year per employee	41	–
404-2	Programs for upgrading employee skills and transition	39-41	Note. At present, the Elecnor Group does not have any transition assistance programmes in place to facilitate

Continued on next page

GRI STANDARD	CONTENTS	PAGE OF THE REPORT FEATURING RESPONSE	DIRECT RESPONSE / OMISSIONS
Occupational health and safety			
3-3 Material topics			
3-3	Management of material topics	53-60	–
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	51-60	
403-2	Hazard identification, risk assessment and incident investigation	53-54	
403-3	Occupational health services	53-54, 56	
403-4	Worker participation, consultation and communication on occupational health and safety	54	
403-5	Worker training on occupational health and safety	54-56	
403-6	Promotion of worker health	56-60	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	53, 58	
403-8	Workers covered by an occupational health and safety management system	53-54	
403-9	Work-related injuries	56-58	
403-10	Work-related ill health	56-58, 59-60	
Ethics and Compliance			
3-3 Material topics			
3-3	Management of material topics	116-132	–
GRI 201: Economic performance 2016			
201-4	Financial assistance received from government	132	–
GRI 205: Anti-Corruption 2016			
205-1	Operations assessed for risks related to corruption	114-116, 118-119	
205-2	Communication and training about anti-corruption policies and procedures	122-123	
205-3	Confirmed incidents of corruption and actions taken	118-122	
GRI 206: Anti-competitive behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Note 18 Annual Accounts of Elecnor, S.A. and Subsidiaries	–
GRI 207: Tax 2019			
207-1	Approach to tax	128-132	
207-2	Tax governance, control, and risk management	128-132	
207-3	Stakeholder engagement and management of concerns related to tax	128-132	
207-4	Country-by-country reporting	129, 178	
GRI 415: Public policy 2016			
415-1	Political contributions	125	–
Resource efficiency			
3-3 Material topics			
3-3	Management of material topics	75-85	–
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	76	
302-2	Energy consumption outside the organisation	76	
302-3	Energy intensity	76	
302-4	Reduction of energy consumption	70-71	
302-5	Reductions in energy requirements of products and services	73-75, 77	

Continued on next page

GRI STANDARD	CONTENTS	PAGE OF THE REPORT FEATURING RESPONSE	DIRECT RESPONSE / OMISSIONS
GRI 303: : Water and Effluents 2018			
303-1	Interactions with water as a shared resource	78-80	–
303-5	Water consumption	80	–
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	80	–
306-2	Management of significant waste-related impacts	80	–
306-3	Waste generated	80	–
306-4	Waste diverted from disposal	81	–
306-5	Waste directed to disposal	81	–
Biodiversity			
3-3 Material topics			
3-3	Management of material topics	82-83	–
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	82-85, 169-171	–
304-2	Significant impacts of activities, products, and services on biodiversity	82-85	–
304-3	Habitats protected or restored	82-85	–
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	172	–
Climate change			
3-3 Material topics			
3-3	Management of material topics	66-75	–
GRI 201: Economic performance 2016			
201-2	Financial implications and other risks and opportunities due to climate change	66-71, 77-78	In the project to identify and assess climate risks and opportunities undertaken in 2022, the Elecnor Group has not found that any short-term costs will be generated beyond those associated with the management and mitigation measures currently implemented by the Group
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	72	–
305-2	Energy indirect (Scope 2) GHG emissions	72	–
305-3	Other indirect (Scope 3) GHG emissions	72-73	–
305-4	GHG emissions intensity	72	–
305-5	Reduction of GHG emissions	71-73 Note ⁹	–

[9] The GHGs encompassed in the Elecnor Group's carbon footprint are those which, among those considered in the Kyoto Protocol, are generated by the Group's activity. These are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) and, additionally, hydrofluorocarbons (HFCs) associated with refrigerant gas leaks. Given that sulphur hexafluoride (SF₆), nitrogen trifluoride (NF₃) and perfluorocarbons (PFCs) are not generated within the Group's equipment or activities, they have not been considered for the scope of the current carbon footprint.

Continued on next page

GRI STANDARD	CONTENTS	PAGE OF THE REPORT FEATURING RESPONSE	DIRECT RESPONSE / OMISSIONS
Dialogue with communities			
3-3 Material topics			
3-3	Management of material topics	142-144	–
GRI 203: Indirect economic impacts 2016			
203-2	Significant indirect economic impacts	141-143	–
GRI 413: Local communities 2016			
413-2	Operations with significant actual and potential negative impacts on local communities	141-143	-
Local development			
3-3 Material topics			
3-3	Management of material topics	133-142	–
GRI 201: Economic performance 2016			
201-1	Direct economic value generated and distributed	133-136	–
GRI 203: Indirect economic impacts 2016			
203-1	Infrastructure investments and services supported	136-139	–
GRI 204: Procurement practices 2016			
204-1	Proportion of spending on local suppliers	135	–
GRI 413: Local communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	135-141	–
Human rights			
3-3 Material topics			
3-3	Management of material topics	128-129	–
GRI 406: Non-Discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	47	–
GRI 407: Freedom of association and collective bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	63-65, 118-124, 127-128	–
GRI 408: Child labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	63-65, 118-124, 127-128	–
GRI 409: Forced or compulsory labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	63-65, 118-124, 127-128	–
GRI 411: Rights of indigenous people 2016			
411-1	Incidents of violations involving rights of indigenous peoples	127-128	–
Service quality and customer focus			
3-3 Material topics			
3-3	Management of material topics	60-63	–
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	60-63	–
Digital transformation			
3-3 Material topics			
3-3	Management of material topics	94-96	–

APPENDIX IV

Table of contents according to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

The contents of this report are in line with the recommendations of the TCFD. The location of the contents suggested by the initiative can be viewed in this table of contents:

AREAS	CONTENTS	PAGES
Governance	Describe the board's oversight of climate-related risks and opportunities	66-67
	Describe management's role in assessing and managing climate-related risks and opportunities	66-67
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	67-70
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	67-70
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	66-70
Risks	Describe the organisation's processes for identifying and assessing climate-related risks	67-70, 118-121
	Describe the organisation's processes for managing climate-related risks	67-70, 118-121
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	67-70, 118-121
Metrics	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	70-72, 76-82
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	71-73
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance of these targets	66-70

APPENDIX: ALTERNATIVE PERFORMANCE MEASURES

Elecnor presents the Alternative Performance Measures, according to the guidelines published by the ESMA (European Securities and Markets Authority). These measures are widely used by investors, securities analysts and other agents as performance measures that are supplementary, and should be considered as such, and in no case as a replacement.

Alternative measures of the Elecnor Group's performance

KEY FIGURES

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Turnover	3,613,672	3,122,421	15.7%
Domestic	1,491,563	1,422,918	4.8%
International	2,122,109	1,699,503	24.9%
EBITDA	302,052	271,769	11.1%
Profit before tax	165,931	142,048	16.8%
Attributable consolidated net profit	102,813	85,883	19.7%

TURNOVER BY SEGMENTS

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Elecnor	3,422,866	2,958,160	15.7%
Enerfín	220,412	166,593	32.3%
Subtotal Businesses	3,643,278	3,124,753	16.6%
Operations between segments	(29,606)	(2,332)	–
	3,613,672	3,122,421	15.7%

TURNOVER BY ACTIVITY

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Electricity	1,352,435	1,260,553	7.2%
Power generation	945,146	685,292	37.9%
Telecommunications and space	242,133	267,522	-9.5%
Facilities	232,520	209,434	11.0%
Construction, environment and water	285,849	298,202	-4.1%
Maintenance	287,998	194,514	48.1%
Oil & Gas	165,724	141,279	17.3%
Railways	101,867	65,625	55.2%
	3,613,672	3,122,421	15.7%

EBITDA

EBITDA is defined as operating income plus expense for amortisation, depreciation, impairment and charges to provisions. The group deems EBITDA to be a useful supplementary indicator that can be used in assessing the Group's operating performance.

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
EBITDA = Gross Operating Profit:	302,052	271,769	11.1%
Operating income	212,742	178,683	–
+ Expense for amortisation, depreciation, impairment, and charges to provisions, and negative difference in business	89.310	93.086	–

EBITDA BY SEGMENTS

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Elecnor	168,928	165,838	1.9%
Enerfín	154,490	116,303	32.8%
Celeo	17,153	14,998	14.4%
Subtotal Businesses	340,571	297,139	14.6%
Group Management and Other Adjustments	(29,569)	(25,109)	–
Operations between segments	(8,950)	(261)	–
Total Group	302,052	271,769	11.1%

PROFIT BEFORE INCOME TAX BY SEGMENT

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Elecnor	105,913	114,957	-7.9%
Enerfín	84,934	44,076	92.7%
Celeo	17,153	14,999	14.4%
Subtotal Businesses	208,000	174,032	19.5%
Group Management and Other Adjustments	(35,959)	(32,566)	–
Operations between segments	(6,110)	582	–
Total Group	165,931	142,048	16.8%

CONSOLIDATED NET PROFIT ATTRIBUTABLE BY SEGMENT

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Elecnor	77,459	77,119	0.4%
Enerfín	44,124	23,336	89.1%
Celeo	17,153	14,998	14.4%
Subtotal Businesses	138,736	115,453	20.2%
Group Management and Other Adjustments	(30,622)	(29,991)	–
Operations between segments	(5,301)	421	–
Total Group	102,813	85,883	19.7%

Alternative measures of profit and loss of the holding company of the Elecnor Group

KEY FIGURES

THOUSANDS OF EUROS	2022	2021
Turnover	102,237	67,456
Operating income	40,894	16,109
Profit before tax	31,606	7,361
Profit after tax	36,882	9,196

KEY FIGURES

THOUSANDS OF EUROS	2022	2021
EBITDA = Gross Operating Profit	45,027	25,685
Operating income	40,894	16,109
+ Depreciation and amortisation of fixed assets in the income statement of Elecnor, S.A.	5,098	3,897
+ Impairment and losses under the heading Impairment and profit/loss on disposals of financial instruments in the income statement of Elecnor, S.A.	(965)	5,679

Stock market information

	2022	2021
Closing share price (Euros)	10.6	10.5
Total volume of securities (millions)	6.1	5.6
Total cash traded (millions of Euros)	66.6	57.7
Number of shares (millions)	87	87
Market capitalisation (millions of Euros)	922.2	913.5
PER	9.0	10.6
Dividend yield	3.5%	3.1%

Elecnor's portfolio

PENDING BACKLOG

THOUSANDS OF EUROS, AT YEAR-END	2022	2021	CHANGE (%)
Domestic	633,939	579,656	9.4%
International	1,774,464	1,711,829	3.7%
Total	2,408,403	2,291,485	5.1%

Alternative debt measures; indebtedness ratio

NET FINANCIAL DEBT

THOUSANDS OF EUROS, AT YEAR-END	2022	2021
Net Financial Debt with recourse	120,791	119,392
EBITDA	302,052	271,769
<i>With recourse ³</i>	<i>137,661</i>	<i>138,284</i>
<i>Without recourse ⁴</i>	<i>164,391</i>	<i>133,485</i>
Ratio of Debt/EBITDA with recourse + projects div.	0.72	0.83
Total Net Financial Debt	546,913	516,815
<i>With recourse</i>	<i>120,791</i>	<i>119,392</i>
<i>Without recourse</i>	<i>426,122</i>	<i>397,423</i>
EBITDA	302,052	271,769
Ratio of Total Net Financial Debt/ EBITDA	1.81	1.90

(3) EBITDA with recourse is Group EBITDA excluding non-recourse EBITDA (EBITDA corresponding to investment projects financed by debt secured by such projects).

(4) EBITDA without recourse is EBITDA corresponding to investment projects financed by debt secured by such projects.

THOUSANDS OF EUROS, AT YEAR-END	2022	2021
Net Financial Debt with recourse	120,791	119,392
(Net Financial Debt in Note 16 of the Annual Accounts of Elecnor, S.A. and Subsidiaries)		
EBITDA	302,052	271,769
<i>EBITDA without recourse (from projects financed via funding without recourse)</i>	<i>164,391</i>	<i>133,485</i>
<i>EBITDA with recourse</i>	<i>137,661</i>	<i>138,284</i>
Dividends from projects financed via funding without recourse	73,495	43,931
Reversal of the effect on EBITDA with recourse of the application of IFRS 16	-17,962	-17,001
EBITDA with recourse + Dividends from projects without recourse net of the effect of IFRS 16	193,194	165,214
Indebtedness ratio = Net financial debt with recourse/(EBITDA with recourse + Dividends from projects)	0.63	0.72

Note: the purpose of eliminating the effect of IFRS 16 on Leases is to offset the impact of this standard —the impact increases the figures of EBITDA and Debt— and to comply with the method of calculating this figure contained in the financing contracts.



CALCULATION OF TOTAL NET FINANCIAL DEBT

THOUSANDS OF EUROS	2022	2021
+ Financial liabilities from issuing bonds and other marketable securities	175,951	134,581
+ Financial liabilities on loans and borrowings	779,682	789,598
+ Derivative financial instruments (non-current liabilities and current liabilities in the Consolidated Statement of Financial Position)	54,553	101,272
– Current investments in related companies	(761)	(323)
– Derivative financial instruments	(3,905)	(6,454)
– Cash and cash equivalents	(372,525)	(388,105)
– Other current financial investments	(12,076)	(11,214)
– Derivative financial instruments (of Non-current assets)	(9,639)	(371)
– Debt service reserve account within “Other cash equivalents” (Note 14 c)	(17,825)	(17,681)
+ Loans granted by public entities (Note 16)	3,801	4,622
+ Derivative financial instruments (current assets in the Consolidated Statement of Financial Position) arising from exchange rate hedges (Note 17)	2,361	6,122
+ Derivative financial instruments (current assets in the Consolidated Statement of Financial Position) arising from energy price hedges (Note 17)	1,544	
+ Derivative financial instruments (non-current assets in the Consolidated Statement of Financial Position) arising from exchange rate hedges (Note 17)		101
– Derivative financial instruments (non-current liabilities and current liabilities in the Consolidated Statement of Financial Position) arising from exchange rate hedges (Note 17)	(5,552)	(10,723)
– Derivative financial instruments (non-current liabilities and current liabilities in the Consolidated Statement of Financial Position) arising from exchange rate hedges (Note 17)	(48,696)	(84,610)
Total Net Financial Debt	546,913	516,815
(increase on previous year's close)	5.8%	-0.4%

Details of the Group's workforce

ELECORN GROUP'S WORKFORCE

AT 31 DECEMBER EACH YEAR	2022	2021	CHANGE (%)
Domestic	11,210	11,103	1.0%
International	11,138	10,328	7.8%
	22,348	21,431	4.3%

This calculation does not include directors who are not on the Group's workforce.

Other disclosures

ELECORN (SERVICES AND PROJECTS)

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Turnover	3,422,866	2,958,160	15.7%
EBITDA	168,928	165,838	1.9%
Profit before tax	105,913	114,957	-7.9%
Attributable net profit	77,459	77,119	0.4%

ENERFÍN

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Turnover	220,412	166,593	32.3%
EBITDA	154,490	116,303	32.8%
Profit before tax	84,934	44,076	92.7%
Attributable net profit	44,124	23,336	89.1%

For a better understanding of the EBITDA that this business contributes to the group, the following table presents the main projects at the end of each year (see Note 32 of the Notes to the Annual Accounts of Elecnor, S.A. and subsidiaries for the year ended 31/12/22):

YEAR-END 2022:

	EBITDA	GROSS DEBT	CASH	NET DEBT	INSTALLED CAPACITY (MW)	GENERATION (GWh)	LOAD FACTOR	SHAREHOLDING	%	DATE OF ENTRY INTO OPERATION
National Projects:										
Eólica Montes de Cierzo, S.L.	15,529	--	1,607	1,607	60	114	21.5%	100.00%		2001
Eólica Páramo de Poza, S.A.	14,825	--	1,067	1,067	101	127	14.5%	70.00%		2002
Parque Eólico Malpica, S.A.	9,370	--	469	469	16	64	44.6%	95.55%		2004
Aerogeneradores del Sur, S.A.	20,911	(3,671)	2,694	(977)	54	139	29.3%	100.00%		2005
Galicia Vento, S.L.	44,160	(8,565)	7,482	(1,083)	128	305	27.2%	90.60%		1997- Repowered 2017
Parque Eólico Cofrentes, S.L.U.	8,853	(57,950)	6,741	(51,209)	50	131	30.1%	100.00%		2020
Renovables del Cierzo, S.L.U.	(20)	(52,000)	2,395	(49,605)	139	–	–	100.00%		
Energy price hedges (*)	(46,235)	(21,579)	1,544	(20,035)	–	–	–	–		

Brazil projects:

Ventos do Sul, S.A.	31,155	(30,513)	9,313	(21,200)	150	335	25.5%	80.00%		2006
Parques Eólicos Palmares, S.A.	6,465	(11,038)	3,676	(7,362)	58	149	29.6%	80.00%		2010/2011/2012
Ventos da Lagoa, S.A.	5,484	(11,787)	2,218	(9,569)	58	148	29.4%	80.00%		2012
Ventos Do Litoral Energia, S.A.	4,692	(11,757)	3,829	(7,928)	58	140	27.7%	80.00%		2013
Ventos dos Índios Energia, S.A.	2,854	(15,205)	3,026	(12,179)	53	138	29.7%	80.00%		2014
Ventos do São Fernando I Energia	3,072	(46,014)	3,140	(42,874)	76	245	36.7%	100.00%		Oct 2020
Ventos de São Fernando II Energia	6,379	(39,524)	4,062	(35,462)	73	219	34.4%	100.00%		Nov 2020
Ventos de São Fernando III Energia	1,878	(15,031)	4,513	(10,518)	24	69	32.3%	100.00%		Nov 2020
Ventos do São Fernando IV Energia, S.A.	2,879	(45,692)	5,435	(40,257)	83	236	32.4%	100.00%		Feb 2021

Canada Projects:

Éoliennes de L'Érable, SEC.	25,630	(124,775)	6,645	(118,130)	100	320	36.5%	51.00%		2013
Structure	(161)	–	2,579	2,579	–	–	–	–		
Developments and other investees*	(3,230)	–	7,749	7,749	271	–	–	–		
Total	154,490					2,879				



YEAR-END 2021:

	EBITDA	GROSS DEBT	CASH	NET DEBT	INSTALLED CAPACITY (MW)	GENERATION (GWh)	LOAD FACTOR	% SHAREHOLDING	DATE OF ENTRY INTO OPERATION
National Projects:									
Eólica Montes de Cierzo, S.L.	9,026	--	718	718	60	121	22.8%	100.00%	2001
Eólica Páramo de Poza, S.A.	9,369	--	1,975	1,975	101	131	14.9%	70.00%	2002
Aerogeneradores del Sur, S.A.	10,847	(7,386)	7,471	85	54	119	25.0%	100.00%	2004
Galicia Vento, S.L.	27,663	(17,235)	15,830	(1,405)	128	314	28.0%	91.00%	2005
Parque Eólico Malpica, S.A.	5,454	(6,939)	4,584	(2,355)	16	65	45.1%	96.00%	1997- Repowered 2017
Parque Eólico Cofrentes, S.L.U.	6,782	(52,093)	5,033	(47,060)	50	144	32.9%	100.00%	2020
Cobertura de precio de energía contratada por Enerfin Sociedad de Energía, S.L.	(37,558)	(65,987)	18,494	(47,493)	–	–	–	–	
Brazil projects:									
Ventos do Sul, S.A.	24,483	(34,607)	7,314	(27,293)	150	368	28.0%	80.00%	2006
Parques Eólicos Palmares, S.A.	5,509	(11,403)	2,912	(8,491)	58	161	32.1%	80.00%	2010/2011/2012
Ventos da Lagoa, S.A.	4,836	(12,117)	4,245	(7,872)	58	161	32.0%	80.00%	2012
Ventos Do Litoral Energia, S.A.	4,441	(12,019)	4,123	(7,896)	58	155	30.8%	80.00%	2013
Ventos dos Índios Energia, S.A.	2,448	(15,021)	2,622	(12,399)	53	150	32.3%	80.00%	2014
Ventos do São Fernando I Energia	5,630	(42,326)	1,809	(40,517)	76	280	41.9%	100.00%	Oct 2020
Ventos de São Fernando II Energia	6,111	(37,421)	4,012	(33,409)	73	251	39.4%	100.00%	Nov 2020
Ventos de São Fernando III Energia	2,381	(12,580)	2,641	(9,939)	24	80	37.5%	100.00%	Nov 2020
Ventos do São Fernando IV Energia, S.A.	5,459	(40,624)	4,928	(35,696)	83	271	37.2%	100.00%	Feb 2021
Canada Projects:									
Éoliennes de L'Érable, SEC.	21,441	(133,662)	5,588	(128,074)	100	292	33.4%	51.00%	2013
Structure	2,894	–	14,230	14,230	–	–	–	–	
Developments and other investees*	(914)	–	4,264	4,264	213	–	–	–	
Total	116,302				3,064.13				

CELEO (100% SUBGROUP)

THOUSANDS OF EUROS	2022	2021	CHANGE (%)
Turnover	306,575	278,267	10.2%
EBITDA	241,783	191,790	26.1%
Profit before tax	104,070	59,916	73.7%
Attributable net profit	33,806	29,950	12.9%

For a better understanding of the EBITDA that this business contributes to the group, the following table presents the main projects at the end of each year (see Note 32 of the Notes to the Annual Accounts of Elecnor, S.A. and subsidiaries for the year ended 31/12/22):

GRUPO CELEO CONCESIONES E INVERSIONES	2022						
	EBITDA	GROSS DEBT	CASH	NET DEBT	KM	MW	% SHAREHOLDING
BRAZIL							
Celeo Redes Transmissão de Energia, S.A.	24,657	60,357	1,491	58,866	-	-	51%
Lt Triângulo, S.A.	20,934	0	4,050	(4,050)	695	-	51%
Vila Do Conde Transmissora De Energia, S.A.	9,009	–	6,257	(6,257)	324	-	51%
Pedras Transmissora de Energia, S.A.	2,668	1,234	3,312	(2,078)	-	-	51%
Coqueiros Transmissora De Energia, S.A.	1,069	504	467	37	65	-	51%
Encruzo Novo Transmissora De Energia, S.A.	2,301	3,013	601	2,412	220	-	51%
Linha De Transmissão Corumbá, S.A.	5,062	5,898	1,215	4,683	279	-	51%
Integração Maranhense Transmissora de Energia, S.A.	6,026	9,433	5,963	3,470	365	-	26%
Caiuá Transmissora De Energia, S.A.	4,108	6,381	3,971	2,410	142	-	26%
Cantareira Transmissora de Energia, S.A.	21,838	85,645	20,066	65,579	342	-	26%
Serra De Ibiapa Transmissora de Energia, S.A. – SITE	16,894	154,685	18,522	136,163	366	-	51%
Brilhante Transmissora de Energia, S.A.	9,335	29,181	5,245	23,936	581	-	51%
Jaurú Transmissora de Energia, S.A.	11,697	23,565	5,965	17,600	940	-	34.0%
Cachoeira Paulista Transmissora de Energia, S.A.	11,939	43,932	19,605	24,327	181	-	25.5%
Parintins Amazonas Transmissora de Energia, S.A.	(28)	184,483	33,599	150,885	240	-	25.5%
Celeo São João Do Piauí FV I, S.A. (6)	8,614	69,685	4,437	65,248	-	180	51%
CHILE							
Celeo Redes Operación Chile, S.A.	42,767	505,434	27,312	478,122	-	-	51%
AAalto Jahuel Transmisora de Energía, S.A.	21,581	(1,212)	7,374	(8,586)	256	-	51%
Charrúa Transmisora de Energía, S.A.	16,892	-	7,003	(7,003)	198	-	51%
CRC Transmisión, SPA	14,562	181,421	4,616	176,805	-	-	25.50%
Casablanca Transmisora de Energía, S.A.	771	1,491	3,231	(1,740)	110	-	25.50%
Mataquito Transmisora de Energía, S.A.	849	1,969	1,099	869	387	-	25.50%
Diego de Almagro Transmisora de Energía, S.A.	4,521	-	637	(637)	52	-	25.50%
Alfa Transmisora de Energía, S.A.	64,097	979,196	54,447	924,749	899	-	10.20%
Transquillota Electrica de Quillota Limitada	2,234	-	2,529	-	8	-	10.20%
PERU							
Puerto Maldonado Transmisora de Energía, S.A.C.	(186)	4,086	70	4,016	162	-	51%
SPAIN							
Celeo Fotovoltaico, S.L.U.	5,725	30,942	4,906	26,036	-	15	51%
Dioxipe Solar, S.L.	16,864	157,062	12,888	144,174	-	50	49.76%
Aries Solar Termoelectrica, S.L.	30,791	325,533	18,731	306,802	-	100	51%
Celeo Redes, S.L.	(81)	4,284	195	4,089	-	-	51%
OTHER	29,711	-	34,564	-	-	-	-
Total	430,750	2,868,201	334,884	2,590,927	6,812	345	



GRUPO CELEO CONCESIONES E INVERSIONES	2021						
	EBITDA	GROSS DEBT	CASH	NET DEBT	KM	MW	% SHAREHOLDING
BRAZIL							
Celeo Redes Transmissão de Energia, S.A.	6,081	61,349	6,179	55,171	-	-	51%
Lt Triângulo, S.A.	15,167	-	7,875	-	695	-	51%
Vila Do Conde Transmissora De Energia, S.A.	8,456	-	8,891	-	324	-	51%
Pedras Transmissora de Energia, S.A.	2,160	2,260	2,849	(589)	-	-	51%
Coqueiros Transmissora De Energia, S.A.	914	729	217	512	65	-	51%
Encruzo Novo Transmissora De Energia, S.A.	1,991	3,313	1,025	2,288	220	-	51%
Linha De Transmissão Corumbá, S.A.	3,272	6,662	2,207	4,455	279	-	51%
Integração Maranhense Transmissora de Energia, S.A.	4,954	10,431	2,615	7,816	365	-	26%
Caiuá Transmissora De Energia, S.A.	3,068	6,813	969	5,844	142	-	26%
Cantareira Transmissora de Energia, S.A.	17,033	80,597	8,297	72,300	342	-	26%
Serra De Ibiapa Transmissora de Energia, S.A. – SITE	10,533	127,062	11,596	115,466	366	-	51%
Celeo São João Do Piauí FV I, S.A. (6)	12,219	57,766	23,288	34,478	-	180	51%
Brilhante Transmissora de Energia, S.A.	5,902	27,163	4,902	22,262	581	-	51.0%
Brilhante II Transmissora De Energia, S.A.	687	-	-	-	-	-	51.0%
Jaurú Transmissora de Energia, S.A.	8,497	24,163	4,133	20,031	940	-	34.0%
Cachoeira Paulista Transmissora de Energia, S.A.	7,883	40,232	16,788	23,445	181	-	25.5%
Parintins Amazonas Transmissora de Energia, S.A.	(95)	87,714	36,282	51,433	240	-	25.5%
CHILE							
Celeo Redes Operación Chile, S.A.	22,706	468,886	17,774	451,111	-	-	51%
Alto Jahuel Transmisora de Energía, S.A.	22,895	-	10,542	-	256	-	51%
Charrúa Transmisora de Energía, S.A.	14,763	-	5,175	-	198	-	51%
CRC Transmisión, SPA	9,122	151,868	21,284	130,584	-	-	25.50%
Casablanca Transmisora de Energía, S.A.	(270)	4,076	7,833	(3,757)	110	-	25.50%
Mataquito Transmisora de Energía, S.A.	(288)	5,209	9,796	(4,587)	387	-	25.50%
Diego de Almagro Transmisora de Energía, S.A.	4,268	-	944	-	52	-	25.50%
Alfa Transmisora de Energía, S.A.	29,964	973,281	72,557	900,723	899	-	10.20%
PERU							
Puerto Maldonado Transmisora de Energía, S.A.C.	(44)	860	1,995	(1,134)	162	-	51%
SPAIN							
Celeo Fotovoltaico, S.L.U.	4,734	32,400	2,203	30,197	-	15	51%
Dioxipe Solar, S.L.	16,162	196,123	6,015	190,109	-	50	49.76%
Aries Solar Termoelectrica, S.L.	36,583	373,603	18,473	355,130	-	100	51%
Celeo Redes, S.L.	(102)	4,273	23	4,250	-	-	51%
OTHER	30,667	-	-	-	-	-	-
	299,984	2,746,833	312,726	2,467,537	6,804	345	-



KPMG Asesores, S.L.
P.º de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Consolidated Non-Financial Information Statement of Elecnor, S.A. and subsidiaries for 2022

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of Elecnor, S.A.

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Consolidated Non-Financial Information Statement (hereinafter NFIS) of Elecnor, S.A. (hereinafter the Parent) and subsidiaries (hereinafter the Group) for the year ended 31 December 2022, which forms part of the accompanying consolidated Directors' Report of the Group for 2022.

The NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information and the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter GRI Standards), which has not been the subject of our assurance work. Our work was limited exclusively to providing assurance on the information identified in "Appendix II. Index of contents required by Law 11/2018, of 28 December, concerning non-financial information and diversity", and "Appendix III. GRI Content Index" included in the accompanying consolidated Directors' Report.

Directors' Responsibility

The Directors of the Parent are responsible for the content and authorisation for issue of the NFIS included in the Group's consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and the GRI Standards, based on the content indicated for each subject area in the "Appendix II. Index of contents required by Law 11/2018, of 28 December, concerning non-financial information and diversity", and "Appendix III. GRI Content Index" of the aforementioned consolidated Directors' Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.



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Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies prevailing international quality standards and accordingly maintains a quality system including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our review engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement, and consequently, the level of assurance provided is substantially lower.

Our work consisted of making inquiries of management and of the different units and areas of the Group that participated in the preparation of the NFIS, reviewing the processes for compiling and validating the information presented in the NFIS, and applying certain analytical procedures and sample review tests, which are described below:

- Meetings with Group personnel to gain an understanding of the business model, policies and management approaches applied, and the principal risks related to these matters, and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS based on the materiality analysis performed by the Group and described in the "2. Progressing in our commitment to sustainability" section, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2022.
- Review of the information related to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2022.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2022 and whether it has been adequately compiled based on data provided by the information sources.



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- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Elecnor, S.A. and subsidiaries for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and the GRI Standards, based on the content indicated for each subject area in the "Appendix II. Index of contents required by Law 11/2018, of 28 December, concerning non-financial information and diversity", and "Appendix III. GRI Content Index" of the aforementioned consolidated Directors' Report.

Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment stipulates the obligation to disclose information on how and to what extent the undertaking's activities are associated with economic activities aligned to the objectives of climate change mitigation and climate change adaptation, in addition to the information related to eligible activities. The Directors of the Parent have included information on the criteria that, in their opinion, best allow them to comply with the aforementioned obligations, which are defined in the "European taxonomy of environmentally sustainable economic activities" section of the NFIS included in the accompanying consolidated Directors' Report. Our conclusion is not modified in respect of this matter.

Use and Distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Patricia Reverter Guillot

24 February 2023



ECONOMIC PROFILE OF ELECNR, S.A. 2022

EECNOR, S.A.

Balance sheet at 31 December 2022 (Thousands of Euros)

ASSETS	NOTE	2022	2021
NON-CURRENT ASSETS		959,720	931,628
Intangible assets	7	8,604	7,292
Concessions and patents		33	35
Computer software		8,571	7,257
Property, plant and equipment	8	12,544	11,276
Land and buildings		7,738	7,679
Technical installations and other property, plant and equipment		4,806	3,597
Long-term investments in Group companies and associates		916,644	897,722
Equity instruments	10.2	812,207	797,722
Credits to Group companies	10.4 y 19	104,437	100,000
Long-term financial investments	10.1	6,761	1,192
Derivatives	11	6,039	216
Other financial assets		722	976
Deferred tax assets	16	15,167	14,146
CURRENT ASSETS		141,850	207,649
Non-current assets held for sale	6	-	18,419
Inventories		603	748
Advances to suppliers		603	748
Trade and other receivables	10.5	45,907	26,716
Customers, sales and services rendered		16,274	11,894
Customers, Group companies and associates	19.2	15,150	4,531
Sundry receivables		-	90
Personnel		233	124
Current tax assets	16	6,307	7,035
Public Administrations, other	16	7,943	3,042
Short-term investments in Group companies and associates	10.4 y 19	82,439	145,219
Credits to companies		52,927	110,400
Other financial assets		29,512	34,819
Short-term financial investments	10.1	153	335
Derivatives	11	-	332
Other financial assets		153	3
Short-term accruals		394	291
Cash and cash equivalents		12,354	15,921
Cash		11,927	15,482
Cash equivalents		427	439
TOTAL ASSETS		1,101,570	1,139,277

The accompanying notes form an integral part of the annual accounts.

EQUITY AND LIABILITIES	NOTE	2022	2021
EQUITY		589,857	576,455
EQUITY	12	585,566	579,704
Capital		8,700	8,700
Issued capital		8,700	8,700
Reserves		567,860	589,105
Legal and statutory		1,743	1,743
Other reserves		566,117	587,362
Own shares and equity		(22,430)	(22,110)
Profit/loss for the year		36,882	9,196
Interim dividend		(5,446)	(5,187)
VALUATION ADJUSTMENTS			
Hedges		4,291	(3,249)
NON-CURRENT LIABILITIES		342,325	346,837
Long-term provisions	13	24,153	22,303
Other provisions		24,153	22,303
Long-term payables	14	310,745	319,752
Bonds and other marketable securities		29,649	29,627
Loans and borrowings		277,923	283,015
Finance lease payables	9	2,867	3,385
Derivatives	11	306	3,725
Deferred tax liabilities	16	7,427	4,782
CURRENT LIABILITIES		169,388	215,985
Short-term provisions	13	4,319	5,633
Short-term payables	14	119,519	76,698
Bonds and other marketable securities		115,438	69,974
Loans and borrowings		365	1,829
Finance lease payables	9	510	485
Derivatives	11	-	1,143
Other financial liabilities	19.2	3,206	3,267
Short-term payables to Group companies and associates	19.2	22,752	113,308
Trade and other payables		22,798	20,346
Suppliers		5,024	5,370
Suppliers, Group companies and associates	19.2	1,942	0
Sundry payables		77	140
Personnel		6,570	2,620
Current tax liabilities	16	268	1,019
Public Administrations, other	16	2,308	5,692
Advances from customers		6,609	5,505
TOTAL EQUITY AND LIABILITIES		1,101,570	1,139,277

The accompanying notes form an integral part of the annual accounts.

ELEC NOR, S.A.

Income Statement for 2022 (Thousands of Euros)

	NOTE	2022	2021
CONTINUING OPERATIONS			
Net turnover	17.1	102.237	67.456
Sales		14.644	9.789
Rendering of services	19.1	20.249	10.862
Dividends	19.1	62.728	41.313
Finance income	19.1	4.616	5.492
Materials consumed		(7.806)	(4.846)
Consumption of raw materials and other consumables		(7.622)	(2.836)
Work carried out by other companies		(184)	(2.010)
Other operating income		(27)	1.123
Non-trading income and other day-to-day income		(26)	1.123
Operating grants included in profit/loss for the year		(1)	-
Personnel expenses	17.2	(22.204)	(18.684)
Salaries, wages and similar		(19.506)	(16.946)
Employee benefit costs		(2.698)	(1.738)
Other operating expenses		(27.173)	(19.361)
External services		(26.386)	(19.032)
Taxes		(782)	(329)
Losses, impairment and changes in trade provisions	10 y 13	(5)	-
Depreciation/Amortisation	7 y 8	(5.098)	(3.897)
Impairment and profit/loss on disposals of fixed assets		-	(3)
Profit/Loss on disposals and others		-	(3)
Impairment and profit/loss on disposals of financial instruments		965	(5.679)
Impairment and losses	10.4	965	(5.825)
Profit/Loss on disposals and others		-	146
PROFIT/LOSS FROM OPERATING ACTIVITIES		40.894	16.109
Finance income	14	(9.397)	(8.566)
Payables to Group companies and associates	19.1	(326)	(104)
Payables to third parties		(9.071)	(8.462)
Translation differences		109	88
FINANCE INCOME/EXPENSES		(9.288)	(8.478)
PROFIT/LOSS BEFORE TAXES		31.606	7.631
Income taxes	16	5.276	1.565
PROFIT/LOSS FROM CONTINUING OPERATIONS		36.882	9.196
PROFIT/LOSS FOR THE YEAR		36.882	9.196

The accompanying notes form an integral part of the annual accounts.



For any further information or queries
Paseo de la Castellana, 81, floor 20
28046 Madrid. Spain
elecnor@elecnor.com
+34 91 417 99 00
www.grupoelecnor.com

