Elecnor, S.A.

Audit report,
Annual Accounts and Directors' Report
for the year ended 31 December 2024

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report on the annual accounts

To the shareholders of Elecnor, S.A.

Report on the annual accounts

Opinion

We have audited the annual accounts of Elecnor, S.A. (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2024, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it 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 judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid, España
Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 915 685 400, www.pwc.es

R. M. Madrid, hoja M-63.988, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - NIF: B-79031290

Key audit matters	How our audit addressed the key audit matters
Measurement of interests in group companies, jointly-controlled entities and associates	
Interests in group companies and associates account for a significant percentage of the Company's assets (Note 10.3 to the accompanying annual accounts). At year end 2024 equity instruments of group companies, jointly-controlled entities and associates amount to €579,999 thousand. As indicated in note 4.f to the accompanying annual accounts, management assesses annually whether there are indications of impairment of these assets and determines their recoverable amount. Unless there is better evidence of the recoverable amount of these investments, the estimated loss is calculated based on the investee's equity and any latent capital gains existing at the measurement date, net of the tax effect. Failing this, the calculation of the recoverable amount is based on estimates of the present value of future cash flows. These estimated future cash flows require management to make judgements and adopt relevant assumptions. Changes in the assumptions used trigger significant variations in the calculations performed and therefore in the measurement of investments in group companies, jointly-controlled entities and associates. We focused on this area because of the relevance of these balances at the year end with respect to the Company's assets as a whole and in view of the significance of the judgements and estimates used by management to calculate the recoverable amount.	Firstly, we gained an understanding of the Company's process in evaluating the measurement of investments and analysing their recoverability and the impairment tests performed by management, verifying that the criteria used to perform these tests are consistent with those established in the applicable legislative framework. For each investee, we compared total investments in group companies or associates with the equity value of each. The results of the procedures performed have enabled the audit objectives for which they were designed to be reasonably attained.

Other information: Management report

Other information comprises only the management report for the 2024 financial year, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility regarding the management report, in accordance with legislation governing the audit practice, is to:

a) Verify only that the statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the management report and the annual accounts as a result of our knowledge of the Company obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the management report is consistent with that contained in the annual accounts for the 2024 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit commission for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Company, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

The audit commission is responsible for overseeing the process of preparation and presentation of the annual accounts.

Auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the 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 legislation governing the audit practice 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 annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 entity's internal control.

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

- Conclude on the appropriateness of the 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 Company'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 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 Company to cease to continue as a going concern.

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

We communicate with the entity's audit commission 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 entity's audit commission with a statement that we have complied with ethical requirements relating to independence and we communicate with the aforementioned those matters that may reasonably be considered to threaten our independence and, where applicable, the safeguards adopted to eliminate or reduce such threat.

From the matters communicated with the entity’s audit commission, we determine those matters that were of most significance in the audit of the annual accounts of the current period and 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 file of the European single electronic format (ESEF) of Elecnor, S.A. for the 2024 financial year that comprises an XHTML file of the annual accounts for the financial year, which will form part of the annual financial report.

The directors of Elecnor, S.A. are responsible for presenting the annual financial report for the 2024 financial year in accordance with the formatting requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

Our responsibility is to examine the digital file prepared by the Company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the annual accounts included in the aforementioned file completely agrees with that of the annual accounts that we have audited, and whether the format of these accounts has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital file examined completely agrees with the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit commission

The opinion expressed in this report is consistent with the content of our additional report to the audit commission of the Company dated 25 February 2025.

Appointment period

The General Ordinary Shareholders' Meeting held on 18 May 2022 appointed us as auditors for a period of 3 years, as from the year ended 31 December 2023.

Services provided

Services provided to the audited entity and its subsidiaries for services other than the audit of the accounts are disclosed in note 21 to the annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by Goretty Álvarez González

27 February 2025

Elecnor, S.A.

Annual Accounts and Directors' Report corresponding to the year ended 31/12/2024

FINANCIAL STATEMENTS

ELECNOR, S.A.
BALANCE AT THE END OF 2024
(Thousands of Euros)

ASSETS	Note	31/12/2024	31/12/2023
NON-CURRENT ASSETS		**993,206**	**730,472**
Intangible assets	7	**17,880**	**12,524**
Concessions and patents		30	32
Computer software		17,850	12,492
Property, plant and equipment	8	**10,300**	**11,689**
Land and buildings		7,497	7,601
Technical installations and other property, plant and		2,803	4,088
Long-term investments in Group companies and associates		**690,438**	**681,355**
Equity instruments	10.3 and 19.2	579,999	581,355
Loans to Group companies	10.2 and 19.2	110,439	100,000
Long-term financial investments		**241,553**	**887**
Derivatives	10.1 and 11	1,818	170
Other financial assets	10.2	239,735	717
Deferred tax assets	16	**33,035**	**24,017**
CURRENT ASSETS		**296,044**	**463,223**
Non-current assets held for sale	6	**-**	**328,476**
Inventories		**881**	**1,208**
Advances to suppliers		881	1,208
Trade and other receivables		**208,346**	**55,615**
Customers, sales and services rendered	10.2	13,858	22,361
Customers, Group companies and associates	10.2 and	7,676	11,858
Sundry receivables	10.2	10,202	10,207
Personnel	10.2	157	159
Current tax assets	16	172,797	7,424
Public entities, other	16	3,656	3,606
Short-term investments in Group companies and associates	10.2 and 19.2	**52,764**	**56,024**
Loans to companies		36,800	16,740
Other financial assets		15,964	39,284
Short-term financial investments	10.2	**2,759**	**4,820**
Derivatives	10.1 and 11	1,852	4,601
Other financial assets	10.2	907	219
Short-term accruals		**462**	**796**
Cash and cash equivalents		**30,832**	**16,284**
Cash		30,199	15,484
Cash equivalents		633	800
TOTAL ASSETS		**1,289,250**	**1,193,695**

The accompanying notes form an integral part of the Annual Accounts for the year.

ELECNOR, S.A.
BALANCE SHEET AT 31 DECEMBER 2024
(Thousands of Euros)

EQUITY AND LIABILITIES	Note	31/12/2024	31/12/2023
EQUITY		**964,271**	**593,763**
EQUITY		**964,234**	**592,094**
Capital	12.1	**8,700**	**8,700**
Issued capital		8,700	8,700
Reserves	12.2	**577,527**	**569,296**
Legal and statutory		1,743	1,743
Capitalisation reserve		7,809	7,809
Other reserves		567,975	559,744
Own shares and equity	12.3	**(27,991)**	**(23,422)**
Profit/loss for the year		**945,998**	**43,238**
Interim dividend	3	**(540,000)**	**(5,718)**
VALUATION ADJUSTMENTS			
Hedges	11	**37**	**1,669**
NON-CURRENT LIABILITIES		**121,933**	**324,185**
Long-term provisions	13	**95,158**	**45,069**
Other provisions		95,158	45,069
Long-term payables	14.2	**20,834**	**272,007**
Bonds and other marketable securities		-	29,672
Loans and borrowings		19,078	240,011
Finance lease payables	9	1,756	2,324
Deferred tax liabilities	16	**5,941**	**7,109**
CURRENT LIABILITIES		**203,046**	**275,747**
Short-term provisions	13	**2,668**	**2,516**
Short-term payables	14.2	**111,892**	**245,925**
Bonds and other marketable securities		107,525	238,818
Loans and borrowings		279	809
Finance lease payables	9	564	537
Derivatives	11	-	2,534
Other financial liabilities	19.2	3,524	3,227
Short-term payables to Group companies and associates	14.2 and 19.2	**17,665**	**2,704**
Trade and other payables		**70,821**	**24,602**
Suppliers	14.1	3,574	5,764
Suppliers, Group companies and associates	14.2 and	7,722	6,001
Sundry payables	14.1	33	168
Personnel	14.1	7,543	5,069
Current tax liabilities	16	291	455
Public entities, other	16	48,548	2,455
Advances from customers		3,110	4,690
TOTAL EQUITY AND LIABILITIES		**1,289,250**	**1,193,695**

The accompanying notes form an integral part of the Annual Accounts for the year.

ELECNOR, S.A.

INCOME STATEMENT
FOR 2024
(Thousands of Euros)

	Note	2024	2023
CONTINUING OPERATIONS			
Net turnover	17.1	**39,754**	**63,816**
Sales		6,847	19,086
Rendering of services	19.1	23,249	20,014
Dividends	19.1	1,426	18,029
Finance income	10.2 and 19.1	8,232	6,687
Materials consumed		**(5,367)**	**(7,950)**
Consumption of raw materials and other consumables		(4,023)	(5,985)
Work carried out by other companies		(1,344)	(1,965)
Other operating income		**225**	**15**
Non-trading income and other day-to-day income		225	15
Personnel expenses	17.2	**(27,103)**	**(19,800)**
Salaries, wages and similar		(20,657)	(16,543)
Employee benefit costs		(6,446)	(3,257)
Other operating expenses		**(61,543)**	**(23,986)**
External services	17.3	(23,521)	(24,345)
Taxes		(830)	(712)
Losses, impairment and changes in trade provisions	10.2 and 13	(37,192)	1,071
Depreciation/Amortisation	7 and 8	**(6,611)**	**(5,520)**
Impairment and profit/loss on disposals of fixed assets		**(330)**	**30**
Profit/loss on disposals and others	7	(330)	30
Impairment and profit/loss on disposals of financial instruments		**1,048,961**	**41,752**
Impairment and losses	10	(7,444)	(582)
Profit/loss on disposals and others	10.3 and 6	1,056,405	42,334
OPERATING INCOME		**987,986**	**48,357**
Finance income	10.2	**22,517**	**-**
Finance expenses	14.2	**(17,367)**	**(14,348)**
Changes in the fair value of financial instruments	11	**3,611**	**-**
Translation differences		**(4,371)**	**(618)**
NET FINANCIAL PROFIT/LOSS		**4,390**	**(14,966)**
PROFIT/LOSS BEFORE TAXES		**992,376**	**33,391**
Income taxes	16	(46,378)	9,847
PROFIT/LOSS FROM CONTINUING OPERATIONS		**945,998**	**43,238**
PROFIT/LOSS FOR THE YEAR		**945,998**	**43,238**

The accompanying notes form an integral part of the Annual Accounts for the year.

ELECNOR, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024
A) STATEMENT OF RECOGNISED INCOME AND EXPENSES
(Thousands of Euros)

	Note	2024	2023
PROFIT/LOSS IN THE INCOME STATEMENT (I)		**945,998**	**43,238**
Income and expenses recognised directly in equity:			
- Cash flow hedge	11	266	540
- Tax effect	16	(67)	(135)
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II)		**199**	**405**
Transfers to the Income Statement			
- Cash flow hedge	11	(2,442)	(4,036)
- Tax effect	16	611	1,009
TOTAL TRANSFERS TO THE INCOME STATEMENT (III)		**(1,831)**	**(3,027)**
TOTAL RECOGNISED INCOME AND EXPENSES (I+II+III)		**944,366**	**40,616**

The accompanying notes form an integral part of the Annual Accounts for the year.

ELECNOR, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

B) STATEMENT OF TOTAL CHANGES IN EQUITY
(Thousands of Euros)

	Note	Capital	Reserves	Own shares	Profit/loss for the year	Interim dividend	Adjustments for changes	Total
BALANCE AT 31 DECEMBER 2022		**8,700**	**567,860**	**(22,430)**	**36,882**	**(5,446)**	**4,291**	**589,857**
Total recognised income and expenses		-	-	-	43,238	-	(2,622)	40,616
Transactions with shareholders:								
– Distribution of profit for 2022	3							
Reserves		-	70	-	(70)	-	-	-
Interim dividend		-	-	-	(5,446)	5,446	-	-
Supplementary dividend		-	-	-	(31,366)	-	-	(31,366)
- Transactions with own shares (net)	12.3	-	1,366	(992)	-	-	-	374
- Interim dividend	3	-	-	-	-	(5,718)	-	(5,718)
BALANCE AT 31 DECEMBER 2023		**8,700**	**569,296**	**(23,422)**	**43,238**	**(5,718)**	**1,669**	**593,763**
Total recognised income and expenses		-	-	-	945,998	-	(1,632)	944,366
Transactions with shareholders:								
– Distribution of profit for 2023	3							
Reserves		-	3,830	-	(3,830)	-	-	-
Interim dividend		-	-	-	(5,718)	5,718	-	-
Supplementary dividend		-	-	-	(33,690)	-	-	(33,690)
- Transactions with own shares (net)	12.3	-	4,401	(4,569)	-	-	-	(168)
- Interim dividend	3	-	-	-	-	(540,000)	-	(540,000)
BALANCE AT 31 DECEMBER 2024		**8,700**	**577,527**	**(27,991)**	**945,998**	**(540,000)**	**37**	**964,271**

ELECNOR, S.A.
STATEMENT OF CASH FLOWS FOR 2024
(Thousands of Euros)

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		**(136,740)**	**(31,171)**
Profit/loss for the year before taxes		992,376	33,391
Adjustments to profit/loss:			
- Depreciation/Amortisation	7 and 8	6,611	5,520
- Changes in provisions	13	37,192	(3,924)
- Impairment adjustments	11	7,444	1,287
- Profit/loss on derecognitions and disposals of fixed assets		330	(30)
- Profit/loss on derecognitions and disposals of financial instruments		(1,056,405)	(41,752)
- Finance income		(32,175)	(24,716)
- Finance expenses		17,367	14,348
- Changes in the fair value of financial instruments		(3,611)	-
- Exchange rate differences		4,371	618
Changes in current capital			
- Inventories		327	(605)
- Trade and other receivables		28,065	(785)
- Other current assets		334	-
- Trade and other payables		46,102	1,576
- Provisions (payments)	13	-	(659)
Other cash flows from operating activities			
- Interest paid		(14,250)	(14,173)
- Dividends received		18,928	5,052
- Interest received		30,749	6,624
- Income tax received (paid)		(220,495)	(12,943)
CASH FLOWS FROM INVESTMENT ACTIVITIES		**1,092,554**	**(6,910)**
Payments for investments			
- Group companies and associates		(181,367)	(73,765)
- Intangible assets	7	(10,988)	(8,129)
- Property, plant and equipment	8	(98)	(538)
- Other financial assets		(244,501)	(61)
Proceeds from divestments			
- Group companies and associates	6	1,528,938	75,368
- Fixed assets		462	215
- Other financial assets		108	-
CASH FLOWS FROM FINANCING ACTIVITIES		**(941,266)**	**42,011**
Proceeds from and payments for equity instruments			
– Acquisition of own equity instruments	12	(11,091)	(3,886)
– Disposal of own equity instruments	12	10,923	4,260
Proceeds from (payments for) financial liabilities			
- Issuance of bonds and other marketable securities	14	982,003	1,458,844
- Issuance of loans and borrowings	14	-	259,597
- Issuance of payables to Group companies and associates	19	14,961	-
- Repayment and cancellation of loans and borrowings	14	(221,403)	(297,240)
- Repayment and cancellation of payables to Group companies and associates	19	-	(6,482)
- Repayment of bonds and other marketable securities	14	(1,142,969)	(1,335,441)
- Repayment of other payables		-	(557)
Payments for dividends and remuneration on other equity instruments			
- Dividends	3	(573,690)	(37,084)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**14,548**	**3,930**
Cash and cash equivalents at beginning of period		16,284	12,354
Cash and cash equivalents at end of period		30,832	16,284

The accompanying notes form an integral part of the Annual Accounts for the year.

NOTES

1. Nature, Activities of the Company and Composition of the Group

Elecnor, S.A. (hereinafter, the Company), 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 (28028).

The Company'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 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.

On 23 June 2021, the Company's General Shareholders' Meeting approved the plan to spin off Elecnor, S.A. to the subsidiary Elecnor Servicios y Proyectos, S.A.U. This spin-off involved the transfer en bloc of the Spun-off Economic Unit (services and projects business) to the Beneficiary Company for Euros 140 million, which, in return, increased its share capital by issuing new shares for the amount of Euros 1,505 thousand with a share premium of Euros 138,702 thousand, fully subscribed by the Company. The purpose of this spin-off project was to allow the results of the Services and Projects Business Area and its capacity for strategic development to be shown individually, to allow improvements to be made to the management of the resources used in the business and their focus on projects, and to expand and improve the mechanisms for obtaining the resources necessary for such a purpose.

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

The Company is the head of a group of subsidiaries, and, in accordance with applicable legislation, it discloses Consolidated Annual Accounts separately. The Consolidated Annual Accounts of the Elecnor Group in 2024 were authorised for issue by the Company's Directors at the meeting of the Board of Directors held on 26 February 2025. In accordance with the content of the Consolidated Annual Accounts prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS-EU), consolidated equity at 31 December 2024 amounted to

Euros 1,166,728 thousand (Euros 925,559 thousand at 31 December 2023), consolidated profit/loss attributable to the Parent amounted to Euros 705,200 thousand (Euros 110,058 thousand at 31 December 2023), and the total volume of assets and revenues amounted to Euros 3,605,945 thousand and Euros 3,810,102 thousand, respectively (Euros 4,075,793 thousand and Euros 3,792,906 thousand at 31 December 2023, respectively), and will be deposited with Madrid Companies Register within the established legal terms.

The Elecnor Group's Consolidated Annual Accounts for 2023 were approved by the General Shareholders' Meeting of Elecnor, S.A. at their meeting held on 22 May 2024 and have been filed in the Madrid Companies Register.

Appendix I includes information on subsidiaries, associates and jointly-controlled entities at 2024 and 2023 year-end.

2. Basis of presentation

2.1. True and fair view

The Annual Accounts have been prepared on the basis of the Company's accounting records and are presented in accordance with applicable commercial legislation and with the rules established in the Spanish General Chart of Accounts approved by Royal Decree 1514/2007 and the amendments incorporated by Royal Decree 1/2021 of 12 January, in force for years beginning on or after 1 January 2021, in order to present fairly the Company's equity, financial position and results, as well as the veracity of the cash flows included in the statement of cash flows.

The Directors of the Company consider that the Annual Accounts for 2024, authorised for issue on 26 February 2025, will be approved with no changes by the General Shareholders' Meeting.

2.2. Comparative information

For comparative purposes, the Annual Accounts include figures for 2023 alongside the 2024 figures for each item in the balance sheet, the Income Statement, the statement of changes in equity, the statement of cash flows and the notes thereto. The 2022 figures were included in the Annual Accounts for 2023, which were approved at the Ordinary Annual General Shareholders' Meeting on 22 May 2024.

2.3. Functional currency and presentation currency

The figures disclosed in the Annual Accounts are expressed in thousands of Euros, the Company's functional and presentation currency.

2.4. Critical aspects of measurement and uncertainty estimates and significant judgements in applying accounting policies

The preparation of the Annual Accounts requires that the Company use certain estimates and judgements in relation to the future that are continually evaluated and are based on past experience and other factors, including expectations regarding future events that are believed to be reasonable under current circumstances.

The resulting accounting estimates will, by definition, rarely match the corresponding actual results. Estimates and judgements that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the following financial year are explained below.

Impairment losses on investments in Group companies, joint ventures and associates

The Company verifies annually whether equity investments in Group companies, joint ventures and associates have suffered any impairment losses, in accordance with the accounting policy mentioned in Note 4.f.).

The recoverable amounts of cash-generating units are determined on the basis of value in use calculations. These calculations require the use of estimates. This analysis is based on comparing the carrying amount of each shareholding with the recoverable amount associated with each of its direct shareholdings, which in some cases correspond to holding companies whose main activity consists of the holding of shares in the companies that make up the Group.

This analysis is carried out by considering the cost of the investment to be recovered from the shareholdings at the lowest level at which they are held. In cases where the equity value of the investment is less than the shareholding held by its direct holding company, the Company verifies that the value in use of each of the companies exceeds the cost of that shareholding.

When analysing the recovery of the value of its shareholdings, the Company considers the value in use of each of its direct investees, where value in use is understood to be the current value of the future cash flows derived from each direct investment and its corresponding subsidiaries, less the net financial debt from each of the shareholdings (equity value). The assumptions used and the results obtained from the analysis are included in Note 10.3.

As at 31 December 2024, within the current macroeconomic and industry context, updated market projections have been taken into account, which have not changed the conclusions regarding the recoverability of the Company’s investments. In this respect, the projections made by Management already include various considerations regarding potential future events that could affect the projected cash flows of each of its businesses.

Provisions for litigation

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 Company relies on third-party advice to estimate the probability of the outcome of litigation and inspections.

Changes in estimates

Although the estimates performed by the Company’s Directors were calculated based on the best information available at 31 December 2024, it is possible that future events might oblige their modification in the next few years. The effect on the Annual Accounts of modifications that, in the event, may derive from adjustments over the next few years would be recognised prospectively.

3. Distribution of Profit/loss

The proposed distribution of the Company’s profit/loss for 2024, to be presented to the General Shareholders' Meeting, is as follows:

(Expressed in thousands of Euros)

	Euros
Basis of distribution	
Profit/loss for the year	945,997,506.93
Total	**945,997,506.93**
Distribution	
Voluntary reserves	140,997,506.93
Interim dividend	540,000,000.00
Supplementary dividend	265,000,000.00
Total	**945,997,506.93**

The appropriation of the Company’s profit and reserves for the year ended on 31 December 2023, approved by General Shareholders' Meeting of 22 May 2024, was as follows:

	Euros
Basis of distribution	
Profit/loss for the year	43,237,686.68
Total	**43,237,686.68**
Distribution	
Voluntary reserves	3,828,896.65
Interim dividend	5,718,389.77
Supplementary dividend	33,690,400.26
Total	**43,237,686.68**

At the General Shareholders' Meeting held on 22 May 2024 a supplementary dividend of Euros 33,690 thousand (Euros 0.45 per share) was approved, taking into account the interim dividend of Euros 5,718 thousand out of profit for 2023 paid on 20 December 2023.

At the Extraordinary General Shareholders' Meeting held on 11 December 2024 (called by the Board of Directors of the Parent on 30 October 2024) it was agreed to distribute an interim dividend for 2024 of Euros 540,000 thousand (Euros 5,718 thousand for 2023), which was recognised as a reduction in equity under "Interim dividend" on the liability side of the accompanying balance sheet, which was paid on 18 December 2024.

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 Text of the 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:

(Expressed in thousands of Euros)

WORKING CAPITAL POSITION AT 30 SEPTEMBER 2024

	Thousands of Euros
FORECAST OF DISTRIBUTABLE PROFIT OF ELECNOR, S.A. FOR 2024	
Projected profit net of tax up to 31/12/2024	801,533
Less, required provision to legal reserve	-
Less, prior years' losses	-
Estimated interim dividend to be distributed	540,000
FORECAST OF CASH FLOW FOR ELECNOR, S.A. FOR THE PERIOD FROM 30 SEPTEMBER 2024 TO 30 SEPTEMBER 2025	
Cash balance (Cash and cash equivalents) as at 30/09/2024	167,638
Balance on short-term deposits (Other financial assets) as at 30/09/2024	865,578
Cash balance and short-term deposits as at 30/09/2024	1,033,216
Net of projected collections and payments (including estimated interim dividend payment) to 30/09/2025	(1,014,056)
Projected cash balances at 30/09/2025	19,160

The payment of the interim dividend included in the above cash flow forecast does not compromise the holding company's ability to meet its expected payment commitments in the 12 months following said payment.

4. Accounting and Measurement Standards

In preparing its Annual Accounts for 2024, the Company has applied the main accounting and measurement standards in accordance with the Spanish General Chart of Accounts, as follows:

a) Intangible assets

Concessions

Administrative concessions are stated at cost less accumulated amortisation and the accumulated amount of impairment adjustments recognised.

Concessions are amortised on a straight-line basis over the concession period.

Computer software

Purchased software licences are capitalised on the basis of the costs incurred to purchase them and prepare them for use of the specific software. These costs are amortised over their estimated useful lives (three-year straight-line method).

Expenses related to software maintenance are recognised as an expense when they are incurred. Costs directly related to the production of unique and identifiable computer software run by the Company that are likely to generate economic benefits in excess of costs for more than one year are recognised as intangible assets.

b) Property, plant and equipment

Items of property, plant and equipment are recognised at acquisition price or production cost less accumulated depreciation and accumulated impairment losses recognised.

The amount corresponding to self-constructed fixed assets is calculated by adding the direct or indirect costs attributable to the production of those assets to the acquisition price of the consumables.

The costs of expansion, modernisation or improvement of property, plant and equipment are capitalised only when they lead to increased capacity, productivity or a lengthening of the useful life of the asset, provided that it is possible to ascertain or estimate the carrying amount of the items that have been removed from the inventory upon being replaced.

Maintenance and upkeep expenses are charged to the Income Statement for the year in which they are incurred.

Depreciation of property, plant and equipment, with the exception of land, which is not depreciated, is calculated systematically on a straight-line method over its estimated useful life, taking into account the depreciation actually incurred due its operation, use, and wear and tear. The estimated useful lives are:

	Years of Useful Life
Buildings	25
Technical installations and machinery	8 – 10
Furniture and fixtures	10
Information technology equipment	4 – 7
Motor vehicles	6 – 10

The Company reviews the residual value, useful life and depreciation method of the 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.

The residual value and useful lives of assets are reviewed and adjusted if necessary at each balance sheet date.

When the carrying amount of an asset exceeds its estimated recoverable amount, its value is written down immediately to its recoverable amount (Note 4.c).

Gains and losses on the sale of property, plant and equipment are calculated by comparing the proceeds from the sale with the carrying amount and are recognised in the Income Statement.

c) Impairment losses on non-financial assets

Assets are tested for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the excess of an asset’s carrying amount over its recoverable amount, which is the asset’s fair value less costs to sell or value in use, whichever is higher.

For the purpose of assessing impairment losses, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that have suffered an impairment loss are reviewed at each balance sheet date for reversals of the loss.

d) Non-current assets (disposal groups) held for sale and discontinued operations

Non-current assets (disposal groups) held for sale

Non-current assets (or disposal groups of items) are classified as held for sale when it is considered that their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is considered to be met only when the sale is highly probable, the asset is available for immediate sale in its current state, and the sale is expected to be completed within one year from the date of classification. These assets are stated at the lower of carrying amount and fair value less the necessary costs of disposal and are not subject to depreciation.

Discontinued operations

Any component of the Company that has been disposed of, otherwise derecognised or classified as held for sale and represents a significant line of business or geographical area of operation, is part of an individual plan or is a subsidiary acquired exclusively for sale is classified as a discontinued operation. The profit or loss generated by discontinued operations is presented in a single specific line in the Income Statement net of tax.

e) Leases

Finance lease lessee

The Company acquires certain property, plant and equipment under finance leases. Leases of property, plant and equipment in which the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the current value of the agreed minimum lease payments. The current value is calculated using the contract’s implicit interest rate and, if this cannot be determined, the Company’s interest rate for similar transactions.

Each lease payment is distributed between the liability and the finance charge. The total finance charge is spread over the lease term and taken to the Income Statement in the year in which it accrues, using the effective interest rate method. Contingent rents are an expense of the year in which they are incurred. The corresponding lease obligations, net of finance charges, are included in "Finance lease payables". Fixed assets acquired under finance leases are depreciated over their useful life.

Operating lease lessee

The Company obtains leases of certain property, plant and equipment in which the lessor retains a significant portion of the risks and rewards of ownership and they are therefore classified as operating leases. Operating lease payments (net of any incentives received from the lessor) are charged to the Income Statement in the period in which they are accrued on a straight-line basis over the lease term.

f) Financial assets

Financial assets at fair value through the Income Statement

This category includes equity instruments held for trading that are not to be measured at cost and for which an irrevocable election was made at initial recognition to present subsequent changes in fair value directly in the Income Statement.

In addition, financial assets that are irrevocably designated at initial recognition as measured at fair value through Income Statement, and that would otherwise have been included in another category, are included to eliminate or significantly reduce a measurement inconsistency or accounting mismatch that would otherwise arise from measuring assets or liabilities on different bases.

Initial measurement

Financial assets included in this category are initially measured at fair value, which, in the absence of evidence to the contrary, is the transaction price, which is the fair value of the consideration given. Transaction costs directly attributable to them will be recognised in the Income Statement for the year.

Subsequent measurement

After initial recognition, the Company will measure financial assets in this category at fair value through the Income Statement.

Financial assets at amortised cost

This category includes financial assets, including those admitted to trading on an organised market, in which the Company holds the investment with the aim of obtaining cash flows arising from the execution of the contract, 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.

Contractual cash flows that are solely collections of principal and interest on the unpaid principal are inherent in an agreement that is in the nature of an ordinary or common loan, notwithstanding that the transaction is arranged at a zero or below-market interest rate.

Included in this category are trade receivables and non-trade receivables:

a) Trade receivables: financial assets arising from the sale of goods and the rendering of services in connection with the Company's business transactions for which payment is deferred;

b) Non-trade receivables: financial assets which, not being equity instruments or derivatives, have no commercial origin and whose collections are of a determined or determinable amount, arising from loan or credit operations granted by the Company.

Initial measurement

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is the fair value of the consideration given, plus directly attributable transaction costs.

However, trade receivables maturing in less than one year and which do not have an explicit contractual interest rate, as well as receivables from personnel, dividends receivable and payments due on equity instruments, the amount of which is expected to be received in the short term, are measured at nominal value to the extent that the effect of not discounting cash flows is deemed not to be material.

Subsequent measurement

These financial assets will be measured at amortised cost. Accrued interest is allocated to the Income Statement by applying the effective interest rate method.

However, credits maturing in less than one year which, in accordance with the previous paragraph, are initially valued at nominal value, continue to be valued at that amount, unless they have become impaired.

When the contractual cash flows of a financial asset change because of the issuer's financial difficulties, the Company assesses whether an impairment loss should be recognised.

Impairment

Adjustments are made at least at the balance sheet date and whenever there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics measured collectively, is impaired as a result of one or more events that occurred after the initial recognition and that result in a reduction or delay in the estimated future cash flows, which may be caused by the debtor's insolvency.

In general, the impairment loss on these financial assets is the difference between their carrying amount and the current value of future cash flows, including, where applicable, those arising from the enforcement of collateral and personal guarantees, estimated to be generated, that are discounted at the effective interest rate calculated at the time of initial recognition.

Impairment adjustments, and reversals of impairment losses when the amount of said loss decreases due to a subsequent event, are recognised as an expense or income, respectively, in the Income Statement. The reversal of impairment losses is limited to the carrying amount of the asset that would have been recognised at the date of reversal had no impairment loss been recognised.

Financial assets at cost

In any case, this measurement category includes equity investments in Group companies, jointly-controlled entities and associates.

Initial measurement

Investments included in this category are initially measured at cost, which is the fair value of the consideration given plus directly attributable transaction costs, the latter not being included in the cost of investments in Group companies.

However, in cases where an investment exists prior to its classification as a Group company, jointly-controlled entity or associate, the cost of that investment is taken to be the carrying amount that the investment should have had immediately before the Company's classification as a Group company, jointly-controlled entity or associate.

The initial measurement includes the amount of any preferential subscription rights and similar rights that may have been acquired.

Subsequent measurement

Equity instruments included in this category are measured at cost less any accumulated impairment adjustments.

When these assets have to be assigned a value due to derecognition or otherwise, the weighted average cost method is applied for homogeneous groups, i.e. securities with equal rights.

Impairment

At least at year-end, the necessary adjustments are made whenever there is objective evidence that the carrying amount of an investment will not be recoverable. The amount of the adjustment is the difference between its carrying amount and the recoverable amount, the latter being the higher of its fair value less costs to sell and the current value of future cash flows arising from the investment, which in the case of equity instruments is calculated either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee or by estimating its share of the cash flows expected to be generated by the investee from its ordinary activities and from the disposal or derecognition of the investment.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss on this kind of assets is calculated on the basis of the investee's equity and the unrealised gains existing at the measurement date, net of the tax effect. In determining this value, and provided that the investee has itself invested in another investee, the equity included in the Consolidated Annual Accounts prepared in accordance with the criteria of the Commercial Code and its implementing rules is taken into account.

The recognition of impairment adjustments and, where applicable, their reversal, are recognised as an expense or income, respectively, in the Income Statement. The reversal of impairment is limited to the carrying amount of the investment that would have been recognised at the reversal date had no impairment loss been recognised.

However, in the event that an investment has been made in the Company prior to its classification as a Group company, jointly-controlled entity or associate and, prior to that classification, valuation adjustments were made and recognised directly in the equity derived from that investment, those adjustments are retained after classification until the investment is disposed of or derecognised, at which time they are recognised in the Income Statement, or until the following circumstances occur:

a) In the case of previous valuation adjustments due to increases in value, impairment adjustments will be recognised in the equity item reflecting the previously made valuation adjustments up to the amount of those adjustments, and the excess, if any, will be recognised in the Income Statement. The impairment adjustments recognised directly in equity are not reversed.

b) In the case of previous valuation adjustments due to write-downs, when the recoverable amount subsequently exceeds the carrying amount of the investments, the latter is increased, up to the limit of the aforementioned write-down, against the item that included the previous valuation adjustments and from that moment onwards the resulting new amount is considered to be the cost of the investment. However, when there is objective evidence of impairment in the value of the investment, accumulated losses directly in equity are recognised in the Income Statement.

Assets that are designated as hedged items are subject to the valuation requirements of hedge accounting (Note 4.g).

g) Financial derivatives and hedge accounting

Financial derivatives are measured, both initially and in subsequent valuations, at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the type of hedge. The Company designates certain derivatives as:

a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When the hedged item is an unrecognised firm commitment or a component thereof, the cumulative change in the fair value of the hedged item subsequent to its designation is recognised as an asset or a liability, and the corresponding gain or loss is reflected in the Income Statement.

Changes in the carrying amount of hedged items that are measured at amortised cost result in an adjustment to the effective interest rate of the instrument, either at the time of the change or subsequently when hedge accounting ceases.

b) Cash flow hedge

The gain or loss on the hedging instrument, insofar as it is an effective hedge, is recognised directly in equity. Thus, the equity component arising as a result of the hedge is adjusted to equal, in absolute terms, the lesser of the following two values:

b.1) The cumulative gain or loss on the hedging instrument since the inception of the hedge.

b.2) The cumulative change in the fair value of the hedged item (i.e. the current value of the cumulative change in the hedged expected future cash flows) from the inception of the hedge.

Any remaining gain or loss on the hedging instrument or any gain or loss required to offset the change in the cash flow hedge adjustment calculated in accordance with the preceding paragraph represents hedge ineffectiveness that is recognised in the profit/loss for the year.

If a hedged and highly probable forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction relating to a non-financial asset or non-financial liability becomes a firm commitment to which fair value hedge accounting is applied, that amount is removed from the cash flow hedge adjustment and is recognised directly in the initial cost or other carrying amount of the asset or liability. The same criterion is applied to hedges of the foreign currency risk of the acquisition of an investment in a Group company, jointly-controlled entity or associate.

In all other cases, the adjustment recognised in equity is transferred to the Income Statement to the extent that the hedged expected future cash flows affect profit/loss for the year.

However, if the adjustment recognised in equity is a loss and all or part of it is not expected to be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified immediately in the profit or loss for the year.

h) Inventories

Inventories are stated at the lower of cost and net realisable value. When the net realisable value of inventories is lower than their cost, the appropriate adjustments are made and recognised as an expense in the Income Statement. If the circumstances giving rise to the impairment cease to exist, the amount of the impairment is reversed and recognised as income in the Income Statement.

i) 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.

j) Equity

The share capital is represented by ordinary shares.

The costs of issuing new shares or options are recognised directly against equity as a reduction in reserves.

In the case of the acquisition of the Company’s own shares, the consideration paid, including any directly attributable incremental costs, is deducted from equity until cancellation, reissue or disposal. When these shares are subsequently sold or reissued, any amount received, net of any directly attributable incremental transaction costs, is included in equity.

Discretionary dividends related to equity instruments are recognised as a reduction in equity when they are approved by the General Shareholders' Meeting.

k) Financial liabilities

Financial liabilities will, for measurement purposes, be included in one of the following categories:

Financial liabilities at amortised cost

In general, this category includes both trade and non-trade payables:

a) Trade payables: financial liabilities arising from the purchase of goods and services in the course of business transactions with deferred payment, and

b) Non-trade payables: financial liabilities which, not being derivative instruments, do not have a commercial origin but rather arise from loan or credit operations received by the Company.

Participating loans that have the characteristics of an ordinary or common loan are also included in this category without prejudice to the agreed interest rate (zero or below market).

Initial measurement

Financial liabilities included in this category are initially measured at fair value, which is the transaction price and which is equal to the fair value of the consideration received adjusted for directly attributable transaction costs.

However, trade payables falling due in less than one year and not bearing a contractual interest rate, as well as disbursements required by third parties on shares, the amount of which is expected to be paid in the short term, are measured at nominal value, when the effect of not discounting cash flows is not material.

Subsequent measurement

These financial liabilities are measured at amortised cost. Accrued interest is allocated to the Income Statement by applying the effective interest rate method.

However, payables maturing in less than one year that are initially valued at nominal value continue to be valued at that amount.

Reverse confirming

The Company has arranged reverse factoring lines with various financial institutions to manage supplier payments. Given that this operation does not involve any type of financing for the Company, which pays on the date established with the supplier, liabilities whose settlement is managed by financial institutions are deemed to be of a commercial nature and are thus shown under the heading "Trade and other payables" in the balance sheet until the time they are settled, cancelled or expire.

At 31 December 2024 and 2023, the amount of outstanding reverse factoring transactions that have been fully recognised as trade payables amounts to Euros 286 thousand and Euros 770 thousand, respectively.

Financial liabilities at fair value through the Income Statement

This category includes financial liabilities that meet one of the following conditions:

a) Liabilities held for trading.

b) Those irrevocably designated from initial recognition to be carried at fair value through the Income Statement, given that:

- An accounting inconsistency or "accounting mismatch" with other instruments at fair value through the Income Statement is eliminated or significantly reduced; or
- A group of financial liabilities or financial assets and liabilities is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy, whereby information on the group is also provided on a fair value basis to key management personnel.

Initial and subsequent measurement

Financial liabilities included in this category are initially measured at fair value, that being the transaction price, which is the fair value of the consideration received. Transaction costs directly attributable to them are recognised in the Income Statement for the year.

After initial recognition, financial liabilities in this category are measured at fair value through Income Statement.

In the case of renegotiation of existing debt, no material modification of the financial liability is deemed to exist when the lender of the new loan is the same as the lender of the original loan and the current value of the cash flows, including net fees, does not differ by more than 10% from the current value of the outstanding cash flows of the original liability calculated under the same method.

l) Income tax

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

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 prevailing tax rules and rates or on those that have been approved and are pending publication at the end of the year.

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 equity or from a business combination.

From 1 January 2021, the Company pays taxes under the tax consolidation regime, being the Parent of the tax group. The companies forming part of the tax group are 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., Ehisa Construcciones y Obras, S.A.U., Elecnor Seguridad, S.L.U., Audeca, S.L.U., Montajes Eléctricos Arranz, S.L.U, Elecnor Servicios y Proyectos, S.A.U., Elecred Servicios, S.A.U., Internacional de Desarrollo Energético, S.A.U., Parque Eólico Montañes, S.L.U and Los Llanos Fotovoltaica de Castilla-La Mancha, S.L.U. During 2024 the following companies exited the consolidation scope: Deimos Engineering and Systems, S.L.U., Deimos Space, S.L., Aerogeneradores del Sur, S.A., Enerfín Enervento Exterior, S.L., Enerfín Enervento, S.L.U., Enerfín 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., Enerfín Renovables, S.L.U., Enerfín Renovables II, S.L., Enerfín Renovables IV, S.L.U., Parque Eólico Volandin, S.L.U., Enerfín Renovables VI, S.L., Solar 3 Rayas, S.L., Enerfín Renovables VIII, S.L., Enerfín Renovables IX, S.L, Enerfín Renovables X, S.L., Enerfín Renovables XI, S.L., Eólica Montes de Cierzo , S.L. and Luzy Energía Renovable, S.L.U. (Notes 6 and 11).

The accrued Corporate Income Tax expense of the companies under the consolidated accounting system, is determined taking into account –in addition to the parameters to be considered in case of individual taxation set out above– the following:

- Temporary and permanent differences generating as a result of the elimination of profit/loss from transactions between Group companies, deriving from the process of determining the consolidated tax base.
- The deductions and allowances corresponding to each company in the tax group in the consolidated accounting system; for these purposes, the deductions and allowances will be allocated to the company that conducted the activity or obtained the income necessary to obtain the right to the tax deduction or allowance.

Temporary differences arising from eliminations of profit/loss between companies in the tax group are recognised in the company generating the profit or loss and are measured at the tax rate applicable to that company.

For the portion of the tax losses of certain Group companies that have been offset by the other companies in the consolidated Group, a reciprocal credit and debit arises between the companies to which they correspond and the companies offsetting them. If there is a tax loss that cannot be offset by the other consolidated Group companies, these tax loss carryforwards are recognised as deferred tax assets, and the tax group is considered to be the taxpayer for their recovery.

The Parent of the Group recognises the total amount payable (to be repaid) for consolidated Corporate Income Tax with a charge (credit) to Receivables (payables) from/to Group companies and associates.

The amount of the debt (receivable) corresponding to subsidiaries is recorded with payment (debited) to Payables (Receivables) to/from Group companies and associates.

Recognition of deferred tax liabilities

The Company recognises deferred tax liabilities in all cases except those arising from the initial recognition of goodwill or 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.

Recognition of deferred tax assets

The Company only recognises deferred tax assets deriving from tax loss carryforwards to the extent that it is likely that the Company will have future taxable profits against which the tax assets can be utilised within the legally established period, up to a maximum of ten years, unless they are likely to be recovered in a longer period, when tax legislation allows them to be utilised in a longer period or does not establish any time limits in this connection.

At the end of each reporting period the Company reviews the recognised deferred tax assets, making any appropriate adjustments to the extent that there is uncertainty regarding their future recovery. Likewise, at the end of each year, the deferred tax assets not recognised on the balance sheet are evaluated and these are recognised to the extent that their recovery with future taxable profit becomes likely.

In determining future taxable profit, the Company 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 prevailing rules and rates or those that have been approved and are pending publication and having considered the fiscal consequences deriving from the manner in which the Company expects to recover the assets or settle the liabilities. In this connection, the Company has considered the deduction due to the reversal of temporary measures pursuant to transitory provision thirty-seven of Corporate Income Tax Law 27/2014, of 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.

Classification

Deferred tax assets and liabilities are recognised in the balance sheet as non-current assets or liabilities, irrespective of the expected date of realisation or settlement.

m) Provisions and contingencies

In preparing the Annual Accounts, the Company's Directors distinguish between:

- Provisions: current obligations, whether legal, contractual, implicit or tacit, as a result of a past event; recognised by the Company when there is likely to be an outflow of resources requiring future profits to cancel the obligation; and it is possible to reliably estimate the amount of the obligation.
- Contingent liabilities: possible obligations arising from past events, the materialisation of which will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the control of the Company.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the year, taking into account all risks and uncertainties surrounding the amount to be recognised as a provision and, where it is material, the financial effect of discounting provided that the expenditure to be made each period can be reliably estimated.

Provisions are reversed against profit and loss when it is not likely to be an outflow of resources to extinguish the obligation.

Contingent liabilities are not recognised in the Annual Accounts, unless these are considered as remote.

Tax provisions

Tax provisions related to the estimated amount of taxes payable determined on the basis of the general criteria set forth above. Provisions are allocated against income tax for the annual rate, to finance expenses for late payment interest and to other profit/loss for fines. The effect of changes in estimated provisions from prior years are recognised under their related headings except when correcting an error.

Provisions for termination benefits

Involuntary termination benefits are recognised when the Company has a detailed formal plan and it has raised a valid expectation that it will carry out the process by starting to implement the plan or announcing its main features to those affected by it.

n) Revenue recognition

Income is recognised at the fair value of the consideration receivable and reflects the amounts to be collected for goods delivered over and services rendered in the ordinary course of the Company's activities, less returns, rebates, discounts and value added tax.

The Company recognises income when the amount can be reliably estimated, it is probable that the future economic benefits will flow to the Company and the specific conditions are met for each of the activities, as described below. The amount of income is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

According to the interpretation of the ICAC published in its official bulletin of September 2009 (No. 79), companies considered to be "industrial holding companies", as is the case of Elecnor, S.A., will present dividends, interest and management fees from holdings in groups, jointly-controlled entities and associates as Turnover in the Income Statement.

Rendering of services

The Company invoices the Elecnor Group companies for the rendering of general management and administration services pursuant to the contracts with each of them.

Sales of services are recorded in the accounting period in which the services are rendered, by reference to the completion of the specific transaction measured on the basis of the actual service provided as a percentage of the total service to be provided.

Interest income

The Company recognises interest on financial assets measured at amortised cost using the effective interest rate method. When a receivable is impaired, the Company writes the carrying amount down to the recoverable amount, discounting estimated future cash flows at the original effective interest rate of the instrument, and carries the discount as a reduction in interest received. Interest income on impaired loans is recognised when cash is collected or on a cost recovery basis when the terms are secured, and dividends are recognised when the Company's right to receive them is declared.

Dividends received

The Company recognises dividends on financial assets accrued after the time of acquisition as income in the Income Statement. The Company recognises dividends when the Company's right to receive them is declared.

If dividends paid unequivocally come from profit generated prior to the acquisition date because amounts have been distributed in excess of the profits generated by the investee or any company in which the latter has an interest since the acquisition, they are deducted from the carrying amount of the investment.

Sales

Elecnor, S.A. carries out various projects for customers through the branches that the Company has not yet been able to transfer for operational reasons (Note 1). 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 Company's execution produces an asset controlled by customers and with no alternative use for the Company, which is entitled to proceeds from execution completed until year end.

The Company recognises the revenue from contracts using the resource method or percentage of completion method based on costs incurred over total estimated costs. The Company makes adjustments in accordance with the progress for inefficiencies not initially envisaged in the contract. Moreover, the Company only recognises revenue for cost incurred to the extent that the Company delivers a good that is not different, the customer expects to obtain control of the good prior to obtaining service therefrom, the cost of the good delivered is significant in relation to the total estimated costs and the Company acquires the good from a supplier and is not significantly involved in designing and manufacturing the good.

The Company 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, an advance from customers is recognised. If the time elapsed between accrual of the revenue and the estimated payment date exceeds twelve months, the Company 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 Company 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 Company 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 Company's incremental borrowing rate.

Penalties for breaches associated with the quality or rational efficiency of the Company's service are recognised as an expense with a negative sign under Net turnover.

The costs of construction contracts include costs directly linked to the contract, those relating to the contract activity in general that might be attributable thereto and any other cost that may be passed on to the customer on the basis of the contract terms.

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

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

- The scope of the contract is increased due to the addition of different goods or services, and
- 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 Company 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.

o) Foreign currency transactions and balances

Foreign currency transactions were translated into Euros by applying to the amount in foreign currency the spot exchange rate on the dates on which the transactions were carried out.

Where there are different exchange rates, the rate that best reflects the value at which the transactions will be settled is used.

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 rates at the transaction dates.

Exchange gains and losses emerging when foreign currency transactions are settled and in translating monetary assets and liabilities denominated in foreign currencies into Euros are recognised in profit or loss.

p) Transactions between Group companies

Transactions between Group companies, except those relating to mergers, spin-offs and non-monetary business contributions, are recognised at the fair value of the consideration delivered or received. The difference between that value and the amount agreed is recognised in accordance with the underlying economic substance.

In spin-offs between Group companies, the contributor measures its new shareholding at the net value of the assets and liabilities contributed.

q) Environment

The Company 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 Company 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 Company's activities, are recognised as assets, applying the measurement, presentation and disclosure criteria described in section b) Property, plant and equipment.

r) Distribution of dividends

Dividend distributions to shareholders are recognised, if outstanding, as a liability in the Annual Accounts in the year in which the dividends are approved by the General Shareholders' Meeting/Board of Directors.

5. Risk management policy

The Elecnor Group, of which the Company is the Parent, 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 running 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.

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 biannually, and at least 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. The Audit Committee oversees this process on a biannual basis and the Risk Map is submitted to the Board of Directors for review and approval.

(Expressed in thousands of Euros)

Financial risks

Foreign currency risk

The Company is exposed to foreign currency risk due to its operations in international markets.

The Company 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 Company's consolidated profit before tax of changes in this currency, chiefly resulting from the translation of trade receivables and payables:

		Thousands of Euros			
		2024		2023	
Functional currency	Currency	10%	-10%	10%	-10%
EUR	USD	(884)	1,080	(898)	1,098

The Group's main exposures to foreign currency risk at 31 December 2024 and 2023 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:

2024

	Thousands of Euros					
	Long-term financial investments	Short-term investments in Group companies	Trade and other receivables	Cash and cash equivalents	Short-term payables to Group companies	Trade and payables
AUD	239,066	-	-	-		-
USD	-	475	9,871	242	(868)	-
XAF	-	-	-	-	(31)	-
XOF	-	-	-	-	-	(69)
Total	**239,066**	**475**	**9,871**	**242**	**(899)**	**(69)**

2023

	Thousands of Euros				
	Short-term investments in Group companies	Trade and other receivables	Cash and cash equivalents	Short-term payables to Group companies	Trade and payables
USD	-	10,277	467	(814)	(43)
DZD	977	-	-	-	-
XOF	-	-	-	-	(68)
Total	**977**	**10,277**	**467**	**(814)**	**(111)**

The company has contracted fx swaps to mitigate the foreign currency risk associated with long-term financial investments in Australian dollars for 2024 (Note 11 and 10.2).

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.

With regard to interest rate risk management, the Group uses hedging instruments to hedge the risk of interest rate fluctuations in financing transactions with floating interest rates. Furthermore, and depending on the market conditions prevailing at any given time, the Group assesses and, where appropriate and depending on its financial needs and the financing structure objectives established, arranges financing at fixed interest rates.

If interest rates at 31 December 2024 had been 50 basis points higher or lower and the rest of variables unchanged, profit before tax would have amounted to Euros 934 thousand and Euros 934 thousand lower/higher, respectively, due to a higher/lower finance expense on borrowings at floating rates (Euros 1,115 thousand and Euros 1,115 thousand lower/higher, respectively, in 2023).

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to meet its short-term financial obligations within the established deadlines.

Lastly, in order to mitigate liquidity risk, the Company monitors its operating capital on an ongoing basis to optimise its management and maintains a solid liquidity position in current accounts and credit facilities with sufficient limits.

Credit risk

The Company's main credit risk arises from trade receivables, when the counterparty or customer does not meet their contractual obligations.

Given the business and the sectors in which it operates, the Company generally has customers of high credit ratings. In any case, the Company takes measures to mitigate credit risk (non-payment or default) by carrying out exhaustive analyses of the solvency of the counterparty and establishing specific contractual conditions to guarantee the collection of the consideration.

The Company regularly analyses its exposure to credit risk and makes the corresponding impairment adjustments.

Climate risk

This category would include risks arising from events associated with climate change, whether physical climate risks, which could cause discontinuity or significantly affect certain operations, or transition risks, which would be those related to new legal and/or market requirements in this area (regulations, reporting, third-party expectations, etc.).

The Elecnor Group, of which the Company is the Parent, has carried out a process of identification and analysis of risks and opportunities associated with climate change, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and complying with the European Union's Corporate Sustainability Reporting Directive (CSRD). It is comprehensive in scope and addresses both physical risks (such as extreme weather events or resource scarcity) and transitional risks (regulatory changes, consumer expectations and market developments) and climate opportunities. This analysis focuses on how these factors impact the company's overall strategy, governance, supply chain and operations.

Measurement method (fair value estimate)

Current regulations establish the disclosures about fair value measurements that also apply to non-financial assets and liabilities. Based on the provisions of Royal Decree 1/2021 of 12 January, fair value is the price that would be received for the sale of an asset or paid to transfer or settle a liability in an orderly transaction between market participants at the measurement date.

(Expressed in thousands of Euros)

An analysis of financial instruments measured at fair value at 31 December 2024 and 2023 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).

  The fair value of financial instruments that are not quoted in an active market is determined using measurement techniques. Elecnor, S.A. uses a variety of methods such as estimated discounted cash flows and makes assumptions based on the market conditions existing at each balance sheet date. If all key figures required to calculate the fair value of an instrument are observable, the instrument is included in Level 2.

  The instruments included in Level 2 correspond to derivative financial instruments (Note 11).
- 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 2024			
	Thousands of Euros			
	Level 1	Level 2	Level 3	Total
Non-current financial assets				
Derivative financial instruments (Note 11)	-	1,818	-	1,818
Current financial assets				
Derivative financial instruments (Note 11)	-	1,852	-	1,852
Non-current liabilities				
Derivative financial instruments (Note 11)	-	-	-	-
Current liabilities				
Derivative financial instruments (Note 11)	-	-	-	-
	-	**3,670**	**-**	**3,670**

	Fair value at 31 December 2023			
	Thousands of Euros			
	Level 1	Level 2	Level 3	Total
Non-current financial assets				
Derivative financial instruments (Note 11)	-	170	-	170
Current financial assets				
Derivative financial instruments (Note 11)	-	4,601	-	4,601
Non-current liabilities				
Derivative financial instruments (Note 11)	-	-	-	-
Current liabilities				
Derivative financial instruments (Note 11)	-	(2,534)	-	(2,534)
	-	**2,237**	**-**	**2,237**

There have been no transfers between levels during the 2024 and 2023 financial years.

Measurement techniques

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

• For derivatives quoted on an organised market, their quoted value at year end;

(Expressed in thousands of Euros)

• For derivatives not traded on an organised market, in order to measure them, Elecnor, S.A. 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 is calculated using the best estimate of future price curves for these non-financial items existing at the closing date of the Annual Accounts, using, to the extent possible, prices established on futures markets.

6. Non-current assets held for sale

On 2 June 2023, Elecnor, S.A. filed an Insider Information communication with the CNMV notifying the start of a process to find an investor to take a controlling stake in its subsidiary Enerfín Sociedad de Energía, S.L.U. (hereinafter, "Enerfín"). On 31 August 2023, the Company’s Directors considered that the conditions for the classification of this financial investment as "Non-current assets held for sale" were met, as disposal in the short term was considered probable.

Accordingly, on that date, the Company reclassified the stake it held in Enerfín amounting to Euros 219,526 thousand as "Non-current assets held for sale" (Note 10.3), as well as the credits granted to it and to other subgroup companies amounting to Euros 108,950 thousand (Note 10.2), as the latter are included in the framework of the negotiation. At the time of reclassification, the Company assessed the appropriateness of adjusting the fair value of the investment in Enerfín. In accordance with accounting standards, the Company did not need to recognise valuation adjustments to the reclassified assets.

In addition, Elecnor, S.A. granted, up to the time of the sale, loans to Enerfín amounting to Euros 144,174 thousand. All loans granted were capitalised prior to the transaction and were written off at the time of the transaction.

On 17 November 2023, Elecnor, S.A. filed an Insider Information communication with the CNMV notifying of the signing of the agreement for the sale of 100% of the capital of Enerfín Sociedad de Energía, S.L.U. to Statkraft European Wind and Solar Holding AS (hereinafter, “Statkraft”), a company that belongs to the Statkraft Group. The transaction was structured by means of a contract for the purchase and sale of shares, signed on the same date, under the usual terms and conditions for this type of transaction.

On 23 May 2024, once all the conditions stipulated in the contract signed with Statkraft had been fulfilled, the public deed of sale of all the shares of Enerfín was signed, effective on the same date, and Statkraft therefore became the sole shareholder of Enerfín.

The final transaction price received by Elecnor, after the corresponding adjustments agreed in the contract, was Euros 1.560 billion.

The capital gain from this transaction is detailed below:

	Thousands of
Selling price	1,560,241
Investment in Enerfín	(472,650)
Transfer costs	(31,303)
Proceeds from the sale	**1,056,288**
Associated tax	(41,395)
Proceeds from the sale after tax	**1,014,893**

(Expressed in thousands of Euros)

7. Intangible assets

Details of "Intangible assets" were as follows:

2024

	Thousands of Euros		
	Administrative Concessions	Computer software	Total
COST:			
Balance at 31 December 2023	**79**	**32,188**	**32,267**
Additions	-	10,988	10,988
Balance at 31 December 2024	**79**	**43,176**	**43,255**
ACCUMULATED AMORTISATION:			
Balance at 31 December 2023	**(47)**	**(19,696)**	**(19,743)**
Charges	(2)	(5,630)	(5,632)
Balance at 31 December 2024	**(49)**	**(25,326)**	**(25,375)**
Net cost at 31 December 2024	**30**	**17,850**	**17,880**

2023

	Thousands of Euros		
	Administrative Concessions	Computer software	Total
COST:			
Balance at 31 December 2022	**79**	**24,152**	**24,231**
Additions	-	8,047	8,047
Disposals	-	(11)	(11)
Balance at 31 December 2023	**79**	**32,188**	**32,267**
ACCUMULATED AMORTISATION:			
Balance at 31 December 2022	**(46)**	**(15,581)**	**(15,627)**
Charges	(1)	(4,126)	(4,127)
Disposals	-	11	11
Balance at 31 December 2023	**(47)**	**(19,696)**	**(19,743)**
Net cost at 31 December 2023	**32**	**12,492**	**12,524**

The Company’s fully amortised and in use intangible assets at 31 December 2024 amounted to Euros 19,211 thousand and it mainly corresponds to computer software (Euros 17,608 thousand at 31 December 2023, chiefly corresponding to computer software).

At the end of 2024 and 2023, the Company has no investments commitments in intangible assets.

8. Property, plant and equipment

Details of "Property, plant and equipment" were as follows:

(Expressed in thousands of Euros)

2024

	Thousands of Euros					
	Land	Buildings	Technical Installations and Machinery	Hand and machine tools Furniture and fixtures	Other Property, Plant and Equipment	Total
COST:						
Balance at 31 December 2023	**6,651**	**2,772**	**5,160**	**2,353**	**4,080**	**21,016**
Additions	-	-	55	4	39	98
Disposals	-	-	(995)	(275)	(74)	(1,344)
Balance at 31 December 2024	**6,651**	**2,772**	**4,220**	**2,082**	**4,045**	**19,770**
ACCUMULATED DEPRECIATION:						
Balance at 31 December 2023	**-**	**(1,822)**	**(2,457)**	**(1,594)**	**(3,454)**	**(9,327)**
Charges	**-**	(104)	(494)	(141)	(240)	(979)
Disposals	**-**	-	576	244	16	836
Balance at 31 December 2024	**-**	**(1,926)**	**(2,375)**	**(1,491)**	**(3,678)**	**(9,470)**
Net cost at 31 December 2024	**6,651**	**846**	**1,845**	**591**	**367**	**10,300**

2023

	Thousands of Euros					
	Land	Buildings	Technical Installations and Machinery	Hand and machine tools Furniture and fixtures	Other Property, Plant and Equipment	Total
COST:						
Balance at 31 December 2022	**6,651**	**2,772**	**5,215**	**2,023**	**4,046**	**20,707**
Additions	-	-	104	356	263	723
Transfers	-	-	(20)	(14)	34	**-**
Disposals	-	-	(139)	(12)	(263)	(414)
Balance at 31 December 2023	**6,651**	**2,772**	**5,160**	**2,353**	**4,080**	**21,016**
ACCUMULATED DEPRECIATION:						
Balance at 31 December 2022	**-**	**(1,685)**	**(2,044)**	**(1,343)**	**(3,091)**	**(8,163)**
Charges	**-**	(105)	(489)	(263)	(536)	(1,393)
Transfers	**-**	(32)	68	-	(36)	**-**
Disposals	-	-	8	12	209	229
Balance at 31 December 2023	**-**	**(1,822)**	**(2,457)**	**(1,594)**	**(3,454)**	**(9,327)**
Net cost at 31 December 2023	**6,651**	**950**	**2,703**	**759**	**626**	**11,689**

At 31 December 2024 and 2023, the Company did not have individually significant items of property, plant and equipment.

(Expressed in thousands of Euros)

The cost of property, plant and equipment which, at 31 December 2024 and 2023, is fully depreciated and in use, is as follows:

	Thousands of Euros	
	2024	2023
Buildings, technical installations and machinery	1,207	1,197
Furniture and fixtures	406	563
Information technology equipment	1,901	1,609
Other property, plant and equipment	69	–
Total	**3,583**	**3,369**

The Company's procedures include taking out insurance policies to cover possible risks to which various items within its property, plant and equipment are exposed. At 31 December 2024 and 2023, the policies taken out covered the net carrying amount of the property, plant and equipment.

As indicated in Note 9, at the end of 2024 and 2023 the Company had finance lease agreements pertaining to its property, plant and equipment.

At the end of 2024 and 2023, the Company had no significant investments commitments in property, plant and equipment.

During the 2024 and 2023 financial years, no impairment adjustments have been recognised or reversed for any assets.

9. Leases

Finance leases – Lessee

At the end of 2024 and 2023, as a finance lessee, the Company recognised finance leases as follows:

2024

	Thousands of Euros		
	Land	Buildings	Total
Cost	6,651	2,480	9,131
Accumulated depreciation	-	(1,744)	(1,744)
Total	**6,651**	**736**	**7,387**

2023

	Thousands of Euros		
	Land	Buildings	Total
Cost	6,651	2,480	9,131
Accumulated depreciation	-	(1,645)	(1,645)
Total	**6,651**	**835**	**7,486**

The Company's only finance lease agreement at the end of 2024 and 2023 corresponds to its offices in Bilbao, signed on 11 June 2007, and recognised in the gross amount of Euros 9,131 thousand, an amount that corresponds to the updated value on the date of signing the minimum payments agreement for the duration of the contract term.

(Expressed in thousands of Euros)

Said contract expires in 2027 and payment will be over 240 monthly instalments.

The contract is subject to annual increases indexed to Euribor + 55 basis points and the Company has arranged a swap to hedge against interest rate fluctuations which expires on the same date as the contract (Note 11).

At the end of 2024 and 2023, the Company has contractually agreed the following minimum finance lease payments with lessors (including, if any, purchase options), based on the leases currently in force, without taking into account any shared expenses passed on, future CPI increases or future contractual lease payment reviews:

	Thousands of Euros			
Finance leases minimum payments	2024		2023	
	Nominal value	Current value	Nominal value	Current value
Less than one year	682	564	688	537
Between 1 and 5 years	1,862	1,756	2,544	2,324
Total	**2,544**	**2,320**	**3,232**	**2,861**

The reconciliation between the amount of future minimum lease payments and their current value is as follows:

	Thousands of Euros	
	2024	2023
Future minimum payments	1,644	2,331
Purchase option	900	900
Unaccrued finance expenses	(224)	(370)
Current value	**2,320**	**2,861**

10. Financial assets

10.1. Financial assets: classification and maturity

The carrying amount of each of the categories of financial assets established in the Accounting and Measurement Standard for "Financial instruments", except for investments in the equity of Group companies, jointly-controlled entities and associates (Note 10.3), is as follows:

(Expressed in thousands of Euros)

2024

Category	Notes	Thousands of Euros					
		Non-current			Current		
		Debt securities	Credits, Derivatives and Other	Total	Debt securities	Credits, Derivatives and Other	Total
Financial assets at amortised cost	10.2	—	350,174	350,174	—	86,445	86,445
Hedge derivatives	11	—	1,818	1,818	—	1,852	1,852
Total		**—**	**351,992**	**351,992**	**—**	**88,297**	**88,297**

2023

Category	Notes	Thousands of Euros					
		Non-current			Current		
		Debt securities	Credits, Derivatives and Other	Total	Debt securities	Credits, Derivatives and Other	Total
Financial assets at amortised cost	10.2	—	100,717	100,717	—	102,036	102,036
Hedge derivatives	11	—	170	170	—	4,601	4,601
Total		**—**	**100,887**	**100,887**	**—**	**106,637**	**106,637**

The amounts of financial assets with a specific or determinable maturity classified by year of maturity are as follows:

2024

Category	Notes	Thousands of Euros					
		2025	2026	2027	2028	2029 and thereafter	Total
Investments in Group companies and associates:							
Credits	10.2	36,800	110,439	-	-	-	147,239
Other financial assets	10.2	15,964	-	-	-	-	15,964
Other investments:							
Advances from suppliers		881	-	-	-	-	881
Trade and other receivables	10.2	31,893	-	-	-	-	31,893
Derivatives	11	1,852	1,818	-	-	-	3,670
Other financial assets	10.2	907	239,066	669		-	240,642
Total		**88,297**	**351,323**	**669**	**-**	**-**	**440,289**

(Expressed in thousands of Euros)

2023

Category	Notes	Thousands of Euros					
		2024	2025	2026	2027	2028 and thereafter	Total
Investments in Group companies and associates:							
Credits	10.2	16,740	100,000	-	-	-	116,740
Other financial assets	10.2	39,284	-	-	-	-	39,284
Other investments:							
Advances from suppliers		1,208	-	-	-	-	1,208
Trade and other receivables	10.2	44,585	-	-	-	-	44,585
Derivatives	11	4,601	-	-	170		4,771
Other financial assets	10.2	219	-	-	717		936
Total		**106,637**	**100,000**	**-**	**887**	**-**	**207,524**

The financial assets that have not yet matured have not suffered any impairment losses and are considered to be free of impairment risks, since most of them correspond to balances with Elecnor Group companies and associates where there are no recovery problems.

As at 31 December 2024 the Company has a registered deposit in Australian dollars of Euros 239.1 million (AUD 400 million), which is scheduled to mature in 2026. The Company has no further significant monetary financial assets denominated in foreign currencies at 31 December 2024 and 2023.

10.2. Financial assets at amortised cost

Financial investments - Other financial assets

The amounts under the headings "Other long-term financial assets" and "Other short-term financial assets" in the balance sheets at 31 December 2024 and 2023 are as follows:

Category	Thousands of Euros			
	2024		2023	
	Non-current	Current	Non-current	Current
Deposits and securities	239,735	907	717	219
Total	**239,735**	**907**	**717**	**219**

The non-current "Deposits and securities" heading in the above table at 31 December 2024 includes a deposit in Australian dollars with an equivalent value in Euros is Euros 239.1 million (AUD 400 million) to secure the fulfilment of obligations undertaken in connection with the implementation of a project in Australia, which the Group expects to recover in full over the remaining period until its completion.

The rest of the balances for both years correspond to security and other deposits delivered in relation to the various operating leases entered into by the Company (Note 9).

(Expressed in thousands of Euros)

Financial investments in Group companies and associates

Details of "Long-term investments in Group companies and associates" and "Short-term investments in Group companies and associates", except Investments in equity instruments, on the assets side of the balance sheet at 31 December 2024 and 2023, are as follows:

Category	Notes	Thousands of Euros			
		2024		2023	
		Non-current	Current	Non-current	Current
Loans to companies	4.I	110,439	52,067	100,000	25,885
(Impairment adjustments on loans to companies)		-	(15,267)	-	(9,145)
Dividends receivable		-	475	-	17,977
Tax credits		-	13,886	-	20,083
Other financial assets		-	4,612	-	4,264
(Impairment adjustments on other financial assets)		-	(3,009)	-	(3,040)
Total		**110,439**	**52,764**	**100,000**	**56,024**

Long-term loans to Group companies

The balance at 31 December 2024 and 2023 corresponds to the credit granted to Elecnor Servicios y Proyectos, S.A.U. The maturity of this loan was novated during the year to 2026, bearing interest at market rates.

Short-term loans to Group companies

The breakdown by company of "Short-term investments in Group companies and associates – Loans to companies" under current assets at 31 December 2024 and 2023, is as follows:

	Thousands of Euros	
	2024	2023
Elecnor Servicios y Proyectos, S.A.U.	36,500	10,440
Elecnor Camerún, S.A.	-	6,000
Celeo Apolo FV, S.L.	300	300
Total	**36,800**	**16,740**

The loan to Elecnor Cameroon, S.A. amounting to Euros 6,000 thousand was fully impaired in 2024 and is recognised under "Impairment and profit/loss on disposal of financial instruments" in the accompanying Income Statement.

On 30 December 2022 the Company entered into a credit agreement with Elecnor Servicios y Proyectos, S.A.U. amounting to Euros 42,000 thousand, which matures in one year, may be extended annually and accrues interest at an annual rate of 2%. As at 31 December 2024, the subsidiary had drawn down Euros 36,500 thousand (Euros 8,000 thousand in the previous year).

The Company has entered into successive loan agreements since 2016 for Dunor Energía S.A.P.I. de CV (an investee of Duro Felguera, S.A.) which, together with accrued interest, amount to Euros 21,011 thousand and which it impaired from 2019, given that it did not consider its recovery to be probable due to recurring losses and the poor equity position of this company. During 2023, the Company partially capitalised the credit granted (and fully impaired) to the subsidiary for the amount of Euros 8,703 thousand (Note 10.3). The total balance for loans and other financial assets granted to Dunor Energía, S.A.P.I. de CV at 31 December 2024 amounts to Euros 12,308 thousand and is fully impaired (Euros 12,186 thousand at 31 December 2023).

Dividends receivable

At year-end Euros 475 thousand were pending collection in respect of the dividend from Acciona Infraestructuras- Elecnor Hospital David, S.A. (Elecnor Servicios y Proyectos, S.A.U. for Euros 17,000 thousand and Elecdal, U.R.L. for Euros 977 thousand at the end of the previous year).

(Expressed in thousands of Euros)

Trade and other receivables

Details of trade and other receivables at 31 December 2024 and 2023 are as follows:

	Notes	Thousands of Euros	
		2024	2023
Group	19.2		
Customer		9,676	11,726
(Impairment adjustments)		(2,186)	-
Associates and jointly-controlled entities	19.2		
Customer		3,447	2,680
(Impairment adjustments)		(3,261)	(2,548)
Non-related			
Customer		20,413	28,681
Other receivables	10.3	10,202	10,207
Personnel		157	159
(Impairment adjustments)		(6,555)	(6,320)
Total		**31,893**	**44,585**

The analysis of movements in 2024 and 2023 in allowance accounts related to impairment losses due to credit risk is as follows:

	Thousands of Euros
Balance at 31 December 2022	**(8,726)**
Charges	(732)
Applications	590
Balance at 31 December 2023	**(8,868)**
Charges	(3,490)
Applications	356
Balance at 31 December 2024	**(12,002)**

At 31 December 2024 and 2023, the net balance of non-related customer receivables is wholly contributed by the Cameroon branch that the Company has not yet been able to transfer for operational reasons (see Note 1) and the debt has not been sold.

The carrying amount of financial assets recognised in the balance sheet at amortised cost does not present significant differences with respect to their fair value.

The amount of income by category of financial assets for 2024 and 2023 is as follows:

	Notes	Thousands of Euros	
		2024	2023
Net turnover - Finance income	19.1	8,232	6,687
Finance income - Marketable securities and other financial instruments	10.2	22,517	-
Total finance income from financial assets at amortised cost		**30,749**	**6,687**

(Expressed in thousands of Euros)

Finance income from marketable securities and other financial instruments corresponds to financial investments consisting of fixed-term deposits, money market funds and reverse repos entered into during the year and which have been cancelled before year-end.

10.3. Investments in equity instruments of Group companies, associates and jointly-controlled entities

The breakdown of non-current investments in equity instruments of Group companies, associates and jointly-controlled companies at 31 December 2024 and 2023 is as follows:

2024

	Thousands of Euros			
	Balance at 31/12/2023	Additions	Derecognitions	Balance at 31/12/2024
Group companies:				
Interests	155,115	-	(3)	155,112
Impairment adjustments	-	(1,353)	-	(1,353)
	155,115	**(1,353)**	**(3)**	**153,759**
Associates:				
Interests	8,993	-	-	8,993
Disbursements pending	(4)	-	-	(4)
Impairment adjustments	(8,985)	-	-	(8,985)
	4	**-**	**-**	**4**
Jointly-controlled entities:				
Interests	426,236	-	-	426,236
	426,236	**-**	**-**	**426,236**
Total	**581,355**	**(1,353)**	**(3)**	**579,999**

2023

	Thousands of Euros				
	Balance at 31/12/2022	Additions	Derecognitions	Transfer to non-current asset held for sale (Note 6)	Balance at 31/12/2023
Group companies:					
Interests	373,683	958	-	(219,526)	155,115
	373,683	**958**	**-**	**(219,526)**	**155,115**
Associates:					
Interests	14,588	8,703	(14,298)	-	8,993
Disbursements pending	(4)	-	-	-	(4)
Impairment adjustments	(282)	(8,703)	-	-	(8,985)
	14,302	**-**	**(14,298)**	**-**	**4**
Jointly-controlled entities:					
Interests	424,222	2,014	-	-	426,236
	424,222	**2,014**	**-**	**-**	**426,236**
Total	**812,207**	**2,972**	**(14,298)**	**(219,526)**	**581,355**

The most significant information concerning interests in Group companies, jointly-controlled entities and associates at the end of 2024 and 2023 is shown in Appendix I to these Annual Accounts.

(Expressed in thousands of Euros)

Equity instruments

The main movements in 2024 under "Equity instruments" in the above table were as follows:

- On 23 May 2024, all of Enerfín's shares were sold. These had been classified under "Non-current assets held for sale" in 2023 (Note 6).

The main movements in 2023 under "Equity instruments" in the above table were as follows:

- On 24 April 2023, the Company and Enagás Internacional, S.L.U., as sellers, and MIP V International AIV, L.P., as buyer, the conditions precedent having been fulfilled, completed the sale-purchase transaction to transfer the shares held by the sellers in the share capital of the Mexican companies Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V., in which each of the sellers held a 50% shareholding.

  The transaction price amounted to approximately US Dollars 190 million (Euros 172.5 million), calculated using a base price adjusted for certain working capital parameters and, being attributable to the Company, the amount corresponding to its shareholding. The Company recognised a provision amounting to US Dollars 26 million (Euros 23.7 million) since it considers that it will, in the future, have to tackle certain obligations pursuant to the terms of the contract (see Note 13).

  As at 31 December 2024 and 2023, an amount of Euros 9.9 million is pending settlement and has been recorded under "Sundry receivables" on the current assets side of the balance sheet.

  As a result of this transaction, the Company recognised a capital gain of Euros 42.3 million with a credit to "Profit/loss on disposals and others" for 2023 in the Income Statement as per the following:

	Thousands of Euros
Sale price attributable to the Company	86,273
Derecognition of shareholding	(14,297)
Other assets (*)	(4,938)
Transfer costs	(1,006)
Provision for liabilities	(23,696)
Proceeds from the sale	**42,336**

  (*) The Company had credits granted to the divested company Gasoducto de Morelos, S.A.P.I. de C.V. relating to various contributions to the subsidiary in 2012 in respect of future capital increases and which accrued interest at an annual rate of 7.5%, as well as other minor receivables.

- During the 2023 financial year, the Company liquidated the investee Proyectos Eléctricos Agua Prieta, S.A.P.I. de CV. The value of the shareholding amounted to Euros 1.5 thousand and a loss of this amount was therefore recognised under "Profit/loss on disposals and others" in the Income Statement for 2023. In addition, as a result of the liquidation, the Company wrote off short-term receivables and fully impaired trade balances amounting to Euros 6,101 thousand and Euros 590 thousand, respectively (Note 10.2).

- In addition, the Company increased the share capital of its subsidiaries Celeo Concesiones e Inversiones, S.L.U. and Elecnor Cameroun Société Anonyme by Euros 2,014 thousand and Euros 959 thousand, maintaining its ownership interest constant.

Provision for impairment of equity instruments

In accordance with the criteria set forth in Note 4.f, the Company assesses impairment and, where appropriate, calculates the relevant recoverable amount, when there is objective evidence that the future cash flows from its investments in equity instruments are being reduced.

Details of provisions for impairment of equity instruments at 31 December 2024 and 2023 are as follows:

(Expressed in thousands of Euros)

	Thousands of Euros	
	2024	2023
Elecnor Cameroun, S.A.	1,353	-
Dunor Energía, S.A.P.I. de C.V.	8,703	8,703
Eólica de la Patagonia, S.A.	282	282
Total	**10,338**	**8,985**

In 2024, the Company fully impaired its investment in the subsidiary Elecnor Camerún, S.A. with a charge to "Impairment and profit/loss on disposal of financial instruments" in the Income Statement.

During 2023, the Company partially capitalised the credit granted (and fully impaired) to Dunor Energía, S.A.P.I. de C.V. in the amount of Euros 8,703 thousand (Note 10.2).

In 2024 and 2023, no indications of impairment were identified for investments in Group companies, associates and jointly-controlled entities.

11. Derivative financial instruments

The Company uses derivative financial instruments to cover the risks to which its business activities, transactions and future cash flows are exposed, mainly risks as a result of changes in exchange rates and interest rates. The Company has fulfilled the requirements set forth in Note 4.g to be able to classify as hedges the financial instruments detailed below:

<u>Interest rate swaps assigned to the syndicated financing:</u>

During 2024, the interest rate swaps linked to the syndicated financing were cancelled due to their early repayment. At 31 December 2023 the balances of these swaps were as follows:

Thousands of Euros					
Notional outstanding	Year of contract		Total notional	Measurement of swaps floating to fixed rate	Measurement of swaps floating to floating rate
	2018	2019			
2023	105,000	45,000	150,000	4,601	(2,534)

The total amount of cash flow hedges recognised in equity at 31 December 2024 was an income of Euros 266 thousand, before the tax effect (an income of Euros 540 thousand, before the tax effect, at 31 December 2023).

The total amount of cash flow hedges transferred from income and expenses recognised in equity to minor finance expenses in the Income Statement was Euros 2,442 thousand, before the tax effect (Euros 4,036 thousand, before the tax effect, at 31 December 2023).

The Company has not contracted interest rate hedges tied to syndicated financing in 2024 and 2023.

<u>Interest rate swaps assigned to the lease agreement:</u>

At the end of 2024 and 2023, the Company had an interest rate swap associated with the leasing of the offices (Note 9). At 31 December 2024 and 2023 the most relevant data of this swap are as follows:

(Expressed in thousands of Euros)

	Thousands of Euros			
	2024		2023	
Year of contract	Notional amount	Measurement of swaps floating to fixed rate	Notional amount	Measurement of swaps floating to fixed rate
2018	2,370	59	2,911	170

Exchange rate swaps (valuation hedges):

In 2024, the Company entered into two fx swap transactions for an amount of AUD 200 million each (maturing on 11 December 2025 and 11 December 2026). The purpose of these contracts is to hedge the exchange rate risk between the Australian dollar and the Euro linked to the deposit in Australian dollars recorded under the heading "Other financial assets" of the assets in the attached balance sheet (Note 10.2). At 31 December 2024, the most relevant data for these swaps are as follows:

	Thousands of Euros	
	2024	
Year of contract	Notional amount	Valuation of fair value hedge swaps
2024	239,066	3,611

12. Equity

The composition and movement of equity is presented in the statement of changes in net equity.

12.1. Capital

At 31 December 2024 and 2023, the share capital of Elecnor, S.A. was represented by 87,000,000 book entry shares, each with a nominal value of Euros 0.10, fully subscribed and paid in.

The shares of the Company are listed on the Spanish electronic trading system.

At 31 December 2024 and 2023, the Company's shares were held as follows:

Interest %	2024	2023
Cantiles XXI, S.L.	52.76 %	52.76 %
Other (*)	47.24 %	47.24 %
Total	**100.00 %**	**100.00 %**

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

12.2. Reserves

Details of "Reserves" are as follows:

(Expressed in thousands of Euros)

2024

	Thousands of Euros						
	Legal and statutory reserve	Voluntary reserves	Capitalisation reserve	Reserve for own shares	Differences for adjustments of capital to Euros	Profit/loss for the year	Total
Balance at 31 December 2023	1,743	536,307	7,809	23,422	15	43,238	612,534
Profit/loss for 2024						945,998	945,998
Distribution of profit/loss for 2023:							
Voluntary reserves	-	3,830	-	-	-	(3,830)	-
Dividends	-	-	-	-	-	(39,408)	(39,408)
Changes in own shares	-	(168)	-	4,569	-	-	4,401
Balance at 31 December 2024	1,743	539,969	7,809	27,991	15	945,998	1,523,525

2023

	Thousands of Euros						
	Legal and statutory reserve	Voluntary reserves	Capitalisation reserve	Reserve for own shares	Differences for adjustments of capital to Euros	Profit/loss for the year	Total
Balance at 31 December 2022	1,743	535,863	7,809	22,430	15	36,882	604,742
Profit/loss for 2023	-	-	-	-	-	43,238	43,238
Distribution of profit/loss and reserves for 2022:							
Voluntary reserves	-	70	-	-	-	(70)	-
Dividends	-	-	-	-	-	(36,812)	(36,812)
Changes in own shares	-	374	-	992	-	-	1,366
Balance at 31 December 2023	1,743	536,307	7,809	23,422	15	43,238	612,534

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

	Thousands of Euros	
	2024	2023
Reserves not available for distribution:		
Legal reserve	1,743	1,743
Reserve for own shares	27,991	23,422
Capitalisation reserve	7,809	7,809
Differences for adjustments of share capital to euros	15	15
Total	**37,558**	**32,989**

Profit recognised directly in equity cannot be distributed, either directly or indirectly.

Legal reserve

The legal reserve has been allocated in accordance with article 274 of Spanish Companies Act, which establishes that, in any event, a figure equal to 10% of the profit for the year must be earmarked to the reserve until it reaches at least 20% of share capital.

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 value 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 2024 and 2023, the Company has appropriated to this reserve the minimum amount required by the 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 Company 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 non-distributable reserves (Note12.3).

Voluntary reserves

Voluntary reserves are freely available.

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.

12.3. 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 Company 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 5 years.

This authorisation may be used, in whole or in part, to acquire own shares for delivery or transfer to Executive Officers or members of the Management Team of the Company 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 2024 and 2023, the Company held own shares amounting to Euros 27,991 thousand and Euros 23,422 thousand, respectively, which are booked under "Own shares and equity" in equity in the balance sheet.

(Expressed in thousands of Euros)

Movement of own shares in 2024 and 2023 is as follows:

	No. of Shares
Own shares at 1 January 2023	**2,322,384**
Acquisition of own shares	271,026
Sale of own shares	(293,881)
Own shares at 31 December 2023	**2,299,529**
Acquisition of own shares	586,204
Sale of own shares	(578,480)
Own shares at 31 December 2024	**2,307,253**

In 2024, the Company acquired 586,204 own shares and sold 578,480 own shares, for an approximate total amount of Euros 11,091 thousand and Euros 6,522 thousand (at cost price) respectively, giving rise to gains of Euros 4,401 thousand which was recognised directly against Reserves (in 2023, the Company acquired 271,026 own shares and sold 293,881 own shares, for an approximate total amount of Euros 3,886 thousand and Euros 4,260 thousand at cost price respectively, obtaining gains of Euros 1,366 thousand which was recognised directly against Reserves).

All the own shares held by the Company at 31 December 2024 and 2023 represented 2.65% and 2.64% respectively of the total share capital of Elecnor, S.A. at those dates.

13. Provisions

The breakdown of "Long-term provisions" and "Short-term provisions" of non-current and current liabilities, respectively, in the balance sheet at the end of 2024 and 2023, and the movements in 2024 and 2023, are as follows:

	Thousands of Euros				
Provisions	Balance at 31/12/2023	Charges	Reversals	Application	Balance at 31/12/2024
Other employee benefits	30	120	-	-	150
Provisions for litigation and other liabilities	47,555	51,103	(982)	-	97,676
Total	**47,585**	**51,223**	**(982)**	**-**	**97,826**

	Thousands of Euros				
Provisions	Balance at 31/12/2022	Charges	Reversals	Application	Balance at 31/12/2023
Other employee benefits	127	-	-	(97)	30
Provisions for litigation and other liabilities	28,345	23,704	(3,932)	(562)	47,555
Total	**28,472**	**23,704**	**(3,932)**	**(659)**	**47,585**

Under "Provisions for litigation and other liabilities" at 31 December 2024 and 2023 the tax provision was recognised on the basis of what has been described in Note 16.

Provisions of Euros 51.1 million were made in 2024 for tax risks (Note 16.1) charged mainly to "Income tax" in the accompanying income statement; and a potential claim in the context of an administrative procedure from a historical customer, as well as other claims arising from the Enerfín sale transaction, with a charge to "Losses, impairment and changes in trade provisions" in the accompanying income statement.

(Expressed in thousands of Euros)

During 2023 the Company made a provision of USD 26 million (Euros 24.7 million at 31 December 2024) to meet certain responsibilities established in the contract for the purchase and sale of the shares held by the Company in the share capital of the Mexican companies Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V. (Note 10.3).

14. Financial liabilities

14.1. Financial liabilities: classification and maturity

The carrying amounts of each of the categories of financial liabilities set out in the Accounting and Measurement Standard for "Financial instruments" are as follows:

2024

Category	Notes	Thousands of Euros					
		Non-current			Current		
		At amortised cost or cost	At fair value	Total	At amortised cost or cost	At fair value	Total
Financial liabilities at amortised cost or cost:							
Bonds and other marketable securities		-	-	-	107,525	-	107,525
Loans and borrowings		19,078	-	19,078	279	-	279
Finance lease payables	9	1,756	-	1,756	564	-	564
Other financial liabilities		-	-	-	3,524	-	3,524
Payables to Group companies and associates	19	-	-		17,665	-	17,665
Trade and other payables		-	-	-	21,982	-	21,982
Total		**20,834**	**-**	**20,834**	**151,539**	**-**	**151,539**

2023

Category	Notes	Thousands of Euros					
		Non-current			Current		
		At amortised cost or cost	At fair value	Total	At amortised cost or cost	At fair value	Total
Financial liabilities at amortised cost or cost:							
Bonds and other marketable securities		29,672	-	29,672	238,818	-	238,818
Loans and borrowings		240,011	-	240,011	809	-	809
Finance lease payables	9	2,324	-	2,324	537	-	537
Other financial liabilities		-	-	-	3,227	-	3,227
Payables to Group companies and associates	19	-	-		2,704	-	2,704
Trade and other payables		-	-	-	21,692	-	21,692
Financial liabilities at fair value:							
Hedge derivatives	11	-	-	-	-	2,534	2,534
Total		**272,007**	**-**	**272,007**	**267,787**	**2,534**	**270,321**

The amounts of financial liabilities with a specific or determinable maturity classified by year of maturity are as follows:

(Expressed in thousands of Euros)

2024

Category	Notes	Thousands of Euros					
		2025	2026	2027	2028	2029 and thereafter	Total
Payables to Group companies and associates	19	17,665	-	-	-	-	17,665
Other financial liabilities:							
Bonds and other marketable securities		107,525	-	-	-	-	107,525
Loans and borrowings		279	-	-	-	19,078	19,357
Finance lease payables	9	564	596	1,160	-	-	2,320
Other financial liabilities		3,524	-	-	-	-	3,524
Trade and other payables		21,982	-	-	-	-	21,982
Unearned interest on financial debt		487	487	487	487	1,337	3,285
Hedge derivatives	11	-	-	-	-	-	-
Total		**152,026**	**1,083**	**1,647**	**487**	**20,415**	**175,658**

2023

Category	Notes	Thousands of Euros					
		2024	2025	2026	2027	2028 and thereafter	Total
Payables to Group companies and associates	19	2,704	-	-	-	-	2,704
Other financial liabilities:							
Bonds and other marketable securities		238,818	-	-	-	29,672	268,490
Loans and borrowings		809	-	170,401	-	69,610	240,820
Finance lease payables	9	537	569	596	1,160	-	2,861
Other financial liabilities		3,227	-				3,227
Trade and other payables		21,692	-	-	-	-	21,692
Unearned interest on financial debt		8,407	8,224	6,789	2,590	13,319	39,329
Hedge derivatives	11	2,534	-				2,534
Total		**278,728**	**8,793**	**177,786**	**3,750**	**112,601**	**581,657**

The amount of net income and expense by category of financial liabilities at 31 December 2024 was Euros 13,948 thousand and corresponds to finance expenses from Financial liabilities at amortised cost payable for the amount of Euros 16,390 thousand applying the amortised cost method, and reclassification from equity to profit and loss at a lower expense for hedge derivatives amounting to Euros 2,442 thousand (Euros 14,348 thousand and corresponding to finance expenses from Financial liabilities at amortised cost amounting to Euros 18,384 thousand applying the amortised cost method, and reclassification from equity to profit and loss at a lower expense for hedge derivatives amounting to Euros 4,036 thousand in 2023).

At 31 December 2024 and 2023, there are no financial liabilities denominated in foreign currencies.

(Expressed in thousands of Euros)

14.2. Payables

Details of payables are as follows:

		Thousands of Euros			
		Non-current		Current	
	Notes	2024	2023	2024	2023
Bonds		-	29,672	-	-
Promissory notes		-	-	107,525	238,818
Loans and borrowings		19,078	240,011	42	269
Interest		-	-	237	540
Finance lease payables	9	1,756	2,324	564	537
Hedging derivative financial instruments	11	-	-	-	2,534
Suppliers of fixed assets		-	-	1,142	858
Other	19.2	-	-	2,382	2,369
Total		**20,834**	**272,007**	**111,892**	**245,925**

Bank borrowings - syndicated loan

On 21 July 2014, the Company arranged a syndicated financing agreement amounting to 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 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 Company quantitatively and qualitatively analysed whether or not the above modifications were substantial, and concluded in all periods that they were not, thus, there was no extinguishment of the original liabilities in any of the years.

This syndicated financing bears interest pegged to Euribor or SOFR rates (depending on whether the drawdowns are in Euros or USD) for the interest period chosen by the borrowers (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 certain limits for 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 financed without recourse to their shareholder. Non-compliance with the established limits could be cause for terminating the agreement, but at 31 December 2024, there were no breaches of the ratios.

Elecnor, S.A. exercised the voluntary prepayment right included in the agreement, and the entire loan tranche (Euros 50 million) was repaid on 28 June 2024.

(Expressed in thousands of Euros)

At 31 December 2024 there is no drawn down balance (at the end of the previous year there was a drawn down balance of Euros 172.0 million corresponding to Euros 50 million of the credit facility tranche and Euros 122 million of the euro loan tranche at nominal value).

The aforementioned syndicated financing agreement (loan tranche and credit facility tranche) in 2024 accrued interest at an average rate until the date for cancellation of 3.69% (3.60% in 2023).

Bank borrowings - other debts

In 2021, the Company entered into a loan with the ICO for a nominal value of Euros 20 million, which accrues fixed nominal annual interest at a rate of 2.4% (effective interest rate of 2.54%) and which will be fully repaid on 30 September 2031. On the same date, the Company signed a second loan with Banca March for a nominal value of Euros 50 million, accruing fixed nominal annual interest at a rate of 2.4% and maturing in full in 2031, which was repaid early in this year.

Promissory notes

At the beginning of 2024, Elecnor, S.A. had issued promissory notes on the Alternative Fixed Income Market (MARF) for an amount of Euros 239 million. New issues in 2024 totalled Euros 982 million while maturities totalled Euros 1,113 million. The outstanding balance at 31 December 2024 was therefore Euros 108 million (reflecting 9,863 and 11,183 securities with a nominal value of Euros 100 thousand each).

At the beginning of 2023, Elecnor, S.A. had issued promissory notes on the Alternative Fixed Income Market (MARF) for an amount of Euros 115 million. New issues in 2023 totalled Euros 1,459 million while maturities totalled Euros 1,335 million. The outstanding balance at 31 December 2023 was therefore Euros 239 million (reflecting 1,278 securities with a nominal value of Euros 100 thousand each).

The promissory note programmes in force in 2024 and 2023 provided for a maximum number of outstanding issues at all times of Euros 400 million.

In 2024, these promissory notes accrued interest and fees totalling Euros 8,873 thousand (Euros 9,282 thousand in 2023) which the Company recognised under "Finance expenses" in the accompanying Income Statement.

The Company also prepaid during the year senior unsecured bonds issued on 27 September 2021, included in the Alternative Fixed Income Market (MARF), amounting to Euros 30 million, maturing on 30 September 2035 and bearing interest at an annual rate of 3%.

Credit facilities

Furthermore, the Company has credit facilities granted with the following limits (excluding the credit facility of tranche B of the syndicated loan):

Category	Thousands of Euros			
	2024		2023	
	Limit	Amount not drawn down	Limit	Amount not drawn down
Credit facilities	53,000	52,958	53,000	52,731
Total	53,000	52,958	53,000	52,731

At 31 December 2024 and 31 December 2023, Elecnor, S.A., excluding tranche B of the syndicated financing, had 4 credit facilities open with various credit institutions with a total maximum limit of Euros 53 million, the majority of which mature in 2025 with automatic annual renewals.

15. Information on the average supplier payment period. Additional Provision Three. "Duty of Information" pursuant to Law 15/2010 of July 5

Information on the average supplier payment period in 2024 and 2023 is as follows:

	Days	
	2024	2023
Average supplier payment period	29	29
Transactions paid ratio	29	29
Transactions payable ratio	24	21
	Expressed in thousands of Euros	
Total payments made	59,537	26,149
Total payments outstanding	1,050	1,893

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

	2024	2023
Monetary volume paid in thousands of euros	59,343	26,074
Percentage of total monetary payments to suppliers	99.67 %	99.71 %
Number of invoices paid	3,815	3,892
Percentage of total number of invoices paid to suppliers	96.36 %	97.91 %

16. Taxation

16.1. Current balances with Public entities

The breakdown of balances with Public entities at the end of 2024 and 2023 is as follows:

(Expressed in thousands of Euros)

	Thousands of Euros	
	2024	2023
Assets:		
Current tax assets	172,797	7,424
Value Added Tax and similar	2,934	3,009
Other	722	597
	176,453	**11,030**
Liabilities:		
Current tax liabilities	291	455
Value Added Tax and similar	558	-
Social Security	180	193
Withholdings	46,134	817
Other	1,676	1,445
	48,839	**2,910**

The heading "Current tax assets" includes the amount paid in advance for corporate income tax for 2024 in the amount of Euros 172.8 million resulting from the estimated income tax settlement. This amount is expected to be recovered in early 2026. This advance payment is due to the taxation derived from the capital gain generated on the sale of Enerfín (Note 6), given that for the purposes of advance payment of corporate tax the exemptions applicable in the final corporate income tax settlement are not taken into account.

At 31 December 2024, "Withholdings" includes an amount of Euros 45,099 thousand corresponding to the withholding on the interim dividend for 2024 (Note 3).

The Company has the following years open to inspection by the taxation authority in respect of the main taxes applicable to it:

Tax	Years open to inspection
Corporate Income Tax (*)	2017 – 2023
Value Added Tax	2019 – 2024
Personal Income Tax	2019 – 2024
Social Security	2020 – 2024
Capital Gains Tax	2020 – 2024
Non-residents	2020 – 2024

(*) 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 income tax corresponding to 2024 will not be open to inspection until 25 July 2025.

On 10 February 2021, based on its request of 28 December 2020, the Company received notification from the tax authority that it will be taxed under the consolidated tax regime from 1 January 2021 with the rest of the national Group's companies taxed under state regulations (Note 4.l).

Inspections conducted by the Tax Authority's Large Taxpayers Division at the Company, and commenced by notification on 1 July 2016, concluded in 2018 and covered all taxes applicable to the Company 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 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 Company was notified that the files were accessible, and of the procedure for allegations, which were submitted on 17 December 2020 and rejected in 2023. The decisions dismissing the appeals were appealed before the National Court, and judgements are pending.

In light of this situation, the Company's Directors, in cooperation with its tax advisers, and although they consider that there are weighty arguments to underpin the position of the 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 9,024 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 (Note 13), and considering the impact for the rest of years open to inspection, should the Tax Authority apply the same criterion for the years open to inspection.

In addition to the foregoing, on 29 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 covered the period 2014-2016.

The aforementioned inspections concluded in 2022 with the signing of statements of conformity which resulted in a payment totalling Euros 5,691 thousand.

On 21 December 2022, the Company received a notification from the Tax Authority 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.

In relation to this, Elecnor has received the settlement proposals contained in the tax inspection reports for the years 2017 to 2020, both inclusive, for corporate income tax, value added tax and personal income tax withholdings, in which different settlement proposals are included, which are provisional until the Chief Inspector of the Technical Office prepares the definitive ones, once the period for the Company to make any assertions has elapsed. Following a process of review, assessment and analysis of the minutes by the Directors of the Company in collaboration with their tax advisers, the impact, if any, of these minutes on the Company's accounts has been determined.

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 Company 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.

Due to the treatment permitted by prevailing fiscal legislation, additional tax liabilities that cannot be objectively quantified could arise in the event of inspection. In any case, the Company's Directors consider that the aforementioned taxes have been correctly paid and therefore, even in the event of discrepancies in the interpretation of prevailing fiscal legislation of certain transactions, they consider that any such liabilities that could arise would not have a significant effect on the accompanying Annual Accounts.

16.2. Reconciliation between accounting profit/loss and taxable income

The reconciliation between accounting profit/loss and taxable income for Corporate Income Tax purposes is as follows:

(Expressed in thousands of Euros)

2024

	Notes	Thousands of Euros		
		Increase	Decrease	Total
Accounting profit/loss before taxes				**992,376**
Permanent differences:				
Income obtained abroad		7,605	-	7,605
Dividends	19		(1,354)	(1,354)
Non-deductible expenses		10,130		10,130
Profit/loss on sale of investees (*)	6		(890,708)	(890,708)
Other		947	(2,825)	(1,878)
Temporary differences:				
Originating in previous years:				
Other provisions	13	1,142	-	1,142
Originating in the current year:				
Other provisions	13	37,911	-	37,911
Credit impairment	10.2	964	-	964
Preliminary tax base				**156,188**
Application of tax credits				**(1,715)**
Taxable income				**154,473**

(*) Corresponds mainly to adjustments to the accounting profit/loss for income from the disposal of Enerfín's shareholding (Note 6), which are exempt from taxation.

2023

	Notes	Thousands of Euros		
		Increase	Decrease	Total
Accounting profit/loss before taxes				**33,391**
Permanent differences:				
Income obtained abroad		1,786	-	1,786
Dividends	19		(17,127)	(17,127)
Profit/loss on sale of investees		-	(62,724)	(62,724)
Other		410	(1,832)	(1,422)
Temporary differences:				
Originating in previous years:				
Other provisions	13	-	(3,482)	(3,482)
Credit impairment		-	(590)	(590)
Originating in the current year:				
Other provisions		23,696	-	23,696
Credit impairment	10.2	732	(5,520)	(4,788)
Preliminary tax base				**(31,260)**
Taxable income				**(15,630)**

Fiscal legislation applicable to 2024 and 2023 provides for certain credits whose aim is, in certain circumstances, to avoid double taxation of income obtained abroad, in connection with both permanent establishments located in foreign countries and dividends paid by non-resident subsidiaries. When applying these two tax credits, the Company has made the adjustments indicated in the tables above to the basis for calculating Corporate Income Tax in 2024 and 2023.

(Expressed in thousands of Euros)

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. The main change to the Corporate Income Tax Law is the elimination of the total tax exemption of dividends and capital gains, which remains at 95%.

During the 2023 financial year, Additional Provision Nineteen, which amends Law 27/2014, of 27 November, on Corporate Income Tax, came into force, limiting the offsetting of individual tax losses generated in the period by the different companies included in the tax consolidation group to 50% of the sum thereof, generating a tax credit for the remaining 50%, which must be used within a ten-year time horizon with a maximum limit of 10% per annum.

The Company has assessed the impact of the recent Constitutional Court ruling on the nullity of several provisions of Royal Decree-Law 3/2016 amending corporate income tax, in relation to the establishment of stricter limits on the offsetting of tax losses for large companies, the limit on the application of double taxation deductions and the obligation to automatically include in the tax base any impairment losses on investments deducted in previous years. Although, according to this ruling, rectification of the affected statements has been requested, these impacts are not considered to be material.

16.3. Reconciliation between the accounting profit/loss and the Corporate Income Tax expense

The reconciliation between the accounting profit/loss and the Corporate Income Tax expense for 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	2023
Accounting profit/loss before taxes	**992,376**	**33,391**
Rate of 25%	248,094	8,348
Permanent differences:		
Dividends	(339)	(4,282)
Profit/loss on disposal/settlement of investments in Group companies and associates	(222,677)	(15,681)
Income obtained abroad	1,901	447
Other non-deductible expenses	2,063	(356)
Tax branches	(135)	693
Tax Mexico	-	3,566
Prior years' adjustments	221	(20)
Deductions	(928)	(322)
Other	18,178	(2,240)
Total tax income/(expense) recognised in the Income Statement	**46,378**	**(9,847)**

As established by applicable legislation, taxes cannot be deemed as definitively settled until the tax returns filed have been audited by taxation authority or until relevant statute of limitations has concluded.

16.4. Deferred tax assets

The breakdown of the balance of this account at the end of 2024 and 2023 is as follows:

(Expressed in thousands of Euros)

	Notes	Thousands of Euros 2024	2023
Other tax credits		3,861	4,345
Temporary differences:			
Remuneration provision		1,740	559
Insolvency and credit provisions	13	7,335	6,980
Other provisions	13	16,659	8,077
Fair value measurement of derivative instruments	11	562	1,539
Other		2,878	2,517
Total		**33,035**	**24,017**

The aforementioned deferred tax assets have been recorded in the balance sheet as the Company's Directors consider that there is no doubt about their recoverability.

Details of the amounts and expiry years of uncapitalised tax loss carryforwards and other tax credits pending offsetting at 31 December 2024 and 2023 are as follows:

2024

	Thousands of Euros		
	Unused, uncapitalised tax loss carryforwards		Other unused, uncapitalised tax credits/(debits)
	Amounts indicated on the basis of	Expiry year	Amounts indicated on the basis of
Zambia Branch	1,079	2027, 2028, 2029	183
Cameroon Branch	3,288	2026, 2028	915
Morocco Branch	237	2026, 2027, 2028	-
Total	**4,604**		**1,098**

2023

	Thousands of Euros		
	Unused, uncapitalised tax loss carryforwards		Other unused, uncapitalised tax credits/(debits)
	Amounts indicated on the basis of	Expiry year	Amounts indicated on the basis of
Zambia Branch	289	2027, 2028	(78)
Cameroon Branch	-	-	653
Morocco Branch	220	2026, 2027	-
Total	**509**		**575**

In addition, at 31 December 2024, the Company has a balance of Euros 11,324 thousand by way of uncapitalised foreign income exemption (Euros 5,565 thousand at 31 December 2023).

16.5. Deferred tax liabilities

The breakdown of the balance of this account at the end of 2024 and 2023 is as follows:

(Expressed in thousands of Euros)

	Notes	Thousands of Euros	
		2024	2023
Temporary differences:			
Fair value measurement of derivative instruments	11	450	1,971
Other		5,491	5,138
Total		**5,941**	**7,109**

Deferred tax assets and liabilities that are expected to be realised or reversed in periods of less than 12 months are not significant.

17. Income and expenses

17.1. Net turnover

The amount of turnover is broken down into:

	Thousands of Euros	
	2024	2023
Sales	6,847	19,086
Rendering of services	23,249	20,014
Dividends	1,426	18,029
Finance income	8,232	6,687
Total	**39,754**	**63,816**

The sales recorded in 2024 and 2023 in the amount of Euros 6,847 thousand and Euros 19,086 thousand, respectively, mainly come from the activity of the Cameroon and Zambia branches.

Net turnover from ordinary activities relating to the provision of services to Elecnor Group companies amounted to Euros 23,249 thousand and corresponds to the provision of services to subsidiaries as a result of their role as head of the Elecnor Group (see Notes 1 and 19).

During 2024 and 2023, the Company received dividends from investees (see breakdown in Appendix I).

At 31 December 2024, the Company has accrued interest income from loans to Group companies and associates in the amount of Euros 8,232 thousand (Euros 6,687 thousand in 2023).

17.2. Personnel expenses

The breakdown of "Personnel expenses" in the accompanying Income Statements for 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	2023
Salaries, wages and similar	20,657	16,543
Social Security	1,774	1,884
Other employee benefits expenses	4,672	1,373
Total	**27,103**	**19,800**

The heading "Salaries, wages and similar" includes compensations amounting to Euros 621 thousand in 2024 (in 2023 there were no expenses for this item).

(Expressed in thousands of Euros)

17.3. External services

The breakdown of "External services" in the accompanying Income Statements for 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	2023
Leases	1,323	2,923
Repairs and maintenance	3,294	3,108
Independent professional services	6,598	8,610
Insurance premiums	4,619	2,850
Banking services	2,083	2,428
Advertising and publicity	334	524
Utilities	1,266	1,168
Other expenses	4,004	2,734
Total	**23,521**	**24,345**

17.4. Transactions denominated in foreign currencies

At 31 December 2024 and 2023, there are no material transactions denominated in foreign currencies.

18. Information on employees

The average headcount, by professional category, in 2024 and 2023 was as follows:

	Average headcount	
	2024	2023
Management	20	21
Executive	45	44
Technician	57	65
Basic	47	136
Total	**169**	**266**

Of the average headcount in 2024, 73 (169 in 2023) correspond to the business conducted by specific foreign branches which it was agreed to exclude from the scope of the 2021 spin-off. Of these, 72 had temporary contracts in 2024 (166 in 2023). Gradually, and when the operational reasons that prevented its spin-off allow it, all service and project activities will be conducted through the beneficiary company of the spin-off and its subsidiaries.

Moreover, the breakdown by gender at the end of 2024 and 2023, specified by professional category, of staff and Directors is as follows:

(Expressed in thousands of Euros)

Category	2024		2023	
	Male	Female	Male	Female
Directors	11	3	11	3
Management	13	7	14	7
Executive	24	21	20	23
Technician	24	29	24	34
Basic	36	7	54	8
Total	**108**	**67**	**123**	**75**

During 2024, the Company had one employee with a disability of 33% or more (or equivalent local rating) (one employee during 2023).

19. Related Party Balances and Transactions

19.1. Related Party Transactions

The Company's transactions with Group companies, associates and jointly-controlled entities are as follows:

2024

	Thousands of Euros		
	Group companies	Associates / jointly-controlled entities	Total
Income			
Dividend income, holding companies	-	1,426	1,426
Interest income, holding companies	7,514	718	8,232
Income from services rendered	22,935	18	22,953
	30,449	**2,162**	**32,611**
Expenses			
Finance expenses	-	7	7
	-	**7**	**7**
Total	**30,449**	**2,155**	**32,604**

(Expressed in thousands of Euros)

2023

	Thousands of Euros		
	Group companies	Associates / jointly-controlled entities	Total
Income			
Dividend income, holding companies	18,029	-	18,029
Interest income, holding companies	5,882	805	6,687
Income from services rendered	19,974	40	20,014
	43,885	**845**	**44,730**

Income from the rendering of services at 31 December 2024 and 2023 mainly corresponds to the rendering of services to Elecnor Servicios y Proyectos, S.A.U. as a result of their role as head of the Elecnor Group.

19.2. Related party balances

The breakdown of balances with Group companies, associates and jointly-controlled entities at 31 December 2024 and 2023 is as follows:

2024

	Thousands of Euros		
	Group companies	Associates / jointly-controlled entities	Total
Long-term investments in Group companies and associates			
Equity instruments	153,764	426,235	579,999
Loans to companies	110,439	-	110,439
Total non-current assets	**264,203**	**426,235**	**690,438**
Trade and other receivables			
Customers, short-term Group companies and associates	7,491	185	7,676
Short-term investments in Group companies and associates			
Loans to companies	36,500	300	36,800
Other financial assets	15,489	475	15,964
Total current assets	**59,480**	**960**	**60,440**
Total assets	**323,683**	**427,195**	**750,878**
Short-term payables to Group companies and associates	6,161	11,504	17,665
Suppliers, short-term Group companies and associates	7,715	7	7,722
Total current liabilities	**13,876**	**11,511**	**25,387**
Total liabilities	**13,876**	**11,511**	**25,387**

(Expressed in thousands of Euros)

2023

	Thousands of Euros		
	Group companies	Associates / jointly-controlled entities	Total
Long-term investments in Group companies and associates			
Equity instruments	155,116	426,239	581,355
Loans to companies	100,000	-	100,000
Total non-current assets	**255,116**	**426,239**	**681,355**
Trade and other receivables			
Customers, short-term Group companies and associates	11,478	380	11,858
Short-term investments in Group companies and associates			
Loans to companies	16,440	300	16,740
Other financial assets	39,284	-	39,284
Total current assets	**67,202**	**680**	**67,882**
Total assets	**322,318**	**426,919**	**749,237**
Short-term payables to Group companies and associates	2,699	5	2,704
Suppliers, short-term Group companies and associates	6,001	-	6,001
Total current liabilities	**8,700**	**5**	**8,705**
Total liabilities	**8,700**	**5**	**8,705**

The heading "Other financial assets" at 31 December 2024 and 2023 includes the Corporate Income Tax receivable from Group companies amounting to Euros 13,886 thousand and Euros 20,083 thousand, respectively, due to the tax consolidation (see Note 4.l).

The heading "Short-term payables to Group companies and associates" at 31 December 2024 mainly includes the loans to Elecnor Servicios y Proyectos, S.A.U. for Euros 4,567 thousand, to Celeo Redes, S.L. for Euros 11,500 thousand and Corporate Income Tax debt to Group companies amounting to Euros 6 thousand due to the tax consolidation (see Note 4.l) (Euros 1,165 thousand due to the tax consolidation in 2023).

Lastly, at 31 December 2024 and 2023, the Company had an account payable to the Directors amounting to Euros 2,382 thousand and Euros 2,369 thousand, respectively, which is recognised under "Other financial liabilities" of current liabilities on the balance sheet.

19.3. Remuneration of the Board of Directors

Remuneration and other benefits paid to the Board of Directors

In 2024, the members of the Company’s Board of Directors received remuneration amounting to Euros 8,390.9 thousand for all items (Euros 5,404.6 thousand in 2023). This remuneration includes that earned in their capacity as management staff.

The Company has paid approximately Euros 5.8 thousand for life insurance arranged for former or current members of its Board of Directors (Euros 4.7 thousand in 2023).

At 31 December 2024 and 2023, the Company does not have any pension obligations with former or current members of the Governing Body nor has it extended any guarantees on their behalf or granted any advances or credits thereto.

At 31 December 2024 and 2023, the Board of Directors of the Company is formed by 14 individuals, 3 of whom are female (14 members in 2023, three of whom are female).

At 31 December 2024 and 2023, the amount paid by the Company 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.

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 Text of the Spanish Companies Act.

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

In 2024 and 2023 the Directors of the Company 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.

19.4. Remuneration to the Management Team

In 2024, the Company's management team received remuneration amounting to Euros 8,020 thousand (Euros 3,727 thousand in 2023). This includes remuneration received by the members of the Board of Directors in their capacity as management staff.

The stated total remuneration includes both fixed remuneration and annual and multi-annual variable remuneration.

The total accumulated provision for retirement bonuses to Senior Management at 31 December 2024 amounts to Euros 4,612 thousand (Euros 4,535 thousand at 31 December 2023).

During 2024 the total amount of severance payments to Senior Management amounted to Euros 443 thousand (during 2023 there were no severance payments).

At 31 December 2024 and 2023, the Company does not have any material pension obligations with the management's team nor has it extended any guarantees on their behalf or granted any advances or credits thereto.

20. Bonds and guarantees

At 31 December 2024 and 2023, the breakdown of bonds and guarantees for bids, completion or performance provided for projects executed by Elecnor, S.A. in its own name and projects related to the concessions business and the companies remaining in the Company following the spin-off agreement, generally provided by banks on behalf of the Company to third parties, is as follows:

(Expressed in thousands of Euros)

	Thousands of Euros	
	2024	2023
Faithfully observed	59,151	100,872
Advances on contracts	23,079	18,554
Performance bonds	26,275	46,573
Bid bonds	2,757	4,822
	111,262	**170,821**

The amount of guarantees in force at the Company corresponds to the Company's own guarantees necessary to ensure its proper functioning, as well as to the use by its subsidiaries.

The Company's Directors consider that any liabilities that might arise from the bank guarantees provided would not give rise to significant losses in the accompanying Annual Accounts.

21. Audit fees

The fees for audit services and other services rendered in 2024 and 2023 to Elecnor, S.A. and subsidiaries by PricewaterhouseCoopers Auditores, S.L. and the companies in its network (PwC) are presented below:

Description	Thousands of Euros			
	2024		2023	
	Elecnor, S.A.	Subsidiaries	Elecnor, S.A.	Subsidiaries
Audit services	**34**	**586**	**33**	**875**
Spain	34	220	33	326
Remainder of countries	-	366		549
Other services	**319**	**71**	**107**	**153**
Main auditor	319	-	100	-
Other companies in the main auditor network	-	71	7	153
Total	**353**	**657**	**140**	**1,028**

The heading "Audit Services" includes the fees corresponding to the audit of the Separate and Separate Annual Accounts of Elecnor, S.A.

The heading "Other services" provided by PricewaterhouseCoopers Auditores, S.L. and other firms associated with the PwC brand during 2024 amounted to Euros 390 thousand (Euros 260 thousand in 2023). These other services mainly relate to limited review of interim financial statements, limited assurance verification of sustainability information, agreed procedures on ICSFR and other agreed procedures on compliance with financial ratios.

In addition, it includes Euros 59 thousand of tax advice in this year (Euros 71 thousand in 2023).

22. Environmental sustainability

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, it 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", the Elecnor Group 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 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.

The Group has also made certain activities that contribute to the protection of the natural environment and its resources an intrinsic part of its business. These include the generation of renewable energies, the treatment and recycling of water and energy efficiency in each of its actions.

The principles of the Environmental Management of the Elecnor Group are set out in the Integrated Management System Policy. These guiding principles 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.
- Verification of the GHG emissions inventory using the methodology established by the GHG Protocol and applying the Guidance (Scope 2) and Corporate Value Chain (Scope 3) principles, Accounting and Reporting Standard.
- Obtaining the "Calculo y Reduzco" seal awarded by the Spanish Office for Climate Change (OECC).
- Taking part in the Carbon Disclosure Project (CDP), presenting its voluntary report on climate change. In 2024, the Elecnor Group attained the score of A, surpassing that

achieved the previous three years, 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.

- As part of its commitment to decarbonisation, the Group has defined corporate science-based emission reduction targets that have been approved by the Science Based Targets (SBTi) initiative.
- Analysis of climate-related risks and opportunities following TCFD recommendations.

The Non-Financial Information and Sustainability Information section of this Directors' Report outlines the strategies, policies and all the initiatives implemented in 2024 in relation to the Group's climate action and environmental performance.

23. Events after the reporting period

At the date of authorisation for issue of these Annual Accounts, no significant events have occurred after the close of year-end 2024 that could alter or have any effect on the financial statements for the period ended 31 December 2024.

(Expressed in thousands of Euros)

Appendix I: Company information

(Thousands of Euros)

2024	Registered office	Auditor	Activity	% shareholding			Thousands of Euros				
				Net carrying amount	direct %	indirect %	Share capital	Reserves and other equity items	Operating profit/loss for 2024	Net profit/loss for 2024	Dividend for 2024
Group companies (*)											
Elecdal, U.R.L.	ALGERIA	**	Construction and assembly	12	100.00 %	0.00 %	12	110	(10)	(10)	-
Elecnor Cameroun Société Anonyme	CAMEROON	Mazars	Construction and assembly	-	100.00 %	0.00 %	16	(5,105)	(3,362)	(3,643)	-
Elecnor Servicios y Proyectos, S.A.U. (Group)	SPAIN	PWC	Construction and assembly	153,752	100.00 %	0.00 %	15,050	159,798	60,448	91,007	-
							-	-	-	-	-
Associates and jointly-controlled entities (*)							-	-	-	-	-
Celeo Concesiones e Inversiones, S.L.U. (Group)	SPAIN	KPMG	Management and administration of companies	426,235	51.00 %	0.00 %	166,670	1,031,943	131,152	25,911	-
Acciona Infraestructuras- Elecnor Hospital David, S.A.	PANAMA	**	Construction	-	25.00 %	0.00 %	8	474	2,047	1,850	1,426
Dunor Energía, S.A.P.I. de C.V.	MEXICO	KPMG	Construction of the Empalme II combined cycle power plant 313	-	50.00 %	0.00 %	17,408	(63,610)	18,380	17,375	-
Eólica la Patagonia, S.A.	ARGENTINA	**	Operation and maintenance of wind farms	-	50.00 %	0.00 %	-	-	-	-	-
Inti Energia, S.A.P.I. de C.V.	MEXICO	**	Dormant	-	50.00 %	0.00 %	-	-	-	-	-
				579,999							**1,426**

(*) Refer to figures of Individual Companies.

(**) Companies not legally required to audit their Annual Accounts.

(***) Interest reclassified as Non-current assets held for sale

(Expressed in thousands of Euros)

Appendix I: Company information

(Thousands of Euros)

2023	Registered office	Auditor	Activity	% shareholding			Thousands of Euros				
				Net carrying amount	direct %	indirect %	Share capital	Reserves and other equity items	Operating profit/loss for 2023	Net profit/loss for 2023	Dividend for 2023
Group companies (*)											
Elecdal, U.R.L.	ALGERIA	**	Construction and assembly	11	100.00 %	0.00 %	12	121	(16)	(16)	1,029
Elecnor Cameroun Société Anonyme	CAMEROON	Mazars	Construction and assembly	1,352	100.00 %	0.00 %	16	(4,704)	(4,422)	(489)	-
Elecnor Servicios y Proyectos, S.A.U. (Group)	SPAIN	PWC	Construction and assembly	153,752	100.00 %	0.00 %	15,050	154,107	10,933	20,008	17,000
Enerfín Sociedad de Energía, S.L.U. (Group) (***)	SPAIN	PWC	Management and administration of companies	-	100.00 %	0.00 %	64,224	203,948	(216)	38,352	-
Associates and jointly-controlled entities (*)											
Acciona Infraestructuras- Elecnor Hospital David, S.A.	PANAMA	**	Construction	-	25.00 %	0.00 %	8	(6,023)	11,070	10,135	-
Celeo Concesiones e Inversiones, S.L.U. (Group)	SPAIN	KPMG	Management and administration of companies	426,236	51.00 %	0.00 %	166,670	444,009	151,366	39,336	-
Dunor Energía, S.A.P.I. de C.V.	MEXICO	KPMG	Construction of the Empalme II combined cycle power plant 313	-	50.00 %	0.00 %	17,408	(54,982)	(6,678)	(7,342)	-
Eólica la Patagonia, S.A.	ARGENTINA	**	Operation and maintenance of wind farms	-	50.00 %	0.00 %	-	-	-	-	-
Inti Energia, S.A.P.I. de C.V.	MEXICO	**	Dormant	-	50.00 %	0.00 %	-	-	-	-	-
Morelos Epc, S.A.P.I. de C.V. (****)	MEXICO	**	Construction, engineering and supply of Morelos gas pipeline	4	49.99 %	0.01 %	6	(3)	-	(3)	-
				581,355							**18,029**

(*) Refer to figures of Individual Companies.

(**) Companies not legally required to audit their Annual Accounts.

(***) Companies disposed of in 2024

(****) Companies liquidated in 2024

PREPARATION AND DECLARATION OF RESPONSIBILITY

In compliance with the provisions of current legislation, all of the members of the Board of Directors of the Company Elecnor, S.A. have prepared the Annual Accounts of Elecnor, S.A. for the year ended 31 December 2024.

Likewise, and in accordance with section one, letter b) of Article 8 of Royal Decree 1362/2007, the members of the Board of Directors of Elecnor, S.A. declare that, to the best of their knowledge, the "Annual Accounts" of Elecnor, S.A. for the year ended 31 December 2024 have been prepared in accordance with the provisions of the Spanish General Chart of Accounts approved by Royal Decree 1514/2007 and published in the Official State Gazette on 20 November 2007, applying the corresponding accounting principles, accounting policies and valuation criteria, and give a true and fair view of the Company's equity, financial position and profit/loss, of the changes in equity and of its cash flows, and that the "Director's Report" of Elecnor, S. A. for the year ended 31 December 2024 includes a true and fair view of the business performance and profit/loss and of the Company's position, together with a description of the main risks and uncertainties facing Elecnor, S.A.

The accounts are set out in the documents attached herein.

In Madrid, on 26 February 2025

CHAIRMAN (Non-executive):	JAIME REAL DE ASUA ARTECHE
DEPUTY CHAIRMAN:	IGNACIO PRADO REY-BALTAR
CHIEF EXECUTIVE OFFICER:	RAFAEL MARTÍN DE BUSTAMANTE VEGA
MEMBERS:	MIGUEL CERVERA EARLE
	ISABEL DUTILH CARVAJAL
	JOAQUÍN GÓMEZ DE OLEA MENDARO
	IRENE HERNÁNDEZ ÁLVAREZ
	JUAN LANDECHO SARABIA
	SANTIAGO LEÓN DOMECQ
	MIGUEL MORENÉS GILÉS
	FRANCISCA ORTEGA HERNÁNDEZ-AGERO
	RAFAEL PRADO ARANGUREN
	EMILIO YBARRA AZNAR
DIRECTOR - VICE-SECRETARY:	CRISTÓBAL GONZÁLEZ DE AGUILAR ALONSO-URQUIJO

2024 Directors' Report – Elecnor, S.A.

for the year ended 31 December 2024

Contents

1.Purpose and business model 2
2.Economic context 3
3. Economic and financial performance in the period 4
3.1.Key figures in consolidated profit/loss for the year 4
3.2.Business performance 4
3.3.Financial position 9
3.4.Material changes in accounting policies 12
3.5.Profit/loss of the Elecnor Group's holding company 12
3.6.Average payment period 12
3.7.Turnover by activity 13
4.Stock market information 13
5.Capital management policy 14
6.Risk management policy 14
6.1.Foreign currency risks 14
6.2.Interest rate risk 15
6.3.Liquidity risk 15
6.4.Credit risk 15
6.5.Market risk 16
6.6.Climate risk 16
7.Environmental sustainability 17
8.Human Resources 18
9.R&D&I 19
10.Significant events subsequent to year-end 20
11.Outlook for 2025 20
11.1.Economic context 20
11.2.Elecnor Group 20
12.Share capital and acquisition of own shares 20
13.Related party transactions 21
14.Alternative Performance Measures 22
14.1 Alternative measures of the Elecnor Group's profit/loss 22
14.2.Alternative debt measures of the Elecnor Group 25
14.3 Alternative measures of the Elecnor Group's cash flows 27
15. Consolidated Statement of Non-Financial Information and Sustainability Information 29

1. Purpose and business model

The Elecnor Group is a Spanish corporation operating in more than 50 countries. It is an international leader in integrated renewable energy concessions, sustainable infrastructure projects and essential services for the energy transition and digitalisation of cities, distinguished for its profitability, recurrence and moderate risk.

Its 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.

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

The Group’s activities are organised into three broad strategic lines:

- **Essential services**: Integration of energy distribution, telecommunications, maintenance and installation services, essential to drive change and generate well-being in cities and which feed back into the business of sustainable projects.
- **Sustainable projects**: Development, construction, operation and maintenance of clean energy generation and transmission infrastructure worldwide, improving the living conditions of communities and enhancing sustainable development.
- **Concessions and own projects**: Development and operation of projects aimed at long-term stability and profitability through concessions contracts and strategic investments in projects of its own, strengthening its renewables and energy infrastructure portfolio and boosting the Group's long-term value.

Efficiency, diversification, financial robustness and personal commitment are the Elecnor Group’s value generation and expansion levers.

2. Economic context[1]

The global economy has shown remarkable resilience in 2024 and is projected to remain resilient in the years ahead, according to major reports and outlooks from benchmark institutions. Expected global growth next year, at around 3% according to different sources, is similar to or slightly lower than in 2024, while inflation and interest rates are expected to decline gradually. These global developments mask significant differences across regions and countries, as there are growing risks related to rising trade tensions and protectionism, as well as a possible escalation of geopolitical conflicts and fiscal policy challenges in some countries.

The World Bank, in its 'Global Economic Prospects' report, expects growth in developing economies to remain stable at around 4% over the next two years. However, this performance would be weaker than before the pandemic and insufficient to drive the progress needed to alleviate poverty and achieve broader development goals.

The most recent International Monetary Fund (IMF) growth and inflation forecasts in the key regions of the Group's business are set out in the table below:

	% growth		% inflation	
	outlook for 2025	2024	outlook for 2025	2024
Global	**3.2**	**3.2**	**4.3**	**5.8**
Spain	2.1	2.9	1.9	2.8
Italy	0.8	0.7	2.1	1.3
United Kingdom	1.5	1.1	2.1	2.6
Portugal	2.3	1.9	2.1	2.5
United States	2.2	2.8	1.9	3.0
Brazil	2.2	3.0	3.6	4.3
Mexico	1.3	1.5	3.8	4.7
Argentina	5.0	(3.5)	62.7	229.8
Colombia	2.5	1.6	4.5	6.7
Chile	2.4	2.5	4.2	3.9
Peru	2.6	3.0	1.9	2.5
Ecuador	1.2	0.3	2.2	1.9
Dominican Republic	5.0	5.1	4.5	3.4
Australia	2.1	1.2	3.3	3.3
Cameroon	4.2	3.9	3.5	4.4
Angola	2.8	2.4	21.3	28.4
Ghana	4.4	3.1	11.5	19.5
Senegal	9.3	6.0	2.0	1.5
Zambia	6.6	2.3	12.1	14.6

[1] Sources:
- Organisation for Economic Co-operation and Development (OECD): *Economic Outlook, 2025*
- World Bank: *Global Economic Prospects, January 2025*
- International Monetary Fund (IMF): *World Economic Outlook, January 2025*

3. Economic and financial performance in the period

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

In this year, the **Elecnor Group** obtained a profit of Euros 705.2 million, compared with Euros 110.1 million last year. This profit was achieved thanks to the good performance of the businesses that make up the Group and the important sale of the Enerfín subgroup in which the Group has been building value for 26 years.

After this transaction, the Group operates through two mutually strengthening and complementary subgroups of companies that set their objectives individually. These subgroups report their key figures as separate segments for a better understanding of the Group's businesses, and are as follows:

- **Elecnor** is an integrated manager of essential services and sustainable projects within the electricity, power generation, telecommunications and systems, facilities, gas, construction, maintenance, environment, water and railway sectors.
- **Celeo** is a company dedicated to the development, investment and management of infrastructure and renewable energy assets, jointly owned and managed with APG.

The key figures for the year by segment at the end of 2024 are as follows:

	Enerfín sale transaction	Elecnor Services and Projects	Celeo	Group Management and Other Adjustments	Operations between segments	**TOTAL**
Net turnover	—	3,824,549	—	—	(14,447)	**3,810,102**
EBITDA[2]	—	202,621	12,201	(58,667)	—	**156,155**
Parent Consolidated Income Statement	823,310	66,363	12,201	(196,674)	—	**705,200**

[2] The Celeo Group's EBITDA (at 100%) is Euros 193,335 thousand (Euros 198,252 thousand the previous year), as explained in the Celeo segment section of this report. When consolidated using the Equity Method, what contributes to the Group's EBITDA is the profit after tax attributable to the Elecnor Group.

3.2. Business performance

Enerfín sale transaction

Elecnor, S.A. signed the public deed of sale of all its shares in Enerfín Sociedad de Energía, S.L.U. (Enerfín) on 23 May this year, effective on the same date, all the conditions provided in the contract signed with Statkraft European Wind and Solar Holding AS (filed as Inside Information to the CNMV on 17 November last year) having been fulfilled.

The final sale price received by Elecnor, after the corresponding adjustments agreed in the contract, was Euros 1.560 billion. The transaction resulted in a capital gain of Euros 805 thousand, recognised under "Profit/loss from discontinued operations attributable to shareholders of the Parent" in the Consolidated Income Statement for 2024. The profit obtained by the subgroup up to the date of sale, attributable to the Elecnor Group, is also recognised under this heading.

Elecnor (Essential Services and Sustainable Projects)

The Group runs this business through its subsidiary Elecnor Servicios y Proyectos, S.A.U. and its subsidiaries. The following table compares the main figures of this business with those of the same period of the previous year:

Elecnor (Services and Projects)

(Thousands of Euros)	31/12/2024	31/12/23 Normalised	Change (%)
Turnover	3,824,549	3,886,590	*(1.6)%*
Domestic	1,676,267	1,507,384	*11.2%*
International	2,148,282	2,379,206	*(9.7)%*
EBITDA[3]	202,621	199,435	*1.6%*
Profit before tax[4]	122,398	101,040	*21.1%*
Attributable consolidated net profit[5]	66,363	61,268	*8.3%*

The normalised figures for 2023 exclude the proceeds from the sale of 50% of the Mexican companies Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V. (as explained in Note 12 to the accompanying Notes to the Consolidated Annual Accounts), as this is a non-recurring transaction. This capital gain amounted to Euros 21.6 million (Euros 23.1 million after tax).

[3] The **Normalised EBITDA** at 31 December 2023 is calculated as this business's EBITDA (Euros 220,997 thousand) minus the EBITDA from the sale of Gasoducto Morelos (Euros 21,562 thousand) due to its non-recurring nature.
[4] The **normalised profit before tax** is calculated as this business's profit before tax at 31 December 2023 (Euros 122,602 thousand) minus the profit before tax from the sale of Gasoducto Morelos(Euros 21,562 thousand) due to its non-recurring nature.
[5] The **normalised profit after tax** is this business's profit after tax at 31 December 2023(Euros 84,415 thousand) minus the profit before tax from the sale of Gasoducto Morelos (Euros 23,147 thousand) due to its non-recurring nature.

Normalised profit before and after tax is higher than in the same period of the previous year.

In the **domestic market**, activity continued to grow on the back of the **essential services** developed for the electricity, telecommunications, water, gas and energy transmission and distribution sectors, where it provides an essential service for all utilities. It is worth highlighting the maintenance activity carried out for both the public and private sectors. Likewise, during this period, the construction of wind farms and solar PV projects, as well as projects related to self-consumption and energy efficiency, contributed to growth of both the turnover and profit of this business in the **sustainable projects** activity.

In the **international market**, **sustainable projects** continued to be undertaken in Australia, Brazil and Chile (especially renewable energy initiatives and electricity transmission lines). The construction of substations and transmission lines in Germany, Honduras, Panama, Angola, Senegal, and Zambia; photovoltaic parks in the Dominican Republic and railway electrification in Lithuania, among many others, also contributes to the Group's profit/loss. Notable in these results are the activities of **essential services** at the US subsidiaries (Hawkeye, Belco and Energy Services), as well as the distribution and telecommunications contracts that Elecnor is implementing in Italy.

EBITDA for the year amounts to Euros 202.6 million. This implies a 1.6% increase with respect to the normalised EBITDA the previous year, reflecting the positive performance by both essential services and sustainable projects.

Attributable consolidated net profit was Euros 66.4 million, an 8.3% increase with respect to the same period the previous year, reflecting the positive performance by both essential services and sustainable projects.

As has been pointed out in the latest reports, certain circumstances have increased the cost estimate for some of its contracts in Australia, such as progress delays on the back of COVID-19 and the global economic instability unleashed by the disproportionate rise in raw material prices, labour and logistics expenses and local overheads as a result of spiralling inflation. After several months of negotiations, and given the strategic nature of the projects in progress in this country, a series of agreements have been reached which make it feasible to carry them out under reasonable conditions for all parties.

Although **Turnover** is slightly down on the previous year (-1.6%), the portfolio of production that can be executed in the next 12 months is up 5.1%, as shown in the table below.

Elecnor production pipeline that can be executed in the next 12 months

(Thousands of Euros)	31/12/2024	31/12/2023	Change (%)
Domestic	795,369	749,580	*6.1%*
International	1,913,367	1,828,073	*4.7%*
TOTAL	**2,708,736**	**2,577,653**	*5.1%*

The production portfolio, which can be executed in the next 12 months, amounts to Euros 2,708.7 million (Euros 2,577.7 million at the end of 2023). Of this portfolio figure, 71% relates to the international market, for the amount of Euros 1.913,4 billion, and 29% to the domestic market, for the amount of Euros 795.4 million. The domestic market portfolio consists of contracts for essential service activities, as well as sustainable projects for the construction of renewable energy plants for the amounts expected to be executed over the next 12 months. The international portfolio includes both European countries (Italy and the United Kingdom), where service-related activities are carried out, and other countries (Australia, the United States and Brazil, mainly) with contracts for major projects for the construction of renewable-energy power generation plants and power transmission projects.

Celeo (Concessions and own projects)

Celeo, a company owned and managed jointly with APG, one of the world's largest pension funds, already operates 7,942 km of electricity transmission lines in Chile, Brazil and Peru, and takes part in 345 MW of renewable energy (photovoltaic and solar thermal energy) in Spain and Brazil. Overall, it manages over Euros 6,000 million assets in operation at the close of the year.

In terms of new project awards, 2023 was a historic year for Celeo, having been awarded two new concession projects in Brazil (Leilao 1/2023 and 2/2023); two in Chile (expansion of the Hualqui and La Pólvora substations, as part of the International Public Tender for Expansion Works envisaged in Exempt Decree No. 200/2022) and another in Peru (third Concession Contract in the country in Piura Nueva-Frontera).

In 2024, as part of the expansion works put out to tender by the National Electricity Coordinator in Chile, the company was awarded the project to lay the second circuit of the 2 × 500 kV Ancoa-Charrúa (CHATE) line, with an investment of USD 106 million and a completion period of 60 months. It also won new contracts in Brazil for reinforcements in the LTC and CATE concessions, with investments of R$ 14.5 million and R$ 1.2 million respectively.

To assess the performance of this business, the EBITDA of the projects is analysed, a figure which best reflects their cash generation capacity. Therefore, the following table shows, on an aggregate basis, the EBITDA[6] of the projects in which Celeo participates in local currency:

(thousands local currency)	2024	2023	*Change in %*
Transmission networks Brazil (BRL)	817,415	777,269	*5.2%*
Transmission networks Chile (USD)	147,858	147,427	*0.3%*
Transmission networks Peru (USD)	1,851	(226)	
Renewable Energies Brazil (BRL)	36,347	28,476	*27.6%*
Renewable Energies Spain (EUR)	53,124	61,652	*(13.8)%*

This equates to an aggregate EBITDA for the projects of Euros 337.9 million in 2024. The projects of Celeo's Transmission Networks business have been boosted by the increase in price indices affecting the sale prices applicable to transmission lines with a particular impact on the Brazilian projects, although their contribution to the consolidated EBITDA of the Celeo subgroup is affected by the depreciation of the Brazilian real (the currency in which it operates in Brazil) against the euro (Celeo's functional currency). The solar thermal plants managed by Celeo in Spain experienced lower production than the previous year (232,270 MWh compared to last year 265,466 MWh), mainly due to the periods in which the market operator does not allow these plants to produce energy.

[6] EBITDA without taking into account the application of IFRIC 12 and to 100% of the projects

Therefore, the main aggregates of the Celeo Group, prior to its consolidation in the financial statements of the Elecnor Group, are as follows:

Celeo (100% subgroup)

(Thousands of Euros)	31/12/2024	31/12/2023	Change (%)
Turnover	289,772	291,880	*(0.7)%*
EBITDA	193,335	198,252	*(2.5)%*
Profit before tax	66,757	74,803	*(10.8)%*
Income tax	(30,441)	(29,443)	*3.4%*
Profit/loss for the businesses attributable to non-controlling interests	(10,405)	(12,969)	*(19.8)%*
Attributable consolidated net profit	25,911	32,391	*(20.0)%*
Consolidated net profit attributable to the Elecnor Group	12,201	15,390	*(20.7)%*

Celeo is accounted for using the **equity method**. Accordingly, it does not contribute to the Group's consolidated financial statements In this year, it reached an attributable consolidated net profit of Euros 12.2 million (Euros 15.4 million in the previous year) after applying the percentage of ownership and corresponding consolidation adjustments. 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.

Group management and other adjustments

The main figures of the Income Statement for this segment are as follows:

Group management and other adjustments

(Thousands of Euros)	31/12/2024	31/12/2023	Change (%)
EBITDA	(58,667)	(23,599)	*-116.1%*
Profit before tax	(193,301)	(32,305)	*-60.5%*
Attributable consolidated net profit	(196,674)	(23,231)	*-79.9%*

This segment mainly includes the overheads of the Group's management bodies and corporate services, as well as all expenses which, according to the Group's management, do not fall within the scope of the decisions of the heads of the businesses. In addition, the Group's management carries out an analysis of all the risks being monitored, and their impact on this segment of activity is recorded, without affecting the Income Statement, which is used to measure the performance of those heads of the businesses.

3.3. Financial position

OPERATING CASH FLOWS:

(Thousands of Euros)	2024	2023
Funds generated from continuing operations	135,849	162,047
Change in operating working capital from continuing operations	192,867	(20,274)
Net cash flows from operating activities of continuing operations before taxation	**328,716**	**141,773**
Cash generated by operating activities of discontinued operations (Note 7)	25,031	117,510
Net cash flows from operating activities before taxation	**353,747**	**259,283**
Income tax paid	(259,299)	(53,280)
Net cash flows from (used in) operating activities (I)	**94,448**	**206,003**

In 2024, the Group's operating activity enabled it to generate a pre-tax cash flow of Euros 353.7 million (Euros 259.3 million the previous year).

In addition, the Group made corporate income tax payments of Euros 259.3 million this year (Euros 53.3 million last year). This amount includes Euros 172.8 million that the Group has paid in excess of the estimated corporate income tax settlement on the sale of Enerfín shares, which it expects to recover in early 2026.

INVESTMENT CASH FLOWS:

(Thousands of Euros)	2024	2023
Gross operating investment cash flow	(101,799)	(97,627)
Gross operating disinvestment cash flow	5,705	2,967
Net operating investment cash flow	**(96,094)**	**(94,660)**
Other net investment cash flows	**1,183,917**	**81,640**
Net cash flow from (used in) continuing investment activities	**1,087,823**	**(13,020)**
Cash generated by investment activities of discontinued operations (Note 7)	(124,509)	(255,039)
Net cash flows from (used in) investment activities (II)	**963,314**	**(268,059)**

FINANCING FLOWS:

(Thousands of Euros)	2024	2023
Net cash flows from (used in) continuing financing activities	**(1,019,196)**	**30,269**
Cash generated by financing activities of discontinued operations (Note 7)	(16,826)	43,433
Net cash flows from (used in) financing activities (III)	**(1,036,022)**	**73,702**

The sale of Enerfín has resulted in a net cash flow from investment activity of Euros 963.3 million (compared to the Group's investment of Euros 268.1 million in the previous year). All this has allowed us to allocate Euros 1,036.0 thousand (cash flows from financing activities) to repay debt and pay dividends to the Group's shareholders.

The **Total Net Financial Position**, which is calculated from the balances in the Consolidated Balance Sheet, as the difference between the asset headings of investments and cash and the liability headings of short and long-term payables, at 2024 year-end, with assets exceeding liabilities, is Euros 160.9 million. At 2023 year-end, the Total Net Financial Position, excluding Enerfín's non-current assets and liabilities held for sale, amounted to Euros -282.5 million[7].

The **Net Financial Position with recourse** closed at Euros 187.5 million compared to Euros -222.6 million at the end of the previous year. Although the Group's Net Financial Position with recourse is positive at the end of this year, last year it closed with an indebtedness ratio (calculated as Net Financial Debt with recourse divided by EBITDA with recourse) of 0.91x. In both cases, the benchmark indebtedness ratio level set in the syndicated financing agreement (2.75x) is broadly respected. This Net Financial Debt with recourse includes both the Group's liquidity positions and 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.

Although the Group analyses and monitors the evolution of **Total Net Financial Position**, it pays special attention to **Net Financial Position with recourse**, given that the remaining amount, without recourse, is secured by the investment projects to which this financing is dedicated.

Net Financial Position with recourse and indebtedness ratio:

(Thousands of Euros, at year-end)	31/12/2024	31/12/2023
Net Financial Position / Debt with recourse	**187,526**	**(222,613)**
Ratio of Debt/EBITDA with recourse + Projects dividend	(1.34)	0.91

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 first executed in 2014. Since the latest novation in 2021, this 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**. At 31 December 2024, the balance drawn down on this contract was Euros 34.9 million of the dollar loan tranche drawn down by Elecdor (Euros 205,6 million corresponding to

[7] The Net Financial Position, including financial assets and liabilities that at 31/12/23 were classified under Non-current Assets and Liabilities held for sale, was Euros -735.1 million**.**

Euros 50 million of the loan tranche, Euros 122 million of the euro loan tranche drawn down by Elecnor, S.A. and Euros 33.6 million of the dollar loan tranche drawn down by Elecdor at 31 December 2023) at nominal value.

- The Group maintains its strategy of diversifying its sources of short/medium term financing, registering, for yet another year, a Multi-Currency Promissory Note Programme on the **Alternative Fixed Income Market** (MARF), with a maximum outstanding balance of Euros 400 million, which will continue to be linked to the fulfilment of sustainability objectives, including the reduction of greenhouse gas emissions and the improvement of workplace accident ratios, which, if not met, imply a commitment to contribute to sustainable projects. This new programme gives the Group access to funding, both in Euro and US dollars, at terms of up to 24 months. To adopt the decision to register this Programme, Elecnor valued the flexibility of the periods and the lower cost than that of alternative funding sources. The Elecnor Group's aim is to continue implementing its projects in the areas of engineering, development and construction of infrastructure, renewable energy and new technologies, both in Spain and the international markets. 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 ten years, the Group has completed 367 issues for a total of Euros 9,492 million (303 issues for Euros 8,505 million up until the previous year), making it one of the main issuers of promissory notes in the Spanish market. At the close of 2024, the Group had Euros 108 million available under this programme (Euros 239 million at 2023 year-end).

- Since 2021, the Elecnor Group has had a private placement of 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 B. Sabadell. During the year, the Group prepaid a **sustainable loan**, placed by Banca March maturing in 2031, which it had held since 2021 for Euros 50 million, and also prepaid the Euros 30 million "Elecnor 2021 senior unsecured bond issue" admitted to trading on the MARF.

- 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 to be conducted in Spain.

The Elecnor 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 2024 are the same as those applied to the Consolidated Annual Accounts in 2023.

All accounting principles with a significant effect have been applied in the drawing up of these Separate and Consolidated Annual Accounts.

3.5. Profit/loss of the Elecnor Group's holding company

Elecnor, 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 Elecnor, 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 Elecnor, S.A. In 2024 sales decreased mainly because of no dividend received from Elecnor Servicios y Proyectos, S.A.U., (Euros 17 million received the previous year).

This year's profit/loss was mainly increased by the capital gain generated on the sale of Enerfín (Euros 1,056 million) in the Group's parent company, while last year's result included the proceeds from the sale of Gasoducto Morelos (Euros 42 million). In 2024 no dividends were received from Elecnor Servicios y Proyectos, S.A.U. (Euros 17 million received the previous year).

The main figures of the Income Statement are as follows:

Key figures

(Thousands of Euros)	2024	2023
Turnover	39,754	63,816
Operating income	987,986	48,357
Profit before tax	992,376	33,391
Profit after tax	945,998	43,238

3.6. Average payment period

The average payment period to suppliers of the Group's holding company, Elecnor, S.A., calculated as per Additional Provision Three of Law 15/2010, dated 15 July, is 29 days. The average payment period to suppliers of the Elecnor Group, calculated in the same way, is 60 days.

3.7. Turnover by activity

Turnover by activity

(Thousands of Euros)	31/12/2024	31/12/2023	Change (%)
Electricity	1,839,166	1,560,084	*17.9%*
Power generation	470,492	688,013	*(31.6)%*
Maintenance	398,963	393,128	*1.5%*
Construction, environment and water	339,233	326,502	*3.9%*
Telecommunications and space	247,066	273,314	*(9.6)%*
Facilities	191,619	184,624	*3.8%*
Railways	180,518	225,019	*(19.8)%*
Oil & Gas	143,045	142,222	*0.6%*
	3,810,102	**3,792,906**	***0.5%***

Once again, the core business in terms of turnover was Electricity, with Euros 1,839 million, up 17.9% on 2023. 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 transformer substations and electricity transmission lines. Some of the main projects in activities such as Power Generation and Railways were completed during the year, although the Group's order book will allow these activities to grow in the coming years.

4. Stock market information

	31/12/2024	31/12/2023
Closing share price (Euros)	16.06	19.55
Total volume of securities (millions)	13.4	8.5
Total cash traded (millions of Euros)	257.3	122.7
Number of shares (millions)	87	87
Market capitalisation (millions of Euros)	1,397.2	1,700.9
PER	2.0	15.5
Dividend yield	34.7%	4.1%

On 5 June 2024, **the supplementary dividend was distributed against profit/loss for 2023**, in a gross amount of Euros 0.38724598 (Euros 0.39775172, including the pro-rata distribution of treasury shares). On 18 December 2024, the **interim dividend against 2024 profit was paid**, in a gross amount of Euros 6.20689655 (Euros 6.37635335, including the pro-rata distribution of treasury shares).

Shares in Elecnor, S.A. closed the year with a price of **Euros 16.06 per share** and market capitalisation stood at Euros 1,397.2 million. The total cash amount traded was Euros 257,3 million.

5. Capital management policy

Key to the Elecnor 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

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 running 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.

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 biannually, and at least 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. The Audit Committee oversees this process on a biannual basis and the Risk Map is submitted to the Board of Directors for review and approval.

6.1. Foreign currency risks

The Elecnor Group is exposed to the risk of exchange rate fluctuations due to its operations in international markets. Part of the revenues and costs incurred are denominated in currencies other than the Group's functional currency (Euro) and in certain projects the economic and financial inflows and outflows are in different currencies, and therefore the outcome of these projects is exposed to foreign currency risk.

To manage and mitigate the risk arising from exchange rate fluctuations, and when it is not possible to design and implement natural hedging structures, such as the use of financing referenced to the currency of the agreement, the Group uses other hedging strategies, such as taking out exchange rate insurance and cross currency swaps.

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 rate.

With regard to interest rate risk management, the Group uses hedging instruments to hedge the risk of interest rate fluctuations in financing transactions with floating interest rates. Furthermore, and depending on the market conditions prevailing at any given time, the Group assesses and, where appropriate and depending on its financial needs and the financing structure objectives established, arranges financing at fixed interest rates.

6.3. Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to meet its short-term financial obligations within the established deadlines.

In order to mitigate liquidity risk, the Group monitors its operating capital on an ongoing basis to optimise its management and maintains a solid liquidity position in current accounts and credit lines with sufficient limits.

6.4. Credit risk

The Elecnor Group's main credit risk arises from trade receivables, when the counterparty or customer does not meet their contractual obligations.

Given the business and the sectors in which it operates, the Elecnor Group generally has customers with high credit ratings. In any event, and mainly in international projects with non-recurring customers, the Group takes extreme measures to mitigate credit risk (non-payment or default), carrying out exhaustive analyses of the solvency of the counterparty and establishing specific contractual conditions to ensure the collection of the consideration, as well as using other mechanisms such as the collection of advances, irrevocable letters of credit or hedging through insurance policies.

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. In this connection, in the years in which the Group has been operating these lines, there has been no non-payment by their users.

In relation to transmission lines in Chile, Celeo CL is involved in the following transmission segments: National Transmission System (NTS), Zonal Transmission System (ZTS) and Dedicated Transmission System (DTS). For the first two segments, NTS and ZTS, the National Electricity Coordinator (CEN) is responsible for coordinating the flow of payments to the transmission companies for both systems. In these transmission systems, revenues are mainly collected from transmission usage charges, which are calculated biannually by the National Energy Commission (CNE). Transmission usage charges are paid by final customers (demand) and passed on by suppliers, which can be generators in the case of free customers and distributors in the case of regulated customers. In this way, transmission companies are protected against the risk of non-payment, since such charges must be passed on from the suppliers to the transmission companies, without having to bear the risk of non-payment. The payment guarantee is based on a CEN Procedure which 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 the case of the DTS, revenues are collected through usage fees, the commercial conditions of which are defined in the contracts signed between the transmitter and the user of the transmission line.

On the other hand, the substations and transmission lines in Peru belong, in the case of Valle del Chira and Puerto Maldonado, to the Complementary Transmission System (CTS), which serves certain areas of demand, while the recently awarded project, Miguel Grau - Frontera, belongs to the Guaranteed Transmission System (GTS), whose revenues are supported by the entire system. Prices are regulated by the Supervisory Body for Investment in Energy and Mining (OSINERGMIN) and the process is coordinated by the Economic Operation Committee of the National Interconnected System (COES).

The Group regularly analyses its exposure to credit risk and makes the corresponding impairment adjustments.

6.5. Market risk

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.

6.6. Climate risk

This category would include risks arising from events associated with climate change, whether physical climate risks, which could cause discontinuity or significantly affect certain operations, or transition risks, which would be those related to new legal and/or market requirements in this area (regulations, reporting, third-party expectations, etc.).

The Elecnor Group has carried out a process of identification and analysis of risks and opportunities associated with climate change, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and complying with the European Union's Corporate Sustainability Reporting Directive (CSRD). It is comprehensive in scope and addresses both physical risks (such as extreme weather events or resource scarcity) and transitional risks (regulatory changes, consumer expectations and market developments) and climate opportunities. This analysis focuses on how these factors impact the company's overall strategy, governance, supply chain and operations.

7. Environmental sustainability

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, it 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", the Elecnor Group 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 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.

The Group has also made certain activities that contribute to the protection of the natural environment and its resources an intrinsic part of its business. These include the generation of renewable energies, the treatment and recycling of water and energy efficiency in each of its actions.

The principles of the Environmental Management of the Elecnor Group are set out in the Integrated Management System Policy. These guiding principles 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.
- Verification of the GHG emissions inventory using the methodology established by the GHG Protocol and applying the Guidance (Scope 2) and Corporate Value Chain (Scope 3) principles, Accounting and Reporting Standard.
- Obtaining the "Calculo y Reduzco" seal awarded by the Spanish Office for Climate Change (OECC).
- Taking part in the Carbon Disclosure Project (CDP), presenting its voluntary report on climate change. In 2024, the Elecnor Group attained the score of A, surpassing that achieved the previous three years, 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.
- As part of its commitment to decarbonisation, the Group has defined corporate science-based emission reduction targets that have been approved by the Science Based Targets (SBTi) initiative.
- Analysis of climate-related risks and opportunities following TCFD recommendations.

The Non-Financial Information and Sustainability Information section of this Directors' Report outlines the strategies, policies and all the initiatives implemented in 2024 in relation to the Group’s climate action and environmental performance.

8. Human Resources

Elecnor Group’s workforce (*)

At 31 December each year	31/12/2024	31/12/2023	Change (%)
Domestic	12,261	11,746	4.4%
International	12,394	10,817	14.6%
	24,655	22,563	9.3%

*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 2024 year-end, the Group's workforce had remained stable increasing by 2,092 (9%) to 24,655 employees. In the domestic market, there was an increase of 4.4%. Abroad, there was a general increase of 14.6%.

The Parent had a workforce at 2024 year-end of 162 employees (excluding non-executive directors), compared to 185 employees at the end of the previous year.

The ESRS S1 chapter on Own Staff of the Statement of Non-Financial Information and Sustainability Information of this Directors' report outlines all the information relating to the Group's workforce.

9. R&D&I

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 this regard, in 2024, worth highlighting is the development of a plan to strengthen innovation in the Group, where innovation is presented as a lever for profitability and as a response to current and future challenges.

Innovation is a part of the Elecnor Group's Integrated Management System. Elecnor, S.A. and its subsidiary Audeca are currently certified in accordance with UNE 166002 standard.

In 2024, the main initiatives undertaken were as follows:

- Launch of INNOVA 2024 call for proposals for R&D&I projects funding.
- Development and completion of different innovative projects subsidised by state, regional or European calls for proposals.
- Submission of new proposals within the framework of national and European programmes.
- Implementation at Adolfo Suárez – Madrid Barajas Airport of the development of the Sigidel 4.0 Control system, a system based on the historic Sigidel system but at the forefront of technological innovations and complying with cybersecurity standards.
- Completion of the platform for the optimisation of sports infrastructure processes by means of predictive models and energy recovery solutions together with Tecnalia, Tecman, Sedical and Laenk, and subsidised by Hazitek.

In 2024, the total investment figure for 2023 for all the Group's R&D&I projects is included, and amounted to Euros 22.1 million.

10. Significant events subsequent to year-end

At the date of authorisation for issue of this report, no significant events have occurred after the close of 2024 that could alter or have any effect on the financial statements for the period ended 31 December 2024.

11. Outlook for 2025

11.1. Economic context

As explained in section 2, "Economic context", of this report, faced with a global economic outlook of instability and heightened political risk, it is expected that the world economy will continue to show remarkable resilience, offering positive growth prospects and contained inflation.

11.2. Elecnor Group

The Elecnor Group's activities will benefit from the three major trends that are driving global economic development:

- Environmental and social sustainability
- Energy transition and electrification of the economy
- Urban planning and digitalisation of society

The solid portfolio of contracts and the current market situation, in which organisations with Elecnor's capabilities and uniqueness are in high demand, will allow the Group to continue to strengthen its leadership position and profitability over the coming years.

12. Share capital and acquisition of own shares

At 31 December 2024, the share capital of Elecnor, S.A. was represented by 87,000,000 shares, each with a nominal 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 2023, Elecnor, S.A. had a portfolio of 2,299,529 shares. During the year it acquired 586,204 securities, and sold 578,480. Accordingly, at 31 December 2024 it had a total of 2,307,253 own shares, i.e., 2.65% of all shares in the company, (2.64% at the end of the previous year).

13. Related party transactions

With regard to the disclosures on related party transactions, see the details in the notes to the Separate and Consolidated Annual Accounts at 31 December 2024, as provided in article 15 of Royal Decree 1362/2007.

14. Alternative Performance Measures

The Elecnor Group 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.

14.1 Alternative measures of the Elecnor Group's profit/loss

a) Key figures

(Thousands of Euros)	31/12/2024	31/12/2023	Change (%)
PROFIT/LOSS FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	**705,200**	**110,058**	
Continuing operations:			
Net turnover	3,810,102	3,792,906	*0.5%*
Domestic	*1,670,502*	*1,489,436*	*12.2%*
International	*2,139,600*	*2,303,470*	*-7.1%*
EBITDA	156,155	204,862	*-23.8%*
Profit/loss before taxes	(58,702)	97,761	*-160.0%*
Income tax	(59,438)	(27,284)	*117.8%*
Profit/loss from continuing operations	(118,140)	70,477	*-267.6%*
Profit/loss from continuing operations attributable to non-controlling interests	(30)	(4)	*650.0%*
Profit/loss from continuing operations attributable to shareholders of the Parent	**(118,110)**	**70,481**	***-267.6%***
Discontinued operations:			
Profit/loss from discontinued operations attributable to shareholders of the Parent	**823,310**	**39,577**	

The main figures by business segment are shown below:

b) Turnover by segments

(Thousands of Euros)	31/12/2024	31/12/2023	Change (%)
Elecnor	3,824,549	3,886,590	*-1.6%*
Domestic	*1,676,267*	*1,507,384*	*11.2%*
International	*2,148,282*	*2,379,206*	*-9.7%*
Subtotal Businesses	**3,824,549**	**3,886,590**	***-1.6%***
Operations between segments	(14,447)	(93,684)	
	3,810,102	**3,792,906**	*0.5%*

c) 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.

	31/12/2024	31/12/2023	Change (%)
EBITDA = Gross Operating Profit:	**156,155**	**204,862**	*-23.8%*
Operating income	(45,900)	121,145	
- Expense for amortisation, depreciation, impairment and charges to provisions	202,055	83,717	

d) Breakdown of EBITDA by segment

(Thousands of Euros)	31/12/2024	31/12/2023	Change (%)
Elecnor (*)	202,621	220,997	*-8.3%*
Celeo	12,201	15,390	*-20.7%*
Subtotal Businesses	**214,822**	**236,387**	***-9.1%***
Group Management and Other Adjustments	(58,667)	(23,599)	
Operations between segments	-	(7,926)	
	156,155	**204,862**	*-23.8%*

e) Breakdown of Profit before income tax by segment

(Thousands of Euros)	31/12/2024	31/12/2023	Change (%)
Elecnor	122,398	122,602	*-0.2%*
Celeo	12,201	15,390	*-20.7%*
Subtotal Businesses	**134,599**	**137,992**	***-2.5%***
Group Management and Other Adjustments	(193,301)	(32,305)	
Operations between segments	-	(7,926)	
	(58,702)	**97,761**	*-160.0%*

f) Breakdown of Consolidated net profit attributable by segment

(Thousands of Euros)	31/12/2024	31/12/2023	Change (%)
Elecnor	66,363	84,415	*-21.4%*
Enerfín	823,310	39,577	*1980.3%*
Celeo	12,201	15,390	*-20.7%*
Subtotal Businesses	**901,874**	**139,382**	***547.1%***
Group Management and Other Adjustments	(196,674)	(23,231)	
Operations between segments	-	(6,093)	
	705,200	**110,058**	*540.8%*

g) Key figures by segment:

Elecnor (Services and Projects)

The main figures of the Elecnor segment (Services and Projects), compared to the first half of the previous year normalised (excluding a non-recurring transaction in that period) are detailed below.

(Thousands of Euros)	31/12/2024	31/12/2023	Capital gain GdM 2023 (*)	31/12/23 Normalised	Change (%)
Turnover	3,824,549	3,886,590	—	3,886,590	-1.6%
Domestic	*1,676,267*	*1,507,384*	—	*1,507,384*	*11.2%*
International	*2,148,282*	*2,379,206*	—	*2,379,206*	*-9.7%*
EBITDA	202,621	220,997	21,562	199,435	*1.6%*
Profit before tax	122,398	122,602	21,562	101,040	*21.1%*
Attributable consolidated net profit	66,363	84,415	23,147	61,268	*8.3%*

(*) Normalised figures: adjusted for the capital gain on the sale of 50% of the Mexican companies Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V.

Elecnor's (Services and Projects) portfolio of production that can be executed in the forthcoming 12 months is as follows:

(Thousands of Euros)	31/12/2024	31/12/2023	Change (%)
Domestic	795,369	749,580	*6.1%*
International	1,913,367	1,828,073	*4.7%*
TOTAL	**2,708,736**	**2,577,653**	*5.1%*

Celeo

The **aggregate EBITDA of Celeo's projects (at 100%)** without taking into account the IFRIC 12 impact (which better reflects the cash generation capacity of each project) expressed in original currency, is as follows:

(thousands local currency)	**EBITDA** **2024**	**2023**
Transmission networks Brazil (BRL)	817,415	777,269
Transmission networks Chile (USD)	147,858	147,427
Transmission networks Peru (USD)	1,851	(226)
Renewable Energies Brazil (BRL)	36,347	28,476
Renewable Energies Spain (EUR)	53,124	61,652

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

Celeo (100% subgroup)

(Thousands of Euros)	**31/12/2024**	**31/12/2023**	**Change (%)**
Turnover	289,772	291,880	*-0.7%*
EBITDA	193,335	198,252	*-2.5%*
Profit before tax	66,757	74,803	*-10.8%*
Income tax	(30,441)	(29,443)	*3.4%*
Profit/loss for the businesses attributable to non-controlling interests	(10,405)	(12,969)	*-19.8%*
Attributable consolidated net profit	25,911	32,391	*-20.0%*

14.2. Alternative debt measures of the Elecnor Group

a) Calculation of Total Net Financial Position:

The Total Net Financial Position is calculated from the balances in the Consolidated Balance Sheet as the difference between the investment and cash asset headings and the short and long-term payables liability headings (as shown in the table below). At 2024 year-end, with assets exceeding liabilities, the Total Net Financial Position was Euros 160.9 million.

At 2023 year-end, these same items of the Enerfín subgroup that were reclassified to Non-current Assets and Liabilities held for sale were also included in the calculation, as they were considered to be part of the Group's net financial debt, with the Total Net Financial Position reaching Euros -735.1 million of debt (i.e., liabilities exceeded assets). Excluding Enerfín's Non-current assets and liabilities held for sale, the debt at the end of last year was Euros -282.5 million.

	31/12/2024	31/12/2023		
	Debt items on the assets and liabilities side of the balance sheet	**Debt items on the assets and liabilities side of the balance sheet**	*Non-current assets and liabilities held for sale*	*TOTAL*
+ Current investments in related companies	11,518	318	*-*	*318*
+ Derivative financial instruments (of Current assets)	2,735	2,136	*10,050*	*12,186*
+ Derivative financial instruments (of Non-current assets)	1,818	170	*5,746*	*5,916*
+ Cash and cash equivalents	405,911	317,019	*67,152*	*384,171*
+ Other current financial investments	11,580	19,531	*13,606*	*33,137*
+ Debt service reserve account under "Other cash equivalents"	-	-	*14,627*	*14,627*
- Derivative financial instruments (from current assets of the Consolidated Balance Sheet) for exchange rate hedges	(2,735)	(69)	*-*	*(69)*
- Derivative financial instruments (from current assets of the Consolidated Balance Sheet) for price hedges	-	-	*(10,050)*	*(10,050)*
- Derivative financial instruments (from non-current assets of the Consolidated Balance Sheet) for price hedges	-	-	*(3,586)*	*(3,586)*
- Derivative financial instruments (from non-current assets of the Consolidated Balance Sheet) for exchange rate hedges	(1,758)	-	*-*	*-*
	429,069	**339,105**	***97,545***	***436,650***
- Non-current liabilities. Financial liabilities from issuing bonds and other marketable securities	-	(29,672)	*(11,673)*	*(41,345)*
- Current liabilities. Financial liabilities from issuing bonds and other marketable securities	(107,525)	(238,818)	*(10,540)*	*(249,358)*
- Non-current liabilities. Financial liabilities on loans and borrowings	(88,801)	(315,184)	*(495,656)*	*(810,840)*
- Current liabilities. Financial liabilities on loans and borrowings	(17,193)	(35,642)	*(27,704)*	*(63,346)*
- Non-current liabilities. Derivative financial instruments	-	-	*(10,589)*	*(10,589)*
- Current liabilities. Derivative financial instruments	(69)	(646)	*(10,391)*	*(11,037)*
- Other current and non-current liabilities	(43,141)	(2,256)	*-*	*(2,256)*
- Financial liabilities with Group companies	11,508	-	*-*	*-*
+ Current liabilities. Derivative exchange rate hedging instruments	69	646	*5,830*	*6,476*
+ Non-current liabilities. Derivative energy price hedging instruments	-	-	*10,589*	*10,589*
	(268,168)	**(621,572)**	***(550,134)***	***(1,171,706)***
Total Net Financial Position	**160,901**	**(282,467)**		***(735,056)***

b) Net Financial Position with and without recourse:

(Thousands of Euros, at year-end)	31/12/2024	31/12/2023	Change (%)
With recourse	*187,526*	*(222,613)*	*(184.2)%*
Without recourse	*(26,625)*	*(512,442)*	*(94.8)%*
Total Net Financial Position	**160,901**	**(735,055)**	**(121.9)%**

c) Indebtedness ratio with recourse:

(Thousands of Euros, at year-end)	31/12/2024	31/12/2023
Net Financial Position / Debt with recourse	**187,526**	**-222,613**
EBITDA with recourse + projects dividends	**139,923**	**243,525**
EBITDA Continuing Operations	156,155	204,862
EBITDA Discontinued Operations (ENERFIN)		125,048
With recourse [1]	0	40,220
Without recourse [2]	0	84,828
Dividends from projects	0	20,367
Reversal of the effect on EBITDA with recourse of the application of IFRS 16	-16,232	-21,924
Ratio of Debt/EBITDA with recourse + Projects dividend	**-1.34**	**0.91**

[1]EBITDA with recourse is Group EBITDA excluding EBITDA without recourse (EBITDA corresponding to investment projects financed by debt secured by such projects)

[2]EBITDA without recourse is EBITDA corresponding to investment projects financed by debt secured by such projects

d) Total indebtedness ratio:

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.

(Thousands of Euros, at year-end)	31/12/2024	31/12/2023
Total Net Financial Position	160,901	-735,055
EBITDA Continuing Operations + EBITDA Discontinued Operations	156,155	329,910
Ratio of Total Net Financial Debt/ EBITDA	**-1.03**	**2.23**

EBITDA with recourse does not include EBITDA corresponding to investment projects financed by debt secured by such projects (EBITDA without recourse). For last year it included both that corresponding to Continuing Operations and Discontinued Operations (classified under the heading of Profit/loss from Discontinued Operations in the Income Statement of the attached Consolidated Annual Accounts); dividends from projects last year also correspond to investment projects financed through debt secured by these projects of companies in the Enerfín subgroup (classified under Non-current assets and liabilities held for sale). They are not taken into account at year-end, as there is no debt or cash associated with Enerfín after its sale.

14.3 Alternative measures of the Elecnor Group's cash flows

Cash flows are separated from cash flows from taxes and discontinued operations for a better understanding.

Cash flows from operating activities in the Statement of Cash Flows include corporate income tax payments. In this year, the tax on account paid to the tax authorities is due to the capital gain generated on the sale of Enerfín. This amount is considered to be more representative of the evolution of operating activity flows without taking into account these taxes paid.

OPERATING CASH FLOWS:

(Thousands of Euros)	2024	2023
Funds generated from continuing operations	**135,849**	**162,047**
Trade and other receivables	(82,528)	(241,818)
Inventories	(2,418)	1,660
Trade and other payables	224,707	231,817
Changes in other current assets and liabilities	53,106	(11,933)
Change in operating working capital from continuing operations	**192,867**	**(20,274)**
Net cash flows from operating activities of continuing operations before taxation	**328,716**	**141,773**
Cash generated by operating activities of discontinued operations (Note 7)	25,031	117,510
Net cash flows from operating activities before taxation	**353,747**	**259,283**
Income tax paid	(259,299)	(53,280)
Net cash flows from (used in) operating activities (I)	**94,448**	**206,003**

INVESTMENT CASH FLOWS:

(Thousands of Euros)	2024	2023
Payments for acquisition of Group companies (Note 8)	(4,921)	(2,107)
Payments for acquisition of intangible assets (Note 9)	(12,643)	(8,987)
Payments for acquisition of property, plant and equipment (Note 10)	(84,235)	(85,506)
Payments for contributions to associates (Note 12)	—	(1,027)
Gross operating investment cash flow	**(101,799)**	**(97,627)**
Proceeds from the sale of intangible assets and property, plant and equipment (Notes 9 and 10)	5,458	2,967
Proceeds from disposal of financial assets, net	247	—
Gross operating disinvestment cash flow	**5,705**	**2,967**
Net operating investment cash flow	**(96,094)**	**(94,660)**
Payments for acquisition of financial assets (Note 13)	(314,803)	(9,856)
Interest received	41,887	11,901
Proceeds from disposal of Group companies, associates and jointly-controlled entities (Notes 2.f)	1,456,833	79,595
Other net investment cash flows	**1,183,917**	**81,640**
Net cash flow from (used in) continuing investment activities	**1,087,823**	**(13,020)**
Cash generated by investment activities of discontinued operations (Note 7)	(124,509)	(255,039)
Net cash flows from (used in) investment activities (II)	**963,314**	**(268,059)**

FINANCING FLOWS:

(Thousands of Euros)	2024	2023
Cash inflows from financial debt and other non-current borrowings (Note 16)	987,044	1,494,251
Interest paid	(21,498)	(24,139)
Repayment of financial debt and other non-current borrowings (Note 16)	(1,394,652)	(1,384,559)
Payments from lease liabilities (Note 11)	(16,232)	(18,574)
Dividends paid (Note 5)	(573,690)	(37,084)
Cash inflows due to disposal of own shares (Note 15)	10,923	4,260
Cash outflows due to purchase of own shares (Note 15)	(11,091)	(3,886)
Net cash flows from (used in) continuing financing activities	**(1,019,196)**	**30,269**
Cash generated by financing activities of discontinued operations (Note 7)	(16,826)	43,433
Net cash flows from (used in) financing activities (III)	**(1,036,022)**	**73,702**

15. Consolidated Statement of Non-Financial Information and Sustainability Information

In compliance with Law 11/2018, of 28 December, concerning non-financial information and diversity, Elecnor, S.A. includes its Consolidated Statement of Non-Financial Information and Sustainability Information in the Consolidated Directors' Report of the Elecnor Group.