Elecnor, S.A. and its subsidiaries

Report on limited review of
condensed consolidated interim financial statements
for the six-month period ended 30 June 2023
Consolidated interim management report

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.

Report on limited review of condensed consolidated interim financial statements

To the shareholders of Elecnor, S.A.:

Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of Elecnor, S.A. (hereinafter, the Parent company) and its subsidiaries (hereinafter, the Group), which comprise the statement of financial position as at 30 June 2023, and the income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes, all condensed and consolidated, for the six-month period then ended. The Parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the Audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2023 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as provided in Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

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Emphasis of matter

We draw attention to note 1 of the condensed consolidated interim financial statements, in which it is mentioned that these condensed consolidated interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying condensed consolidated interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 December 2022. Our conclusion is not modified in respect of this matter.

Other matters

Consolidated interim management report

The accompanying consolidated interim management report for the six-month period ended 30 June 2023 contains the explanations which the Parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this management report is in agreement with that of the interim financial statements for the six-month period ended 30 June 2023. Our work as auditors is limited to checking the consolidated interim management report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Elecnor, S.A. and its subsidiaries' accounting records.

Preparation of this review report

This report has been prepared at the request of the management in relation to the publication of the half-yearly financial report required by Article 100 of Law 6/2023, of March 17, on Securities Markets and Investment Services.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Goretty Álvarez González

26 July 2023

Elecnor, S.A. and Subsidiaries

Interim Summary Consolidated Financial Statements and Directors’ Report of Elecnor, S.A. and subsidiaries for the six-month period ended 30 June 2023

Elecnor, S.A. and Subsidiaries

Consolidated Statement of Financial Position at 30 June 2023 and 31 December 2022

(Thousands of Euros)

Assets	Notes	30 June 2023	31 December
Non-current assets:			
Property, plant and equipment	6	**1,011,322**	**901,088**
Right-to-use assets		**79,036**	**80,327**
Intangible assets-	4		
Goodwill		28,082	27,688
Other intangible assets		16,727	16,383
		44,809	**44,071**
Equity-accounted investees	7	**604,961**	**628,150**
Non-current financial assets	5		
Other financial assets		**30,369**	**38,279**
Derivative financial instruments	8	**9,499**	**9,639**
		39,868	**47,918**
Deferred tax assets		**72,774**	**80,331**
Total non-current assets		**1,852,770**	**1,781,885**
Current assets:			
Inventories		**11,590**	**10,308**
Customer contract assets	5	**527,773**	**393,954**
Trade and other receivables	5	**924,302**	**855,689**
Trade receivables from related companies	5	**15,971**	**19,341**
Public entities, receivable		**61,016**	**49,727**
Current income tax assets		**14,444**	**16,259**
Other receivables	5	**40,706**	**24,571**
Current investments in related companies	5	**413**	**761**
Other current financial investments	5	**42,245**	**12,076**
Derivative financial instruments	5 and	**5,279**	**3,905**
Other current assets		**17,640**	**13,938**
Cash and cash equivalents		**359,630**	**372,525**
Non-current assets held for sale	2	**4,187**	**2,976**
Total current assets		**2,025,196**	**1,776,030**
Total assets		**3,877,966**	**3,557,915**

The accompanying notes form an integral part of the Interim Summary Consolidated Financial Statements for the half-year periods ended on 30 June 2023.

Elecnor, S.A. and Subsidiaries

Consolidated Statement of Financial Position at 30 June 2023 and 31 December 2022

(Thousands of Euros)

Equity and Liabilities	Notes	30 June 2023	31 December 2022
Equity:	**9**		
Equity attributable to equity holders of the Parent-			
Capital		8,700	8,700
Own share	9.b	(22,614)	(22,430)
Other reserves		1,065,694	992,609
Translation differences	9.c	(228,569)	(251,254)
Valuation adjustments to equity		(3,619)	(17,783)
Profit/loss for the year attributable to the Parent		47,395	102,813
Interim dividend paid in the year		-	(5,446)
		866,987	**807,209**
Non-controlling interests		**16,736**	**26,046**
Total equity		**883,723**	**833,255**
Non-current liabilities:			
Government grants		**3,808**	**4,642**
Provisions for liabilities and charges		**77,769**	**53,993**
Financial liabilities from issuing bonds and other marketable securities	**8**	**52,842**	**50,793**
Financial liabilities on loans and borrowings	**8**	**741,825**	**726,902**
Derivative financial instruments	**8**	**12,153**	**17,128**
Lease liabilities	**8**	**69,196**	**69,065**
Other non-current liabilities		**6,822**	**5,348**
Deferred tax liabilities		**30,778**	**27,513**
Total non-current liabilities		**995,193**	**955,384**
Current liabilities:			
Provisions for liabilities and charges		**106,123**	**80,807**
Financial liabilities from issuing bonds and other marketable securities	**8**	**229,759**	**125,158**
Financial liabilities on loans and borrowings	**8**	**76,660**	**52,780**
Derivative financial instruments	**8**	**10,908**	**37,425**
Lease liabilities	**8**	**17,208**	**18,929**
Trade payables to associates and related companies	**8**	**5**	**7**
Trade and other payables-	**8**		
Trade payables for purchases or services		675,343	762,822
Advances from customers		187,041	172,927
		862,384	**935,749**
Customer contract liabilities		**420,295**	**276,032**
Current income tax liabilities		**59,278**	**59,251**
Other payables-	**8**		
Public entities, payable		82,039	60,626
Other current liabilities		134,391	122,512
		216,430	**183,138**
Total current liabilities		**1,999,050**	**1,769,276**
Total liabilities and equity		**3,877,966**	**3,557,915**

The accompanying notes form an integral part of the Interim Summary Consolidated Financial Statements for the half-year periods ended on 30 June 2023.

Elecnor, S.A. and Subsidiaries
Consolidated Income Statements
corresponding to the six-month periods ended
at 30 June 2023 and 30 June 2022
(Thousands of Euros)

	Notes	30 June 2023	30 June 2022
Continuing operations:			
Net turnover	13	1,835,291	1,591,917
Changes in inventories of finished goods and work in progress		320	186
Self-constructed assets	6	67,900	3,773
Materials consumed		(989,212)	(774,564)
Other operating income		24,519	10,549
Personnel expenses		(523,754)	(460,471)
Other operating expenses		(268,408)	(242,172)
Net profit/loss on the sale of non-current assets and subsidiaries	2	22,760	12,532
Expense for amortisation, depreciation, impairment and charges to provisions		(79,331)	(41,230)
Profit/loss from equity-accounted investees	7	6,546	3,886
Operating income		**96,631**	**104,406**
Finance income		8,134	3,702
Finance expenses	8	(28,560)	(28,825)
Translation differences		(6,409)	(5,735)
Profit/loss before taxes		**69,796**	**73,548**
Income tax	10	(19,925)	(23,762)
Profit/loss from continuing operations		**49,871**	**49,786**
Profit/loss for the year		**49,871**	**49,786**
Attributable to:			
Shareholders of the Parent		47,395	43,798
Non-controlling interests		2,476	5,988
Earnings per share (in Euros)			
Basic	3.b	0.56	0.52
Diluted	3.b	0.56	0.52

The accompanying notes form an integral part of the Interim Summary Consolidated Financial Statements for the half-year periods ended on 30 June 2023.

Elecnor, S.A. and Subsidiaries
Consolidated Summary Statements of Comprehensive Income for the half-year periods ended at 30 June 2023 and 30 June 2022
(Thousands of Euros)

	Notes	30 June 2023	30 June 2022
CONSOLIDATED PROFIT/LOSS OF THE INCOME		**49,871**	**49,786**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			**-**
Items to be reclassified to profit or loss			
- Cash flow hedges		30,621	21,186
- Translation differences of financial statements for businesses abroad		14,755	40,953
- Share of other comprehensive income of equity-accounted investees	**7**	8,672	79,918
- Tax effect		(7,655)	(4,955)
Other comprehensive income for the year, net of tax		**96,264**	**186,888**
Total comprehensive income attributable to:		**96,264**	**186,888**
a) Equity holders of the Parent		92,354	178,228
b) Non-controlling interests		3,910	8,660
		96,264	186,888

The accompanying notes form an integral part of the Interim Summary Consolidated Financial Statements for the half-year periods ended on 30 June 2023.

Elecnor, S.A. and Subsidiaries
Consolidated Summary Statement of Total Changes in Equity
corresponding to the six-month periods ended
at 30 June 2023 and 30 June 2022
(Thousands of Euros)

	Notes	Capital	Accumulated reserves	Own shares	Interim dividend paid in the year	Cash flow hedge	Translation differences	Net profit/loss for the year	Non-controlling interests	Total Equity
Balances at 31 December 2021		**8,700**	**937,156**	**(22,110)**	**(5,187)**	**(73,326)**	**(321,856)**	**85,883**	**24,405**	**633,665**
Total recognised income and expense for the period		-	-	-	-	31,828	102,602	43,798	8,660	186,888
Distribution of profit/loss:										-
Reserves		-	55,132	-	-	-	-	(55,132)	-	-
Supplementary dividend	3	-	-	-	-	-	-	(25,564)	(7,793)	(33,357)
Interim dividend		-	-	-	5,187	-	-	(5,187)	-	-
Transactions with own shares (net)	9	-	410	(225)	-	-	-	-	-	185
Share capital reductions		-	-	-	-	-	-	-	(1,240)	(1,240)
Other changes		-	(64)	-	-	-	-	-	(218)	(282)
Balances at 30 June 2022		**8,700**	**992,634**	**(22,335)**	**-**	**(41,498)**	**(219,254)**	**43,798**	**23,814**	**785,859**

Balances at 31 January 2022		**8,700**	**992,609**	**(22,430)**	**(5,446)**	**(17,783)**	**(251,254)**	**102,813**	**26,046**	**833,255**
Total recognised income and expense for the period		-	-	-	-	14,164	30,795	47,395	3,910	96,264
Distribution of profit/loss:										
Reserves		-	66,001	-	-	-	-	(66,001)	-	-
Supplementary dividend	3	-	-	-	-	-	-	(31,366)	(3,527)	(34,893)
Interim dividend		-	-	-	5,446	-	-	(5,446)	-	-
Transactions with own shares (net)	9	-	230	(184)	-	-	-	-	-	46
Share capital reductions		-	-	-	-	-	-	-	(1,077)	(1,077)
Changes in the consolidation scope	2	-	6,845	-	-	-	(8,110)	-	(8,618)	(9,883)
Other changes		-	9	-	-	-	-	-	2	11
Balances at 30 June 2023		**8,700**	**1,065,694**	**(22,614)**	**-**	**(3,619)**	**(228,569)**	**47,395**	**16,736**	**883,723**

The accompanying notes form an integral part of the Interim Summary Consolidated Financial Statements for the half-year periods ended on 30 June 2023.

Elecnor, S.A. and Subsidiaries
Consolidated Summary Statement of Cash Flows
corresponding to the six-month periods ended
at 30 June 2023 and 30 June 2022
(Thousands of Euros)

	Notes	31/06/202	30/06/202
CASH FLOWS FROM OPERATING ACTIVITIES:			
Consolidated profit/loss for the year before taxes		69,796	73,548
Adjustments to profit/loss:			
Depreciation and amortisation		57,800	48,588
Impairment and net profit/loss from disposals of property, plant and equipment and intangible assets		(1,088)	(1,471)
Changes in provisions for liabilities and charges and other provisions		21,531	(7,409)
Capital grants taken to income		(80)	(85)
Share in (profit)/loss for the year of investment accounted for using the equity method	7	(6,546)	(3,886)
Net profit/loss on the sale of non-current assets and subsidiaries	2	(21,668)	(11,008)
Finance income		(8,134)	(3,702)
Finance expenses		28,560	28,825
Translation differences		6,409	5,735
Other income and expenses		3,404	287
Funds generated from operations		**149,984**	**129,422**
Changes in working capital:			
Trade and other receivables		(221,687)	(80,737)
Inventories		(1,281)	(757)
Trade and other payables		91,024	(7,361)
Changes in other current assets and liabilities		24,004	11,150
Income tax paid		(15,543)	(19,768)
Net cash flows from operating activities		**26,501**	**31,949**
CASH FLOWS FROM INVESTMENT ACTIVITIES:			
Payments for acquisition of Group companies, associates and jointly-controlled entities	2	(9,883)	(922)
Payments for acquisition of intangible assets and property, plant and		(144,884)	(29,443)
Payments for contributions to associate companies		(2,580)	-
Payments for acquisition of financial assets		(22,901)	(12,993)
Proceeds from the sale of group companies, associates and jointly controlled entities	2	73,424	9,102
Proceeds from disposal of financial assets, net		5,378	415
Proceeds from the sale of intangible assets and property, plant and equipment		1,629	1,472
Dividends received from associates		-	121
Interest received		8,134	3,702
Net cash flows from (used in) investment activities		**(91,683)**	**(28,546)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash inflows from financial debt and other non-current borrowings		821,190	697,604
Repayment of financial debt and other non-current borrowings		(707,989)	(628,337)
Dividends paid		(34,893)	(33,357)
Interest paid		(24,990)	(19,743)
Payments arising from repayments of funds of non-controlling		(1,077)	(1,240)
Cash inflows due to disposal of own shares		1,285	1,270
Cash outflows due to purchase of own shares		(1,239)	(1,375)
Net cash flows from (used in) financing activities		**52,287**	**14,822**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(12,895)**	**18,225**
CASH AND EQUIVALENTS AT THE START OF THE PERIOD		372,525	388,105
CASH AND EQUIVALENTS AT THE END OF THE PERIOD		359,630	406,330

The accompanying notes form an integral part of the Interim Summary Consolidated Financial Statements for the half-year periods ended on 30 June 2023.

1. Introduction, bases for presentation of the summary consolidated half-yearly financial statements and other information

a) Introduction

Elecnor, S.A., Parent of the Elecnor Group, is a company incorporated in Spain in accordance with the Public Limited Companies Act. Its corporate object, according to its Bylaws, is:

- Wide-ranging commercial activity in connection with the engineering, design, construction, erection, repair, maintenance and upkeep of all manner of construction projects and installation work in the broadest sense, i.e. the entire execution thereof with or without the supply of materials, on its own account or through third parties, on an exclusive basis or through associations of any kind.

- The making, marketing, construction of the associated works and sale of reinforced concrete and pre-stressed prefabricated items and products made of compound materials, as well as any construction and industry-related products.

- The provision of public and private services in relation to the collection of all types of waste; sweeping and cleaning of streets; transfer and transport of waste to the place of end disposal; the end disposal of such waste, recycling, treatment and deposit of public, private, industrial, hospital and pathological waste; cleaning, maintenance and upkeep of sewers; and, in general, urban water treatment services and all other ancillary services related directly or indirectly to the aforementioned services in their broadest sense.

- The design, research, development, construction, operation, maintenance and marketing of waste treatment, recovery and elimination facilities, and the purchase and sale of the by-products originating from these treatments.

- The design, research, development, construction, operation, maintenance and marketing of plants and facilities for the treatment of water, wastewater and waste, the recovery and elimination of waste, and the purchase and sale of the by-products originating from these treatments.

- The use, transformation and marketing of water of all types.

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

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

The Company's registered office is located at Marqués de Mondéjar 33, Madrid (Spain). The Parent's bylaws and other related public information may be viewed on the website www.grupoelecnor.com/home-en and at its registered office.

b) Bases for presentation of the summary consolidated half-yearly financial statements

In compliance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, all companies governed by the Law of an EU Member State and whose shares are listed on a market regulated in one of the States of the Union, have to file their consolidated annual accounts for the years commencing after 1 January 2005 in accordance with the International Financial Reporting Standards (hereinafter, IFRS) previously adopted by the European Union.

These summary consolidated half-yearly financial statements are filed in accordance with IAS 34 on Interim Financial Reporting and were drawn up by the Directors of the Group on 26 July 2023, all in compliance with the provisions of article 12 of Royal Decree 1362/2007.

Under the provisions of IAS 34, the interim financial reporting is only prepared with the intention of updating the content of the last consolidated annual financial statements presented by the Group, placing emphasis on any new activities, events and circumstances occurring during the half-year period and without duplicating the information published previously in the consolidated annual financial statements for 2022. Accordingly, for a proper understanding of the information included in these summary consolidated half-yearly financial statements, they should be read together with the consolidated annual financial statements of the Group for the year 2022.

The Group's consolidated annual financial statements for 2022 were authorised for issue by the General Shareholders' Meeting of the Parent at their annual general meeting held on 17 May 2023.

The information included in the explanatory notes, except where indicated otherwise, is expressed in thousands of Euros.

c) Material accounting policies

The accounting policies and methods used to prepare the summary consolidated half-yearly financial statements are the same as those applied to the consolidated annual financial statements in 2022.

c.1) Mandatory standards, amendments and interpretations for all annual periods commencing on or after 1 January 2023

IFRS 17 "Insurance Contracts": IFRS 17 replaces IFRS 4 "Insurance Contracts", which permitted entities to use a wide variety of accounting practices for insurance contracts. The new standard fundamentally changes the accounting by all entities issuing insurance contracts and investment contracts that include distinct investment components. The IASB amended the standard in June 2020, introducing specific amendments and clarifications aimed at facilitating the new standard's implementation, although the core principles of the standard remained unchanged. The standard applies for annual periods beginning on or after 1 January 2023 and early adoption is permitted if IFRS 9 "Financial Instruments" is applied on or before the date of initial application of IFRS 17.

Given the Elecnor Group's activity, there are no contracts that could be affected by this regulation.

IFRS 17 (Amendment) "Initial Application of IFRS 17 and IFRS 9 - Comparative Information": The IASB has published an amendment to IFRS 17 that introduces narrow scope amendments to the transition requirements of IFRS 17 "Insurance Contracts" and does not affect any other requirements of IFRS 17. IFRS 17 and IFRS 9 "Financial Instruments" have different transition requirements. For some insurers, these differences could lead to significant accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of the two Standards. The amendment will help insurers to avoid these mismatches and thus improve the usefulness of comparative information for investors.

The amendment is effective for annual periods commencing on or after 1 January 2023.

In view of the Elecnor Group's activity, this amendment had no impact on the Group's Interim Summary Consolidated Financial Statements.

IAS 1 (Amendment) "Disclosure of Accounting Policies": IAS 1 has been amended to improve accounting policy disclosures so as to provide more useful information to investors and the other main users of financial statements. The effective date of these amendments is 1 January 2023.

This amendment has had no material impact on the Group's Interim Summary Consolidated Financial Statements.

IAS 8 (Amendment) "Definition of Accounting Estimates": IAS 8 has been amended to help entities to distinguish between changes to accounting policies and changes to accounting estimates. The effective date of these amendments is 1 January 2023.

This amendment has had no material impact on the Group's Interim Summary Consolidated Financial Statements.

IAS 12 (Amendment) "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction": In certain circumstances under IAS 12, companies are exempt from recognising deferred taxes when they initially recognise assets or liabilities ("initial recognition exemption"). Previously, there was some uncertainty as to whether the exemption applied to transactions such as leases and decommissioning obligations, transactions for which both an asset and a liability are recognised upon initial recognition. The amendment clarifies that the exemption does not apply in these cases and that deferred taxes must therefore be recognised on such transactions.

The amendment is effective for years beginning on or after 1 January 2023, although early adoption is permitted.

This amendment has had no material impact on the Group's Interim Summary Consolidated Financial Statements

c.2) Standards, amendments and interpretations not yet in force that allow for early adoption

At the date of authorisation for issue of these Interim Summary Consolidated Financial Statements, no such circumstances applied.

c.3) Standards, interpretations and amendments to existing standards that may not be adopted early or have not been adopted by the European Union

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

IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture": These amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures, which will depend on whether the non-cash assets sold or contributed to an associate or joint venture constitute a "business". The investor must recognise the entire gain or loss when the non-monetary assets constitute a "business". If the assets do not qualify as a business, the investor recognises the gain or loss only to the extent of unrelated investors' interests. The amendments only apply when an investor sells or contributes assets to its associate or joint venture.

Originally, these amendments to IFRS 10 and IAS 28 were prospective and effective for annual periods beginning on or after 1 January 2016. However, at the end of 2015, the IASB decided to postpone their effective date (without setting a new specific date), as it is planning a broader review that may ultimately simplify the way these transactions are accounted for, along with other aspects of accounting for associates and joint ventures.

These amendments are not expected to have any effect on the Group's Interim Summary Consolidated Financial Statements in the future.

IFRS 16 (Amendment) "Lease Liability in a Sale and Leaseback": IFRS 16 includes requirements on how to account for a sale and leaseback on the date the transaction takes place. However, it did not specify how to record the transaction after that date. This amendment explains how an entity should account for a sale and leaseback after the date of the transaction.

The effective date of this amendment is 1 January 2024, although early adoption is allowed. This amendment is pending approval by the European Union.

These amendments are not expected to have any effect on the Group's Interim Summary Consolidated Financial Statements in the future.

IAS 1 (Amendment) “Classification of Liabilities as Current or Non-Current”: These amendments, issued in January 2020, clarify that liabilities are classified as current or non-current depending on the rights that exist at the end of the reporting period. Classification is not affected by the entity's expectations or events after the reporting date (for example, receipt of a waiver or breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the "settlement" of a liability. The effective date of these amendments is 1 January 2022, although early adoption is allowed.

However, in July 2020 an amendment was introduced to change the effective date of the amendment to 1 January 2023. Furthermore, in October 2022 an amendment was introduced which, among other changes, changed the effective date of this amendment to 1 January 2024. If, after October 2022, this amendment is adopted early for a previous period, the amendment to IAS 1 issued in October 2022 must also be adopted.

These amendments are pending approval by the European Union.

These amendments are not expected to have any effect on the Group's Interim Summary Consolidated Financial Statements in the future.

IAS 1 (Amendment) “Non-Current Liabilities with Covenants”: In October 2022, the IASB issued an amendment to IAS 1 "Presentation of Financial Statements" in response to concerns raised about the application of previous amendments to IAS 1 (in January and July 2020) regarding the classification of liabilities as current or non-current.

The new amendment aims to improve disclosures when an entity’s right to defer payment of a liability is subject to the fulfilment of conditions ("covenants") within twelve months after the reporting period.

The amendment is effective for annual periods commencing on or after 1 January 2024. Early adoption of the amendment is allowed, but it is pending approval by the European Union.

These amendments are not expected to have any effect on the Group's Interim Summary Consolidated Financial Statements in the future.

IAS 12 (Amendment) “International Tax Reform: Pillar Two Model Rules”: In October 2021, more than 130 countries, together accounting for more than 90% of global GDP, agreed to implement a minimum tax framework for multinational companies, known as "Pillar Two". In December 2021, the Organisation for Economic Co-operation and Development ("OECD") published the Pillar Two model rules for reforming international corporate taxation. The large multinational enterprises concerned must calculate their effective Global Anti-Base Erosion (GloBE) tax rate for each jurisdiction in which they operate. Such enterprises will be required to pay an additional tax on the difference between their effective GloBE tax rate per jurisdiction and the minimum rate of 15%.

In May 2023, the IASB issued narrow scope amendments to IAS 12. A temporary exception is granted from the requirement for an entity to recognise and disclose information about deferred tax assets and liabilities related to an enacted or substantively enacted tax law that implements the Pillar Two model rules issued by the OECD.

The amendments also introduce the following specific disclosure requirements for the entities concerned:

1. The fact that the temporary exception to the recognition and disclosure of deferred tax assets and liabilities related to income tax arising from Pillar Two has been applied;

2. Their current tax expenses (if any) related to income tax arising from Pillar Two; and

3. In the period in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, an entity is required to disclose known or reasonably estimated information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes arising from that legislation.

On the one hand, the amendment to IAS 12 must be implemented immediately (subject to any local approval process) and retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", including the requirement to disclose the fact that the temporary exception has been applied, if relevant. Furthermore, disclosures relating to current tax expense and known or reasonably estimated Pillar Two income tax exposure are mandatory for annual periods beginning on or after 1 January 2023. However, no such disclosure is required in the interim financial statements for any interim period ending on or before 31 December 2023.

This amendment is pending approval by the European Union.

The Elecnor Group is currently in the process of analysing the impact of this standard on the Interim Summary Consolidated Financial Statements and expects to complete the analyses before year-end. In any case, the impact is not expected to be material.

IAS 7 (Amendment) and IFRS 7 (Amendment) "Supplier Finance Arrangements (reverse factoring)": The IASB has amended IAS 7 and IFRS 7 to improve disclosures on supplier finance arrangements ("reverse factoring") and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendment responds to investor concerns that some companies' supplier finance arrangements are not sufficiently visible.

The amendment is effective for annual periods commencing on or after 1 January 2024. Early adoption of the amendment is allowed, but it is pending approval by the European Union.

These amendments are not expected to have any effect on the Group's Interim Summary Consolidated Financial Statements in the future.

d) Estimates made

The consolidated profit/loss and the determination of consolidated equity are subject to the accounting principles and policies, assessment criteria and estimates used by the Directors of the Parent for the preparation of the summary consolidated half-yearly financial statements. The main accounting principles and policies and assessment criteria are indicated in Note 3 of the notes to the consolidated annual financial statements for 2022.

The preparation of interim summary consolidated financial statements in accordance with IFRS-EU requires the application of relevant accounting estimates and making judgements, estimates and assumptions in the process of applying the Group's accounting policies.

Although the estimates performed by the Parent company's Directors were calculated based on the best information available at 30 June 2023, it is possible that future events might oblige their modification in the next few years. The effect of modifications that, in the event, may derive from adjustments over the next few years would be recognised prospectively.

In the preparation of these interim financial statements there were no significant changes in the judgements and accounting estimates used by the Directors of the Group compared to their consolidated annual financial statements for the twelve months concluding on 31 December 2022.

In the first six months of financial year 2023, the Directors of the Parent Company completed the process of finding a financial partner in the share capital of its wind energy generation subsidiary ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U. ("Enerfín"), through the acquisition of a significant but non-controlling stake in said subsidiary, and decided to commence a process to find an investor to take a controlling stake in the investee. At the date of authorising these summary consolidated half-yearly financial statements for issue, the directors of the Parent company consider that the conditions required by IFRS 5 for the classification of this business as "Non-current assets held for sale and discontinued operations" have not been met.

e) Contingent assets and liabilities

Note 22 of the notes to the consolidated annual financial statements of the Group for the year ended 31 December 2022 shows information on the contingent liabilities on that date. There have been no significant changes in the Group's contingent liabilities in the first six months of 2023.

f) Comparative information

For comparative purposes, the summary consolidated interim income statement, summary consolidated interim statement of comprehensive income, summary consolidated interim statement of changes in equity and summary consolidated interim cash flow statement at 30 June 2023 contain information on the six months ended 30 June 2022 and the summary consolidated interim balance sheet contains information on the year ended 31 December 2022.

g) Seasonality of the Group's transactions

Given the business in which the Group companies are engaged, their transactions are not of a cyclical or seasonal nature to any significant extent. Accordingly, no specific breakdowns are included in these explanatory notes to the summary consolidated financial statements corresponding to the six-month period ended on 30 June 2023.

h) Relative importance

In establishing the information to disclose in these notes on the different items of the financial statements or other issues, in accordance with IAS 34, the Group has considered the relative importance in connection with those summary consolidated financial statements of the six month-period ended on 30 June 2023.

i) Summary consolidated statement of cash flows

The Group presents the summary consolidated statement of cash flows using the following expressions with the following meanings:

- Cash flows are inflows and outflows of cash and cash equivalents.
- Operating activities are the activities that make up for the entity's main source of ordinary revenue and other activities that cannot be classified as investing or financing activities.
- Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

For the purposes of drawing up the summary consolidated statement of cash flow, cash in hand and demand bank deposits have been considered as "Cash and cash equivalents", and also any highly liquid short term investments that can be easily traded into cash amounts, subject to very little risk with regard to changes in value.

The funds generated from operations corresponding to the first six months of 2023 have increased compared to those generated in the first six months of the previous year. However, the growth of the Services and Projects business has necessitated working capital financing.

The net cash flows from operating activities for the first six months of 2023 have decreased versus those generated in the first six months of last year as a result of the fact that growth in the Services and Projects activity in recent months has required a greater need for funds. This need is concentrated in certain foreign projects (Australia, Chile, etc.) where important payment collection milestones are expected to curb the amount of recourse debt in the second half of the year.

Payments for investment activities in the first half of 2023 chiefly correspond to investments made in this period in wind farms in Spain and in a solar PV project in Colombia (investments made in wind farms in Spain in the first half of 2022) (see Note 6).

Similarly, cash flows from financing activities reflect an increase in the period of the outstanding balance of promissory notes issued on the Alternative Fixed Income Market for Euros 109 million (Euros 192 million in 2022), and the repayment of Euros 95 million of the credit facility tranche of the syndicated loan formalised by the Parent Elecnor, S.A. (Euros 88 million in 2022) (see Note 8).

2. Changes in the composition of the Group

Appendix I of the consolidated annual financial statements for the year ended on 31 December 2022 shows relevant information on the Group companies that were consolidated at that date and on those measured using the equity method.

In the first six months of 2023, the most significant corporate transaction is the disposal of the 50% stake in 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 a joint sale with Enagas, owner of the remaining 50%. The transaction resulted in a capital gain of Euros 21,562 thousand, recognised under "Net profit/loss on the sale of non-current assets and subsidiaries" in the summary consolidated income statement for the six-month period ended 30 June 2023 (see Note 7).

Also in the first half of 2023, the Group increased by 10% its stake in the subsidiaries Parques Eólicos Palmares, S.A., Ventos Dos Indios Energía, S.A., Ventos da Lagoa, S.A., and Ventos do Litoral Energía, S.A., for a total amount of Euros 9.9 million. This led to a decrease of the same amount under various consolidated equity headings. The Group's ownership interest in these subsidiaries thus increased from 80% to 90% at 30 June 2023.

In the first six months of 2022, the Elecnor Group completed the sale of the subsidiary Stonewood Desarrollos, S.L.U., recognised at 31 December 2021 as non-current assets held for sale on the basis of the agreement entered into in 2021. The Group completed the transaction for a sale value of Euros 13,986 thousand, recording the proceeds under "Net profit/loss on the sale of non-current assets and subsidiaries" in the summary consolidated income statement for the six-month period ended on 30 June 2022.

3. Dividends paid by the Parent

a) Dividends paid by the Parent

The dividends paid by the Parent during the first six months of 2023 and 2022 are shown below:

	First six-month period 2023			First six-month period 2022		
	% of par value	Euros per Share	Amount (in thousands of Euros)	% of par value	Euros per Share	Amount (in thousands of Euros)
Supplementary dividend	360.53	0.3605	31,366	293.8	0.2938	25,564

b) Earnings per share

Basic earnings per share are calculated by dividing the Group's attributable net profit or loss for one year by the average weighted number of shares outstanding during that year, excluding the average number of treasury shares held.

Details of basic earnings per share in the first six months of 2023 and 2022 are as follows:

	Note	31/06/2023	30/06/2022
Net profit/loss for the six-month period attributable to the parent (thousands of Euros)		47,395	43,798
Total number of shares outstanding		87,000,000	87,000,000
Less – own shares (Note 9.b)	9.b	(2,318,949)	(2,324,465)
Average number of shares outstanding		84,681,051	84,675,535
Basic earnings per share (Euros)		**0.56**	**0.52**

At 30 June 2023 and 2022 Elecnor, S.A., the Parent of the Elecnor Group, has not issued any financial instruments or other contracts entitling the holder to receive ordinary shares from the Company, and therefore diluted earnings per share coincide with basic earnings per share.

4. Intangible assets

a) Goodwill

There have been no material changes under the heading "Intangible assets – Goodwill" on the asset side of the summary consolidated statement of financial position at 30 June 2023compared to the same heading at 31 December 2022. The breakdown of this heading at 31 December 2022 according to the companies/CGUs from where it originates is shown in Note 8 of the notes to the consolidated annual financial statements for 2022.

The impairment analysis policies applied by the Group to its intangible assets and, particularly, to its goodwill, are described in Notes 3 and 8 of the consolidated annual financial statements for the year ended 31 December 2022.

In 2023, no modifications were considered in relation to the main assumptions defined in the previous year, which ended on 31 December 2022, so it has not been necessary to update the impairment tests.

b) Other intangible assets

The heading "Other intangible assets" includes, at 30 June 2023, an approximate amount of Euros 3,943 thousand (Euros 4,929 thousand at 31 December 2022), reflecting the estimated fair value, net of amortisation, of the Audeca, S.L. contracts with public authorities for road maintenance and upkeep at the date on which this company was acquired by the Elecnor Group in 2010. The Group amortises this asset over a period of 15 years which, based on past experience, is the estimated average term of the aforementioned contracts including the related renewals.

5. Financial assets

a) Composition and breakdown

The breakdown of the Group's financial assets at 30 June 2023 and 31 December 2022 is shown below, presented according to type and category for the purposes of measurement:

	Thousands of Euros		
	31/06/2023		
	Financial assets at fair value	Financial assets at amortised cost	**Total**
Other financial assets	-	30,369	30,369
Derivatives	9,499	-	9,499
Non-current financial assets	**9,499**	**30,369**	**39,868**
Trade and other receivables	-	924,302	924,302
Trade receivables from related companies	-	15,971	15,971
Other receivables	-	40,706	40,706
Current investments in related companies	-	413	413
Other investments	-	42,245	42,245
Derivatives	5,279	-	5,279
Current financial assets	**5,279**	**1,023,637**	**1,028,916**
Total	**14,778**	**1,054,006**	**1,068,784**

	Thousands of Euros		
	31/12/2022		
	Financial assets at fair value	Financial assets at amortised cost	**Total**
Other financial assets	-	38,279	38,279
Derivatives	9,639	-	9,639
Non-current financial assets	**9,639**	**38,279**	**47,918**
Trade and other receivables	-	855,689	855,689
Trade receivables from related companies	-	19,341	19,341
Other receivables	-	24,571	24,571
Current investments in related companies	-	761	761
Other investments	-	12,076	12,076
Derivatives	3,905	-	3,905
Current financial assets	**3,905**	**912,438**	**916,343**
Total	**13,544**	**950,717**	**964,261**

The fair value of financial assets does not differ significantly from their book value.

Financial assets at amortised cost-

Other non-current financial assets

At 30 June 2023 this heading includes the "Debt service reserve account" for the amount of Euros 15,923 thousand (Euros 17,826 thousand at 31 December 2022), which the Spanish and Brazilian subsidiaries engaged in operating wind farm must maintain in bank deposit accounts pursuant to the financing agreements they have entered into. The deadline for repaying those deposits coincides with the date for the total cancellation of the syndicated loans received by those companies (Note 8).

Trade and other receivables and Customer contract assets, under Current assets

In application of the accounting regulations in force, the Elecnor Group allocated a provision based on the estimate of a negative margin in relation to **"Project Energy Connect"** in Australia for an approximate amount of Euros 30.3 million. This project was awarded to the "JV Energy Connect" joint venture. In the last few months, certain circumstances have increased the cost estimate for the contract, such as execution 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. In addition to these circumstances, the deterioration in the local partner's situation, culminating in its filing for bankruptcy, has also had a negative impact. Against this backdrop, and with the customer's collaboration, we are together seeking solutions to keep this project—which is of strategic importance for Australia—afloat. We are confident that these joint endeavours will result in a reversal of the situation estimated at the end of this first half of 2023. In this regard, and irrespective of the Group's current shareholding in the joint venture, the provision allocated includes the estimated profit/loss should the Group execute the entire project, considering the partner's current difficulties.

Other than as explained above, at 30 June 2023 and 31 December 2022, the Group had no construction contracts with negative margins whose estimated loss is material (see Note 18 to the 2022 consolidated annual financial statements).

b) Impairment adjustments

During the first six months of 2023 and 2022 no significant impairment was observed in the value of the financial assets of Elecnor Group.

The amount of current financial assets due and payable at 30 June 2023 has not varied significantly compared to the information reflected in the consolidated annual financial statements at 31 December 2022.

6. Property, plant and equipment

a) Changes during the period

Additions in the first half of 2023 amounted to approximately Euros 133 million, mainly relating to investments in wind farms in Spain amounting to Euros 41 million and a solar PV project in Colombia amounting to Euros 62 million (in the first half of 2022 they amounted to Euros 28 million and related mainly to additions in machinery for the companies in the Services and Projects business totalling approximately Euros 14 million, investments in the construction of a wind farm in Spain totalling approximately Euros 5 million and investments in the construction of a new oil well in Ecuador totalling approximately Euros 2 million).

Of the above additions, Euros 67.2 million relates to work carried out by the Group on its own assets for the Spanish wind farms and the solar PV plant in Colombia (in the first half of 2022, Euros 2.7 million relates to work carried out by the Group on its own assets for the Spanish wind farms).

Fluctuations in the exchange rate of the Brazilian real and the Colombian peso in the first half of 2023 increased the value of fixed assets by approximately Euros 40 million and Euros 7 million, respectively, compared to the value of fixed assets at 2022 year-end.

Disposals of items of PPE, coupled with the net proceeds from their sales in the first six months of 2023 and 2022, were insignificant.

b) Impairment losses

During the first six months of 2023 and 2022 there were no impairment losses on items of property, plant and equipment for any significant amount.

c) Commitments to purchase items of Property, plant and equipment

At 30 June 2023, the Group has commitments to purchase property, plant and equipment amounting to Euros 39.8 million in connection with the construction of wind farms in Spain and a solar PV plant in Colombia.

At 31 December 2022, the Group has commitments to purchase property, plant and equipment for Euros 126.2 million in connection with the construction of wind farms in Spain and a solar PV plant in Colombia.

7. Equity-accounted investees

Changes that have taken place in the first six months of 2023 and 2022 under the caption of Equity-accounted investees are shown below:

	First six-month period 2023	First six-month period 2022
Opening balance	**628,150**	**517,203**
Share in profits/(losses)	6,546	3,886
Contributions	2,580	262
Translation differences	17,473	64,311
Dividends received	-	(121)
Share in other comprehensive income	(8,801)	15,607
Companies leaving the consolidation scope	(40,744)	-
Other	(243)	(342)
Closing balance for the period	**604,961**	**600,806**

Fluctuations in the exchange rate of the Brazilian real and the US dollar in the first half of 2023 increased the value of investments accounted for using the equity method by Euros 25 million and decreased it by Euros 8 million, respectively, compared to their value at 2022 year-end (increases of Euros 43 million and Euros 21 million, respectively, in the first half of 2022) (see Note 9.c).

On 24 April 2023, the Parent 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% stake. The reconciliation of the value of these investments, accounted for using the equity method, in the year 2023, until the time of their disposal, is as follows:

	(thousands of euros)
01 January 2023	**39,656**
Share in profit/loss	1,088
Derecognitions	(40,744)
30 June 2023	**-**

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 parent company, the amount corresponding to its shareholding. The Elecnor Group recognised a provision amounting to Euros 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.

At 30 June 2023, the amounts pending receipt were of US Dollars 4.4 million (Euros 3.9 million) recognised under "Other receivables" in "Current assets" in the summary consolidated statement of financial position and US Dollars 10 million (Euros 9.1 million) relating to withholdings on the transaction price to secure compliance with the Elecnor Group's obligations, which have been deposited in an escrow account in Elecnor's name and recognised under "Other current financial investments" in "Current assets" in the summary consolidated statement of financial position.

As a result of this transaction, the Elecnor Group recognised a capital gain of Euros 21.6 million with a credit to "Net profit/loss on disposal of non-current assets and subsidiaries" in the summary consolidated income statement for the six-month period ended 30 June 2023, as follows:

	(thousands of euros)
Sale price attributable to the Elecnor Group	86,273
Derecognition of stake	(40,744)
Other assets (*)	(4,938)
Transfer costs	(963)
Provision for liabilities	(23,696)
Transfer of translation differences to profit or loss	3,944
Transfer of valuation adjustments to profit or loss	1,686
Proceeds from the sale	**21,562**

(*) The Elecnor Group had loans 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.

8. Financial liabilities

a) Composition and breakdown

The breakdown of the Group's financial liabilities at 30 June 2023 and 31 December 2022 is shown below, shown by type and category for the purposes of measurement:

Financial liabilities: Nature / Category	Thousands of Euros		
	31/06/2023		
	Financial liabilities at amortised cost	Financial liabilities at fair value	**Total**
Bonds and other marketable securities	52,842	-	52,842
Loans and borrowings	741,825	-	741,825
Lease liabilities	69,196	-	69,196
Derivatives	-	12,153	12,153
Non-current financial liabilities	**863,863**	**12,153**	**876,016**
Bonds and other marketable securities	229,759	-	229,759
Loans and borrowings	76,660	-	76,660
Lease liabilities	17,208	-	17,208
Trade and other payables	862,389	-	862,389
Derivatives	-	10,908	10,908
Other payables	134,391	-	134,391
Current financial liabilities	**1,320,407**	**10,908**	**1,331,315**
Total	**2,184,270**	**23,061**	**2,207,331**

Financial liabilities: Nature / Category	Thousands of Euros		
	31/12/2022		
	Financial liabilities at amortised cost	Financial liabilities at fair value	**Total**
Bonds and other marketable securities	50,793	-	50,793
Loans and borrowings	726,902	-	726,902
Lease liabilities	69,065	-	69,065
Derivatives	-	17,128	17,128
Non-current financial liabilities	**846,760**	**17,128**	**863,888**
			-
Bonds and other marketable securities	125,158	-	125,158
Loans and borrowings	52,780	-	52,780
Lease liabilities	18,929	-	18,929
Trade and other payables	935,756	-	935,756
Derivatives	-	37,425	37,425
Other payables	122,512	-	122,512
Current financial liabilities	**1,255,135**	**37,425**	**1,292,560**
Total	**2,101,895**	**54,553**	**2,156,448**

Lease liabilities mainly relate to lease agreements for office premises and solar photovoltaic plants.

In the first half of 2023, the Parent issued 43 notes of commercial paper on the Alternative Fixed Income Market for an amount of Euros 681 million, leaving an outstanding balance at 30 June 2023 of Euros 224 million (Euros 115 million at 31 December 2022). None of the outstanding promissory note issues at 30 June mature in more than one year. The maximum amount under the promissory note programme is Euros 400 million of nominal outstanding amount at any given time (Euros 400 million at 31 December 2022).

In addition, in the first half of 2023 the Group reduced its syndicated debt by Euros 95 million relating to the credit facility tranche of the syndicated loan (Euros 88 million in the first half of 2022).

In the first half of 2023 there were no further significant changes in either the nature or composition of the financial liabilities which, as indicated in Note 16 to the consolidated annual financial statements for the year ended 31 December 2022, relate mainly to the loan and the syndicated loan, the credit facilities that certain Group companies have signed for funding the wind farms belonging to them, the issuance of commercial paper and other marketable securities and the financing contracts signed in 2017 and 2018 with European Energy Efficiency Fund, S.A., Efficiency Solutions and financing from the securitisation fund “Elecnor Eficiencia Energética 2020, FT”, set up in 2020. The foremost changes in the amount of these financial liabilities were the drawdown of Euros 66 million to finance the wind farms under construction in Spain and Euros 33 million for the construction of the solar PV plant in Colombia, these drawdowns being subject to market conditions.

The rest of the changes relate to the repayment of loans based on the established payment schedules and changes in credit facilities.

Furthermore, fluctuations in the exchange rate of the Brazilian real in 2023 increased the amount of loans and borrowings by approximately Euros 15 million compared to the value of such borrowings at 2022 year-end. Additionally, the exchange rate fluctuation of the Brazilian real in the first half of 2023 increased the amount of Bonds and other marketable securities by approximately Euros 2 million.

In addition, as indicated in Note 17 of the consolidated annual financial statements for the year ended on 31 December 2022, the Elecnor Group uses derivative financial instruments to hedge the risks to which its business activities, transactions and future cash flows are exposed, mainly as a result of fluctuations in exchange rates, interest rates and energy prices. Details of the balances reflecting the measurement of derivatives at 30 June 2023 and 31 December 2022 are as follows:

	Thousands of Euros							
	31/06/2023				31/12/2022			
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Non-current assets	Current assets	Non-current liabilities	Current liabilities
INTEREST RATE HEDGES								
Cash flow hedges:								
Interest rate swap	9,499	9	1,523	-	9,639	-	306	-
EXCHANGE RATE HEDGES								
Cash flow hedges:								
Exchange rate insurance	-	726	-	3,388	-	2,361	-	5,551
ENERGY PRICE HEDGES								
Cash flow hedges:								
Energy price	-	4,544	10,630	7,520	-	1,544	16,822	31,874
	9,499	**5,279**	**12,153**	**10,908**	**9,639**	**3,905**	**17,128**	**37,425**

Energy price-

The Group enters into swap contracts to ensure a fixed energy price for a specific number of megawatt-hours (MWh), which are settled on a monthly basis, fulfilling the requirements to be deemed hedge accounting.

The Group has recorded under the heading "Net turnover" in the accompanying consolidated income statement for the first half of 2023 an amount of Euros 406 thousand of lower revenue from derivatives settled during the year, as they are deemed to be hedging instruments (Euros 39,910 thousand of lower revenue in the first half of 2022).

The breakdown of the derivatives contracted by the Group that remain in force at 30 June 2023 and 31 December 2022, as well as their main characteristics, are as follows:

First half of 2023:

Maturity	Nominal (MWh)	Fair value Assets / (Liabilities)
2023	176,680	(4,038)
2024	166,440	(2,801)
2025	78,840	(2,418)
2026	78,840	(1,636)
2027	78,840	(1,380)
2028	78,840	(836)
2029 and more	111,456	(497)
		(13,606)

2022:

Maturity	Nominal (MWh)	Fair value Assets / (Liabilities)
2023	350,400	(30,330)
2024	78,840	(8,052)
2025	78,840	(3,469)
2026	78,840	(1,932)
2027	78,840	(1,616)
2028 and more	190,296	(1,753)
		(47,152)

b) Financial assets at fair value

An analysis of financial instruments measured at fair value at 30 June 2023 and 31 December 2022 subsequent to their initial recognition, classified into levels 1 to 3 based on the fair value measurement method, is as follows:

- Level 1: their fair value is obtained from directly observable quoted prices in active markets for an identical asset or liability.

- Level 2: their fair value is determined using market inputs, other than the quoted prices included in level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

- Level 3: their fair value is determined using measurement techniques that include inputs for the assets and liabilities that are not directly observable market data.

	Fair value at 30 June 2023 Thousands of Euros			
	Level 1	Level 2	Level 3	Total
Non-current financial assets				
Derivative financial instruments	-	9,499	-	9,499
Current financial assets				
Derivative financial instruments	-	5,279	-	5,279
Non-current liabilities				
Derivative financial instruments	-	(12,153)	-	(12,153)
Current liabilities				
Derivative financial instruments	-	(10,908)	-	(10,908)
	-	**(8,283)**	-	**(8,283)**

	Fair value at 31 December 2022 Thousands of Euros			
	Level 1	Level 2	Level 3	Total
Non-current financial assets				
Derivative financial instruments	-	9,639	-	9,639
Current financial assets				
Derivative financial instruments	-	3,905	-	3,905
Non-current liabilities				
Derivative financial instruments	-	(17,128)	-	(17,128)
Current liabilities				
Derivative financial instruments	-	(37,425)	-	(37,425)
	-	**(41,009)**	-	**(41,009)**

Adjustments-

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

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

Neither in the case of exchange rate hedges, interest rate and energy price hedges did any circumstances arise in the first half-year of 2023 or during 2022 that required changing the hedge accounting policy initially adopted for recognising the derivatives. Likewise, at 30 June 2023 and at 31 December 2022 the Elecnor Group has no derivatives that do not meet the conditions for being considered accounting hedges, nor has it maintained any during the course of the periods concluded on those dates.

9. Equity

a) Issued capital

At 30 June 2023 and 31 December 2022 the share capital of Elecnor, S.A. was represented by 87,000,000 ordinary bearer shares of Euros 0.10 par value each, fully subscribed and paid in.

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

b) Own shares

Pursuant to the resolutions adopted successively by the shareholders at the General Shareholders' Meeting of Elecnor, S.A., various acquisitions of own shares of Elecnor, S.A. have been made in recent years for their progressive disposal on the market.

The breakdown and changes in own shares during the first half-year of 2023 and 2022 are as follows:

	Notes	No. of Shares	
		First six-month period 2023	First six-month period 2022
No. of own shares at the start of the period		2,322,384	2,320,749
Acquisition of own shares		105,280	123,984
Sale of own shares		(108,715)	(120,268)
No. of own shares at the end of the period (Note 3.b)	**3.b**	**2,318,949**	**2,324,465**

Changes in own shares during the first half of 2023 and 2022 in thousands of Euros are as follows:

	First six-month period 2023	First six-month period 2022
Opening balance for the period	22,430	22,110
Acquisition of own shares	1,239	1,375
Sale of own shares	(1,055)	(1,150)
Closing balance for the period	**22,614**	**22,335**

"Own shares" are shown as a reduction under the heading "Equity".

In the first six months of 2023 and 2022, there was no significant profit/loss from selling own shares, which is recognised as a credit or debit to "Equity".

All the own shares held by the Parent at 30 June 2023 and 2022 represented 2.67% and 2.67% of the total share capital of Elecnor, S.A. at those dates.

c) Translation differences

The cumulative translation differences recognised in equity at 30 June 2023 and 31 December 2022 for each of the main currencies are as follows:

Currency	Thousands of Euros	
	31/06/2023	31/12/2022
Brazil	(176,843)	(208,810)
Canada	(619)	(726)
Chile	(6,410)	(8,719)
USA	5,319	14,969
Argentina	(8,004)	(6,669)
Venezuela	(43,043)	(42,995)
Other	1,031	1,696
Total	**(228,569)**	**(251,254)**

The appreciation of the Brazilian real against the euro during the first half of 2023 from BRL 5.62/EUR at 31 December 2022 to BRL 5.22/EUR at 30 June 2023 resulted in an improvement in translation differences of Euros 32 million (see Notes 6, 7 and 8).

The depreciation of the US dollar against the euro during the first half of 2023 from USD 1.06/EUR at 31 December 2022 to USD 1.09/EUR at 30 June 2023 resulted in a decline in translation differences of Euros 10 million (see Notes 6, 7 and 8).

10. Income tax

Elecnor, S.A. pays tax in accordance with Spanish legislation contained in Royal Legislative Decree 27/2014, of 27 November on Corporate Income Tax and its implementing regulations.

The Corporate Income Tax expense has been calculated on the basis of our best estimate performed by the Parent company's Directors of the weighted tax rate for the whole year multiplied by the consolidated profit or loss before tax corresponding to the six-month period.

The effective tax rate corresponding to the six-month period ended on 30 June 2023 was 29% (32% in the six months to 30 June 2022).

11. Related parties

“Related parties” to the Group are considered to be subsidiaries, associates and jointly-controlled entities, plus any significant shareholders and “Key Management Personnel” (members of the Company’s Board of Directors and the Managers, together with their close relatives), as well as any companies over which the key Management personnel has any significant influence or has control.

The transactions carried out by the Group during the first six months of 2023 and 2022 with parties related to it and that have not been eliminated in the consolidation process are shown below. Related party transactions have been carried out at arm's length:

	Other related parties	
	31/06/2023	30/06/2022
Income:		
Finance income	979	720
Net turnover	53,611	82,245
	54,590	**82,965**

The main transactions with related parties at 30 June 2023 relate to the invoicing for the construction of power transmission lines in Brazil for Euros 22 million (Euros 50 million at 30 June 2022), the construction of power transmission lines in Chile for Euros 20.2 million (Euros 23 million at 30 June 2022), the construction of power transmission lines in Peru for Euros 4.3 million, and for the maintenance of solar thermal facilities of the companies Aries Solar Termoeléctrica, S.L. and Dioxipe Solar, S.L. amounting to Euros 6.8 million (Euros 7.7 million at 30 June 2022); all of which are companies belonging to the Celeo Concesiones e Inversiones Group which is consolidated using the equity method (Note 7).

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

12. Remuneration and other benefits paid to the Board of Directors and Senior Management of the Parent

Note 28 of the notes to the Group's consolidated annual financial statements for the year ended 31 December 2022 details the arrangements in place regarding remuneration and other benefits for members of the Board of Directors of the Parent and the Group's Management Team.

A summary of the key figures relating to those remunerations and benefits corresponding to the six-month periods ended 30 June 2023 and 2022 is shown below:

Currency	Thousands of Euros	
	31/06/2023	30/06/2022
Members of the Board of Directors:		
Type of remuneration		
Fixed remuneration	1,847	1,233
Statutory allowances	1,500	1,636
Life insurance premiums	10	8
	3,357	**2,877**
Senior Management:		
Total remuneration received by Senior Management	**4,965**	**3,151**

There were no significant agreements other than those itemised in the aforementioned Note to the Group's consolidated annual financial statements for the year ended 31 December 2022.

13. Segment information

Note 6 of the notes to the consolidated annual financial statements of the Group for the year ended on 31 December 2022 shows the principles used by the Group for defining its operating segments.

The Group conducts its activity in two businesses:

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

Enerfin and Celeo make investments in Infrastructure and Renewables: development, financing, construction, investment and management of energy assets. Goals are established on an individual basis in order to analyse their activity separately, and their main figures are reported as separate segments in order to better understand the Group's businesses.

Net turnover per segment at 30 June 2023 and 2022 is as follows:

Net turnover by Segment	Thousands of Euros	
	31/06/2023	30/06/2022
Elecnor	1,809,266	1,489,982
Enerfín	88,365	105,310
Operations between segments	(62,340)	(3,375)
Total	**1,835,291**	**1,591,917**

The turnover of the segment "Transactions between segments" corresponds to the elimination at consolidated level of the work carried out by the Group for its own fixed assets, mainly for the Spanish wind farms and the solar PV plant in Colombia (see Note 6).

The reconciliation of the profit/loss per segment with the consolidated profit/loss at 30 June 2023 and 2022 attributable to the Parent is as follows:

Segment	Thousands of Euros	
	31/06/2023	30/06/2022
Elecnor	47,379	41,215
Enerfín	7,697	11,090
Celeo	5,885	4,055
Group Management and Other Adjustments	(12,254)	(12,455)
Operations between segments	(1,312)	(107)
Profit/loss for the year attributable to the Parent	**47,395**	**43,798**

The profit/loss attributable to the segment "Group Management and Other Adjustments" at 30 June 2023 and 30 June 2022 refers mainly to general structural expenses.

No breakdown is shown of the information corresponding to finance expenses and taxes as they are not included in the information supplied to the Group’s Governing Body for management purposes.

14. Average workforce

The average headcount, by professional category, of employees during the first six months of 2023 and 2022 was as follows:

	Average headcount	
	31/06/2023	30/06/2022
Management	154	161
Executive	1,526	1,363
Technician	5,130	4,735
Basic	15,932	16,047
Total	**22,741**	**22,306**

The Group's average headcount in the above table includes, in the first six months of 2023 and 2022, 4,975 and 7,034 employees, respectively, with temporary employment contracts.

The distribution of the workforce by gender at 30 June 2023 and 2022 is as follows:

	Year-end head count	
	31/06/2023	30/06/2022
Male	20,176	19,984
Female	2,984	3,329
	23,160	**23,313**

15. Events after the reporting period

There have been no events between the close of the first six months of 2023 and the drawing up of these Interim Summary Consolidated Financial Statements that could entail any significant alteration to the true and fair view of the financial statements of both Elecnor, S.A. and the subsidiaries making up the Elecnor Group.

Interim Directors' Report - Elecnor Group

For the half-year period ended on 30 June 2023

Contents

1. Purpose, vision 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.

It is a global enterprise mission-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:

- **Concessions and own projects**: Development and operation of projects aimed at the stability and long-term profitability through concession contracts and strategic investments in own projects, reinforcing its renewables and energy infrastructure portfolio and boosting the Group's long-term value.

- **Essential services**: Integration of energy distribution, telecommunications, maintenance and installation services that are essential for driving change and well-being in cities and providing feedback to the sustainable projects business.

- **Sustainable projects**: Promotion, construction, operation and maintenance of clean energy generation and transmission infrastructure worldwide, improving the living conditions of communities and enhancing sustainable development.

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

2. Economic context[1]

In early 2023, the global economy was showing signs of recovery with inflation falling and economic growth expected. However, considerable uncertainties continue to loom over the global economy. The war in Ukraine could escalate, and the increasing geoeconomic fragmentation could trigger spiralling food and energy prices and thus higher inflation. Concerns about instability in financial markets also dampen the growth outlook.

While headline inflation is expected to fall from 8.7% in 2022 to 7% in 2023 thanks to central banks' monetary policy and lower energy and food prices, core inflation is expected to be stickier. According to the International Monetary Fund (IMF), "global growth will bottom out at 2.8% this year before rising modestly to 3.0% in 2024".

In **Spain**, GDP grew at a quarter-on-quarter rate of 0.6% in the first quarter of 2023, higher than in the final quarter of 2022, due to net foreign demand, and despite a negative contribution by domestic demand, according to the country's National Statistics Institute (INE). Indicators available at the time of writing the report suggest that growth in the second quarter

[1] Sources:
- World Bank. Global Economic Prospects (6 June 2023)
- European Union website. 2023 Spring Economic Forecasts (15 May 2023)
- International Monetary Fund (IMF). World Economic Outlook (April 2023)
- Spanish National Statistics Institute. Quarterly Spanish National Accounts: main aggregates. First quarter of 2023 (23 June 2023)
- Bank of Spain. Quarterly Report and Macroeconomic Projections for the Spanish Economy (June 2023)

could also reach 0.6% QoQ. The Bank of Spain estimates that the country's GDP will grow at rates of 2.3%, 2.2% and 2.1% in 2023, 2024 and 2025, respectively.#

Year-on-year inflation in Spain stands at 1.9% in June 2023, compared to 5.7% in December 2022 (INE). This sharp moderation in the consumer price index, which has affected the energy component in particular, has been more pronounced than in the rest of the euro area, partly due to the regulation of electricity prices in Spain. The Bank of Spain estimates that inflation in 2023 will reach 3.2%.

The **European Union** has managed to curb the adverse impact of Russia's invasion of Ukraine, tackling the energy crisis by swiftly diversifying supply and significantly reducing gas consumption. Lower energy prices, fewer supply constraints and a strong labour market underpinned moderate growth in the first quarter of 2023. This better-than-expected start to the year has increased the growth outlook. The World Bank forecasts slight growth in 2023, to 1.4%, although the outlook remains uncertain. As a result of persistent underlying price pressures, inflation is expected to reach 5.8% in 2023.

The Organisation for Economic Co-operation and Development (OECD) sees a favourable economic outlook for **Italy** in 2023 in terms of growth (1.2%), inflation (6.4%) and employment.

In the **United States,** the unexpected collapse of two specialised regional banks in mid-March 2023 and the crisis of confidence in Credit Suisse shook financial markets. The Fed forecasts GDP growth of 1.1% in 2023 (2.1% in 2022) and believes that inflation is still a long way from being brought under control, but that this can be achieved without a recession or the loss of many jobs. The Fed continues to estimate a terminal interest rate of between 5.00% and 5.25%, and expects to raise rates again in the second half of the year.

The World Bank expects growth in **Latin America and the Caribbean Region** to slow in 2023 to 1.5% (3.6% in 2022), as "Weak growth in advanced economies is expected to weigh on export demand, while continuing tight monetary policies in those economies, together with persistently high domestic inflation, are likely to prevent any material near-term easing of financial conditions".

The World Bank expects growth in **Brazil** to slow to 1.2% in 2023 (from 2.9% in 2022). Brazil's government, while more optimistic than the World Bank, has also reduced its economic growth projections for 2023 to 1.6%, from the 2.1% forecast at the end of 2022. Interest rates have been maintained since August 2022 at 13.75% (SELIC rate of the Brazilian Central Bank). The IMF expects inflation to go from the 9.3% it reached in 2022 to 5% this 2023.#

The World Bank forecasts moderate GDP growth of 2.5% in **Mexico** in 2023 (3% in 2022), and projects that output in **Argentina** will fall to -2% in 2023 and then grow by 2.3% as the economy recovers from the major drought that has impacted its agricultural production. Furthermore, it expects growth in **Colombia** to weaken to 1.7% in 2023, before picking up to 2% in 2024. The World Bank projects that **Chile** is likely to experience a contraction of 0.4% in 2023, followed by 1.8% in 2024. Projected growth in **Peru** is of 2.2% in 2023, with a slight increase to 2.6% in 2024.

The Reserve Bank of **Australia** expects the country's economic growth to average around 1.5% in 2023 and 2024, implying a deceleration with respect to previous periods, due mainly to higher the costs of debt. Australian inflation, which in the final quarter of 2022, soared to a 33-year high, reached 7% in the first quarter of 2023, leading the Reserve Bank of Australia to consider that it "is still too high and it will be some time yet before it is back in the target range", and that "some further tightening of monetary policy may be required".

Africa has been battling, to a greater or lesser extent and due not only to the Covid-19 pandemic but more recently on the back of Russia's invasion of Ukraine, a triple crisis on the food, energy and economic fronts. After a notable recovery in 2021 (with growth of 4.35%) in the wake of Covid-19, African economies slowed somewhat in 2022 (growth of 3.6%, according to the World Bank), due to a combination of difficulties (persistent risks linked to Covid-19, repercussions of geopolitical tensions amid an increasing number of conflicts, insecurity in the continent, among other factors). However, they remain resilient, with a stable outlook, and are expected to stabilise at around 4% in 2023-2024-2025, according to the African Development Bank (AfDB). The World Bank estimates that growth in the three largest **sub-Saharan African** (SSA) economies—Angola, Nigeria and South Africa—collectively shrank sharply to 2.6% in 2022. However, growth is expected to rebound to 3.7% in 2024 and 3.9% in 2025, indicating that the slowdown should bottom out this year. Economic activity in **South Africa** is expected to weaken further in 2023 (0.5%) as the energy crisis deepens, while in **Angola** the World Bank estimates that it "is projected to slow to 2.8% on average in 2023-24, a downward revision of 0.4 percentage point from the [forecasts]" – as lower oil prices and falling crude oil production reduce fiscal and export revenues.

3. Economic and financial performance in the period

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

At 30 June 2023 and 30 June 2022:

(thousands of euros)	**30 June 2023**	**30 June 2022**	**Change (%)**
Turnover	1,835,291	1,591,917	*15.3 %*
Domestic	*761,258*	*690,152*	*10.3 %*
International	*1,074,033*	*901,765*	*19.1 %*
EBITDA	175,962	145,636	*20.8 %*
Profit before tax	69,796	73,548	*(5.1) %*
Attributable consolidated net profit	47,395	43,798	*8.2 %*

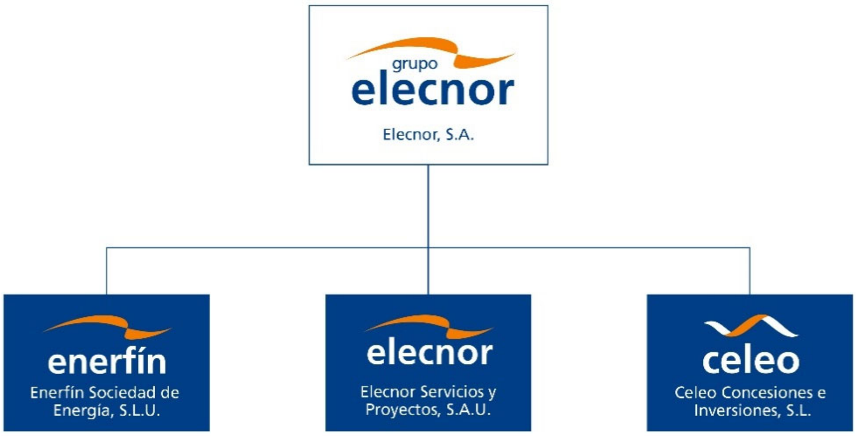
The Elecnor Group's **sales** at the close of this six-month period stand at **Euros 1,835.3 million**, up 15.3% on to the same period of the last year (when they reached Euros 1,591.9 million). Both the domestic market (which represents 41% of the total) and the international market (which makes up 59%) have experienced significant growth (10.3% and 19.1% respectively). Especially notable was this improvement in the Group's figures for the year, due, on the one hand, to **Sustainable Projects** in Elecnor's business in Australia, Brazil, Chile, the Dominican Republic, Mozambique, Cameroon and Angola in particular and, on the other hand, to the increased volume of **Essential Services** carried out by the Group in the United States and in European countries, chiefly Spain and Italy.

EBITDA reached **Euros 176.0 million**, i.e., 20.8% above the same figure in the same period of the previous year. All the Group's businesses have made a satisfactory contribution to this result. This robust EBITDA enabled the Elecnor Group to attain a **net profit** of **Euros 47.4 million** in the first half of 2023, which is an 8.2% increase on the same period of the previous year.

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

3.2. Business performance

The Group operates through three 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.



Elecnor (Essential Services and Sustainable Projects)

(Thousands of euros)	30 June 2023	30 June 2022	Change
Turnover	1,809,266	1,489,982	*21.4 %*
Domestic	749,202	644,303	*16.3 %*
International	1,060,064	845,679	*25.4 %*
EBITDA (*)	126,149	83,322	*51.4 %*
Profit before tax	62,516	55,401	*12.8 %*
Attributable consolidated net profit	47,379	41,215	*15.0 %*

(*) EBITDA, after deducting 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. amounted to 104,587 thousand (as explained in Note 7 to the accompanying Interim Summary Consolidated Financial Statements), an increase of 25.5% on the same period of the previous year.

This business, which the Group develops via its affiliate Elecnor Servicios y Proyectos, S.A.U and that company's subsidiaries, has grown strongly in the first half of the year.

Turnover in the period amounted to Euros 1,809.3 million, i.e., 21.4% higher than in the same period a year previously.

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 in the Group's **sustainable projects** activity.

In the **international market**, the increased turnover is owing mainly to **sustainable projects** undertaken by the Group in Australia, Brazil and Chile (especially renewable energies and the electricity transmission lines). The construction of solar PV plants in Colombia, the Dominican Republic and Ghana, wind farms in Brazil, hydroelectric plants in Cameroon, substations in Cameroon, Mozambique and Gambia, and transmission lines in Zambia, among many others, also contribute to the Group's sales and profit. Of particular note in these results is the **essential services** business of the US subsidiaries (Hawkeye, Belco and Energy Services).

After deducting 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. (See Note 7 to the accompanying Interim Summary Consolidated Financial Statements), **EBITDA** amounted to Euros 104.6 million. This implies a 25.5% increase with respect to the same period the previous year, reflecting the positive performance by both essential services and sustainable projects.

Attributable consolidated net profit amounted to Euros 47.4 million, i.e., 15.0% higher than in the same period of the previous year. This increase in after-tax profit in the first half of 2023, coupled with the sound general performance of the various activities carried out by Elecnor Servicios y Proyectos, encompasses the following impacts:

On 24 April 2023, the Parent Company and Enagás Internacional, S.L.U., as sellers, and MIP V International AIV, L.P., as purchaser, and after fulfilling the conditions precedent, completed the purchase and sale transaction in order 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 y Morelos O&M, S.A.P.I. de C.V**, in which each of the sellers held a 50% stake. 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, the amount corresponding to its shareholding being attributable to the parent company. The Elecnor Group has deducted an amount of US Dollars 26 million (Euros 23.7 million) from the proceeds of the sale to cover certain responsibilities pursuant to the contract, and the relevant provision has been recognised. As a result of this transaction, the Elecnor Group recognised a capital gain of Euros 21.6 million with a credit to "Net gain on disposal of non-current assets and subsidiaries" in the summary consolidated income statement for the six-month period ended 30 June 2023.

In application of the accounting regulations in force, the Elecnor Group allocated a provision based on the estimate of a negative margin in relation to **"Project Energy Connect" in Australia** for an approximate amount of Euros 30.3 million. This project was awarded to the "JV Energy Connect" joint venture. In the last few months, certain circumstances have increased the cost estimate for the contract, such as execution 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. In addition to these circumstances, the deterioration in the local partner's situation, culminating in its filing for bankruptcy, has also had a negative impact. Against this backdrop, and with the customer's collaboration, we are together seeking solutions to keep this project—which is of strategic importance for Australia—afloat. We are confident that these joint endeavours will result in a reversal of the situation estimated at the end of this first half of 2023. In this regard, and irrespective of the Group's current shareholding in the joint venture, the provision allocated includes the estimated profit/loss should the Group execute the entire project, considering the partner's current difficulties.

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

(thousands of euros)	30 June 2023	31 December	Change
Domestic	652,369	633,939	*2.9 %*
International	1,821,752	1,774,464	*2.7 %*
TOTAL	**2,474,121**	**2,408,403**	*2.7 %*

The **production portfolio** which can be executed in the next 12 months, **amounts to Euros 2,474.1 million** (Euros 2,408.4 million at the close of 2021). Of this portfolio, 74% relates to the international market, for an amount of Euros 1,821.8 million, and 26% to the domestic market, for an amount of Euros 652.4 million. The **domestic** market portfolio comprises contracts for essential services activities, as well as sustainable construction projects for renewable energy plants in the amounts planned for execution in the next 12 months. The **international** portfolio includes both European countries (Italy and the United Kingdom), where service-related activities are carried out, and in other countries (Australia, the United States and Brazil, mainly) where major projects for the construction of renewable-energy power generation plants and power transmission projects.

Enerfín

Enerfin's business model is based on the integrated management of renewable energy projects and it is present throughout the value chain:

- **Development**: site search and land agreements; technical studies (including resource assessment, production and environmental studies, basic engineering, electrical studies and selection of the technology to be installed); administrative processing of projects, application for permits and authorisations; and financial studies.
- **Construction**: negotiation and closing of project construction contracts (TSA, BOP, O&M); construction supervision; and financing arrangement and management.
- **Operations**: administrative and technical management of companies (SPVs); management of O&M contracts; and management of financing contracts.
- **Energy management**: definition of energy sales strategies; management of energy generated through closure of price hedges (swaps/PPAs); development of IT systems for data analysis and market process enhancement.

Enerfín holds ownership interests in 1,734 MW (1,552 MW at last year's close) of renewable energy in operation and under construction in Spain, Brazil, Canada and Colombia. Furthermore, its project pipeline currently exceeds 10 GW. In the first half of the year, it continued implementing its strong project development activity, enabling it to increase its pipeline in all the geographies where it is present: Spain, Brazil, Colombia, Canada, the United States and Australia.

Enerfín is increasing its assets through the construction of a solar PV farm in Colombia called Portón del Sol, one of the country's biggest. The plant has an installed capacity of 129 MWp, will take approximately one and a half years to build and is expected to come on stream in the final quarter of 2023. A solar PV farm is also under construction in Brazil: Solar Serrita, with an installed capacity of 68 MWp, expected to enter operation in the final quarter of 2024. In Canada, construction begins in 2023 on the Winnifred wind farm, with an installed capacity of 136 MW, which is expected to come on stream in the final quarter of 2024. In Spain, construction began in 2022 on the Ribera Navarra wind farm complex (139.2 MW) consisting of four wind farms (24 generators, each with a unit capacity of 5.8 MW) which are expected to enter into service between August and December 2023; work also began in 2023 on the Cernégula wind farm (46 MW) which is expected to come on stream in the last quarter of 2024.

The main aggregates for the period are as follows:

(thousands of euros)	30 June 2023	30 June 2022	Change
Turnover	88,365	105,310	*(16.1) %*
EBITDA	57,641	71,858	*(19.8) %*
Profit before tax	18,516	30,486	*(39.3) %*
Attributable consolidated net profit	7,697	11,090	*(30.6) %*

These figures were driven by the high energy prices in the first half of 2022, which pushed revenue volume in that period to Euros 105.3 million, amply exceeding the amount budgeted. These prices eclipsed those reached between January and June 2023. Conversely, in the first half of 2023, attributed electricity output in Spain, Brazil and Canada, of 1.037 GWh, exceeded the generation in the same period of the previous year (1,010 GWh).

Celeo

Celeo, a company owned and managed jointly with APG, one of the world's largest pension funds, has a stake in 7,284km of electricity transmission lines in operation or under construction in Chile, Brazil and Peru (6,891km at 2022 year end), and in 345 MWp of renewable energy (photovoltaic and solar thermal energy) in Spain and Brazil (345 MW at 2022 year end). Overall, it managed around Euros 5,924 million assets in operation at the close of last year.

Celeo Redes Brasil was awarded lot 6 of the ANEEL auction (Leilao 1/2023) which took place on 30 June in São Paulo. The concession comprises the financing, construction and operation of a 500 kV transmission line between the Xingó and Camaçari II substations, measuring 357 km long in dual circuit and including the connection equipment at the respective substations. The line will cross 18 municipalities in the states of Bahia and Sergipe, in the North-east region of Brazil.

The purpose of the new infrastructure is to expand the transmission system in the southern section the North-eastern and Northern Regions of the states of Minas Gerais and Espírito Santo due to the expectation of large amounts of energy being contracted from renewable generation projects in the region, with the significant involvement of wind and solar power plants.

The concession has a duration of 30 years and an estimated investment by ANEEL of 1,203 million Brazilian reals, and once it comes into operation, it will receive an annual remuneration of 99.9 million Brazilian reals, which will be updated annually in accordance with the IPCA. The regulatory construction period established is of 60 months.

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

Celeo (100% subgroup) (thousands of euros)	**30 June 2023**	**30 June 2022**	**Change**
Turnover	143,245	141,907	*0.9 %*
EBITDA	97,514	96,988	*0.5 %*
Profit before tax	34,039	26,159	*30.1 %*
Attributable consolidated net profit	13,678	7,944	*72.2 %*

Celeo's Transmission Networks business performed well, buoyed by both the increase in the price indexes affecting the sales tariffs applicable to transmission lines, with a notable impact on Brazilian projects, and, especially, by the improvement in the financial burden of companies in Brazil compared to the same period of the previous year.

The solar thermal plants managed by Celeo in Spain achieved a higher production (136,142 MWh) than in the same period of the previous year (116,980 MWh). Furthermore, in the first half of last year, these projects had to record a regulatory liability in their Interim Summary Consolidated Financial Statements as a consequence of high energy prices in the first few months of 2022, which was not the case in the first half of 2023. Likewise, in this first half there have been enhanced operating and maintenance cost savings.

Celeo is accounted for using the **equity method**. Accordingly, it does not contribute to the Group’s consolidated turnover. In the first six months of the year, it contributed an attributable consolidated net profit of Euros 5.9 million (Euros 4.1 million in the same period of the previous year), after applying the relevant ownership percentages and 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.

3.3. Financial position

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 June 30 of this year, the Group had 113.1 million euros and 34 million US dollars (31 million euros) drawn down.

- In 2023, the Elecnor Group has published a new, multi-currency Commercial Paper Programme in the **Alternative Fixed Income Market** (MARF) with a limit of Euros 400 million—one of the largest in the market—to fund Working Capital needs and new projects, both in Spain and abroad, in the areas of engineering, infrastructure development and construction, renewable energies and new technologies. This programme remains **linked to sustainability**, including targets for reducing greenhouse gas emissions and accidents at work, which, if not met, imply a commitment to contribute to sustainable projects. This transaction is part of the Elecnor Group’s strategy to diversify and optimise the cost of its sources of funding. This new programme gives the Group access to funding, both in Euro and US dollars, at terms of up to 24 months. The reputation and strength of Elecnor's business model is renowned on this market, allowing it to issue under beneficial terms. Over the last nine years, the Group has completed 269 issues for a total of Euros 7.750 billion, making it one of the main issuers of commercial paper in the Spanish market. At the close of the period, the Group had EUR 224 million available under this programme (EUR 115 million at 2022 year-end).

- Since 2021, the Elecnor Group has held three long-term private placements totalling Euros 100 million:

    - Euros 50 million at 10 years, in **sustainable loan** format, placed by Banca March.

    - Euros 20 million at 10 years, which additionally fulfils the Green Loan Principles, as the funds are used for projects classified as **green**, placed by B. Sabadell.

    - Euros 30 million at 14 years, as **sustainable bonds**, also placed by B. Sabadell, included in the MARF. They have the Elecnor Group's BBB- rating (investment grade) issued by Axesor.

- The Group has had a **Securitisation Fund** called "ELECNOR EFICIENCIA ENERGÉTICA 2020, Fondo de Titulización" since December 2020, to which it has assigned the credit claims derived from the contracts for the management of energy services and maintenance of public street lighting installations which Elecnor executes for 43 municipalities and public entities in Spain. By means of this structure, Elecnor obtains financing for investments in contracts assigned in the amount of Euros 50 million. The securitisation fund issued bonds in the aforementioned amount, which are subscribed and fully paid in, and which are trading in Spain's Alternative Fixed Income Market (MARF). These bonds are compliant with the requirements established by the **"Green Bond Principles"**, and therefore qualify as green bonds for G-advisory, the Garrigues Group's consultancy firm. Axesor Rating has assigned the bonds issued by the Securitisation Fund an A+ rating, indicating a high capacity to meet its credit obligations. This is the first securitisation transaction for the sale of future credit claims derived from contracts with Public Entities to be conducted in Spain.

The Elecnor Group tackles its investment projects by arranging financing secured by such projects, as described in section 5.2 "Interest rate risk" herein, while it contributes its equity with the resources generated by the businesses of which the Group is comprised.

The Group's investment activity (Euros 92 million divested), as well as the growth experienced in recent months in the Services and Projects activity, have required more funds. This need, especially for working capital, is concentrated into certain projects abroad (Australia, Chile, Lithuania, etc.), where major milestones for collection are expected in the second half of the year that will correct the increased debt shown in the following table:

Net Financial Debt (thousands of euros)	**30 June 2023**	**31 December 2022**
With recourse	*191,547*	*120,791*
Without recourse	*486,829*	*426,122*
Total	**678,376**	**546,913**

3.4. Material changes in accounting policies

The accounting policies and methods used to prepare the interim summary consolidated financial statements in June 2023 are the same as those applied to the consolidated annual accounts in 2022.

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

4. 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.

5. Risk management policy

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

5.1. Foreign currency risks

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

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

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

5.2. 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. Elecnor has arranged external financing to enable it to carry on its operations, mainly in connection with the development, construction and operation of wind farms, solar projects and electricity infrastructure concessions. The financing is secured by these projects. This kind of arrangement usually requires under contract that interest rate risk be partly covered using hedging instruments.

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

5.3. Liquidity risk

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

At 30 June 2023, the Elecnor Group has a solid liquidity position, with sufficient cash and available credit facilities to comfortably meet liquidity requirements even if markets contract.

5.4. Credit risk

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

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

With regard to transmission lines, specifically those operated as concessions in Brazil, Operador Nacional do Sistema Elétrico (ONS) is responsible for coordinating collections and payments within the country's electricity system and notifies the concession holder of the companies from which collections must be made: generators, major consumers and transmission entities. Prior to connecting to the system these companies deposit a guarantee. In the event of non-payment this guarantee will be executed, they will be immediately disconnected from the system and the payment obligation will be shared among the remaining users of the system. Accordingly, the concessionaire has the guaranteed payment from the national power grid system.

The transmission lines of Chile belong to that country's national grid (previously known as the backbone system), in which Coordinador Eléctrico Nacional (CEN) coordinates the flow of payments to transmission companies. The current system remained until December 2018, whereby those responsible for paying the transmission companies were the generating companies. From 2019 onwards, distributors also are liable for payments, so the portfolio of payers will be more diversified from that date on. The payment guarantee of the national transmission grid is based on a CEN Procedure that establishes that, in the event of non-payments by a coordinated company (company coordinated by CEN), the defaulting party is disconnected from the grid, and the payment obligation is spread among the remaining coordinated companies.

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

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

5.5. Market risk

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

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

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

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

6. Environmental sustainability

The sustainability of the Elecnor Group revolves around its purpose: generating change and well-being in the territories where it operates. This commitment to sustainability is inherent in every aspect of its activities and business strategy, as well as in its relations with stakeholders.

In the first half of 2023, the Elecnor Group confirmed the success of its 2021-2022 Strategic Sustainability Plan and began to draw up a new Plan for the 2023-2025 period. This strategy reflects the Group’s commitment to people, society and the environment, always based on ethical and responsible management.

This commitment is backed by the certification of its Social Corporate Responsibility Management System in accordance with the IQNet SR10 standard, which confirms that the Elecnor Group has an effective sustainability management system in place.

As mentioned previously in this report, in the first half of the year, the Elecnor Group has registered a new multi-currency commercial paper programme in the MARF, linked to the fulfilment of sustainability objectives, boosting its sustainable performance. This is the company's second sustainability-linked programme, and it includes targets for reducing greenhouse gas emissions and accidents at work.

The Elecnor Group is a key player in society's development and progress. Its infrastructure, renewable energy, energy efficiency, water and environmental projects contribute solutions to some of the current and future challenges such as climate change, the reduction of inequalities, and the energy gap, among others.

Climate change is a challenge and a strategic priority for the organisation that is embodied in its Climate Change Strategy, which establishes greenhouse gas emission reduction targets in line with the Science Based Targets initiative (SBTi). The Elecnor Group evidences its commitment to the environment by advancing towards the global objective of decarbonisation.

The company puts people at the heart of its performance, which is why the health and safety of its teams has been a priority from the outset of its activity. The Elecnor Group strives to achieve the goal of zero accidents, zero tolerance to any breaches of preventive measures and the continuous fostering of safe conduct among all its employees and anyone linked to its projects.

Likewise, the Group has a direct impact on employment, progress and social welfare. On the social front, it fosters equality and diversity, upholding a clear commitment to the communities in which it conducts its activity, and invests and develops infrastructures for the progress of society.

This year, the Elecnor Group will outline its new 2023-2025 Strategic Sustainability Plan in order to continue driving continuous improvement in sustainability management and fostering an environmental, social and governance dividend.

7. Significant events subsequent to the end of the half-year period

Between 30 June 2023 and the date of authorising for issue the Interim Consolidated Financial Statements, there were no significant events that might materially alter the true and fair view of those financial statements.

8. Outlook for 2023

8.1. Economic context

As explained in section 2 "Economic environment" of this report, in an uncertain global economic scenario, growth forecasts for the coming year are generally being revised downwards or are at risk of being missed. The various economies will have to tackle sluggish growth and high inflation and debt levels.

8.2. Elecnor Group

The Elecnor Group is at the epicentre of three key macro-trends to foster its development and value generation:

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

Following the strong performance in this first half, and based on the solid portfolio of contracts coupled with geographical diversification, in 2023 the Elecnor Group expects to exceed the previous year's sales and profit, as it has over the last decade.

9. Share capital and acquisition of own shares

At 30 June 2023, the share capital of Elecnor, S.A. was represented by 87,000,000 shares, each with a par value of Euros 0.10 Euro, fully subscribed and paid in, implying a share capital of Euros 8,700,000.

Elecnor, S.A.'s shares are traded in Spain's SIBE electronic trading system, where shares in the leading Spanish companies are traded, and the market with the largest trading volume in Spain.

At 31 December 2022, Elecnor, S.A. had a treasury share portfolio of 2,322,384 shares. In the first half of 2023 it acquired 105,280 securities, and sold 108,715. Accordingly, at 30 June 2023 it had a total of 2,318,949 own shares, i.e., 2.7% of all shares in the company, unchanged on the previous year.

10. Related party transactions

With regard to the disclosures on related party transactions, see the details in the Notes to the Interim Summary Consolidated Financial Statements at 30 June 2023 and in the Consolidated Financial Statements at 31 December 2022, as provided in article 15 of Royal Decree 1362/2007.

Appendix containing alternative performance measures

Elecnor presents the Alternative Performance Measures, according to the guidelines published by the ESMA (European Securities and Markets Authority). These measures are widely used by investors, securities analysts and other agents as performance measures that are supplementary, and should be considered as such, and in no case as a replacement.

ALTERNATIVE MEASURES OF THE ELECNOR GROUP'S PERFORMANCE

Key figures

(thousands of euros)	30 June 2023	30 June 2022	Change (%)
Turnover	1,835,291	1,591,917	*15.3%*
Domestic	*761,258*	*690,152*	*10.3%*
International	*1,074,033*	*901,765*	*19.1%*
EBITDA	175,962	145,636	*20.8%*
Profit before tax	69,796	73,548	*-5.1%*
Attributable consolidated net profit	47,395	43,798	*8.2%*

Turnover by segments

(thousands of euros)	30 June 2023	30 June 2022	Change (%)
Elecnor	1,809,266	1,489,982	*21.4%*
Domestic	*749,202*	*644,303*	*16.3%*
International	*1,060,064*	*845,679*	*25.4%*
Enerfín	88,365	105,310	*-16.1%*
Domestic	*33,460*	*48,679*	*-31.3%*
International	*54,905*	*56,671*	*-3.1%*
Subtotal Businesses	**1,897,631**	**1,595,292**	***19.0%***
Operations between segments	(62,340)	(3,375)	—
	1,835,291	**1,591,917**	*15.3%*

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.

	30 June 2023	30 June 2022	Change in (%)
EBITDA = Gross Operating Profit:	**175,962**	**145,636**	*20.8%*
Operating income	96,631	104,406	
- Expense for amortisation, depreciation, impairment and charges to provisions	(79,331)	(41,230)	

EBITDA by segments

(thousands of euros)	30 June 2023	30 June 2022	Change (%)
Elecnor (*)	126,149	83,322	*51.4%*
Enerfín	57,641	71,858	*-19.8%*
Celeo	5,885	4,055	*45.1%*
Subtotal Businesses	**189,675**	**159,235**	***19.1%***
Group Management and Other Adjustments	(11,554)	(13,055)	
Operations between segments	(2,159)	(544)	
	175,962	**145,636**	*20.8%*
(*) EBITDA 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.	*104,587*	*83,322*	*25.5%*
EBITDA for Elecnor's business	*126,149*	*83,322*	*51.4%*
Capital gain 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.	*21,562*	-	

Profit before income tax by segment

(Thousands of euros)	30 June 2023	30 June 2022	Change (%)
Elecnor	62,516	55,401	*12.8%*
Enerfín	18,516	30,486	*-39.3%*
Celeo	5,885	4,055	*45.1%*
Subtotal Businesses	**86,917**	**89,942**	***-3.4%***
Group Management and Other Adjustments	(15,384)	(16,271)	
Operations between segments	(1,737)	(123)	
	69,796	**73,548**	*-5.1%*

Consolidated net profit attributable by segment

(Thousands of euros)	30 June 2023	30 June 2022	Change (%)
Elecnor	47,379	41,215	*15.0%*
Enerfín	7,697	11,090	*-30.6%*
Celeo	5,885	4,055	*45.1%*
Subtotal Businesses	**60,961**	**56,360**	***8.2%***
Group Management and Other Adjustments	(12,254)	(12,455)	—
Operations between segments	(1,312)	(107)	—
	47,395	**43,798**	*8.2%*

Elecnor Portfolio (Services and Projects)

(thousands of euros)	30 June 2023	31 December 2022	Change (%)
Domestic	652,369	633,939	*2.9%*
International	1,821,752	1,774,464	*2.7%*
TOTAL	**2,474,121**	**2,408,403**	*2.7%*

ALTERNATIVE DEBT MEASURES

Net Financial Debt

(thousands of euros)	30 June 2023	31 December 2022
With recourse	*191,547*	*120,791*
Without recourse	*486,829*	*426,122*
Total Net Financial Debt	**678,376**	**546,913**

Calculation of Total Net Financial Debt

	30 June 2023	31 December 2022
+ Non-current liabilities. Financial liabilities from issuing bonds and other marketable securities	52,842	50,793
+ Current liabilities Financial liabilities from issuing bonds and other marketable securities	229,759	125,158
+ Non-current liabilities. Financial liabilities on loans and borrowings	741,825	726,902
+ Current liabilities. Financial liabilities on loans and borrowings	76,660	52,780
+ Non-current liabilities. Derivative financial instruments	12,153	17,128
+ Current liabilities. Derivative financial instruments	10,908	37,425
+ Loans granted by public entities	3,486	3,801
+ Derivative financial instruments (from current assets of the Consolidated Statement of Financial Position) for exchange rate hedges	726	2,361
+ Derivative financial instruments (from current assets of the Consolidated Statement of Financial Position) for exchange rate hedges	4,544	1,544
Subtotal items to be added	**1,132,903**	**1,017,892**
- Current investments in related companies	413	761
- Derivative financial instruments (of Current assets)	5,279	3,905
- Derivative financial instruments (of Non-current assets)	9,499	9,639
- Cash and cash equivalents	359,630	372,525
- Other current financial investments	42,245	12,076
- Debt service reserve account under "Other cash equivalents"	15,923	17,826
- Current liabilities. Derivative exchange rate hedging instruments	3,388	5,551
- Non-current liabilities. Derivative exchange rate hedging instruments	-	-
- Non-current liabilities. Derivative energy price hedging instruments	10,630	16,822
- Current liabilities. Derivative energy price hedging instruments	7,520	31,874
Subtotal items to be deducted	**454,527**	**470,979**
Total Net Financial Debt	**678,376**	**546,913**
(increase on previous year's close)	*24.0%*	*5.8%*