Auditor's Report on Celeo Concesiones e Inversiones, S.L. and subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of Celeo Concesiones e Inversiones, S.L. and subsidiaries for the year ended 31 December 2024)

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

KPMG Auditores, S.L.
Pº de la Castellana, 259 C
28046 Madrid

Independent Auditor's Report on the Consolidated Annual Accounts

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

To the Shareholders of Celeo Concesiones e Inversiones, S.L.

Opinion

We have audited the consolidated annual accounts of Celeo Concesiones e Inversiones, S.L. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated statement of financial position at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

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

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

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

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Most Relevant Aspects of the Audit

The most relevant aspects of the audit are those that, in our professional judgement, have been considered as the most significant risks of material misstatement in the audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

Concession agreements (Euros 933,602 thousand) (see notes 3(k) and 12(a))

The Group holds investments in assets related to service concession arrangements granted by different public entities of the countries in which it operates, which require analysis so that they are recognised in accordance with the appropriate financial reporting standard, based on their nature. In this respect, the Group classifies the value of the contractual assets linked to concessions that qualify for such recognition, under "current and non-current trade receivables" in current and non-current assets in the consolidated balance sheet. Given the weight of these assets from concession agreements with respect to the Group's total assets, and because the preparation of the models that support the value of these assets requires the Directors to exercise judgement and to use assumptions and estimates, this is the area that required most of our attention and, consequently, this has been considered a relevant aspect of the audit.

Our audit procedures included evaluating the design and implementation of the controls linked to the process for preparing the models that support the value of the contractual assets associated with the concessions, the review of concession contracts and an assessment of the reasonableness of the main assumptions and judgements used by Group management to prepare the models that serve as a basis for the recognition of operating income and the value of the assets. In addition, we assessed whether the disclosures in the accompanying consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

Other Information: Consolidated Directors' Report

Other information solely comprises the 2024 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

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

a) Determine, solely, whether the consolidated non-financial information statement has been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned accounts and without including any information other than that obtained as evidence during the audit. It is also our responsibility to assess and report on whether the content and presentation of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described in the preceding paragraph, the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2024 and the content and presentation of the report are in accordance with applicable legislation.

Directors' Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

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

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.

– Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

– Plan and execute the audit of the Group to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units of the Group as the basis to form an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and review of the work performed for the Group audit. We remain solely responsible for our audit opinion.

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

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From the significant risks communicated to the Directors of Celeo Concesiones e Inversiones, S.L., we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the most significant risks.

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

KPMG Auditores, S.L.
On the Spanish Official Register of
Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Juan Ignacio Fernández Pérez
On the Spanish Official Register of Auditors ("ROAC") with No. 23,906

9 April 2025

Celeo Concesiones e Inversiones, S.L. and subsidiaries

Consolidated Annual Financial Statements
31 December 2024

Consolidated directors' report
2024 Financial Year

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

Celeo Concesiones e Inversiones, S.L.
and subsidiaries

Consolidated Statement of Financial Position at 31 December 2024
(Thousands of euros)

Assets	31.12.2024	31.12.2023
Non-current assets		
Intangible assets		
Goodwill (Note 6)	1,125	1,125
Other intangible assets (Note 7)	662,101	609,193
Property, plant and equipment (Note 8)	1,011,009	1,013,915
Right of use assets (Note 9)	20,806	21,691
Investments accounted for under the equity method (Note 10)	334,201	326,076
Non-current financial assets (Note 11)	46,275	66,472
Trade receivables and other non-current assets (Note 12)	905,332	1,038,785
Derivative financial instruments (Note 15)	1,586	1,958
Deferred tax assets (Note 19)	53,138	58,834
Total Non-current assets	**3,035,573**	**3,138,049**
Current assets		
Inventory stock	573	686
Trade debtors and other current assets (Note 12)	78,679	77,700
Trade receivables, related companies (Note 22)	2,678	2,374
Public authority receivables	16,765	10,444
Current gains tax assets	12,563	9,570
Other receivables	4,256	5,430
Short-term investments in related companies (Note 22)	19,526	6,049
Other current assets	191	38
Derivative financial instruments (Note 15)	200	59
Current accruals and deferred income	530	546
Cash and other equivalent liquid assets (Note 13)	124,234	162,425
Total current assets	**260,195**	**275,321**
Total assets	**3,295,768**	**3,413,370**

The attached explanatory notes form an integral part of the consolidated accounts for the financial year 2024.

Celeo Concesiones e Inversiones, S.L.
and subsidiaries

Consolidated Statement of Financial Position at 31 December 2024
(Thousands of euros)

Liabilities and Net Equity	31.12.2024	31.12.2023
Net Equity (Note 14):		
Equity attributable to holders of dominant company net equity instruments:		
Capital	166,671	166,671
Other reserves	1,183,655	1,151,217
Conversion differences	(151,712)	(75,800)
Equity adjustments through valuation	5,972	2,102
Result for year attributed to the Controlling Company	25,911	32,438
	1,230,497	**1,276,628**
Non-controlling holdings (Note 14)	**119,536**	**140,368**
Total net equity	**1,350,033**	**1,416,996**
Non-current liabilities:		
Provisions for risks and expenses (Note 16)	15,420	537
Financial liabilities through issuance of bonds and other tradable securities (Note 15)	600,946	697,146
Bank borrowings (Note 15)	714,604	736,852
Derivative financial instruments (Note 15)	10,030	12,672
Lease liabilities (9)	25,384	25,643
Debts with related companies (Note 22)	1,000	-
Other non-current liabilities (Note 17)	627	21,300
Liabilities through deferred taxes (note 19)	320,736	323,556
Total non-current liabilities	**1,688,747**	**1,817,706**
Current liabilities:		
Provisions for risks and expenses (Note 16)	1,011	8,203
Financial liabilities through issuance of bonds and other tradable securities (Note 15)	95,636	17,609
Bank borrowings (Note 15)	66,574	64,919
Derivative financial instruments (Note 15)	4,173	4,578
Debts with related companies (Note 22)	11,195	-
Trade payables, associated and related companies (Note 22)	16,634	12,289
Trade payables and other accounts payable (Note 17)		
Payables for purchases or services provided	18,745	31,151
Client advances	262	5,412
Lease liabilities (9)	798	973
Public authority payables	10,174	11,742
Current gains tax liabilities	8,826	7,428
Other current liabilities (Note 17)	22,960	14,364
Total current liabilities	**256,988**	**178,668**
Total net equity and liabilities	**3,295,768**	**3,413,370**

The attached explanatory notes form an integral part of the consolidated accounts for the financial year 2024.

Celeo Concesiones e Inversiones, S.L.
and subsidiaries

Consolidated Income Statement for the financial year ended at 31 December 2024
(Thousands of euros)

	31.12.2024	31.12.2023
Ongoing operations:		
Net turnover (Note 20a)	289,772	291,880
Other operating income	3,252	85
Supplies (Note 20c)	(28,672)	(32,708)
Personnel expenses (Note 20e)	(28,325)	(29,795)
Other operating expenses (Note 20d)	(51,596)	(46,641)
Result of entities consolidated within ordinary operations under the equity method (Notes 6, 10 and 20b)	8,905	15,431
Amortisations, impairment and allocations to provisions (Note 20f)	(61,931)	(61,265)
Non-financial fixed capital grants (Note 14d)	-	987
Other results	-	(534)
Impairment and results through disposal of fixed assets (Note 8)	(252)	-
Operating profits	**131,153**	**137,440**
Financial revenues (Note 20g)	15,467	21,253
Financial costs (Note 20h)	(78,158)	(85,302)
Exchange rate differences	(1,704)	813
Pre-tax result	**66,758**	**74,204**
Gains tax (Note 19)	(30,443)	(28,970)
Result for the financial year from ongoing operations	**36,315**	**45,234**
Result for the financial year	**36,315**	**45,234**
Attributable to:		
Shareholders of the Dominant Company	25,911	32,438
Minority interests (Note 14)	10,404	12,796

The attached explanatory notes form an integral part of the consolidated accounts for the financial year 2024.

Celeo Concesiones e Inversiones, S.L.
and subsidiaries

Consolidated Comprehensive Income Statement for the financial year ended at 31 December 2024
(Thousands of euros)

	31.12.2024	31.12.2023
CONSOLIDATED RESULT OF THE INCOME STATEMENT	**36,315**	**45,234**
Other comprehensive result:		
Entries to be classified under income		
- Hedging of cash flows, net of taxation effect (Note 14b)	3,272	(19,856)
- Conversion differences of financial statements of businesses abroad	(100,455)	22,818
- Stake in other comprehensive result of investments accounted for under the equity method (Note 10)	2,307	(8,147)
Other comprehensive result for the financial year, net of taxes	**(94,876)**	**(5,185)**
Comprehensive result attributable to:	**(58,561)**	**40,049**
a) Holders of dominant company equity instruments	(46,131)	20,602
b) Non-controlling holdings	(12,430)	19,447

The attached explanatory notes form an integral part of the consolidated accounts for the financial year 2024.

Celeo Concesiones e Inversiones, S.L.
and subsidiaries

Consolidated Statement of Changes in Net Equity corresponding to the financial year ended at 31 December 2024
(Thousands of euros)

Thousands of euros	**Capital**	**Subscription premium**	**Cumulative reserves**	**Equity adjustments through valuation (Note 14b)**	**Conversion differences**	**Net result for the financial year**	**Non-dominant stakes (Note 14e)**	**Total equity**
Balance at 31 December 2022	**166,671**	**752,777**	**363,597**	**21,958**	**(83,820)**	**33,815**	**133,185**	**1,388,183**
Balance at 1 January 2023	**166,671**	**752,777**	**363,597**	**21,958**	**(83,820)**	**33,815**	**133,185**	**1,388,183**
Total recognised revenue and expenditure for FY 2023	-	-	-	(19,856)	8,020	32,438	19,447	**40,049**
Shareholder contributions (Note 14.d)	-	-	1,028	-	-	-	-	**1,028**
Distribution of result								
To reserves	-	-	33,815	-	-	(33,815)	-	**-**
Capital increase	-	-	-	-	-	-	1,941	**1,941**
Dividends	-	-	-	-	-	-	(14,205)	**(14,205)**
Balance at 31 December 2023	**166,671**	**752,777**	**398,440**	**2,102**	**(75,800)**	**32,438**	**140,368**	**1,416,996**
Balance at 1 January 2024	**166,671**	**752,777**	**398,440**	**2,102**	**(75,800)**	**32,438**	**140,368**	**1,416,996**
Total recognised revenue and expenditure for FY 2024	-	-	-	3,870	(75,912)	25,911	(12,430)	**(58,561)**
Shareholder contributions (Note 14.d)	-	-	-	-	-	-	-	**-**
Distribution of result	-	-	-	-	-	-	-	**-**
To reserves	-	-	32,438	-	-	(32,438)	-	**-**
Dividends	-	-	-	-	-	-	(8,402)	**(8,402)**
Balance at 31 December 2024	**166,671**	**752,777**	**430,878**	**5,972**	**(151,712)**	**25,911**	**119,536**	**1,350,033**

The attached explanatory notes form an integral part of the consolidated accounts for the financial year 2024.

Celeo Concesiones e Inversiones, S.L.
and subsidiaries

Consolidated Statement of Cash Flows for the financial year ended on 31 December 2024
(Thousands of euros)

	31.12.2024	31.12.2023
Cash flows from operating activities:		
Consolidated profit/(loss) for the year	36,315	45,234
Adjustments for		
Amortisation	61,931	61,265
Impairment and net result through disposal of tangible fixed assets and other intangible assets	-	-
Variation in provisions for risks and expenses and other provisions	(7,280)	7,979
Stake in profits/(losses) for the financial year from investments accounted for under the equity method (Note 10)	(8,905)	(15,431)
Impairment and net result through disposal of financial instruments and other fixed assets	252	-
Financial revenue (Note 20g)	(15,467)	(21,253)
Financial costs (Note 20h)	78,158	85,302
Exchange rate differences	1,704	(813)
Corporation tax	30,443	28,970
Resources from transactions	**177,151**	**191,253**
Variation in operating capital:		
Trade debtors and other receivables	(37,391)	(38,987)
Inventory stock	113	(36)
Trade creditors and other accounts payable	(2,584)	9,765
Variation in other current assets and liabilities	8,597	(14,463)
Gains tax paid	(12,219)	(9,758)
Net cash flows from/(used in) operating activities (I)	**133,667**	**137,775**
Cash flows through investment activities:		
Payments for the acquisition of group and associate companies and jointly controlled entities (Note 10)	(5,836)	(1,849)
Payments for the acquisition of financial assets (Note 11)	(1,234)	(6,564)
Payments for the acquisition of tangible fixed assets (Note 8)	(27,984)	(36,779)
Payments for the acquisition of intangible assets (Note 7)	(28,663)	(17,058)
Collections from financial assets (Note 11)	21,431	-
Collection of dividends from associate companies (Note 10)	8,923	3,921
Interest receivable	11,305	17,011
Net cash flows from/(used in) investment activities (II)	**(22,058)**	**(41,318)**
Cash flows through financing activities:		
Cash flows through financial debt and other long-term debt (Note 15)	79,470	141,606
Interest paid	(61,427)	(76,875)
Repayment of financial debt and other long-term debt (Note 15)	(143,588)	(154,459)
Payments from lease liabilities (Note 9)	(2,424)	(3,994)
Dividends paid (Note 14)	(8,402)	(14,205)
Collections/payments derived from contributions/refunds of funds by non-controlling shareholders	-	1,941
Changes in cash through shareholder contributions	-	1,028
Net cash flows from financing activities (III)	(136,371)	(104,958)
Effect of variations in exchange rates on cash and cash equivalents	(13,429)	2,561
Net increase in cash and cash equivalents (I+II+III)	(38,191)	(5,941)
Cash and cash equivalents at start of period	162,425	168,366
Cash and cash equivalents at end of period	**124,234**	**162,425**

The attached explanatory notes form an integral part of the consolidated accounts for the financial year 2024.

1. Nature, Activities and Composition of the Group

Celeo Concesiones e Inversiones, S.L. (hereinafter the Company or the Dominant Company) was incorporated on 27 April 2009 as a private limited liability company, for an indefinite duration. It has its registered office and tax domicile in Madrid, at the address Avenida General Perón 38.

The corporate purpose of the Company comprises the pursuit of the following activities, both nationwide and abroad:

a) Subscription, acquisition, disposal, assignment, holding, management and administration of all types of shares, stock, bonds and securities representing the shareholder equity of all manner of entities and/or companies engaged in business activities, whether or not listed on the Stock Exchange, explicitly excluding the inherent activities of Collective Investment Undertakings.

b) The ownership, operation and management of all manner of concessions, sub-concessions, public service management, authorisations and administrative licences for works, services and mixed licences of the State, autonomous regions, provinces, municipalities, autonomous bodies and entities, and in general any State or public authority abroad, or international bodies or institutions.

c) Promotion, design, exploitation, management, administration, operation, maintenance, upkeep and supplementary services, and the contracting and subcontracting of the construction and execution of infrastructure, public, private and mixed works, production or transport installations for any class of energy and installations and services for the supply, purification, transformation and treatment of any class of water and waste.

d) The acquisition, assignment, investment, holding and administration of fixed capital and production equipment, raw materials and energy, consumer goods, movable and immovable assets or rights in rem of any class and nature.

e) The provision, both for companies in which it holds a stake and on behalf of third parties, of services comprising technical consultancy, economic and legal management, administration, research, financing studies, marketing, transfer of technology and other similar services connected with the administration of investee companies, their financial structure, or the activities listed in the above paragraph.

The Company holds stakes in dependent companies. As a result, the Company is the parent of a Corporate Group under the terms of current legislation. The dependent companies are essentially engaged in the various activities that comprise the corporate purpose indicated above, mainly the promotion, operation and management of transmission lines, and also the operation of solar thermal and photovoltaic energy generation facilities. The Group also has investments in associate entities, which are accounted for under the equity method.

Information regarding stakes in group and associate companies accounted for under the equity method and included within the consolidation of the Celeo Concesiones e Inversiones Group (hereinafter, the "Group") at 31 December 2024 and 2023 is presented in Annex II.

The Dominant Company, the shareholders of which are detailed in Note 14, is jointly controlled by Elecnor, S.A. with a stake of 51%, and Pasterze Investments Holding B.V. with a stake of 49%. The registered office and tax domicile of Elecnor, S.A. is in Madrid, at the address Calle Marqués de Mondéjar, 33. Pasterze Investments Holding B.V (hereinafter, APG Group), a company validly incorporated and extant under the laws of the Netherlands, has its registered office and tax domicile at the address Oude Lindestraat, 70, Heerlen, Netherlands.

2. Basis of presentation

a) Basis for presentation and regulatory financial reporting network applicable to the Group

The consolidated annual accounts have been formulated on the basis of the accounting records of Celeo Concesiones e Inversiones, S.L and the dependent entities. The consolidated annual accounts have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU) and the other provisions of the applicable regulatory financial reporting framework, in order to present a true and fair view of the consolidated equity and consolidated financial position of Celeo Concesiones e Inversiones, S.L. and subsidiaries at 31 December 2024, and of the consolidated financial performance, consolidated cash flows and changes in consolidated net equity corresponding to the financial year ended at said date.

The Group formulated its consolidated annual accounts for the first time in 2019, adopting the IFRS-EU, and on said date applied IFRS 1 "First-time Adoption of International Financial Reporting Standards".

These consolidated annual accounts for the financial year ended at 31 December 2024 have been prepared by applying the latest version of all the applicable standards published by the IASB and adopted by the Regulation Commission of the European Union, the application of which is mandatory at 31 December 2024, as detailed in Note 3.

The Directors of the Dominant Company believe that the consolidated annual accounts for the 2024 financial year, which were formulated on 31 March 2025, will be approved by the General Shareholders' Meeting without any modification.

The consolidated annual accounts of the Celeo Concesiones e Inversiones Group corresponding to the financial year 2023 were approved by the General Shareholders' Meeting of Celeo Concesiones e Inversiones, S.L. held on 19 June 2024.

These consolidated annual accounts have been prepared on the basis of the going concern hypothesis, using the historical cost principle, except for business combinations and derivative financial instruments, which are valued at their fair value, and investments in associate companies, which are valued under the equity method.

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

Standards applied for the first time

During 2024, the following mandatory rules and interpretations came into force to be applied in 2024, having already been adopted by the European Union, which, if applicable, were used by the Group in preparing these consolidated annual accounts:

- Amendments to IAS 1: Presentation of Financial Statements: Classification of liabilities as current or non-current and as "Non-current liabilities subject to fulfilment of covenants";
- Amendments to IFRS 16 "Liability from the lease in a sale-and-leaseback";
- Amendments to IAS 7 and IFRS 17 “Supplier finance arrangements (reverse factoring)”.

These new standards had no significant impact on the Group in the financial year 2024. Furthermore, the Group did not adopt any standard in advance.

Standards, amendments and interpretations issued which have not yet taken effect but can be adopted in advance

At the date of formulation of these consolidated annual accounts, those standards, amendments and interpretations issued which have not yet taken effect and that the Group expects to adopt from 1 January 2025 or subsequently are:

- Amendment to IAS 21 "Lack of exchangeability";

The Group is in the process of analysing the standards, although it believes that the effect of application of the new standards, modifications or interpretations will not be significant for the Group's consolidated annual accounts when applied for the first time.

Standards, amendments and interpretations of existing standards not adopted by the European Union

At the date of formulation of these consolidated annual accounts, the IASB and the IFRS Interpretations Committee had published the standards, modifications and interpretations detailed below, which are pending adoption by the European Union:

- Amendments to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its associate or joint venture";
- IFRS 18 "Presentation and disclosure in financial statements";
- IFRS 19 "Subsidiaries without public accountability: disclosures";
- Amendments to IFRS 9 and IFRS 7 "Classification and measurement of financial instruments";
- Annual improvements to IFRS® Accounting Standards. Volume 11. The purpose of these amendments is to avoid possible confusions arising from inconsistencies in the text of the regulations. Changes are addressed in the following standards:
    - IFRS 1 "First-time adoption of the IFRS";
    - IFRS 7 "Financial instruments: information to be disclosed";
    - IFRS 9 "Financial instruments";
    - IFRS 10 "Consolidated financial statements"; and
    - IAS 7 "Statement of cash flows"
- Amendments to IFRS 9 and IFRS 7 "Contracts referencing nature-dependent electricity".

The Group is in the process of analysing these standards and does not believe that the effect of their application will prove significant.

c) Operating currency and currency of presentation

These consolidated annual accounts are presented in thousands of euros, being the euro the functional currency and currency of presentation of the Dominant Company.

d) Relevant accounting estimations and relevant hypotheses and judgments in the application of the accounting policies

The information contained in these consolidated annual accounts is the responsibility of the Board of Directors of the Dominant Company.

The preparation of the consolidated annual accounts in accordance with the IFRS-EU requires the application of relevant accounting estimations, and the generation of judgments, estimations and hypotheses in the process of applying the accounting policies of the Group. In this regard, a summary is set out below of the details of those aspects involving the greatest degree of judgment, complexity, or where the hypotheses or estimates are significant in preparing the consolidated annual accounts.

Significant book estimates and hypotheses

- The evaluation of possible impairment losses of certain assets with an indefinite useful life included within goodwill (Notes 6, 7).

- Ordinary revenues through the provision of services as a result of the electrical energy transmission lines in Brazil are recognised in accordance with the degree of completion of service provision at the closing date. (Note 12).

- Impairment of financial assets: calculation on the basis of the expected loss (Notes 11 and 12).

- Recognition and valuation of provisions and contingencies: hypotheses to determine the likelihood of occurrence and the estimated amounts of outgoing resources (Note 16 and 18).

- Recognition and valuation of deferred tax assets: estimations and hypotheses used to evaluate the recoverability of tax credits (Note 19).

Although the estimates performed by the Directors of the parent Company were calculated in accordance with the best information available at 31 December 2024, it is possible that future events could force them to be modified in future financial years. The effect on the Consolidated Annual Accounts of any modifications which may arise out of adjustments to be made during future financial years would be recorded on a forward-looking basis.

Relevant judgments

The information as to judgments made in the application of the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements is included in the following notes:

- Consolidation: determination of control (3 b)).

- Leases: classification of leases (Note 9).

e) Comparison of information

The information contained in these consolidated annual accounts for the financial year 2024 presents information for the financial year ended at 31 December 2023, purely and solely for comparative purposes.

f) Consolidation scope variations

The most significant variations occurring in the consolidation scope in the financial year 2024 were as follows:

- Alfa Transmisora de Energía S.A. took over the company Transmisora de Quillota Limitida

- Nirivilo Transmisora de Energía S.A. took over the company Goyo Transmisora de Energía, S.A.

The most significant variations occurring in the consolidation scope in the financial year 2023 were as follows:

- Nirivilo Transmisora de Energía S.A. took over the companies Reactiva Transmisora de Energía S.A. and Ruil Transmisora de Energía S.A.

- Estreito Transmissora de Energía, S.A. changed its corporate name to Opará Transmissora de Energia, S.A.

The detail of the consolidated companies is enclosed in Annex I to these Explanatory Notes.

3. Accounting principles

a) Dependent entities

Dependent entities are understood as all those over which the Company exercises control, directly or indirectly through dependent entities. The Company controls a dependent entity if given its involvement therein it is exposed or entitled to variable yields and it has the capacity to influence said yields through the power which it exerts over it. The Company has this power if it holds substantial rights in force which give it the ability to direct significant activities. The Company is exposed or entitled to variable yields through its involvement in the dependent entity if the yields obtained by said involvement may vary depending on the economic evolution of the entity.

The revenue, expenses and cash flows of the dependent entities are included in the consolidated annual financial statements from the date of acquisition, namely the date when the Group obtains effective control thereof. Dependent companies are excluded from consolidation from the date on which control is lost.

In the consolidation process, transactions and balances held with Group companies and profits or losses not realised have been offset in the consolidation process. Nonetheless, losses not realised have been considered as an indicator of impairment of the value of the assets transferred.

The accounting policies of the dependent entities have been adapted in accordance with the Group's accounting policies, for transactions and other events which are similar and occurred under similar circumstances.

The annual accounts or financial statements of the dependent entities employed in the process of consolidation refer to the same date of presentation and the same period as those of the Dominant Company itself.

The non-controlling stakes in the net assets of dependent companies are identified within the net equity separately from the net equity of the Dominant Company. Non-controlling stakes in the consolidated results for the financial year (and the consolidated comprehensive total result for the financial year) are likewise presented separately in the consolidated income statement.

Changes in the stake of a dependent company that do not give rise to a loss of control are accounted for as equity transactions, in other words any difference is recognised directly under equity.

In the reduction of the stake of a dependent entity that entails the loss of control over it, the Group recognises a result for the difference between the consideration received plus the fair value of any investment maintained at the entity, plus the book value of the non-controlling stakes and the book value of the consolidated net assets. The other comprehensive result corresponding to the dependent entity is transferred in full to results or reserves, depending on its nature. Consolidated net assets include goodwill, to the extent that the entity disposed of constitutes a business. If the entity disposed of constitutes a business which formed part of a cash-generating unit or a group of cash-generating units to which goodwill had been assigned, this is assigned to the part disposed of and the part maintained in accordance with the fair value and the recoverable value, respectively.

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

The Group excludes from the consolidation the dependent companies Opará Transmissora de Energia, S.A. and Alwa II, SpA as they have a relatively insignificant interest in the true and fair view that the consolidated annual accounts must express.

b) Business combinations

The Group applied the exception to the acquisition method allowed for in IFRS 1 "First-time adoption of the International Financial Reporting Standards", and as a result only business combinations performed from 1 January 2004 onwards, the date of transition of the Celeo Group to the IFRS-EU, were registered under the acquisition method. There were no acquisitions of entities performed prior to said date.

The Group applied IFRS 3 "Business combinations", revised in 2008, to transactions performed from 1 January 2010 onwards.

In business combinations, the Group applies the acquisition method.

The date of acquisition is the date when the Group obtains control over the business acquired.

Non-dominant stakes

Non-controlling stakes at independent entities are registered at the date of acquisition for the percentage stake in the fair value of the identifiable net assets. Non-controlling stakes at independent entities acquired prior to the date of transition were recognised for the percentage stake in the net equity thereof at the date of initial consolidation.

Non-controlling stakes are presented under the consolidated net equity separately from the equity attributed to the shareholders of the Dominant Company. Non-controlling stakes in consolidated results for the financial year (and in the consolidated comprehensive total result for the financial year) are likewise presented separately on the consolidated income statement (consolidated comprehensive income statement).

The Group's stake and non-controlling stakes in the consolidated results for the financial year (the consolidated comprehensive total result for the financial year) and in the changes in the net equity of dependent entities, following consideration of adjustments and offsetting derived from consolidation, are determined on the basis of the stakes in ownership at the close of the financial year, without considering the possibility of exercising or converting potential voting rights, and following deduction of the effect of dividends, whether agreed or not, of preference shares with cumulative rights not classified under net equity accounts. However, the Group's stake and the non-controlling stakes are determined by considering the possibility of exercising potential voting rights and other derivative financial instruments which, in substance, currently grant access to economic profits associated with stakes in ownership, in other words the right to a stake in future dividends and changes in the value of the dependent entities.

The surplus from losses attributable to non-controlling stakes generated prior to 1 January 2010 not attributable to them because they exceed the amount of their stake in the equity of the dependent entity, is registered as a reduction in the net equity attributable to the shareholders of the Dominant Company, except in those cases where the non-controlling stakes have a binding obligation to assume part or all of the losses and they have the capacity to make the required additional investment. The profits obtained in subsequent financial years are assigned to the net equity attributable to the shareholders of the Dominant Company, until the amount of the losses absorbed in previous accounting periods corresponding to the non-controlling stakes is recovered.

From 1 January 2010 onwards, the results and each component of the other comprehensive result are assigned to the net equity attributable to the shareholders of the Dominant Company and the non-controlling stakes in proportion to their stake, even if this would imply a debit balance of non-controlling stakes. Agreements signed by the Group and the non-controlling stakes are recognised as a separate transaction.

c) Associate entities

Associate entities are deemed to be those over which the Company directly, or indirectly through its dependents, exerts significant influence. Significant influence is the power to intervene in financial policy and operating decisions at an entity, without constituting control or joint control over it. In the evaluation of the existence of significant influence, consideration is given to potentially exercisable voting rights or those which are convertible at the date of close of each financial year, likewise taking into consideration potential voting rights held by the Group or by another entity.

Investments in associate entities are registered under the equity method from the date when significant influence is exercised up to the date when the Company can no longer accredit the existence thereof. Nonetheless, if at the date of acquisition all or part of the investment complies with the conditions for classification as non-current assets or disposable groups of elements held for sale, this is registered at the fair value, less the costs of sale or disposal by some other means.

Investments in associate entities are initially recognised at their cost of acquisition, including in addition any costs directly attributable to the acquisition and any contingent asset or liability consideration dependent on future events or the fulfilment of certain conditions.

The surplus between the cost of the investment and the percentage corresponding to the Group in the fair values of the identifiable net assets is registered as goodwill, included in the book value of the investment. Any shortfall, following valuation of the amounts corresponding to the cost of the investment in the identification and valuation of the net assets of the associate entity, is registered as income in determining the stake of the investor in the results of the associate entity for the financial year when the acquisition occurred.

If the investment is the result of a loss of control over a dependent company that did not comprise a business, the cost of the investment is the fair value, net of the offsetting of results derived from the loss of control.

The accounting policies of associate entities have been subject to homogenisation of timing and valuation on the same terms as with reference to dependent entities.

The Group's stake in the profits or losses of associate entities obtained from the date of acquisition is registered as an increase or reduction in the value of the investments, credited or charged to the entry "Stake in the result for the financial year from investments accounted for under the equity method" on the consolidated income statement. Likewise, the Group's stake in the "other comprehensive result" of associate entities obtained from the date of acquisition onwards is registered as an increase or reduction in the value of the investments in the associate entities, with recognition of the counterpart based on the nature thereof under "other comprehensive result" on the consolidated comprehensive income statement. Distributions of dividends are recorded as reductions in the value of the investments. To determine the Group's stake in the profits or losses, including the losses recognised through value impairment of associate entities, the income or expenditure derived from the acquisition method is considered.

The Group's stake in the profits or losses of associate entities and in changes in net equity is determined on the basis of the stake in ownership at the close of the financial year, without taking into consideration the possibility of exercising or converting potential voting rights. However, the Group's stake is determined by considering the possibility of exercising potential voting rights and other derivative financial instruments which, in substance, currently grant access to economic profits associated with stakes in ownership, in other words the right to a stake in future dividends and changes in the value of associate entities.

Losses in associate entities corresponding to the Group are limited to the value of the net investment, except in those cases where the Group has assumed legal or implicit obligations or has made payments in the name of the associate entities. For the purposes of recognition of impairment losses at associate entities, consideration is given to the net investment, as the result of adding to the book value resulting from application of the equity method, that corresponding to any other entry which, in substance, forms part of the investment in the associate entities. Any surplus loss beyond the investment in equity instruments is applied to other entries in reverse order of priority in the settlement. The profits obtained subsequently by those associate entities where the recognition of losses was limited to the value of the investment are registered to the extent that they exceed the losses not previously recognised.

In this regard, if the part corresponding to the Group of the losses of an associate is equal to or greater than its stake in that associate, it will no longer recognise any part which might correspond to it in subsequent losses. To this extent, the stake in the associate will be equal to the book value of the investment calculated in accordance with the equity method, to which will be added the amount of any other long-term part which in substance forms part of the net investment of the Group in the associate.

Profits and losses not realised in transactions conducted between the Group and associate entities are recognised only to the extent that they correspond to the stakes of other unrelated investors. This criterion does not apply to the recognition of losses not realised that would represent evidence of a value impairment of the asset transferred. Nonetheless, the profits and losses derived from transactions between the Group and associate entities from net assets comprising a business are recognised in full.

In the reduction of the stake of an associate entity that does not constitute the loss of significant influence or where the Group loses comprehensive control of a joint business and maintains significant influence, the Group recognises a result for the difference between the consideration received and the proportional part of the book value of the stake disposed of. The other comprehensive result corresponding to the proportional part of the associate entity disposed of is reclassified to results or reserves as if the associate had directly sold the assets or liabilities tied to it. If the transaction entails a loss, the Group checks the value impairment of the residual investment maintained.

Value impairment

Following application of the equity method, the Group evaluates if there is objective evidence of impairment of the net investment in the associate entity.

Calculation of the impairment is determined as the result of the comparison of the book value associated with the net investment in the associate entity against the recoverable value, the recoverable value to be understood as whichever is the greater of the value in use or the fair value less the costs of sale or disposal by some other means. In this regard, the value in use is calculated in accordance with the Group's stake in the present value of estimated cash flows from ordinary activities and any amounts that might result from the final disposal of the associate entity.

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

d) Transactions and balances in foreign currency

Foreign currency transactions, balances and flows

Transactions in foreign currency are converted to the functional currency by applying the cash exchange rates between the functional currency and the foreign currency on the dates when the transactions are performed.

Monetary assets and liabilities denominated in foreign currency have been converted to euros by applying the rate in place at the close of the financial year, while non-monetary amounts valued at their historical cost are converted by applying the exchange rates applied on the date when the transaction occurred. Lastly, the conversion into euros of non-monetary assets valued at fair value has been performed by applying the exchange rate on the date when the asset in question was quantified.

Conversion of businesses abroad

The Group did not take advantage of the exemption allowed for in IFRS 1 "First-time adoption of the IFRS" with regard to cumulative conversion differences, which were therefore booked retrospectively on the date of transition to the IFRS Standards (at 1 January 2018).

The conversion to euros of businesses abroad the functional currency of which is not that of a hyperinflationary country has been performed through application of the following criterion:

- Assets and liabilities, including goodwill and adjustments to net assets derived from the acquisition of the businesses, including comparative balances, are converted at the closing exchange rate on the date of each balance sheet;

- Income and expenses, including comparative balances, are converted to the exchange rate in force at the date of the transaction; and

- Exchange differences resulting from the application of the above criteria are recognised as conversion differences under the comprehensive result;

This same criterion applies to the conversion of the financial statements of the companies accounted for under the equity method, recognising the conversion differences corresponding to the Group's stake in the other comprehensive results.

Conversion differences registered under the other comprehensive result are recognised under results as an adjustment to the result in the sale, following the criteria set out in the subsections concerning dependent and associate entities.

e) Interest costs

The Group recognises interest costs directly attributable to the acquisition, construction or production of qualified assets as an increase in their value. Qualified assets are those which require a substantial time period before they can be used or disposed of. To the extent that financing was specifically obtained for the qualified asset, the amount of interest to be capitalised is determined in accordance with the real costs incurred during the financial year, less the returns obtained on temporary investments made with such funds (Note 3.h).

The capitalisation of interest begins when the expenses related with the assets have been incurred, the interest has been incurred, and the necessary activities are being undertaken to prepare the assets or parts of them for their intended use or for sale, and ends once all or practically all of the activities required to prepare the assets or parts of assets for their intended use or sale have been completed. Nonetheless, capitalisation of interest is suspended during the interruption of the course of activities, if they cover a significant time period, unless the delay is necessary in order to make the asset functional or available for sale.

f) Held-for-sale non-current assets

At 31 December 2024 and 2023, the Group had no non-current assets or disposable groups of elements classified as being held for sale.

g) Intangible assets

Goodwill

Goodwill is determined by following the criteria set out in subsection concerning business combinations.

Goodwill is not amortised, but any impairment in its value is checked on an annual basis or prior to this in the event of any evidence of a potential loss in the value of the asset. For these purposes, the goodwill resulting from the combination of businesses is assigned to each of the cash-generating units (CGU) or groups of CGUs of the Group that are expected to benefit from synergies from the combination, applying the criteria referred to in subsection (j) for value impairment. Following initial recognition, goodwill is valued at its cost less cumulative value impairment losses.

Impairment losses connected with goodwill are not subject to subsequent reversal.

Other intangible assets

The goods comprising the intangible assets of the Group correspond to computer applications and electrical easements, and are presented on the consolidated statement of financial position for their cost value reduced by the amount of accumulative impairment losses and amortisations.

Electrical easement assets do not have a defined useful life and so are not subject to amortisation. The Group conducts tests of value impairment loss at least once per year, and whenever there are factors that would indicate a possible loss in the value of intangible assets with an indefinite useful life.

The Group reviews the residual value, useful life and the amortisation method for intangible assets at the close of each financial year. Modifications to the criteria initially established are recognised as a change in estimation.

Intangible assets with a defined useful life are amortised on a linear basis throughout their useful lives: from 3 to 5 years in the case of "IT applications" and 50 years for intangibles associated with permits and licences connected with the transmission lines in Chile.

Impairment of assets

The Group evaluates and determines the losses and reversals of value impairment losses of intangible assets in accordance with the criteria referred to in subsection (j).

h) Property, plant and equipment

Initial recognition

Property, plant and equipment are recognised at cost, less the cumulative depreciation and, where applicable, the cumulative value impairment loss.

The capitalised costs include financial expenses regarding the external finance accruing during the construction period for works with a construction period of more than one year.

The cost of the tangible fixed assets includes the estimation of dismantling or removal costs, and refurbishment of the site where they are located, wherever these constitute obligations incurred as a consequence of their use, and for purposes other than the production of inventory stock.

Subsequent costs

Subsequent to initial recognition of the asset, costs are capitalised only if they are incurred to generate future economic profits that can be classified as likely, and the amount of the costs in question can be reliably valued. In this regard, the costs derived from the daily maintenance of material fixed assets are recorded in results as they occur.

Replacements of tangible fixed asset elements open to capitalisation entail a reduction in the book value of the elements replaced. In those cases where the cost of the elements replaced was not amortised separately or the book value thereof cannot feasibly be determined, the replacement cost is used to indicate the cost of the elements at the moment of their acquisition or construction.

Amortisation

The depreciation of property, plant and equipment is performed on a systematic basis over their useful life.

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

	Estimated useful life in years
Buildings Technical installations and machinery (*)	10 - 60
Apparatus and tools	3 - 10
Furniture and fittings	3 - 10
Information processing equipment	3 - 5
Transport elements	2 - 10
Other fixed assets	3 - 10

(*) Including machinery and installations assigned to renewables projects.

The Group reviews the residual value, the useful life and the depreciation method for property, plant and equipment at the close of each financial year. Modifications to the criteria initially established are recognised as a change in estimation.

The Group has reestimated the useful life of the transmission assets related to Alto Jahuel Transmisora de Energía and Charrúa Transmisora de Energía projects, increasing from 40-50 years to 60 years. This change in useful life has been applied prospectively since January 1, 2024 and has resulted in a lower amortization expense in the income statement for the year.

Impairment of assets

The Group evaluates and determines the losses and reversals of value impairment losses of property, plant and equipment in accordance with the criteria indicated in subsection j.

The Dominant Company Directors believe that the book value of the assets is no higher than their recoverable value, the latter being calculated in accordance with the future cash flows generated by these assets.

i) Right of use assets and lease liabilities

At the date of the initial application of the IFRS-EU, for those leases in which the Group acts as lessee, the Group decided to measure the lease liability at the present value of the remaining lease payments under the contract, discounted using the incremental rate for the lessee at the date of transition to the IFRS-EU. Measurement of the right of use asset was performed for an amount equal to the value of the liability. At the date of transition, the Group analysed if a contract was or contained a lease.

Identification of a lease

The Group evaluates at the start of a contract whether it contains a lease. A contract is or contains a lease if it grants the right to control usage of the identified asset for a time period in exchange for consideration. The time period during which the Group uses the asset includes consecutive and non-consecutive periods of time. The Group only re-evaluates the conditions when there is a modification to the contract.

Lessee accounting

In those contracts that contain one or more lease and non-lease components, the Group considers all the components as one single lease component.

The Group has opted not to apply the accounting policies indicated below for short-term leases, and those where the underlying asset has a value of less than 5 thousand euros. At 31 December 2024 the right of use asset caption corresponds essentially to leases of properties and land where the photovoltaic and solar thermal generating facilities are located. For this type of contract, the Group recognises the payments on a straight-line basis over the duration of the lease.

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

The Group values the lease liability as the present value of the lease payments pending at the start date. The Group discounts the lease payments at the appropriate incremental interest rate, unless it can reliably determine the implicit interest rate of the lessor. In this regard, for the initial measurement of the lease liability, the incremental interest rate was used, representing the interest rate that a lessee would need to pay to request a loan for a similar term, and with a similar guarantee, for the funds required to obtain an asset of a similar value to the right of use asset, in a similar economic environment. The Group uses different discount rates for each country and in accordance with the remaining lease periods, the discount rate applied being 4.95% for leases in Spain, between 4.96% and 5% for leases in Chile, and between 9.21% and 10.56% for leases in Brazil, depending on the duration of the contracts, which is where most of the leases are subject to this standard are located.

Pending lease payments comprise fixed payments, less any incentive to be collected, variable payments dependent on an index or rate, initially valued at the index or rate applicable on the start date, the amounts expected to be paid for residual value guarantees, the price of exercising the purchase option where it is reasonably certain that this will be exercised, and indemnification payments for the cancellation of the contract, wherever the lease duration indicates the exercise of a cancellation option.

The Group values right of use assets at cost, less the cumulative impairment losses and amortisations, adjusted for any re-estimation of the lease liability.

If the contract transfers ownership of the asset to the Group at the end of the lease period or the right of use asset includes the price of the purchase option, the depreciation criteria indicated in the subsection for tangible fixed assets are applied from the start date of the lease up to the end of the useful life of the asset. The Group otherwise amortises the right of use asset from the start date up to whichever is the earlier date of the useful life of the right or the end date of the lease.

The Group applies value impairment criteria for non-current assets as indicated in subsection (j) to the right of use asset.

The Group values the lease liability by increasing this by the financial expense accruing, reduced by the payments made, and re-estimating the book value on the basis of modifications to the lease, or to reflect updates to essentially fixed payments.

The Group registers re-estimations of the liability as an adjustment to the right of use asset, until it is reduced to zero, and subsequently under results.

The Group re-estimates the lease liability by discounting the lease payments at an updated rate if there is a change in the lease duration or a change in the expectation as to exercising the purchase option over the underlying asset.

The Group re-estimates the lease liability if there is a change in the estimated amounts payable as a residual value guarantee or a change in the index or rate used to determine the payments, including a change to reflect changes in market rents once these have been revised.

j) Value impairment of non-financial assets subject to amortisation or depreciation

The Group follows the criterion of evaluating the existence of evidence that could indicate a potential value impairment of non-financial assets subject to amortisation or depreciation, in order to ascertain whether the book value of the aforementioned assets is greater than their recoverable value.

Likewise, and irrespective of the existence of any evidence of value impairment, the Group checks at least each year the potential value impairment that could affect intangible assets with an indefinite useful life - electrical easements and goodwill.

The recoverable amount is calculated for each individual asset, unless this cannot be estimated. In this case the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs. In this regard, electrical easements do not generate cash flows independently, and so with a view to an analysis of their possible impairment, the flows from the CGU to which they belong will be used.

The recoverable value of the assets is whichever is the greater of their fair value less costs of sale and their value in use.

Calculation of the value in use of the asset is performed in accordance with the future cash flows expected to result from usage of the asset, expectations as to possible variations in the amount or timing distribution of the flows, the time value of money, the price to be paid to cover the uncertainty connected with the asset, and other factors that market participants would consider in the valuation of future cash flows connected with the asset.

In the event that the recoverable amount is less than the net book value of the asset, the corresponding impairment loss is recorded against the caption "Amortisations, impairment and allocations to provisions" of the attached consolidated income statement.

The Group evaluates at each closing date if there is any evidence that the loss from value impairment recorded in previous years does not exist any longer or that it has reduced. Value impairment losses corresponding to goodwill are not reversible. Losses from value impairment for the rest of the assets only revert if the estimations used to determine the asset recoverable value have changed.

k) Public authority concessions

The Group operates various assets under service concession contracts granted by different public agencies in the countries where it operates.

The Group analyses in accordance with the characteristics of the contracts whether they lie within the scope of IFRIC 12 "Service Concession Arrangements" and IFRS 15 "Ordinary revenue from contracts with customers".

In the concession contracts lying within the scope of IFRIC 12, construction services and service provision are recognised in accordance with the accounting policy for ordinary income.

As a result, the fair value of the service provided will be similar to the fair value of the total consideration received less the cost of construction.

Since the Group provides various services on the basis of these contracts (construction, maintenance and operational services), the income is recognised in accordance with the fair values of each service provided.

The Group recognises the consideration received under construction contracts as a financial asset, only to the extent that there is an unconditional contractual right to receive cash or another financial asset, whether directly from the assigning party or from a third party.

The Group accounts for income from maintenance and operation services under concession contracts as explained in subsection p.1.

In this regard, the Group has concessions in place associated with the electricity transmission assets in Brazil with the following characteristics:

- The transmission concessions in Brazil in which the Celeo Redes subgroup has a stake are governed by the corresponding Concession Contract signed by and between Concessionaria de Transmissao (the Concession Operator) and Agencia Nacional de Energia Elétrica (ANEEL).
- The Concession Contract governs the obligation on the part of the Concession Operator to construct certain infrastructure and to operate it for a period of 30 years. In consideration, the Concession Operator is granted the unconditional right to receive cash, through the setting of a fixed and quantified remuneration, the "Reçeita Anual Permitida" (RAP), which the concession operator will receive throughout the operational period of the infrastructure.
- The RAP is periodically updated in order to account for certain economic variables, mainly inflation.
- The responsibility of the Concession Operator is confined to maintaining the infrastructure available for use, and its remuneration is not affected by whether or not it is used.
- There is a penalty protocol applied by ANEEL for infrastructure unavailability events for reasons attributable to the Concession Operator, although these are limited to a maximum of 12.5% of the RAP in the last 12 months, in other words 87.5% of the RAP is always collected. These penalties have furthermore been minimal over recent financial years.

These concessions lie within the scope of IFRS 15 and are recognised as customer contract assets (Note 3p).

l) Financial instruments

<u>*Recognition and classification of financial instruments*</u>

Financial instruments are classified at their initial recognition as a financial asset, a financial liability or an equity instrument, according to the economic basis of the contractual agreement and the definitions of financial asset, financial liability or equity instrument set out in IAS 32 "Financial instruments: Presentation".

Financial instruments are recognised when the Group becomes an obliged party under the contract or legal business in accordance with its provisions.

For the purposes of valuation, the Group classifies financial instruments in the categories of financial assets and liabilities at fair value with changes in results, separating those initially designated from those held for trading or valued on a mandatory basis at fair value with changes in results, financial assets and liabilities valued at amortised cost, and financial assets valued at fair value with changes in another overall result, separating equity instruments designated as such from other financial assets. The Group classifies financial assets other than those designated at fair value with changes in results and equity instruments designated at fair value with changes in another overall result, in accordance with the business model and the characteristics of the contractual flows. The Group classifies financial liabilities as valued at amortised cost, except for those designated at fair value with changes in results and those held for trading.

The Group classifies a financial asset at amortised cost if it is maintained within the context of a business model the purpose of which is to maintain financial assets to obtain the contractual cash flows and the contractual conditions of the financial asset give rise to cash flows on specified dates which are solely payments of principal and interest on the principal pending (SPPI).

The Group classifies a financial asset at fair value with changes under the other comprehensive result if it is held within the context of a business model the purpose of which is achieved by obtaining contractual cash flows and selling financial assets and the contractual conditions of the financial asset give rise to cash flows on specified dates that are SPPI.

The business model is determined by the key personnel of the Group, and at a level that reflects the manner in which groups of financial assets are jointly managed to achieve a specific business objective. The Group's business model represents the way in which it manages its financial assets to generate cash flows.

Those financial assets that form a part of a business model the objective of which is to hold assets to receive contractual cash flows are managed to generate cash flows in the form of contractual collections over the lifespan of the instrument. The Group manages assets held in the portfolio to receive such specific contractual cash flows. To determine if the cash flows are obtained through the receipt of contractual cash flows from the financial assets, the Group considers the frequency, the value and the calendar of sales in previous financial years, the reasons for these sales, and the expectations with regard to future sales activity. Nonetheless, sales in themselves do not determine the business model, and cannot therefore be considered in isolation. Instead, it is information about past sales and about expectations of future sales which provides indicative data as to how the declared objective of the Group is achieved in terms of the management of financial assets, and more specifically the way in which cash flows are obtained. The Group considers information as to past sales within the context of the reasons for these sales and the conditions which existed at the time, in comparison with the current conditions. For these purposes the Group considers that trade receivables and other accounts receivable that will be assigned to third parties and will not lead to their deregistration are held under this business model.

Although the objective of the Group's business model is to hold financial assets to receive contractual cash flows, the Group does not necessarily hold all instruments until maturity for this purpose. The Group's business model is therefore to hold financial assets to receive contractual cash flows even if sales of such assets have occurred or are expected to occur in the future. The Group holds this requirement to be fulfilled provided that sales occur because of an increase in the credit risk of the financial assets. In all other cases, at the individual and aggregate level, the sales must be relatively insignificant even if they are frequent, or infrequent if they are significant.

Those contractual cash flows that are SPPI are consistent with a basic loan agreement. In a basic loan agreement, the most significant interest elements are generally the consideration for the time value of money and the credit risk. Nonetheless, in an agreement of this type, the interest also includes consideration for other risks, such as liquidity risk and costs, such as the administrative costs of a basic loan associated with holding the financial asset for a set period. Furthermore, the interest may include a profit margin that would be consistent with a basic loan agreement.

The Group designates a financial liability at the initial moment at fair value with changes under results, if doing so eliminates or significantly reduces any inconsistency in the valuation or in the recognition that would otherwise arise, if the valuation of the assets or liabilities or the recognition of their results take place on a different basis or a group of financial liabilities or of financial assets and financial liabilities is managed, and its return is evaluated, on the basis of the fair value, in accordance with a documented investment or risk management strategy, and information is provided internally with regard to the group on this same basis for the key management personnel of the Group.

The Group classifies other financial liabilities, except for financial guarantee contracts, commitments to grant a loan at a below-market interest rate and the financial liabilities resulting from a transfer of financial assets that do not fulfil the requirements for the registration in the accounts or that are accounted for using the continued involvement focus, as financial liabilities at amortised cost.

Category of financial instruments at fair value

An analysis is set out below of those financial instruments which at 31 December 2024 and 2023 were valued at fair value subsequent to their initial recognition, grouped into levels 1 to 3, depending on the fair value calculation system:

- Level 1: the fair value is obtained from direct observation of their listed price on active markets for identical assets and liabilities.

- Level 2: the fair value is determined by observation on the market for inputs other than the prices included in category 1, which are observable for assets and liabilities either directly (prices) or indirectly (e.g. obtained from the prices).

- Level 3: the fair value is determined by means of appraisal techniques including inputs for assets and liabilities not directly observed on the markets.

	Fair value at 31 December 2024			
	Thousands of euros			
	Level 1	**Level 2**	**Level 3**	**Total**
Non-current assets				
Derivative financial instruments (Note 15)	-	1,586	-	1,586
Current assets				
Derivative financial instruments (Note 15)	-	200	-	200
	-	**1,786**	**-**	**1,786**
Non-current liabilities				
Derivative financial instruments (Note 15)	-	10,030	-	10,030
Current liabilities				
Derivative financial instruments (Note 15)	-	4,173	-	4,173
	-	**14,203**	**-**	**14,203**

	Fair value at 31 December 2023			
	Thousands of euros			
	Level 1	Level 2	Level 3	Total
Non-current assets				
Derivative financial instruments (Note 15)	-	1,958	-	1,958
Current assets				
Derivative financial instruments (Note 15)	-	59	-	59
	-	**2,017**	-	**2,017**
Non-current liabilities				
Derivative financial instruments (Note 15)	-	12,672	-	12,672
Current liabilities				
Derivative financial instruments (Note 15)	-	4,578	-	4,578
	-	**17,250**	-	**17,250**

Financial assets and liabilities at amortised cost

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

Value impairment

The Group recognises in results a value correction for expected credit losses from financial assets valued at amortised cost, fair value with changes in another overall result, accounts receivable from financial leases, assets from contracts, loan commitments and financial guarantees.

For financial assets valued at fair value with changes under other comprehensive result, the expected credit loss is recognised under the other comprehensive result and does not reduce the fair value of the assets.

At each date of close the Group values the valuation correction as an amount equal to the expected credit losses over the next 12 months, for those financial assets for which the credit risk has not significantly increased since the date of initial recognition, or where it believes that the credit risk of a financial asset has no longer increased significantly.

When evaluating if there is a significant increase in credit risk, the Group considers all reasonable and demonstrable prospective information, specifically:

- Internal and external credit risk ratings;
- Actual or expected adverse changes in the business, financial or economic conditions that could cause a significant change in the capacity of the borrower to fulfil its obligations;
- Significant current or expected changes in the operating results of the borrower;
- Significant increases in the credit risk in other financial instruments of the same borrower;
- Significant changes in the value of the guarantee supporting the obligation or in the quality of the guarantees or credit improvements of a third party;

Nonetheless, the Group recognises the expected credit loss during the entire lifespan of the interest for trade receivables or contractual assets.

Interest and dividends

The Group recognises interest under the effective interest rate method, which is the discount rate matching the book value of a financial instrument with the estimated cash flows over the expected lifespan of the instrument, based on its contractual conditions and without taking into consideration the expected credit losses, except for financial assets acquired or originated with losses incurred.

Dividend income from investments in equity instruments is recognised under results if the rights arise for the Group upon receipt, it is likely to receive the economic benefits, and the amount can be reliably estimated.

Deregistrations and modifications of financial liabilities

The Group deregisters a financial liability or a part thereof once it has fulfilled the obligation contained in the liability or is legally released from the main responsibility contained in the liability, either as a result of court proceedings or by the creditor.

The exchange of debt instruments between the Group and the counterparty or substantial modifications to the initially recognised liabilities are recorded in the accounts as a cancellation of the original financial liability and the recognition of a new financial liability, provided that the instruments have substantially different conditions.

The Group considers that the conditions are substantially different if the present value of the discounted cash flows under the new conditions, including any commission paid, net of any commission received, and employing the original effective interest rate to perform the discounting, is less than 10% different from the present discounted value of the cash flows which still remain from the original financial liability.

If the exchange is registered as a cancellation of an original financial liability, the costs or commissions are recognised under results, forming part of the corresponding results. Otherwise, the modified flows are discounted at the original effective interest rate, recognising any difference regarding the prior book value under results. Otherwise, costs or commissions adjust the book value of the financial liability and are amortised by means of the amortised cost method throughout the remaining lifespan of the modified liability.

The Group recognises the difference between the book value of the financial liability, or a part thereof, cancelled or assigned to a third party, and the consideration paid, including any asset assigned other than cash or the liability assumed under results.

Accounting for hedging operations

Derivative financial instruments are initially recognised by following the criteria set out above for financial assets and liabilities. Derivative financial instruments that do not comply with the hedge accounting criteria set out below are classified and valued as financial assets or liabilities at fair value with changes under results. Derivative financial instruments that comply with the hedge accounting criteria are initially recognised at their fair value, plus any transactional costs directly attributable to the contracting thereof, or, where applicable, less transactional costs directly attributable to the issuance thereof. Nonetheless, the transaction costs are subsequently recognised under results, to the extent that they do not form part of the effective variation in the hedge.

At the start of the hedge, the Group formally designates and documents the hedging relationship, and the objective and strategy that it assumes with regard thereto. The documentation includes the identification of the hedging instrument, the item hedged, the nature of the risk hedged, and the manner in which the Group measures the efficacy of the hedge.

Accounting for hedging operations only applies if there is an economic relationship between the item hedged and the hedging instrument, the credit risk does not exert a dominant effect over the value changes resulting from this economic relationship, and the hedging ratio of the hedging relationship is the same as that resulting from the quantity of the item hedged that the Group actually uses to hedge that amount of the item hedged. Nonetheless, this designation must not reflect an imbalance between the weightings of the item hedged and of the hedging instrument generating a lack of hedging effectiveness, irrespective of whether or not it is recognised or could give rise to an accounting result contrary to the purpose of the hedge accounting.

Likewise, in hedges of cash flows from planned transactions or a component thereof, the Company evaluates whether said transactions are highly likely, and whether they reveal exposure to variations in cash flows that could ultimately affect the results for the financial year.

The Group evaluates whether the relationship fulfils the requirements of prospective efficacy at the outset of the hedging relationship and also continuously. The Group evaluates efficacy at each accounting close or whenever there are significant changes that would affect the efficacy requirements.

The Group conducts a qualitative evaluation of efficacy whenever the fundamental conditions of the instrument and the item hedged coincide. Where the fundamental conditions do not fully coincide, the Group employs a hypothetical derivative with fundamental conditions equivalent to the item hedged to evaluate and measure inefficacy.

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

Cash flow hedges

The Group recognises under other comprehensive result the losses or gains derived from the fair value valuation of the hedging instrument corresponding to the part identified as an ineffective hedge.

The part of the hedge deemed ineffective, and the specific component of the loss or gain or cash flows connected with the hedging instrument, excluded from the appraisal of efficacy of the hedge, are recognised as a credit or charge against financial expense or income accounts.

In planned transaction hedges that give rise to the recognition of a financial asset or liability, the associated losses or gains that have been recognised under the other comprehensive result are reclassified to results in the same financial year or years during which the asset acquired or liabilities assumed affect the result, and under the same entry on the consolidated income statement.

Interruption of hedge accounting

If the hedging relationship no longer fulfils the effectiveness requirements connected with the hedging ratio, but the risk management objective remains the same for this relationship, the Group adjusts the hedging ratio in order to continue fulfilling the hedging relationship criteria (rebalancing). Rebalancing refers to adjustments made to the designated quantities of the item hedged or of the hedging instrument in an existing relationship in order to maintain a hedging ratio that fulfils the hedging effectiveness requirements. The Group accounts for the rebalancing as a continuation of the hedging relationship. On the date of rebalancing, the Group determines the lack of effectiveness of the relationship and recognises any ineffectiveness under results.

The Group interrupts the hedging relationship prospectively only when all or part of the hedging relationship no longer fulfils the qualified requirements. This includes situations in which the hedging instrument expires or is sold, ended or exercised. For these purposes, the replacement or renewal of a hedging instrument is not an expiry or ending, provided that the operation is consistent with the documented risk management objective of the Group.

In cash flow hedges, the cumulative amount under the other comprehensive result is not recognised under results until the planned transaction takes place. Notwithstanding the above, the cumulative amounts under the other comprehensive results are reclassified as financial income or expenses at the moment when the Group no longer expects the planned transaction to take place.

m) Inventory stock

This caption of the consolidated statement of financial position records the assets that the Group expects to consume over the course of production or in the provision of services.

Inventory stock is valued at whichever is the lower of the cost and the net realisable value. The cost includes all expenses derived from acquisition and transformation, including those incurred in order to achieve the current condition and location of the stock.

If inventory stock comprises products that are not normally interchangeable, the cost is established in a specific manner, while for all others the mean weighted cost method is used.

The net realisable value is the estimated price of sale less the estimated costs to complete production and those required in order to perform the sale.

n) Cash and other equivalent liquid assets

Cash and cash equivalents include cash on hand and demand deposits at banks and credit institutions. This item also covers other highly liquid short-term investments provided that they can easily be converted into specific sums of cash and are subject to insignificant exchange rate risk. For these purposes this includes investments maturing within three months after acquisition date.

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

o) Provisions

The Group policy is to allocate provisions for the estimated amount required in order properly to meet liabilities, whether legal or implicit, probable or certain, derived from contingencies, litigation in progress or obligations, arising as a result of past events wherever it is likely that this would entail outgoing resources for the Group, and where it is possible to make a reasonable estimate of the corresponding amount. This provision is allocated upon emergence of the liability or obligation, charged to the corresponding caption of the consolidated income statement in accordance with the nature of the obligation, at the present value of the provision when the effect of discounting the obligation materialises.

The amounts recognised on the consolidated statement of financial position correspond to the best estimate at the date of close of the disbursements required to cancel the present obligation, following consideration of the risks and uncertainties connected with the provision.

Provisions are reversed against results when it is unlikely that there will be outgoing resources required to settle the obligation. The reversal is performed against the item in the results where the corresponding expense was registered, and the surplus, where applicable, is recognised under the entry for "other income".

Meanwhile, contingent liabilities are not recognised to the extent that they correspond to possible obligations (they depend on the occurrence or otherwise of uncertain future events) or to present obligations that do not fulfil the provision recognition (because it is not likely, or the amount cannot be reliably measured) (Notes 16 and 18).

Dismantling provisions

The provisions referred to in this subsection are recognised in accordance with the general criteria for the recognition of provisions and registered as an increase in the cost value of the property, plant and equipment elements with which they are connected (see subsection h).

Variations in the provision as a result of a change in the amount, in the timing structure of disbursements or the discount rate, increase or reduce the cost value of fixed assets, subject to the limit of their book value, with the surplus being recognised under profit/loss.

p) Recognition of revenues and expenses

The Company recognises revenues from its ordinary activities as the delivery of goods and provision of services contractually committed to its clients occurs over the course of the lifespan of the contract, and for the amount of the consideration that it expects to be entitled to in exchange for the goods or services in question.

In particular, the Company follows the stages set out below for the recognition of ordinary revenues from contracts with customers:

- Identification of the contract with the customer: to identify a contract, the Company evaluates that the parties have approved the contract and undertaken to comply with the respective obligations, identifying the rights of each of the parties, the payment conditions in connection with the goods or services to be transferred, and evaluating that the contract is of a commercial nature and it is likely to collect the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.

- Identification of contractual performance obligations: at the start of the contract, the Company evaluates the goods or services promised under a contract with a customer and identifies as a performance obligation each promise to transfer to the customer:

  a) A good, service or group of separate goods or services; or

  b) A series of separate goods or services that are practically the same and correspond to the same pattern of transfer to the customer.

     A good or service promised to a customer is considered separate if the following 2 criteria are fulfilled:

     1) The customer can make use of the good or service individually or together with other easily available resources; and

     2) The commitment of the Company to transfer the good or service to the customer can be identified separately from other commitments contained in the contract.

- Determination of the transaction price: this is determined as the amount of the consideration to which it expects to be entitled in exchange for transferring the goods or services committed to with the customer, excluding the amounts collected on behalf of third parties, and which may include fixed or variable amounts, such as discounts, reimbursements, credits, incentives, rebates and other similar concepts.

- Where the transaction price includes a variable consideration, the Company initially estimates the amount of the consideration to which it will be entitled, using the expected value method, or otherwise the most probable amount, furthermore including all or part of the amount of the variable consideration only to the extent that it is highly likely that there will be no significant reversal of the recognised amount of ordinary cumulative revenue, if the uncertainty as to the variable consideration is subsequently resolved.

- The estimation of the transaction price also takes into account the time value of money, if it is deemed that there is a significant financing component, as well as non-cash considerations and other considerations payable to the customer.

- Allocation of the price of the transaction to the different contractual performance obligations: the Company distributes the price of the transaction such that upon each performance obligation identified in the contract it is assigned an amount representing the consideration that it will obtain in exchange for transferring to the customer the good or service committed to in said performance obligation. This assignment is performed proportionally and on the basis of the corresponding independent sale prices of the goods and services covered by each performance obligation. The best evidence of independent sale prices is the observable price, if the goods or services are sold separately in similar circumstances. If this price is not available, the Company estimates the amount by means of a focus which maximises the use of the observable data, such as an adjusted valuation based on a market price, an expected cost plus a margin, or using a residual focus.

- If the contract includes more than one separate good or service and a discount is granted on the overall price, absent any better observable evidence that the discount is applicable in its entirety to one performance obligation, the discount is distributed proportionally across all the performance obligations.

- Recognition of revenue as performance obligations are fulfilled: the Company recognises as revenue the amount of the price of the transaction assigned to a performance obligation as this obligation is fulfilled by transferring the committed goods or services to the customer. To this end, the Company determines whether the performance obligation is fulfilled over time or at a particular moment:

  a) An obligation is fulfilled over time if the following criteria are fulfilled:

     - The customer receives and simultaneously consumes the benefits provided by the Company activity as it is performed.

     - The Company produces or improves an asset that the customer controls as the asset is produced or improved.

     - The Company produces a specific asset for the customer which has no alternative use and has an enforceable right to collect payment for the activity performed to date.

     If the performance obligation is fulfilled over time, the Company recognises the corresponding revenues as the obligation is fulfilled, for which purpose it measures the degree of progress in performance of each identified obligation.

  b) If an obligation does not meet the conditions to be fulfilled over time, the following indicators are evaluated to determine that control over the asset has been transferred to the customer:

     - The Company has transferred physical possession of the asset;

     - The Company is entitled to demand payment for the asset;

     - The customer has accepted the asset;

     - The customer has the significant risks and benefits inherent in ownership of the asset; and

     - The customer has legal ownership of the asset.

     If the performance obligation is fulfilled on a specific date, the Company recognises the corresponding revenues.

  If the parties agree an amendment to the contract, the Company books this amendment as a separate contract if the following 2 conditions are met:

  - The scope of the contract is increased as a result of the inclusion of different committed goods or services; and

  - The price of the contract is increased by an amount of the consideration which reflects sale prices independent of the additionally promised goods or services.

  Otherwise, the contractual amendment is treated as an adjustment to the original contract, such that if the amendment comprises new different goods or services not at their regular price of sale, the previous contract is cancelled and a new contract is created, while if the amendment comprises new goods or services that are not different, the existing contract is re-evaluated.

  The Company presents contracts with clients on the Balance Sheet as an asset or a liability, depending on the relationship between the efforts deployed and the payment made by the client:

  - The contract with the customer is presented as a contract liability when the customer has paid a consideration, before the goods or services have been transferred to the customer, giving rise to an obligation on the part of the Company to transfer the goods or services to the customer for which it has already received consideration.

- The contract with the customer is presented as a contract asset when the Company has performed the transfer of goods or services to the customer before the customer has handed over the consideration, such that the Company has the right to the consideration in exchange for the goods or services that it has transferred to the customer. The Company excludes the amounts presented as accounts receivable from this amount.

The Company excludes from the turnover those gross incomings of profits received where it acts on behalf of third parties, registering as revenue only the amounts corresponding to its own activity.

The Company registers sales of electricity and gas as revenue on the date when they are delivered to the customer, in accordance with the amounts supplied during the period, even if they have not been invoiced, and in accordance with the unit price established in the contract. The revenues therefore include the estimation of the energy supplied, although the customer's meters have not yet been read.

Interest revenues and expenses are booked in accordance with the effective interest rate applicable to the principal pending amortisation during the corresponding accrual period.

Expenses are imputed in accordance with the accrual criterion.

q) Gains tax

The expenditure or income from gains tax comprises both current and deferred tax.

Current tax is the amount payable or recoverable under gains tax with regard to the consolidated tax gain or loss for the financial year. Current gains tax assets or liabilities valued for the amount expected to be paid or recovered from the tax authorities, using the regulations and taxation rates that have been approved or are about to be approved at the date of close.

Liabilities through deferred tax are the sums payable in the future as corporation tax in connection with temporary taxation differences, while deferred tax assets are sums recoverable with regard to corporation tax as a result of the existence of temporary deductible differences, negative taxable bases subject to offsetting or deductions pending application. For these purposes a temporary difference is understood as the difference existing between the book value of the assets and liabilities and their taxable base.

Current or deferred corporate income tax is recognised under results, unless it arises from a transaction or economic event recognised in the same or a different financial year against net equity or a business combination.

Recognition of the deferred tax liabilities

The Group recognises deferred tax liabilities in all cases except:

- where they arise from the initial recognition of goodwill or an asset or liability in a transaction which is not a combination of businesses and at the date of the transaction did not affect either the book result or the taxable base sum;
- they correspond to differences connected with investments in dependent, associate companies and joint businesses over which the Group has the power of control at the point of reversion and it is not probable that any foreseeable future reversion will take place.

Recognition of deferred tax assets

The Group recognises deferred tax assets provided that:

- it is likely that there will be sufficient future taxable gains to offset them, or the tax legislation allows for the possibility of future conversion of deferred tax assets into a credit that may be enforced against the Public Authority. However, assets arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the date of the transaction, do not affect either the book result or the taxable base, are not recognised;
- they correspond to temporary differences associated with investments in dependent, associate companies and joint businesses to the extent that the temporary differences will revert in the foreseeable future and future positive taxable gains are expected to be generated to offset the differences.

It is, however, considered likely that the Group has sufficient tax gains to recover deferred tax assets, provided there are taxable temporary differences of a sufficient amount, related to the same tax authority and related to the same taxpayer, reversal of which is expected in the same fiscal year in which a reversal in deductible temporary differences is expected or in years in which a tax loss, arising from a deductible temporary difference, may be offset against prior or subsequent gains.

In order to determine future taxable gains, the Group considers tax planning opportunities, provided that it intends or is likely to adopt them.

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are valued at the tax rates which will apply in the financial years when the assets are expected to be realised or the liabilities paid, based on the regulations and rates in force or approved and pending publication and following consideration of the tax consequences which will be derived from the manner in which the Group expects to recover the assets or settle the liabilities.

The Group reviews the book value of deferred tax assets at the date of close of the financial year, in order to reduce this value to the extent that it is unlikely there will be sufficient positive future taxable bases to offset them.

Deferred tax assets that do not fulfil the above conditions are not recognised on the consolidated statement of financial position. The Group reconsiders at the close of the financial year whether the conditions to recognise deferred tax assets that were previously recognised are still fulfilled.

Tax uncertainties

If the Group determines that the Tax Authority is unlikely to accept an uncertain tax treatment or group of uncertain tax treatments, it considers this uncertainty in determining the taxable base, tax bases, negative taxable base credits, deductions or taxation rates.

The Group determines the effect of the uncertainty on the corporation tax return under the expected amount method, if the range of possible outcomes varies greatly, or the most likely outcome method, in the case of a binary outcome or one concentrated on one of value. In those cases where the tax asset or liability calculated under these criteria is greater than the amount presented in self-assessed tax returns, it is presented as current or non-current on the consolidated statement of financial position in accordance with the expected date of recovery or settlement, taking into account, where applicable, the amount of the corresponding late-payment interest on the liability, as this accrues on the income statement. The Group registers changes in facts and circumstances regarding tax uncertainties as a change in estimation.

The Group recognises and presents penalties in accordance with the accounting policy indicated for provisions.

Classification

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

r) Consolidated statement of cash flows

In the cash flow statement, drawn up in accordance with the indirect method, the following expressions are used with the following meanings:

- Cash flows. Incoming and outgoing cash and cash equivalents, the latter being understood as short-term high-liquidity investments with no significant risk of changes in their value.

- Operating activities. Typical activities of the entities that make up the Group, and other activities that cannot be classified as investment or financing.

- Investment activities. Investment activities are those relating to the acquisition, transfer or disposal by other means of long-term assets and other investments not included in cash and cash equivalents. The Group classifies interest and dividends collected as investment activities.

- Financing activities. Financing activities are those activities generating changes in the size and composition of the consolidated net equity and the liabilities not forming part of operating activities.

The cash flows corresponding to operating activities correspond to the ordinary activity of the Group.

The net cash flows from investment activity are essentially the result of new investments in dependent companies, other intangible assets, property, plant and equipment, rights of use and concessions (see Notes 6, 7, 8, 9 and 11).

In addition, net cash flows from financing activities correspond in the main to the amortisation of financial liabilities in accordance with the contractual calendar and the refund of the share premium (see Notes 14 and 15).

s) Segment reporting

An operational segment is a component of the Group that undertakes business activities in which it may obtain ordinary income and incur expenses, where the operating results are regularly reviewed by the highest authority for operational decision-making at the Group, to decide as to the resources that should be assigned to the segment, evaluate its performance, and with regard to which separate financial information is available.

The segments defined by the Group are detailed in Note 26.

t) Environment

The Group undertakes operations the main aim of which is to predict, reduce or rectify any damage which it could cause to the environment as a result of its activities.

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

Tangible fixed asset elements acquired for the purpose of lasting use in operations, and the main function of which is the minimisation of environmental impact and protection and improvement of the environment, including the reduction or elimination of future pollution caused by Group operations, are recognised as assets by application of valuation criteria, presentation and disclosure consistent with those set out in subsection (h).

4. Financial risk management policy

The Group is exposed to certain financial risks that it manages by grouping systems for the identification, measurement, limitation of concentration and supervision. The management and limitation of financial risks is performed in coordination by Corporate Management and the different Business Units and Subsidiaries that make up the Group. Operations connected with financial risk management are approved at the highest decision-making level, in accordance with the established standards, policies and procedures.

Exchange rate risk

Market risk as a result of exchange rate risk is the consequence of the operations that the Group performs on international markets in the course of its business. Part of the income and procurement costs are denominated in currencies other than the functional currency of each country where the dependent companies operate. As a result, there could be a risk that fluctuations in the exchange rates of these currencies against their functional currency could affect the Group's results.

To manage and minimise this risk, the Group uses hedging strategies, since the objective is to generate results only for the performance of the ordinary activities that it performs, and not by speculating on exchange rate fluctuations. The instruments used to achieve such hedging are essentially debts referenced to the currency in which contract payments are collected.

At 31 December 2024 the most significant balances of the Group in foreign currency correspond to the debt in UF maintained by the Chilean subsidiaries, the functional currency of which is the US dollar (see Note 15).

Interest rate risk:

Variations in interest rates modify the fair value of those assets and liabilities accruing a fixed interest rate, and future flows from assets and liabilities referenced to a variable interest rate. The Group actively manages its exposure to interest rate risk, to mitigate its exposure to the variation in interest rates derived from debt taken on at variable interest rates, using hedging instruments where appropriate to minimise the financial interest risk, or by referencing borrowing to the same adjustment indices as applied to the income from the project financed. The hedging instruments, which are assigned specifically to financial debt, have as a maximum the same nominal amounts, and are essentially interest rate swaps (IRS), the purpose of which is to achieve a fixed interest cost for finance originally arranged at variable interest rates. In any event, interest rate hedges are arranged with an accounting efficiency criterion.

In addition, it should be pointed out that, as may be seen in Note 15, the Group has bonds issued on the capital market at a fixed interest rate in the financial years 2024 and 2023, corresponding to the companies of the subgroup Celeo Redes and Celeo Fotovoltaico.

Liquidity risk

Liquidity risk is mitigated by means of the policy of holding cash and highly liquid and non-speculative short-term instruments, through first-tier credit institutions, in order to fulfil future commitments, along with the arrangement of credit facilities of a sufficient limit and term to address expected needs.

Note 15 provides a disclosure of the maturities of financial liabilities.

Meanwhile, in terms of transmission lines, specifically those providing their services in Brazil under the concession regime, the national system operator, Operador Nacional do Sistema Eléctrico (ONS), is responsible for coordinating system collections and payments, and informs the Concession Operator each month of the companies that are required to pay it: generators, major consumers and distributors connected to the system. Before these companies connect to the system, they lodge surety which will be enforced in the event of non-payment, and are immediately disconnected from the system, at which point the payment obligation is distributed among all other system users. The concession operator thus has a guarantee of collection under the national electricity system. In this regard, during the years that the Group has been operating these lines, no non-payment on the part of its users has occurred.

With regard to the transmission lines in Chile, Celeo CL is involved in the following transmission segments: National Transmission System (STN), Zonal Transmission System (STZ) and Dedicated Transmission System (STD). For the first two segments, the STN and STZ, the National Electricity Coordinator (CEN) is responsible for coordinating the flow of payments to the transmission companies for both systems. In these transmission systems, the income is received mainly through the charges for use of the transmission, which are calculated half-yearly by the National Energy Commission (CNE). The charges for use of the transmission are paid by the end clients (demand) and transferred by the suppliers, who may be the generators in the case of open market clients, or distributors in the case of regulated market clients. The transmission companies are thus protected against the risk of non-payment, since these charges must be passed on from the suppliers to the transmission companies, which are therefore not required to cover the risk of unrecoverable debts. The collection guarantee is based on a CEN Procedure which establishes that in the event of possible non-payment by a coordinated party (the company subject to coordination by the CEN), the party in breach is disconnected from the system, with the payment obligation being divided among the other coordinated companies. In the case of the STD, the income is collected through usage tolls, the commercial conditions of which are defined in the contracts signed between the transmission company and the user of the transmission line.

Meanwhile, the substations and power transmission lines in Peru belong, in the case of Valle del Chira and Puerto Maldonado, to the Complementary Transmission System ('SCT'), which handles certain areas of demand, while the recently awarded project, Miguel Grau - Frontera, belongs to the Guaranteed Transmission System ('SGT'), the revenues of which are borne by the entire system. The tariffs are regulated by the Energy and Mining Investment Supervisory Body (OSINERGMIN), and the process is coordinated by the Economic Operations Committee of the National Interconnected System (COES).

Credit risk

The main credit risk is attributable to accounts receivable through trade operations, to the extent that a counterparty or client might not meet its contractual obligations. To mitigate this risk, operations are performed with clients that have an appropriate credit record, while furthermore, given the activity and sectors in which it operates, the Group has clients with a high credit rating. In addition, a financial solvency analysis of the client is conducted, and specific conditions are included in the contract intended to guarantee collection of the price.

In the case of renewables projects in Spain, under the terms of the regulatory electricity framework in force, the electricity generated is sold on the Iberian Electricity Market (MIBEL), collecting income from the market operator (OMIE) with a payment guarantee system, and the National Markets and Competition Commission (CNMC), the regulatory body for energy markets in Spain, dependent on the Ministry of Industry.

The Group always aims to further heighten the measures it has been taking to mitigate this risk and conducts periodic analyses of its exposure to credit risk, conducting the corresponding impairment valuation corrections. At 31 December 2024 and 2023 there were no overdue accounts receivable nor impaired balances (see Note 11).

Regulatory risk

As for Regulatory Risk, and in particular with regard to renewable energies, the Group conducts detailed monitoring in order properly to reflect any impact on the consolidated income statement.

5. Distribution of Results

The proposal for the distribution of the Dominant Company's results for the financial year ended at 31 December 2024 to be presented before the General Shareholders' Meeting is as follows:

	Euros
Basis of distribution	
Results for the year	2,520,107.42
Distribution	
Statutory reserve	252,010.74
Negative results of previous years	2,268,096.68
	2,520,107.42

Application of the results of the Dominant Company for the financial year ended at 31 December 2023, approved by the General Shareholders' Meeting on 19 June 2024, comprised:

	Euros
Basis of distribution	
Results for the year	23,903,061.27
Distribution	
Statutory reserve	2,390,306.13
Negative results of previous years	21,512,755.14
	23,903,061.27

At 31 December 2024 the non-distributable reserves amounted to a figure of 7,189,081 euros (4,798,775 euros at 31 December 2023), corresponding in their entirety to the legal reserve. In addition, the voluntary reserves are not freely available up to the limit of the cumulative losses.

6. Goodwill

The disclosure of the balance under the caption "Intangible assets - Goodwill" on the consolidated statements of financial position for the 2024 and 2023 financial years, in accordance with the companies giving rise to them is as follows:

	Thousands of euros	
	2024	**2023**
Companies consolidated by full consolidation:		
Other businesses		
- Helios Inversión y Promoción Solar, S.L.U.	1,125	1,125
	1,125	**1,125**

During 2024 and 2023, there were no movements in this epigraph.

As indicated in Note 3.g, the Group evaluates the impairment of its goodwill each year.

The cash-generating unit considered for the purposes of the corresponding goodwill impairment test included in the above table is identified with the actual company to which it was assigned.

The recoverable amount is whichever is the greater of the market value reduced by the costs of sale, and the value in use, understood as the present value of estimated future cash flows approved by Management and considered to be reasonable. To calculate the value in use, the hypotheses which are used include discount rates, growth rates and expected changes in prices of sale and costs. The Dominant Company Directors estimate the discount rates that reflect the time value of money, and the risks associated with the cash-generating unit.

Likewise, the sensitivity analyses performed by Management, which include variations in accordance with deviations occurring in the main estimations for the previous financial year, also reveal no impairment.

7. Other intangible assets

The movement occurring under this chapter of the consolidated statement of financial position in the financial year 2024 and 2023 was as follows:

	Thousands of euros			
	Computer applications	**Electrical easement**	**Concessions. permits and licences**	**Total**
COST:				
Balance at 1 January 2024	**3,994**	**76,797**	**576,185**	**656,976**
Additions	338	985	27,340	28,663
Transfers	(14)	-	-	(14)
Conversion differences	(47)	4,920	35,117	39,990
Balance at 31 December 2024	**4,271**	**82,702**	**638,642**	**725,615**
CUMULATIVE AMORTISATION:				
Balance at 1 January 2024	**(3,557)**	**-**	**(44,226)**	**(47,783)**
Provisions (Note 20f)	(1,415)	-	(11,405)	(12,820)
Transfers	1,303	-	(1,303)	-
Conversion differences	330	-	(3,241)	(2,911)
Balance at 31 December 2024	**(3,339)**	**-**	**(60,175)**	**(63,514)**
Net cost at 1 January 2024	**437**	**76,797**	**531,959**	**609,193**
Net cost at 31 December 2024	**932**	**82,702**	**578,467**	**662,101**

	Thousands of euros			
	Computer applications	**Electrical easement**	**Concessions. permits and licences**	**Total**
COST:				
Balance at 1 January 2023	**3,379**	**82,486**	**579,945**	**665,810**
Additions	638	649	15,771	17,058
Transfers	-	(3,467)	-	(3,467)
Conversion differences	(23)	(2,871)	(19,531)	(22,425)
Balance at 31 December 2023	**3,994**	**76,797**	**576,185**	**656,976**
CUMULATIVE AMORTISATION:				
Balance at 1 January 2023	**(2,367)**	**-**	**(34,609)**	**(36,976)**
Provisions (Note 20f)	(1,116)	-	(11,058)	(12,174)
Conversion differences	(74)	-	1,441	1,367
Balance at 31 December 2023	**(3,557)**	**-**	**(44,226)**	**(47,783)**
Net cost at 1 January 2023	**1,012**	**82,486**	**545,336**	**628,834**
Net cost at 31 December 2023	**437**	**76,797**	**531,959**	**609,193**

The chapter "Computer Applications" at 31 December 2024 and 2023, corresponds to the database management systems licences used by the Group. The additions in the financial year 2024 and 2023 correspond essentially to the implementation of a new ERP at Celeo Redes Chile.

The chapter "Electricity easement" corresponds essentially to the perpetual easement for the electrical energy transmission lines in Chile, which have an indefinite useful life, and they are therefore not subject to the process of amortisation, but do undergo an annual impairment evaluation. These evaluations serve to conclude that there is no risk of impairment, since when subjected to very extensive sensitivity analyses, no type of impairment arises. Additions in the 2024 financial year correspond essentially to electrical easements at Nirivilo Transmisora de Energía, S.A. (699 thousand euros). The registrations in the financial year 2023 essentially corresponded to the easements booked at Alto Jahuel Transmisora de Energía and Charrúa Transmisora de Energía (618 and 31 thousand euros, respectively).

The chapter “Concessions, permits and licences” essentially corresponds to the usage and operation licences of the projects of Alto Jahuel Transmisora de Energía, S.A. and Charrúa Transmisora de Energía, S.A. and the Puerto Maldonado Transmisora de Energía, S.A.C concession contract, awarded in April 2021. Additions in the 2024 financial year correspond essentially to the concession contracts for the lines Puerto Maldonado and Piura Nueva – Frontera (27,316 thousand euros). The registrations in the financial year 2023 essentially corresponded to the concession contracts for the lines Puerto Maldonado and Piura Nueva – Frontera and the Valle del Chira substation (15,729 miles de euros). The Valle del Chira substation began operation in December 2023.

At 31 December 2024 the Group maintains in use computer applications in Celeo Redes Chile, ltda and in the Dominant Company for the amount of 258 thousand euros (108 thousand euros in 2023), which are fully amortised.

8. Property, plant and equipment

The movement occurring under this chapter of the consolidated statement of financial position in the financial year 2024 and 2023 was as follows:

	Thousands of euros							
	Land	**Buildings, Technical Installations and Machinery**	**Furniture and Fittings**	**Information Processing Equipment**	**Transport Elements**	**Other Fixed Assets**	**Fixed Assets in Progress**	**Total**
COST:								
Balance at 1 January 2024	**1,110**	**1,168,160**	**1,315**	**498**	**275**	**116**	**41,276**	**1,212,750**
Additions	-	16,118	108	152	109	86	26,382	42,955
Withdrawals	-	(409)	-	(20)	-	-	-	(429)
Transfers	-	28,504	-	-	-	164	(29,103)	(435)
Conversion differences	56	(930)	(50)	44	21	-	2020	1,161
Balance at 31 December 2024	**1,166**	**1,211,443**	**1,373**	**674**	**405**	**366**	**40,575**	**1,256,002**
CUMULATIVE AMORTISATION:								
Balance at 1 January 2024	**-**	**(198,329)**	**(240)**	**(174)**	**(27)**	**(65)**	**-**	**(198,835)**
Provisions (Note 20f)	-	(46,794)	(95)	(134)	(31)	(2)	-	(47,056)
Withdrawals	-	409	-	20	-	-	-	429
Transfers	-	546	(31)	4	(60)	(1)	-	458
Conversion differences	-	263	33	(26)	(7)	-	-	263
Balance at 31 December 2024	**-**	**(243,905)**	**(333)**	**(310)**	**(125)**	**(68)**	**-**	**(244,741)**
IMPAIRMENT:								
Allocations	**-**	**-**	**-**	**-**	**-**	(252)	**-**	(252)
Net cost at 1 January 2024	**1,110**	**969,831**	**1,075**	**324**	**248**	**51**	**41,276**	**1,013,915**
Net cost at 31 December 2024	**1,166**	**967,538**	**1,040**	**364**	**280**	**46**	**40,575**	**1,011,009**

	Thousands of euros							
	Land	Buildings, Technical Installations and Machinery	Furniture and Fittings	Information Processing Equipment	Transport Elements	Other Fixed Assets	Fixed Assets in Progress	Total
COST:								
Balance at 1 January 2023	**245**	**1,174,311**	**1,055**	**528**	**111**	**106**	**3,839**	**1,180,195**
Additions	887	1,329	129	77	174	10	34,173	36,779
Withdrawals	-	-	-	-	-	-	-	-
Transfers	-	(1,188)	113	(86)	-	-	3,211	2,050
Conversion differences	(22)	(6,292)	18	(21)	(10)	-	53	(6,274)
Balance at 31 December 2023	**1,110**	**1,168,160**	**1,315**	**498**	**275**	**116**	**41,276**	**1,212,750**
CUMULATIVE AMORTISATION:								
Balance at 1 January 2023	**-**	**(152,757)**	**(148)**	**(161)**	**(14)**	**(65)**	**-**	**(153,145)**
Provisions (Note 20f)	-	(46,830)	(84)	(110)	(16)	-	-	(47,040)
Withdrawals	-	1	-	-	-	-	-	1
Transfers	-	380	-	86	-	-	-	466
Conversion differences	-	877	(8)	11	3	-	-	883
Balance at 31 December 2023	**-**	**(198,329)**	**(240)**	**(174)**	**(27)**	**(65)**	**-**	**(198,835)**
Net cost at 1 January 2023	**245**	**1,021,554**	**907**	**367**	**97**	**41**	**3,839**	**1,027,050**
Net cost at 31 December 2023	**1,110**	**969,831**	**1,075**	**324**	**248**	**51**	**41,276**	**1,013,915**

The caption "Buildings, Technical Installations and Machinery" at 31 December 2024 and 2023 corresponds in the main to the investments in owned transmission lines (not covered by IFRS 12) in Chile, the photovoltaic plant in Brazil and the photovoltaic and solar thermal plants in Spain. The value of the additions during the financial year 2024 corresponds essentially to the dismantling provision recognised at the generating plants in Spain (Note 16). The additions in the 2023 financial year corresponded essentially to the investments made at the control centre of Celeo Redes Chile, Ltda (661 thousand euros). In addition, in the financial year 2024, the transfers correspond to the operational start-up and up of the Reactiva Transmisora and Ruil Transmisora projects.

The caption "Fixed assets in progress" corresponds in the main to the works in progress at Nirivilo Transmisora de Energía, Goyo Transmisora de Energía, Reactiva Transmisora and Ruil Transmisora for an amount of 23,858 thousand euros (31,351 thousand euros in 2023), and the improvements at the Ancoa de Alto Jahuel Transmisora de Energía, S.A. substation, with a value of 1,834 thousand euros (1,186 thousand euros in 2023).

The cost of tangible fixed asset elements fully depreciated and still in use at 31 December 2024 amounts to 1,049 thousand euros (949 thousand euros in 2023).

The Group policy is to arrange insurance policies to cover the possible risks to which the various elements of its tangible fixed assets are subject, in addition to the possible claims that could arise in the pursuit of its activities, on the basis that these policies provide sufficient cover for the risks to which the assets are subject.

9. Right of use assets and lease liabilities

The details and movements by right of use asset class during the 2024 and 2023 financial years were as follows:

a) *Nature of the lease agreements*

2024 Financial Year

	Thousands of euros			
	Land	**Transport elements**	**Other**	**Total**
Balance at 1 January 2024	**23,265**	**1,528**	**5,716**	**30,509**
Additions	59	-	138	196
Value adjustments	33	-	-	33
Transfers	-	(25)	(202)	(227)
Conversion differences	(243)	108	(589)	(724)
Balance at 31 December 2024	**23,114**	**1,611**	**5,063**	**29,788**
Cumulative amortisation at 1 January 2024	**(4,247)**	**(895)**	**(3,676)**	**(8,818)**
Provisions (Note 20f)	(983)	(318)	(754)	(2,055)
Transfers	-	365	1,438	1,803
Conversion differences	38	(94)	144	88
Cumulative amortisation at 31 December 2024	**(5,192)**	**(942)**	**(2,848)**	**(8,982)**
Net cost at 31 December 2024	**17,922**	**669**	**2,215**	**20,806**

2023 Financial Year

	Thousands of euros			
	Land	**Transport elements**	**Other**	**Total**
Balance at 1 January 2023	**23,063**	**610**	**6,055**	**29,728**
Additions	66	966	148	1,180
Value adjustments	68	-	-	68
Transfers	-	-	(602)	(602)
Conversion differences	68	(48)	115	135
Balance at 31 December 2023	**23,265**	**1,528**	**5,716**	**30,509**
Cumulative amortisation at 1 January 2023	**(3,352)**	**(519)**	**(2,917)**	**(6,788)**
Provisions (Note 20f)	(886)	(409)	(756)	(2,051)
Conversion differences	(9)	33	(3)	21
Cumulative amortisation at 31 December 2023	**(4,247)**	**(895)**	**(3,676)**	**(8,818)**
Net cost at 31 December 2023	**19,019**	**633**	**2,039**	**21,691**

At 31 December 2024 and 2023, the balance for "Land" essentially records the value of the lease agreements for the land housing the infrastructure of the solar thermal plants of Aries Solar Termoeléctrica S.L., and the land housing the photovoltaic plants of Sao Joao do Piaui. Meanwhile, the balance for "Other" essentially comprises the contractual value of the offices located in Spain, Chile and Brazil

The "Additions" for the 2023 financial year correspond essentially to the leasing of transport elements by Celeo Redes Chile, amounting to 966 thousand euros.

b) Detail of lease payments and liabilities

The movement of lease liabilities during the financial year 2024 was as follows:

	Thousands of euros
Balance at 1 January 2024	**26,616**
Additions	229
De-registrations	-
Financial expenses	1,761
Payments	(2,424)
Balance at 31 December 2023	**26,182**

The lease liability movement during the 2023 financial year was as follows:

	Thousands of euros
Balance at 1 January 2023	**27,679**
Additions	1,248
De-registrations	-
Financial expenses	1,683
Payments	(3,994)
Balance at 31 December 2023	**26,616**

The analysis of the contractual maturity of lease liabilities, including future interest payable, is as follows:

	Thousands of euros	
	2024	**2023**
Up to 6 months	272	403
From 6 months to 1 year	525	570
From one to two years	2,881	2,127
From two to three years	1,366	1,403
From 3 to 4 years	1,101	1,434
More than 4 years	20,037	20,679
Total	**26,182**	**26,616**

10. Investments accounted for under the equity method

At 31 December 2024 and 2023 the stakes in associate entities of the Group valued under the equity method (Note 3.c) are as follows:

Company	Thousands of euros	
	2024	**2023**
Alfa Transmisora de Energía, S.A.	29,948	22,410
Transmisora Eléctrica de Quillota Limitada	-	6,562
CRC Transmisión Subgroup	189,961	165,267
Celeo Redes Expansões Subgroup	95,978	110,378
Jauru Transmissora De Energia, S.A.	18,314	21,459
Total	**334,201**	**326,076**

In 2024, Alfa Transmisora de Energía S.A. took over the company Transmisora de Quillota Limitida (Note 2f).

Annex II hereto attached presents the main figures of companies registered under the equity method.

The activity of companies consolidated under the equity method at 31 December 2024 corresponds to the operation of public electrical energy transmission services in Brazil and in Chile.

The movements occurring in the financial year 2024 and 2023 under this caption of the consolidated statement of financial position were as follows:

	Thousands of euros	
	2024	**2023**

Initial balance	**326,076**	**320,864**
Capital increase	5,836	1,849
Share in profit/(loss) (Note 20b)	8,905	15,431
Conversion differences	1,709	(8,147)
Dividends collected	(8,923)	(3,921)
Share in other overall result (Note 14b)	598	-
Closing balance	**334,201**	**326,076**

11. Non-current financial assets

The composition of the chapter "Other non-current assets" is as follows:

	Thousands of euros	
	2024	**2023**
Debt service reserve account	16,336	18,365
Associate company loan (Note 22).	22,148	40,552
Other	7,791	7,555
	46,275	**66,472**

The item "Debt service reserve account" at 31 December 2024 and 2023 corresponds in the main to the amount of the debt service reserve account of the Brazilian concession companies and the solar generation project in Spain.

The item "Other" at 31 December 2024 and 2023 corresponds in the main to sureties and cash surpluses that the Group invests in a long-term deposits. These deposits accrue interest at the market rate. Likewise, this caption also records the balance pending that the generation projects in Spain have with the CNMC for adjustments of deviations in the market price regulated by Article 22 of Royal Decree 413/2014, which will be offset over the useful life of the installations, transferred from the liability balance (recorded under "Other non-current financial liabilities" in 2023) to assets, with a value of 839 thousand euros.

Non-current financial assets at 31 December 2024 and 2023 are registered at their amortised cost.

12. Trade debtors and other assets

The composition of the caption "Trade receivables and other non-current assets" and "Trade receivables and other current assets" on the consolidated statement of financial situation is as follows:

	Thousands of euros	
	2024	**2023**
Non-current		
Contract assets:		
Transmission line concessions in Brazil	905,332	1,038,785
	905,332	**1,038,785**
Current		
Contract assets:		
Transmission line concessions in Brazil	28,270	30,989
Trade receivables	50,409	46,711
	78,679	**77,700**

a) Transmission line public authority concessions in Brazil

At 31 December 2024 the Group was developing and operating on a concession basis various projects for the construction and operation & maintenance of several electrical energy transmission lines in Brazil, through its subsidiaries incorporated for this purpose, the parent company in the aforementioned company being Celeo Redes Brasil, S.A. Under the terms of the concession contracts, the Group will collect a set amount over the course of the concession period as remuneration both for the construction work and for operation and maintenance, which does not depend on any usage that might be made of the aforementioned transmission lines. The concession periods are around 30 years. This set amount to be collected will be periodically updated in accordance with certain variables such as interest rates, the general consumer price index and other market reference rates depending on the terms established in the various contracts, although the modifications are not significant.

The Group gives an undertaking under the terms of the concession agreements to implement the transmission installations in full within a set period, and to provide operation and maintenance services, employing quality materials and equipment and maintaining the installations with appropriate operational methods to guarantee sound levels of regularity, efficiency, safety, modernisation, permanent efforts to reduce costs, and achieve social integration and environmental conservation. The concession entity cannot assign the assets associated with the public transmission service or use them as collateral without the authorisation of ANEEL.

The concession will be terminated in any of the following cases: end date of the contract, expiry, cancellation, annulment because of any fault or irregularity, or cessation of the transmission company. Termination of the concession will give rise to reversion of all assets linked to the service to the granting authority, with the corresponding evaluations and analyses then being performed in order, where applicable, to determine the indemnification for the transmission company. The assets must be in appropriate operational and technical condition, maintained in accordance with the network procedures approved by ANEEL to allow continuity of the public energy transmission service.

At the end of the concession, the granting authority (ANEEL) is entitled to extend the contract. The maximum renewal term is for the same period as the concession (30 years) at the request of the concession-holder and the discretion of the granting authority. A possible extension to the concession period may also be agreed in accordance with public interest and the conditions stipulated in the contract.

The transmission company (concession operator) may instigate cancellation of the contract in the event of a breach by the granting authority of the regulations laid down in the contract. In this case the transmission company cannot interrupt provision of the service until a court decision has been passed to decree termination of the contract.

In accordance with the criteria described in Note 3.k, the Group initially registers a contract asset for the present value of the amounts to be received for construction of the infrastructure, valued at the amortised cost from that point onwards, using the effective interest rate method.

We detail below the expected payment collection due dates corresponding to the non-current balance at 31 December 2024 and 2023:

	Thousands of euros
	2024
2026	33,347
2027	38,829
2028	41,242
2029	43,806
2030 and following	748,108
Total	**905,332**

	Thousands of euros
	2023
2025	32,537
2026	32,606
2027	34,650
2028	36,821
2029 and following	902,171
Total	**1,038,785**

b) Trade Receivables

The section "Trade receivables" under the current assets in the consolidated statement of financial position records the Accounts Receivable that the Group has as a consequence of operations performed with third parties within the normal course of its business.

At 31 December 2024 and 2023 there were no overdue accounts receivable or impaired balances, the balances not yet due amounting to 50,251 thousand euros and 46,711 thousand euros, respectively.

13. Cash and other equivalent liquid assets

The composition of this chapter of the attached consolidated statement of financial position is as follows:

	Thousands of euros	
	2024	**2023**
Other equivalent liquid assets	107,181	92,753
Cash and banks	17,053	69,672
Total	**124,234**	**162,425**

At 31 December 2024 and 2023 the balance of the caption "Other equivalent liquid assets" corresponds in the main to the temporary acquisition of deposits and placements, all in the very short term and accruing market interest. Upon maturity they are reinvested in assets of a similar nature and term in accordance with cash management needs at the time in question.

14. Net equity

a) Capital stock

At 31 December 2024 and 2023 the shareholders of the parent Company were as follows:

	% stake
Elecnor, S.A.	51%
Pasterze Investments Holding B.V.	49%
	100%

The capital stock of the Dominant Company is divided into 166,670,560 corporate stock units of a par value of 1 euro each. These stock units are also divided into two different classes: Class A, owned by Elecnor, S.A., and Class B, owned by Pasterze Investments Holding B.V. The classes of share have the rights and obligations attributed to them in the recast corporate bylaws. As a result, at 31 December 2024 and 2023 the capital stock of the Dominant Company amounted to 166,670,560 euros.

b) Equity adjustments through valuation

The movement occurring under this caption, as a result of the valuation correction is of financial derivatives designated as cash flow hedging during the financial years 2024 and 2023, is as follows (thousands of euros):

	At 1 January 2024	Variation in the market value	Settlement	31 December 2024
Through full consolidation				
Cash flow hedges:				
Interest rate swaps (IRS)	16,333	1,102	(9,656)	7,779
Other accounting hedges	(14,231)	11,826	-	(2,405)
By equity method				
Other accounting hedges (Note 10)	-	598	-	598
Total adjustments to net equity through valuation	**2,102**	**13,526**	**(9,656)**	**5,972**

	At 1 January 2023	Variation in the market value	Settlement	31 December 2023
Through full consolidation				
Cash flow hedges:				
Interest rate swaps (IRS)	31,066	(5,538)	(9,195)	16,333
Other accounting hedges	(9,108)	(5,123)	-	(14,231)
Total adjustments to net equity through valuation	**21,958**	**(10,661)**	**(9,195)**	**2,102**

c) Subscription premium

This reserve is freely available.

The share premium at 31 December 2024 and 2023 amounted to 752,777 thousand euros.

d) Other Reserves

Statutory reserve

The legal reserve has been provided for in accordance with Article 274 of the Public Limited Companies Act, which lays down that, in all cases, a figure equal to 10% of profit for the financial year shall be used for this purpose until it reaches the level of at least 20% of the share capital.

This reserve cannot be distributed to the shareholders and may only be used to offset losses in the profit and loss account, provided that sufficient other reserves are not available for this purpose. The balance registered under this reserve may be used to increase the capital stock.

At 31 December 2024 and 2023, the Dominant Company had not allocated to this reserve the minimum limit established by the Capital Companies Act.

Shareholder contributions

On 30 March 2023, Elecnor, S.A., decided to make a non-reimbursable contribution to the capital stock of 2,014,000 euros in order to provide the funds required to cover the agreement concluded between the Brazilian company in which a 51% indirect stake is held, Integração Maranhense Transmissora de Energía, S.A., and Elecnor do Brasil, Ltda. in order to bring the existing arbitration proceedings to an end. Elecnor, S.A. made this contribution at a higher percentage than would correspond to it on the basis of its capital holding (51%), and the Company therefore recognised a gift for this surplus amount under the caption "Imputation of non-financial fixed asset subsidies" in the Income Statement for the financial year, in the amount of 986,860 euros.

e) Non-dominant stakes

The composition of the caption "Net Equity - Non-controlling interests" under the liabilities on the attached consolidated statement of financial position was as follows during the financial year 2024 and 2023:

	Thousands of euros	
	2024	**2023**
Integraçao Maranhense Tranmissora De Energia, S.A.	28,562	34,229
Caiua Transmissora De Energia, S.A.	19,978	23,038
Cantareira Transmissora De Energía, S.A.	70,492	82,509
Dioxipe Solar, S.L.	504	592
	119,536	**140,368**

The movement occurring during the financial years 2024 and 2023 under this caption of the consolidated statement of financial position is detailed below:

	Thousands of euros
Balance at 1 January 2023	**133,185**
Stakes in profits/losses	12,796
Conversion differences	6,795
Capital increases	1,941
Dividends distributed	(14,205)
Other	(144)
Balance at 31 December 2023	**140,368**
Stakes in profits/losses	10,404
Conversion differences	(22,764)
Dividends distributed	(8,402)
Other	(70)
Balance at 31 December 2024	**119,536**

f) Conversion differences

The cumulative translation differences under net equity at 31 December 2024 and 2023 for each of the significant currencies are as follows:

	Thousands of euros	
	2024	**2023**
Brazil	(189,757)	(74,848)
Chile	37,419	(1,210)
Peru	626	258
	(151,712)	**(75,800)**

15. Financial debt and other financial instruments

The composition of the captions "Financial liabilities through issuance of bonds and other tradable securities", "Bank borrowings" and "Derivative financial instruments" under the non-current liabilities and current liabilities on the attached consolidated statements of financial position at 31 December 2024 and 2023, and their classification, are as follows:

	Thousands of euros			
	2024		**2023**	
	Non-current	**Current**	**Non-current**	**Current**
Assets				
Financial derivatives	1,586	200	1,958	59
Total Assets	**1,586**	**200**	**1,958**	**59**
Liabilities				
Bonds and other tradable securities	600,946	95,636	697,146	17,609
Bank borrowings	714,604	66,574	736,852	64,919
Financial derivatives	10,030	4,173	12,672	4,578
Total Liabilities	**1,325,580**	**166,383**	**1,446,670**	**87,106**

At 31 December 2024 and 2023 all the financial liabilities of the Group correspond to financial liabilities at amortised cost, except for hedging derivatives, which are valued at their fair value.

The main characteristics of the financial instruments under the captions "Bonds and other tradable securities", "Bank borrowings" and "Derivative financial instruments" at 31 December 2024 and 2023 are as follows:

2024 Financial Year

		Thousands of euros					
Type	**Company**	**Currency**	**Interest rate**	**Year of maturity**	**Nominal value (*)**	**Current**	**Non-current**
Bonds and other tradable securities							
	Celeo Redes Operación Chile, S.A.	USD/UF	5.20% (USD) and 2.99% (UF)	2047	571,723	8,529	542,938
	Cantareira Transmissora De Energia, S.A.	BRL	HICP + 6.95%	2032	15,563	1,968	11,405
	Celeo Redes Transmissora De Energia, S.A.	BRL	CDI + 1.05%	2025	87,934	55,553	-
	Serra de Ibiapaba Transmissora De Energia,S.A.	BRL	HICP + 5.90%	2036	18,054	682	20,380
	Brilhante Transmissora de Energia, S.A.	BRL	CDI + 1.25%	2025	25,513	27,282	-
	Celeo Fotovoltaico, S.A.	EUR	3.948%	2038	41,600	1,622	26,224
						95,636	**600,946**
Bank borrowings							
	Nirivilo Transmisora de Energía, SA.	USD	SOFR +1.65%	2027	96,256	-	32,095
	São João de Piaui FV I S.A.	BRL	HICP + 2.1851%	2039	10,502	651	8,590
	São João de Piaui FV II S.A.	BRL	HICP + 2.1851%	2039	10,502	646	8,595
	São João de Piaui FV III S.A.	BRL	HICP + 2.1851%	2039	10,502	681	8,581
	São João de Piaui FV IV S.A.	BRL	HICP + 2.1851%	2039	10,502	652	8,592
	São João de Piaui FV V S.A.	BRL	HICP + 2.1851%	2039	10,502	651	8,599
	São João de Piaui FV VI S.A.	BRL	HICP + 2.1851%	2039	10,502	658	8,609
	Integração Maranhense Transmissora de Energia S.A.	BRL	TJLP + 2.42%	2029	152,600	1,257	3,927
	Cantareira Transmissora de Energia S.A.	BRL	TJLP + 2.12%	2029	66,430	5,062	47,053
	Encruzo Novo Transmissora de Energia S.A.	BRL	TJLP + 2.42%	2027	8,261	649	751
	Pedras Transmissora de Energia S.A.	BRL	CDI + 0.2% monthly	2025	23,345	23,325	-
	Caiuá Transmissora de Energia S.A.	BRL	TJLP + 1.97%	2029	10,863	893	2,789
	Linha de Transmissão Corumbá S.A.	BRL	TJLP + 2.28%	2028	15,033	993	2,048
	Serra de Ibiapaba Transmissora De Energia,S.A.	BRL	HICP + 1.57%	2043	100,540	3,922	121,462
	Puerto Maldonado Transmisora de Energía, S.A.C.	USD	Libor + 1.35%	2026	67,379	-	48,682
	Celeo Redes, S.LU.	USD	Euribor + 1.35%	2026	4,813	-	4,263
	Dioxipe Solar S.L.	EUR	Euribor + 2.53%	2037	224,708	8,225	140,221
	Aries Solar Termoeléctrica, S.L.	EUR	Euribor + 1.35% and 2.46%	2031	331,637	18,308	259,749
						66,574	**714,604**
Financial derivatives							
	ASSETS						
	Dioxipe Solar, S.L. (Tranches 2)	EUR	1.875%	2032	-	200	1,586
						200	**1,586**
	LIABILITIES						
	Aries Solar Termoeléctrica, S.L.	EUR	5.18%	2031	183,801	3,569	10,030
	Dioxipe Solar S.L. (Tranche 1)	EUR	4.04%	2025	168,531	604	-
						4,173	**10,030**

(*) At exchange rate at close, in euros

2023 financial year

	Thousands of euros					
Type Company	**Currency**	**Interest rate**	**Year of maturity**	**Nominal value (*)**	**Current**	**Non-current**
Bonds and other tradable securities						
Celeo Redes Operación Chile, S.A.	USD/UF	5.20% (USD) and 2.99% (UF)	2047	537,523	11,881	532,881
Cantareira Transmissora De Energia, S.A.	BRL	HICP + 6.95%	2032	18,650	2,284	14,870
Celeo Redes Transmissora De Energia, S.A.	BRL	CDI + 1.05%	2025	105,375	1,256	65,098
Serra de Ibiapaba Transmissora De Energia,S.A.	BRL	HICP + 5.90%	2036	21,635	544	23,802
Brilhante Transmissora de Energia, S.A.	BRL	CDI + 1.25%	2025	30,574	66	32,649
Celeo Fotovoltaico, S.A.	EUR	3.948%	2038	41,600	1,578	27,846
					17,609	**697,146**
Bank borrowings						
Celeo Redes Chile Expansión, SpA.	UF	TAB UF + 2.5%	2024	22,986	21,741	-
São João de Piaui FV I S.A.	BRL	HICP + 2.1851%	2039	12,585	734	10,658
São João de Piaui FV II S.A.	BRL	HICP + 2.1851%	2039	12,585	729	10,664
São João de Piaui FV III S.A.	BRL	HICP + 2.1851%	2039	12,585	772	10,647
São João de Piaui FV IV S.A.	BRL	HICP + 2.1851%	2039	12,585	735	10,661
São João de Piaui FV V S.A.	BRL	HICP + 2.1851%	2039	12,585	734	10,669
São João de Piaui FV VI S.A.	BRL	HICP + 2.1851%	2039	12,585	743	10,683
Integração Maranhense Transmissora de Energia S.A.	BRL	TJLP + 2.42%	2029	26,512	1,501	6,140
Cantareira Transmissora de Energia S.A.	BRL	TJLP + 2.12%	2029	79,606	5,776	61,700
Encruzo Novo Transmissora de Energia S.A.	BRL	TJLP + 2.42%	2027	9,900	774	1,658
Pedras Transmissora de Energia S.A.	BRL	TJLP + 2.21%	2024	8,021	246	-
Caiuá Transmissora de Energia S.A.	BRL	TJLP + 1.97%	2029	15,778	1,065	4,361
Coqueiros Transmissora de Energia S.A	BRL	TJLP + 2.58%	2024	5,382	197	-
Linha de Transmissão Corumbá S.A.	BRL	TJLP + 2.28%	2028	18,014	1,185	3,601
Serra de Ibiapaba Transmissora De Energia,S.A.	BRL	HICP + 1.57%	2043	120,482	3,829	140,058
Puerto Maldonado Transmisora de Energía, S.A.C.	USD	Libor + 1.35%	2026	27,149	-	24,177
Celeo Redes, S.LU.	USD	Euribor + 1.35%	2026	4,525	1	4,263
Dioxipe Solar S.L.	EUR	Euribor + 2.53%	2037	224,708	7,045	148,855
Aries Solar Termoeléctrica, S.L.	EUR	Euribor + 1.35% and 2.46%	2031	331,637	17,112	278,057
					64,919	**736,852**
Financial derivatives						
ASSETS						
Dioxipe Solar, S.L. (Tranches 2)	EUR	1.875%	2032	-	59	1,958
					59	**1,958**
LIABILITIES						
Aries Solar Termoeléctrica, S.L.	EUR	5.18%	2031	183,801	3,688	12,275
Dioxipe Solar S.L. (Tranche 1)	EUR	4.04%	2025	168,531	890	397
					4,578	**12,672**

(*) At exchange rate at close, in euros

The detail by maturity date of the non-current part of the above financial liabilities is as follows for the financial years 2024 and 2023:

Debts maturing in	Thousands of euros **2024**
2026	117,823
2027	97,775
2028	68,117
2029 and following	1,041,765
Total	**1,325,580**

Debts maturing in	Thousands of euros **2023**
2025	166,318
2026	97,486
2027	69,516
2028 and following	1,113,350
Total	**1,446,670**

Financial liabilities through the issuance of bonds and other tradable securities

The balance under the caption "Financial liabilities through the issuance of bonds and other tradable securities" under the non-current liabilities and the current liabilities at 31 December 2024 and 2023 correspond in the main to the issuance of project bonds for the financing of the transmission lines in Chile, formalised by the company Celeo Redes Operación Chile, S.A. of the Celeo Redes subgroup on 11 May 2017.

This bond issue, totalling 593.9 million dollars and maturing in 2047 (30-year issue) comprises two tranches: one international tranche in USD amounting to 379 million USD at a fixed annual coupon of 5.2%, and a local Chilean tranche in UF amounting to 5,410,500 UF (approximately 214 million USD), at a fixed annual coupon of 2.99%.

The funds derived from this bond issue are guaranteed by the projects and were used to refinance (prepayment of the existing finance) the transmission line projects in Chile, with the remainder being used for the corporate purposes of the issuing company or its stockholders.

During the 2024 financial year, there were no new issuances under this caption.

In the 2023 financial year, the main variations corresponded to:

- the second issuance of bonds at Celeo Redes Trasmissao de Energia, S.A., with the guarantee package subsequently being implemented. The disbursement took place with an agreed spread of 1.05% above the CDI. The resources from the issue were used to repay the previous finance and corporate uses.
- the extension of the debt of Brilhante Transmissora de Energia, S.A. until December 2025, and the adjustment of the spread from 1.40% to 1.25%.

In addition, there are certain obligations assumed by the borrower entities with regard to compliance with the Debt Service Cover Ratio (DSCR) and the obligation to establish a debt service reserve account (DSRA), a breach of which could give rise to foreclosure of the aforementioned loans. In the opinion of the Dominant Company Directors, these obligations were fulfilled in the financial year 2024, and no possible breaches thereof are expected in the future.

Financial liabilities through bank borrowings

Bank borrowings correspond in the main to the dependent companies Dioxipe Solar, S.L. and Aries Solar Termoeléctrica, S.L., and the photovoltaic plants and transmission lines in Brazil, recording finance structured under the Project Finance method.

In the 2024 financial year, the main variations under this caption correspond to:

- Issuance of a bridging loan at Nirivilo Transmisora de Energía (NITE) with a value of 100 million dollars to cover the amount invested for the works required up until the commercial operational start-up of the lines of NITE, Reactiva Transmisora de Energía, Ruil Transmisora de Energía and Goyo Transmisora de Energía.

- In Brazil, Pedras Transmissora de Energia, S.A. arranged a bridging loan for an amount of 150 million reals, to cover the amount invested for the works required on the Xingó project, up until disbursement of the long-term finance, which was arranged towards the end of the financial year, for an amount of 313 million reals, maturing in January 2049, at an interest rate of IPCA +5.86%.

During 2023 an addendum was signed to the bridging loan of Sociedad Puerto Maldonado Transmisora de Energía, S.A.C. amending the amount and duration of the tranche funding the costs of the Valle del Chira and Puerto Maldonado projects, and with a new tranche to fund the costs of Miguel Grau-Frontera. In addition, another bridging loan was issued at Celeo Redes Chile Expansión, SpA to cover the adjustments to the price of acquisition of Alfa Transmisora de Energía, S.A. and Transmisora Eléctrica de Quillota, S.A., which was settled in financial year 2024 following the issuance of bonds in Alfa Transmisora de Energía, S.A.

On 5 March 2010, Dioxipe Solar, S.L. (Dioxipe), and on 15 April 2011, Aries Solar Termoeléctrica, S.L. (Aste), proceeded to arrange loans for amounts of 238,745 thousand euros and 443,790 thousand euros, respectively. The loans have a structure divided into two tranches: "Tranche A" for the partial financing of project costs, and "Tranche B" for the issuance of guarantees. These loans were granted by the BBVA (Agent Bank) and a syndicate of banks. The interest rate is set as the EURIBOR plus a spread.

In June 2021, Aste finalised a hybrid financing agreement, combining a bank tranche and an institutional tranche, for an amount of 331 million euros. The previous credit agreement dated 15 April 2011 was also simultaneously cancelled. The operation meant a considerable improvement in the financing terms, including a substantial reduction in the cost of the debt and the elimination of certain cash sweeps and guarantees granted to the financing institutions. As a consequence, this refinancing allowed distributions to be made to the project shareholders, with the operation thus generating a considerable increase in shareholder value. S&P also conducted a Green Evaluation of the financing, awarding it a rating of E1, thereby underpinning the Celeo Group's dedication and commitment to ESG criteria.

The obligations stipulated in the contracts establish a commitment to maintain the DSCR calculation above certain limits. The distribution of dividends during the term of the Financing Agreement will be dependent on the aforementioned fulfilment of the DSCR. In addition, a pledge agreement has been established over credit rights and shares representing 100% of the capital stock of the company.

On 18 December 2024 the lenders of Aste and Dioxipe granted an exemption to fulfilment of the DSCR for the financial year 2024. Deferral and subordination was likewise granted for the operation and maintenance invoices owed to Elecnor, Servicios y Proyectos, S.A.U. (Note 22) for an amount equivalent to the 2024 yearly figure, excluding these deferred payments from the DSCR calculations from 2025 onwards.

Financial derivatives

In accordance with its risk management policy, the Group uses derivative financial instruments to cover those risks to which its future cash flows are exposed as a result of variations in interest rates, which affect the Group's results.

The purpose of these operations is to mitigate the effect that a variation in interest rates could entail for future cash flows from certain credits and loans financed with reference to a variable interest rate, associated with the finance for the projects of the dependent companies Aries Solar Termoeléctrica, S.L. and Dioxipe Solar, S.L. The notional value of the liabilities subject to interest rate hedging at 31 December 2024 is 233,176 thousand euros (256,882 thousand euros in 2023).

The interest rate swaps are limited to a maximum of the same nominal value or a lower value than the outstanding principals under the loans hedged.

Following the rise in rates in 2022, the Dioxipe Solar, S.L. Tranche 2 derivative is now classified as a receivable balance.

In the 2024 financial year there was no circumstance requiring a modification of the hedge accounting policy to account for the derivatives compared with that initially adopted.

16. Provisions

The detail of the provisions for risks and expenses, and the classification of these provisions between current and non-current at 31 December 2024 and 2023 is as follows:

	Thousands of euros			
	2024		**2023**	
	Non-current	**Current**	**Non-current**	**Current**
Others	15,420	1,011	537	8,203
Total	**15,420**	**1,011**	**537**	**8,203**

The movement and composition of the captions "Provisions for risks and expenses" on the attached consolidated balance sheet during the financial years 2024 and 2023 are as follows:

	Thousands of euros
	Others
Balance at 1 January 2023	**761**
Charges	8,494
Conversion differences	(27)
Allocation	(61)
Transfers	(378)
Reversals	(49)
Balance at 31 December 2023	**8,740**
Charges	15,235
Conversion differences	102
Allocation	(7,875)
Transfers	236
Reversals	(7)
Balance at 31 December 2024	**16,431**

In the financial year 2024 the balance for “charges” correspond in the main with to the update of the dismantling provision for the generation projects in Spain (Note 8). In the financial year 2023 the balance for "charges" corresponded to balances in favour of the Chilean National Electricity Coordinator as a result of tariff changes during that financial year with regard to the Alto Jahuel Transmisora de Energia, S.A. and Charrua Ancoa Transmisora de Energia, S.A. projects. As at 31 December 2024, these provisions for both projects had been compensated with this organization.

17. Other liabilities

The subsection "Other non-current financial liabilities" essentially records the balance pending with the CNMC for adjustments for deviations in the market price regulated by Article 22 of Royal Decree 413/2014, which will be offset over the course of the useful life of the renewable energy production installations located in Spain. During the financial year 2024 the status of that adjustment has become “asset” (Note 11).

The subsections "Debts through purchases and services provided" and "Other current financial liabilities" essentially record debts with service providers used in the development of Group operations.

The section "Client advances" corresponds in the main to advance collections from the transmission line clients in the regulated markets in Brazil and Chile.

18. Guarantees committed to with third parties and contingencies

Guarantees committed to with third parties

At 31 December 2024, the Group has bank guarantees and other guarantees related to the normal course of business for an amount of 476,909 thousand euros (503,364 thousand euros in 2023), of which 363,865 thousand euros are associated with bank finance (407,824 thousand euros at 31 December 2023), and 113,044 thousand euros for the execution and development of projects (95,540 thousand euros at 31 December 2023).

Contingencies

The companies of the Celeo group are party to certain litigation proceedings within the ordinary course of their operations. The Group Directors do not expect the outcome of these disputes to give rise to any additional significant assets or liabilities beyond those already registered on the attached Balance Sheet. As at the date of formulation of these consolidated annual accounts, the main contingent assets and liabilities of the Group in connection with these litigation proceedings, which were not registered in the attached consolidated financial statements, as they do not meet the criteria established in the accounting regulations in force, are as follows:

Contingent liabilities

- Caiuá Transmissora de Energia S.A.: Agência Nacional de Energia Elétrica (ANEEL) and ONS claims for the delay in the operational startup of up of the transmission lines. At 31 December 2024, the estimated amount was 775 thousand euros (881 thousand euros in 2023). This process is currently pending resolution.

- Brilhante Transmissora de Energía, S.A: tax claims from 2016 derived from differing interpretations as to the basis for calculation of corporation tax. At 31 December 2024, this contingency amounted to 3,282 thousand euros (3,309 thousand euros in 2023). This process is currently pending resolution.
  Likewise, this company has since 2014 had litigation in place with Adecoagro, demanding joint compensation with ANEEL (joint and several liability) with regard to the lack of interconnection of its transmission line with the 'Sistema Interligado Nacional' (SIN), as this could not be connected to one of our substations. At 31 December 2024, the contingency amounted to 5,760 thousand euros (6,902 thousand euros in 2023). This process is currently ongoing and pending resolution.

19. Deferred taxes and corporation tax

The movement and composition of the captions "Deferred tax assets" and "Deferred tax liabilities" on the attached consolidated statement of financial position during the financial years 2024 and 2023 are as follows:

	At 1 January 2024	Transfers	Credit (charge) to results account	Credit (charge) to valuation reserve	Conversion differences and Other	31 December 2024
Deferred tax assets						
Valuation of derivative financial instruments (Note 14)	**4,313**	-	-	(762)	-	**3,551**
Contract assets	**6,614**	56	966	-	(1,185)	**6,451**
Tangible/intangible fixed assets	**1,439**	-	(318)	-	8	**1,129**
Tax credits	**44,836**	27	(6,018)	-	172	**39,017**
Other deferred tax assets	**1,632**	-	1,303	-	55	**2,990**
	58,834	**83**	**(4,067)**	**(762)**	**(950)**	**53,138**
Deferred tax liabilities						
Contract assets	**156,238**	56	11,710	-	(27,134)	**140,870**
Tangible/intangible fixed assets	**162,441**	-	3,155	-	9,457	**175,053**
Other deferred tax liabilities	**4,877**	27	(12)	-	(79)	**4,813**
	323,556	**83**	**14,853**	**-**	**(17,756)**	**320,736**

	At 1 January 2023	Transfers	Credit (charge) to results account	Credit (charge) to valuation reserve	Conversion differences and Other	31 December 2023
Deferred tax assets						
Valuation of derivative financial instruments (Note 14)	**2,686**	-	-	1,627	-	**4,313**
Contract assets	**3,877**	(1)	2,519	-	219	**6,614**
Tangible/intangible fixed assets	**1,962**	-	(520)	-	(3)	**1,439**
Tax credits	**37,474**	4,102	3,063	-	197	**44,836**
Other deferred tax assets	**1,562**		63	-	7	**1,632**
	47,561	**4,101**	**5,125**	**1,627**	**420**	**58,834**
Deferred tax liabilities						
Contract assets	**136,642**	(1)	12,393	-	7,204	**156,238**
Tangible/intangible fixed assets	**162,256**	-	5,941	504	(6,260)	**162,441**
Other deferred tax liabilities	**877**	4,102	(276)	-	174	**4,877**
	299,775	**4,101**	**18,058**	**504**	**1,118**	**323,556**

The deferred tax assets and liabilities with a realisation or reversion term of less than twelve months are relatively insignificant.

The deferred taxes regarding contract assets correspond to the tax impact resulting from registration of income in Brazil in accordance with administrative concession regulations (Note 3.k) and paying tax in accordance with the turnover generated each financial year.

The chapters "Deferred tax assets - Tangible/intangible fixed assets" and "Deferred tax liabilities - Tangible/intangible fixed assets" in the above table include in the main temporary differences arising as a consequence of the differences between the book and taxable value of the various elements of tangible fixed assets and intangible assets, in addition to temporary differences derived from differences between the book and taxable amortisation of these elements of non-current assets.

The sections "Deferred tax assets – Tax credits" in the preceding table includes, respectively, the tax credits for tax loss carry-forwards and deductions pending offsetting on the part of various companies of the Group, which have been capitalised, as the Controlling Company Directors believe that it will be possible to recover these amounts against the revenues that the companies in question expect to obtain over the coming financial years.

Corporation tax

The Controlling Company pays tax within the context of Spanish regulations as set out in Corporation Tax Act 27/2014, of 27 November 2014, approved on 28 November 2014.

On 10 May 2024, the Tax Agency began an inspection of Corporation Tax at the Controlling Company, for the financial year 2019. The Company has presented all the documentation required, and no possible penalties are expected in this regard.

At the close of the financial year 2024, the Controlling Company had pending inspection by the tax authorities the financial years 2021 to 2024 for all taxes except for Corporation Tax, for which it has the financial years 2020 to 2023 pending inspection, as the deadline for the filing of corporation tax returns is 25 calendar days after six months after the conclusion of the taxation period, and the corporation tax corresponding to the financial year 2024 will therefore not be open to inspection until 25 July 2025.

Nonetheless, the right of the Public Authority to examine or investigate negative taxable bases that have been compensated or are pending compensation, double taxation deductions and deductions to incentivise the execution of certain activities that have been applied for or are pending application are subject to a statute of limitation of 10 years from the day following the conclusion of the period established for presentation of the tax return or self-assessed settlement corresponding to the taxation period during which the right to compensation or application arose. Following expiry of said period, the Group will be required to accredit negative taxable bases or deductions by presenting the settlement or self-assessed settlement and accounting records, with accreditation of the filing thereof during said period at the Companies Register.

As a consequence of the different interpretations that could be given to the tax regulations in force, there could be certain contingent liabilities that are not open to objective quantification. Nonetheless, in the opinion of the Controlling Company Directors, the possibility that future inspections could give rise to such contingent liabilities at Group companies is remote, and in any event any tax debt that could arise from them would have no significant impact on the consolidated annual accounts of the Group.

The table set out below establishes the determination of the expense accruing through Corporation Tax in the financial years 2024 and 2023, with the following result:

	2024	2023
Accounting results before tax	**66,758**	**74,204**
Non-deductible costs	9,338	11,966
Non-computable income	(13,736)	(11,000)
Equity method result (Note 10)	(8,905)	(15,431)
Other	237	(4,638)
Tax credits not capitalised and applied	(161)	5
Negative taxable bases not capitalised	22,688	25,043
Adjusted book result	**76,219**	**80,149**
Gross tax calculated at the local rate (*)	**(25,122)**	**(26,513)**
Deductions	-	156
Adjustments	(5,438)	(1,916)
Other	117	(697)
Corporation Tax charge accruing	**(30,443)**	**(28,970)**

(*) The various subsidiaries abroad consolidated under the full consolidation method calculate the Corporation Tax charge and the payments resulting from the different taxes applicable to them in accordance with their corresponding legislations, and on the basis of the tax rates in force in each country.

Details are given below of the main components of the gains tax charge accruing in the financial years 2024 and 2023:

	2024	2023
Current tax		
For the financial year	(11,523)	(16,037)
Deferred tax		
Amount of the deferred tax charge (income) connected with the emergence and reversion of temporary differences.	(18,920)	(12,933)
Charge accruing from gains tax	**(30,443)**	**(28,970)**

At 31 December 2024, the negative taxable bases pending offsetting and with no expiry date amount to 411,005 thousand euros (465,593 thousand euros in 2023).

The Negative Taxable Bases pending offsetting at 31 December 2024 described above are generated by various companies belonging to the Group, their future recoverability being dependent on sufficient taxable profits being earned by the actual companies that generated them, with no time limit for offsetting. The Group has not capitalised these negative taxable bases at the holding companies where the income corresponds mainly to dividends that are not taxable, as the Directors do not consider their recovery to be likely.

20. <u>Income and expenses</u>

a) Net turnover

The disclosure of this balance of the consolidated income statements for the financial years 2024 and 2023 is as follows:

	Thousands of euros	
	2024	**2023**
Services provided	12,824	13,032
Sales of goods and energy	276,948	278,848
Total	**289,772**	**291,880**

The amounts for Services Provided correspond to financing, administration, operation & maintenance services that the holding companies provide for their subsidiaries integrated under the equity method, and for third parties. Sales of goods and energy correspond to energy generation activities. Note 26 describes in greater detail the activity undertaken, and presents information segmented by geographical area and service type.

b) Result of entities consolidated within ordinary activity under the equity method

The disclosure of this balance of the consolidated income statements for the financial years 2024 and 2023 is as follows:

	Thousands of euros	
	2024	**2023**
Share in profits/(losses) of entities consolidated within ordinary operations under the equity method (Note 10)	8,905	15,431
Total	**8,905**	**15,431**

c) Supplies

The disclosure of this balance of the consolidated income statements for the financial years 2024 and 2023 is as follows:

	Thousands of euros	
	2024	**2023**
Subcontracts	(28,672)	(32,708)
Total	**(28,672)**	**(32,708)**

This caption essentially records the operation and maintenance expense of the solar thermal plants of Aries Solar Termoeléctrica, S.L., Dioxipe Solar, S.L, and the photovoltaic plants of Sao Joao do Piaui.

d) Other operating expenses

The disclosure of this balance of the consolidated profit and loss accounts for the financial years 2024 and 2023 is as follows:

	Thousands of euros	
	2024	**2023**
Leases	(2,053)	(2,072)
Repair and maintenance	(561)	(339)
Independent professional services	(6,762)	(7,430)
Insurance premiums	(3,120)	(3,061)
Supplies	(4,613)	(4,466)
Banking services	(1,080)	(1,370)
Taxes	(20,284)	(17,113)
Other expenditure	(13,123)	(10,790)
Total	**(51,596)**	**(46,641)**

The item “Supplies” at 31 December 2024 and 2023 corresponds in the main to the gas and electricity consumption of the solar thermal plants of Aries Solar Termoeléctrica, S.L. and Dioxipe Solar, S.L.

"Taxes" at 31 December 2024 and 2023 correspond mainly to various levies applicable to dependent companies in Brazil under the tax regulations.

The caption "Other expenses" essentially includes travel and office expenses not included under other accounts.

e) Personnel expenses

The disclosure of this balance of the consolidated income statements for the financial years 2024 and 2023 is as follows:

	Thousands of euros	
	2024	**2023**
Wages and salaries	(21,181)	(20,268)
Compensation	(156)	(2,647)
Social Security paid by the company	(3,994)	(3,881)
Other social benefit expenses	(2,994)	(2,999)
Total	**(28,325)**	**(29,795)**

f) Amortisations, impairment and provisions

The disclosure of this balance of the consolidated income statements for the financial years 2024 and 2023 is as follows:

	Thousands of euros	
	2024	**2023**
Provisions for amortisation of tangible fixed assets (Note 8)	(47,056)	(47,040)
Provisions for amortisation of intangible assets (Note 7)	(12,820)	(12,174)
Provisions for amortisation of right of use assets (Note 9)	(2,055)	(2,051)
Total	**(61,931)**	**(61,265)**

g) Financial revenue

Financial income corresponds to the application of the effective interest rate method to financial assets in the category of financial assets at amortised cost (Note 11).

h) Financial expenses

At 31 December 2024 the financial expenses correspond to the application of the effective interest rate method to financial liabilities at amortised cost, except for 3,272 thousand euros net of tax effect of income corresponding to the transfer of accounting hedges to the income statement; (revenue of 19,856 thousand euros in 2023) (see Note 14.b).

21. Information on employees

The average number of persons employed in the course of the financial year 2024 and 2023 distributed by category is as follows:

	Average number of employees	
	2024	**2023**
Top Management	7	6
Management	11	14
Middle Management	56	89
Staff	597	522
Total	**671**	**631**

During 2024, a Job Matching exercise was carried out, changing the categorisation criteria for the Middle Management and Staff categories.

Of the Group's average workforce during 2024, seven employees had a temporary contract (eight in 2023).

Likewise, the gender distribution at 31 December 2024 and 2023 of the personnel and Directors of the Group was as follows:

Categories	31.12.2024		31.12.2023	
	Men	Women	Men	Women
Board Members	5	1	6	-
Top Management	6	1	6	1
Management	10	2	12	4
Middle Management	42	14	77	15
Staff	488	118	433	109
Total	**551**	**136**	**534**	**129**

During the 2024 financial year the Group had four employees with disability greater than or equal to 33% (or the equivalent local classification) (three in the 2023 financial year).

22. Balances and transactions with related parties

22.1. Balances and transactions of the Group with related parties

The conditions of transactions with related parties are equivalent to those applicable to transactions performed on market terms. The transactions performed by the Group with investee companies not consolidated by full consolidation and with other related companies during the financial year 2024 and 2023 were as follows.

2024 Financial Year

	Thousands of euros		
	External services and other expenses	**Sales and other operating income**	**Financial expenses**
Under the equity method:			
CRC Transmisión, S.p.A.	-	254	-
Mataquito Transmisora de Energía, S.A.	-	622	-
Casablanca Transmisora de Energía, S.A.	-	348	-
Diego de Almagro Transmisora de Energía, S.A.	-	1,036	-
Jaurú Transmissora de Energía, S.A.	-	529	-
Alfa Transmisora de Energía, S.A.	-	8,750	-
Cachoeira Paulista Transmissora de Energía, S.A.	-	105	-
Parintins Amazonas Transmissora de Energia S.A.	-	379	-
Celeo Redes Expansoes, S.A.	-	628	-
Other companies:			
Elecnor. S.A.	18	7	-
Elecnor Servicios y Proyectos, S.A.U.	16,796	-	-
Aplicaciones Técnicas de la Energía, S.L.	8	-	-
Elecnor Seguridad, S.L.	85	-	5
Total	**16,907**	**12,658**	**5**

2023 Financial Year

	Thousands of euros		
	External services and other expenses	**Sales and other operating income**	**Financial expenses**
Under the equity method:			
CRC Transmisión, S.p.A.	-	99	-
Mataquito Transmisora de Energía, S.A.	-	1,254	-
Casablanca Transmisora de Energía, S.A.	-	42	-
Diego de Almagro Transmisora de Energía, S.A.	-	1,118	-
Jaurú Transmissora de Energía, S.A.	-	506	-
Alfa Transmisora de Energía, S.A.	-	7,732	-
Cachoeira Paulista Transmissora de Energía, S.A.	-	117	-
Parintins Amazonas Transmissora de Energia S.A.	-	236	-
Celeo Redes Expansoes, S.A.	-	649	-
Other companies:			
Elecnor. S.A.	-	8	5
Elecnor Servicios y Proyectos, S.A.U.	17,211	-	-
Aplicaciones Técnicas de la Energía, S.L.	4	-	-
Total	**17,215**	**11,761**	**5**

At 31 December 2024 and 2023 the composition of the balances receivable and payable with these investee companies not consolidated through full consolidation and with other related companies as a result of prior operations was as follows:

2024 Financial Year

	Thousands of euros					
	Accounts Receivable			Accounts Payable		
	Trade receivables, related companies	Long-term loans in related companies (Note 11)	Short-term investments in related companies	Dedts with related companies	Dedts with related companies	Trade payables, associated and related companies
Celeo Redes Chile Transmisora SPA	-	-	7,925	999		-
Jaurú Transmissora de Energía, S.A.	52	-	-	-		-
Cachoeria Paulista Transmissora de Energía, S.A.	14	-	-	-		-
Parintins Amazonas Transmissora de Energia, S.A.	51	-	-	-		-
Mataquito Transmisora de Energía, S.A.	254	-	-	-		-
Casablanca Transmisora de Energía, S.A.	27	-	-	-		-
Diego de Almagro Transmisora de Energía, S.A.	3	-	57	-		-
Alfa Transmisora de Energía, S.A.	2,256	22,148	44	1		-
Elecnor, S.A.	7	-	11,500	-		334
Elecnor Servicios y Proyectos, S.A.U.	3	-	-	-	11,195	11,797
Elecnor Seguridad. S.L.	-	-	-	-		73
Aplicaciones Técnicas de la Energía, S.L.	-	-	-	-		3
Elecnor Perú, S.A.C.	-	-	-	-		1,586
Elecnor Chile, S.A.	-	-	-	-		2,730
Elecnor do Brasil, S.A.	11	-	-	-		111
Total	**2,678**	**22,148**	**19,526**	**1,000**	**11,195**	**16,634**

2023 Financial Year

	Thousands of euros			
	Accounts Receivable			Accounts Payable
	Trade receivables, related companies	Associate company loan (Note 11)	Short-term investments in related companies	Trade creditors, associate and related companies, short-term
Celeo Redes Chile Transmisora SPA	-	-	5,422	-
Jaurú Transmissora de Energía, S.A.	30	-	-	-
Cachoeria Paulista Transmissora de Energía, S.A.	-	-	-	729
Parintins Amazonas Transmissora de Energia S.A.	29	-	-	-
Mataquito Transmisora de Energía, S.A.	79	-	-	-
Casablanca Transmisora de Energía, S.A.	11	-	-	-
Diego de Almagro Transmisora de Energía, S.A.	2	-	53	-
Alfa Transmisora de Energía, S.A.	1,796	40,552	574	-
Transmisora Eléctrica de Quillota, S.A.	410	-	-	-
Elecnor, S.A.	1	-	-	329
Elecnor Servicios y Proyectos, S.A.U.	3	-	-	11,204
Elecnor do Brasil, S.A.	13	-	-	27
Total	**2,374**	**40,552**	**6,049**	**12,289**

At 31 December 2024 and 2023, the entry "Associate company loan" corresponds to the loan granted by Celeo Redes Chile Expansión, SpA to Alfa Transmisora de Energía, S.A. This loan was issued in September 2021 and has a duration of 30 years (September 2051). The interest rate is 5.5%. The decrease in 2024 corresponds in the main to a partial amortisation following the bond issuance of Alfa Transmisora de Energía, S.A.

The caption "Investments in related companies, short-term" includes the loan which Celeo Redes, S.L.U. granted to Elecnor, S.A. on 26 December 2024, with a value of 11,500,000 euros and a one-year duration, the interest rate being the 6-month Euribor plus a spread of 0.75%.

The entry "Trade payables, associate and related companies" in 2024 and 2023 corresponds in the main to the balance that the Spanish solar thermal plants have with Elecnor Servicios y Proyectos, S.A.U. for operation and maintenance services.

22.2 Remuneration of the Board of Directors

a) Remuneration and other benefits of the Board of Directors

The members of the Board of Directors of the Company did not accrue any remuneration, nor receive credits, guarantees or advances in performing their directorial functions. The Controlling Company has signed no agreements with regard to retirement bonuses, life insurance or other consideration for the financial years 2024 and 2023. Provision is made for compensation for reasonable travel expenses and for performing their duties, in no case representing significant amounts.

b) Situations of conflict of interest of the Dominant Company Directors

The Directors of the Dominant Company and persons related to them have not incurred any situation of conflict of interest requiring notification pursuant to the terms of Article 229 of the Consolidated Text of the Capital Companies Act.

c) ***Transactions outside ordinary dealings or on non-market terms performed by Dominant Company Directors-***

During the 2024 and 2023 financial years, the Controlling Company Directors did not perform with it or with Group companies any operations outside ordinary dealings or on non-market terms.

22.3 Remuneration of Senior Management

During the 2024 financial year, the Executive Team of the Company accrued remuneration totalling 1,902 thousand euros (2,290 thousand euros in the 2023 financial year). The total remuneration indicators include the fixed remuneration and variable remuneration. Furthermore, during the 2024 financial year contributions were made to pension plans for the executive team amounting to 77 thousand euros (256 thousand euros in 2023).

Likewise, at 31 December 2024 and 2023, the Dominant Company had not entered into any significant obligations with the executive team regarding advances, loans or guarantees.

23. Auditors' fees

The audit firm (KPMG Auditores, S.L.) for the annual accounts of the Group during the financial years ended at 31 December 2024 and 2023 invoiced the net professional service fees detailed below:

	Thousands of euros	
KPMG Auditores, S.L:	**2024**	**2023**
For auditing services	196	176
For other accounting verification services	105	99
Total	**301**	**275**

The amounts detailed in the above table include the total fees for services rendered in 2024 and 2023, irrespective of the date of invoice.

Furthermore, other entities affiliated to KPMG International invoiced the Group during the financial years ended at 31 December 2024 and 2023 the net professional service fees detailed below:

Other entities affiliated with KPMG International:	Thousands of euros	
	2024	**2023**
For auditing services	424	379
For other accounting verification services	92	114
For tax consultancy services	33	33
Total	**549**	**526**

24. Information on the average supplier payment period. Third Additional Provision. "Duty of Disclosure": Act 18/2022, of 28 September 2010

The information as to deferrals of payments made to suppliers by the Spanish consolidated companies in the financial years 2024 and 2023 is as follows:

	Days	
	2024	2023
Average supplier payment period	15	31
Ratio of operations paid	12	20
Ratio of operations pending payment	21	51
	Amount in Thousands of Euros	
Total payments made	12,972	24,050
Total payments pending	766	10,712

The figures set out in the above table regarding payments to suppliers refer to trade payables owed to suppliers of goods and services, and so include figures regarding the entries "Trade payables and other accounts payable - Payables for purchases or services provided".

The information as to invoices paid in a period less than the maximum established in the late-payment regulations is as follows:

	2024	**2023**
Monetary volume paid (thousands of euros)	11,964	17,235
% of monetary total of payments to suppliers	81%	83%
Number of invoices paid	2,383	3,894
% out of total number of invoices paid to suppliers	93%	93%

25. Environmental information

Celeo places on record its commitment to respect and protect the environment in its Code of Conduct, developed by means of its Environmental Policy, focused on raising awareness and facilitating sustainable business development.

The Environmental Policy is based on the application of the following six principles: prevention of pollution, efficiency in the use of resources and waste, protection of biodiversity and habitat, resilience to disasters and adaptation to climate change, fulfilment of requirements and continuous improvement.

Celeo has an Integrated Management System (referred to as the SIG in Brazil and Chile, and IMS in Spain and Peru), which includes the Environmental Management System (EMS). This working framework respects the autonomy and individual features of each country.

Celeo constantly works to achieve continuous improvement in all environmental management processes and at every level of the organisation.

Celeo subscribes to the principle of precaution, through the EMS, identifying the most significant environmental impacts from its activities, and establishing the required mechanisms to identify, evaluate and control them.

The Celeo Group collaborates with various associations promoting research and development in the sector. Celeo is also engaged in a number of innovative initiatives, such as the ANEEL R&D programme, contributing to the development of Brazil's electricity system, improving system security and reducing environmental impacts, and its collaboration with the ABRATE (Brazilian Association of Electrical Energy Transmission Companies), aiming to optimise the efficiency of the electricity service, resulting in lower environmental impacts.

The Non-Financial Reporting Statement attached to the Management Report describes in depth the objectives, strategies and initiatives undertaken in 2024 in accordance with the Group's Environmental Management.

26. Segment Reporting

IFRS 8 requires that operating segments be identified on the basis of the information used by company management to reach decisions regarding operational matters. In this regard, the Dominant Company Directors believe that the segments required for information, as they constitute the basis for the Group's decision-making in assigning resources, and for which operating results are regularly reviewed by the most senior management to assess performance, are: *management and operation of transmission lines, and electrical energy generation*. Likewise, income is earned in each of these markets corresponding to the different activities undertaken by the Group.

- ***Information on operating segments***

Assets and liabilities for general use, and the results generated by them, have not been subject to assignment to the remaining segments. Likewise, reconciliation items that arise from comparison of the result of integrating the financial statements of the different operating segments (produced through management criteria) with the consolidated financial statements of the Celeo Concesiones e Inversiones Group have not been assigned. In the information indicated below, these elements will appear under the caption "Corporate".

The information regarding operating segments as detailed below:

a) The detail of the consolidated results account captions by segment at 31 December 2024 and 2023 is as follows:

2024 Financial Year

	Thousands of euros				
	Transmission of electricity	**Generation of electricity**	**Corporate**	**Intra-segment**	**Total at 31.12.2024**
Net turnover	192,190	97,490	9,920	(9,828)	289,772
Supplies	(6,462)	(22,210)	-	-	(28,672)
Results from investments under equity method	8,905	-	-	-	8,905
Financial result	(50,265)	(16,731)	273	2,328	(64,395)
Minority interest result	(10,423)	19	-	-	(10,404)
Consolidated result of parent company	28,902	(756)	(235)	(2,000)	25,911

2023 Financial Year

	Thousands of euros				
	Transmission of electricity	**Generation of electricity**	**Corporate**	**Intra-segment**	**Total at 31.12.2023**
Net turnover	192,931	98,855	7,695	(7,601)	291,880
Supplies	(10,356)	(22,352)	-	-	(32,708)
Results from investments under equity method	15,431	-	-	-	15,431
Financial result	(43,214)	(20,533)	310	201	(63,236)
Minority interest result	(12,782)	(14)	-	-	(12,796)
Consolidated result of parent company	37,383	356	(3,301)	(2,000)	32,438

b) The detail of the assets and liabilities by segment at 31 December 2024 and 2023 is as follows:

	Thousands of euros				
	Transmission of electricity	**Generation of electricity**	**Corporate**	**Intra-segment**	**Total at 31.12.2024**
Assets					
Intangible assets	653,761	8,334	6	-	662,101
Goodwill	-	1,125	-	-	1,125
Property, plant and equipment	418,862	591,974	173	-	1,011,009
Right of use assets	3,714	17,092	-	-	20,806
Investments accounted under equity method	334,201	-	-	-	334,201
Non-current financial assets	91,257	14,719	1,094,737	(1,154.438)	46,275
Trade receivables and other non-current assets	905,332	-	-	-	905,332
Derivatives	-	1,586	-	-	1,586
Other tax credits	10,738	43,114	(714)	-	53,138
Receivables	95,249	19,574	3,607	(3,490)	114,940
Remaining assets	133,075	20,185	2020	(10,025)	145,255
Total assets	**2,646,189**	**717,703**	**1,099,829**	**(1,167,953)**	**3,295,768**
Liabilities					
Non-current financial liabilities	837,792	487,788	-	-	1,325,580
Long-term lease liabilities	3,599	21,785	-	-	25,384
Other non-current liabilities	43,541	15,570	-	(42,064)	17,047
Liabilities through deferred taxes	300,157	20,579	-	-	320,736
Current financial liabilities	130,116	36,267	-	-	166,383
Other current liabilities	45,638	58,688	2,325	(16,046)	90,605
Total liabilities	**1,360,843**	**640,677**	**2,325**	**(58,110)**	**1,945,735**

	Thousands of euros				
	Transmission of electricity	**Generation of electricity**	**Corporate**	**Intra-segment**	**Total at 31.12.2023**
Assets					
Intangible assets	608,967	205	21	-	609,193
Goodwill	-	1,125	-	-	1,125
Property, plant and equipment	376,321	637,249	346	-	1,013,916
Right of use assets	3,504	18,188	-	-	21,692
Investments accounted under equity method	326,076	-	-	-	326,076
Non-current financial assets	122,779	13,014	1,048,228	(1,117,548)	66,473
Trade receivables and other non-current assets	1,038,785	-	-	-	1,038,785
Derivatives	-	1,958	-	-	1,958
Other tax credits	14,964	44,585	(715)	-	58,834
Receivables	91,747	14,191	2,259	(2,680)	105,517
Remaining assets	131,926	30,914	19,960	(12,999)	169,801
Total assets	**2,715,069**	**761,429**	**1,070,099**	**(1,133,227)**	**3,413,370**
Liabilities					
Non-current financial liabilities	915,258	531,412	-	-	1,446,670
Lease liabilities	3,008	22,635	-	-	25,643
Other non-current liabilities	39,067	15,995	-	(33,225)	21,837
Liabilities through deferred taxes	302,611	20,945	-	-	323,556
Current financial liabilities	52,346	34,760	-	-	87,106
Other current liabilities	55,126	50,143	2,469	(16,177)	91,561
Total liabilities	**1,367,416**	**675,890**	**2,469**	**(49,402)**	**1,996,373**

- ***Information on the activity undertaken by the company***

The main activities in which the Celeo Concesiones e Inversiones Group operates are:

- Generation of electrical energy from renewable energy sources.
- Management and operation of energy Transmission Lines.

The Group currently undertakes these activities in Brazil, Chile, Spain and Peru. The most significant aspects of the sectoral regulations would be:

<u>Transmission market in Brazil</u>

Celeo Concesiones participates in this market in projects regulated by ANEEL (Agência Nacional de Energia Elétrica), the body which regulates the Brazilian electrical system. For newly constructed projects, ANEEL defines the maximum permitted annual income ("Receita Anual Permitida", or "RAP") for each transmission line tendered. The bidder offering the lowest RAP is awarded the concession, which will be subject to the following:

- The concession period is 30 years from the date of the award, with the possibility of renewing the concession upon expiry for a further 30 years with an adjusted RAP. During this period, the concession operator must guarantee availability of the assets and maintain a high-quality O&M and insurance programme.
- The concession operator is responsible for development and construction of the infrastructure by the Commercial Operation Date agreed in the tender conditions. In general, this period is from 2 to 5 years.
- The RAP is adjusted yearly on the basis of the inflation observed, with additional adjustments established in the tender conditions of each project, so as to guarantee profitability for the concession operator.

The updating of revenues is based on the last real RAP cycle (from 1 July of the current year to 30 June the following year), adjusted each year in accordance with the IPCA inflation index, except for the VCTE and CPTE projects, for which the revenues are adjusted according to the IGP-M. The latter inflation index has a 12-month moving base from June the previous year to May in the year in question.

In addition to the annual inflation adjustment, the RAP for the Group's projects is subject to tariff revisions in years 5, 10 and 15 from signature of the concession contract, intended to guarantee the concession-holder's returns. Instead of these tariff revisions, the VCTE, LTT and CPTE projects benefit from a remuneration structure in which the RAP is reduced by 50% in the 16th year of operation.

<u>Generation market in Brazil</u>

On the renewable generation market, the Group Celeo sells the energy produced by its plants in proportions of approximately 80% on the regulated market ('ACR') and 20% on the open market ('ACL').

- On the regulated market, the energy is sold by means of long-term PPAs (20 years) with energy resellers as the counterpart, at a fixed price discounted for inflation. For the plants in Sao Joao de Piaui, these contracts were finalised in the generation auctions organised by ANEEL in the year 2018.
- As for all other generation, it is settled at the spot market price on the open market, or otherwise, depending on market conditions, under PPAs with a duration of up to 1 year on the open market (ACL).
- The energy produced by the Celeo plant is classified as "Incentivised Energy", with a 50% discount on the TUST (Grid Usage Charge).

<u>Transmission market in Chile</u>

The CNE (National Energy Commission) is the Chilean regulatory body, and defines in its transmission tenders the maximum VATT (annual transmission value per section) for each project. This value covers both the yearly reimbursement of the investment value, and the annual operation and maintenance costs. The bidder with the lowest VATT is awarded the project, subject to the following:

- The winner will be the owner of the project for an unlimited duration. During this period, the concession operator must maintain a high-quality O&M and insurance programme.
- The concession-holder is responsible for development, construction and operational start-up by the agreed Commercial Operation Date. This period is in general between 3 and 5 years.
- The VATT is adjusted annually to take inflation into account, switching in year 21 of operation to the general regime where the revenue is also adjusted every 4 years according to the new replacement value of the assets within the system.

During the first 20 years, revenue is governed by a fixed tariff and adjusted for inflation. From year 20 onwards, the replacement value of the assets is remunerated at an after-tax interest rate which will be defined between 7% and 10%, and an amortisation period of 40 years for the substations and 50 years for the powerlines, with readjustments every 4 years.

Some of the revenues of Alfa Transmisora de Energía, S.A. are generated through long-term bilateral contracts established with third parties (independent buyers), such as mining companies and electricity generators, which do not entail any regulatory intervention. These contracts have indexing mechanisms to reflect changes in inflation rates in the United States and Chile.

<u>Regulation of renewable energies in Spain</u>

In June 2014 a reform was passed, adjusting the return on the investment, limiting the profitability of renewables projects during the useful life, in order to achieve a reduction or elimination of the tariff deficit which existed within the electricity system.

The change in remuneration mechanism involved a shift from the premium system to specific remuneration linked both to the investment (remuneration on investment or Rinv) and to operation (remuneration for operation, or Ro).

As a result, each type of facility was classified (IT) in accordance with its technology, location and year of construction, with a series of specific characteristics being assigned to each project according to which both the Rinv and Ro were granted to each facility based on the principle of ensuring that they will achieve a reasonable return, which at that point was set at 7.398% before tax. The Rinv and Ro would cover both the cost of the investment and the cost of operation not covered by income generated through the sale to the pool.

For each regulatory semi-period (3 years), the specific remuneration is calculated for each type of installation (IT). As a result, depending on the technology, the installed power and the year of commissioning, the project has specific values and a theoretical return adjusted throughout its useful life equal to the reasonable return established for each regulatory period (6 years).

On 23 November 2019 Royal Decree-Act 17/2019 was published, adopting urgent measures for the necessary adaptation of remuneration parameters affecting the electricity system. It establishes for renewables, co-generation and waste generation facilities a reasonable return of 7.09%, applicable during the second regulatory period (2020-2025). Nonetheless, renewables, co-generation and waste generation facilities that had remuneration upon the entry into effect of Royal Decree-Act 9/2013 are permitted, under certain circumstances, to maintain the reasonable return set for the first regulatory period, of 7.398%, during the second and third regulatory period (2020-2031). The photovoltaic facilities of the subgroup Helios maintain this last reasonable rate of return during this period.

Order TED/171/2020 was published on 28 February 2020, updating the remuneration parameters for electrical energy production installations using renewable sources of energy, applicable from 1 January 2020 onwards (adjusted in Royal Decree 6/2022, published on 30 March 2022) and on 14 December 2022, Order TED/1232/2022 was published, with those applicable from 1 January 2023 onwards, updated on 30 June 2023, following the publication of Order TED/741/2023.

Royal Decree 12/2021, approved in June 2021, temporarily suspended the 7% IVPPE duty (Tax on Value of Production of Electrical Energy) for the second half of 2021, this suspension having been extended up until 2023 under Royal Decree 20/2022, of 27 December 2022. Lastly, 27 December 2023 saw the publication of Royal Decree-Act 8/2023, which among other measures establishes the IVPEE rate at 3.5% for the first quarter of 2024, 5.25% for the second quarter and 7% thereafter.

Transmission market in Peru

Celeo Concesiones is involved in this market as an energy transmission project concession-holder for the Ministry of Energy and Mines, with Osinergmin (the Energy and Mining Investment Supervisory Body) being the agency responsible for the regulations affecting such assets.

- The bidder offering the lowest Mean Annual Cost (MAC) in USD will be awarded the contract. This MAC includes one component remunerating investment, and another covering the annual operation and maintenance costs. The MAC is adjusted yearly to take US inflation into account.
- The concession period runs for up to 30 years from the Commercial Operational Start-up of the infrastructure. During this period the concession-holder must guarantee availability of the infrastructure by performing proper operation and maintenance of the assets.

- ***Geographical information***

We detail below for the most significant countries the ordinary income derived from external clients, and non-current assets that are not financial instruments, corresponding to 31 December 2024 and 2023:

Ordinary revenue

Country	Thousands of euros 2024	2023
Spain	85,776	87,940
Brazil	139,438	142,110
Chile	61,898	61,830
Peru	2,660	-
	289,772	**291,880**

The revenues in Peru correspond to the operational start-up of the Valle del Chira substation (Note 7).

Non-current assets

Country	2024 Thousands of euros					
	Intangible assets	**Property, plant and equipment**	**Trade receivables and other non-current assets**	**Right of use assets**	**Other tax credits**	**Rest**
Spain	5	485,878	-	16,051	41,850	15,171
Brazil	8,341	109,832	905,332	3,144	7,070	125,841
Chile	601,855	415,177	-	1,611	3,912	242,175
Peru	51,900	122	-	-	306	-
	662,101	**1,011,009**	**905,332**	**20,806**	**53,138**	**383,187**

Country	2023 Thousands of euros					
	Intangible assets	**Property, plant and equipment**	**Trade receivables and other non-current assets**	**Right of use assets**	**Other tax credits**	**Rest**
Spain	21	505,779	-	16,961	43,212	13,532
Brazil	10,481	135,472	1,038,785	3,971	7,355	147,259
Chile	576,151	372,554	-	759	8,108	234,840
Peru	22,540	110	-	-	159	-
	609,193	**1,013,915**	**1,038,785**	**21,691**	**58,834**	**395,631**

27. Subsequent events

No events occurred between the close of the 2024 financial year and the formulation of these consolidated annual accounts that could make any significant difference to the true and fair view of the financial statements of the Celeo Group.

Annex I: Detail of the Dependent Companies

2024 FINANCIAL YEAR	Registered office	Auditor	Activity	% Direct or Indirect Stake
Consolidated investee companies				
By full integration				
Dependent on:				
CELEO CONCESIONES E INVERSIONES, S.L.				
Celeo Energía, S.L.	SPAIN	***	Holding	100.00%
Celeo Desarrollo Termosolar, S.L.U.	SPAIN	***	Promotion, construction and operation of electrical energy installations	100.00%
Celeo Redes, S.L.U.	SPAIN	KPMG	Holding	100.00%
Celeo Termosolar, S.L.U.	SPAIN	***	Holding	100.00%
Helios Inversión y Promoción Solar, S.L.U.	SPAIN	***	Holding	100.00%
Celeo Apolo FV, S.L.U.	SPAIN		Promotion, construction and operation of electrical energy installations	100.00%
CELEO ENERGIA, S.L.U.				
Celeo Energía Brasil, LTDA	BRAZIL	***	Promotion, construction and operation of any class of energy and services, utilities, waste processing, etc.	100.00%
Alwa II, S.p.A.	CHILE	***	Promotion, construction and operation of electrical energy installations	100.00%
CELEO REDES, S.L.U.				
Celeo Redes Chile, Ltda.	CHILE	KPMG	Holding	100.00%
Celeo Redes Chile Expansión, SpA	CHILE	***	Holding	100.00%
Celeo Redes Brasil, S.A.	BRAZIL	KPMG	Holding	100.00%
Celeo Redes Perú, SAC.	PERU	***	Holding	100.00%
Puerto Maldonado Transmisora de Energía, SAC.	PERU	EY	Promotion, construction and operation of electrical energy installations	100.00%
CELEO REDES CHILE Ltda				
Celeo Redes Operación Chile, S.A.	CHILE	KPMG	Holding	100.00%
Nirivilo Transmisora de Energía S.A.	CHILE	***	Promotion, construction and operation of electrical energy installations	100.00%
Celeo Obras de Ampliación, S.p.A.	CHILE	***	Design, engineering, supply, assembly and construction of expansion works	100.00%
CELEO REDES OPERACIÓN CHILE, S.A.				
Alto Jahuel Transmisora de Energía, S.A.	CHILE	KPMG	Promotion, construction and operation of electrical energy installations	100.00%
Charrua Transmisora De Energía, S.A.	CHILE	KPMG	Promotion, construction and operation of electrical energy installations	100.00%

(***) Companies not legally obliged to have their annual accounts audited.

Annex I: Detail of the Dependent Companies

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CELEO TERMOSOLAR, S.L.				
Solar Renewables Spain S.A.R.L.	LUXEMBOURG	***	Holding	100.00%
Dioxipe Solar, S.L.	SPAIN	KPMG	Development, construction and operation of solar thermal plants	97.57%
Aries Solar Termoeléctrica, S.L.	SPAIN	KPMG	Development, construction and operation of solar thermal plants	100.00%
HELIOS INVERSION Y PROMOCIÓN SOLAR, SL.U.				
Celeo Fotovoltaico,S.L.U.	SPAIN	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
CELEO REDES BRASIL, S.A.				
Encruzo Novo Transmissora De Energia, Ltda	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	100.00%
Integraçao Maranhense Tranmissora De Energia, S.A	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	51,00%
Linha De Transmissao Corumba, Ltda	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	100.00%
Caiua Transmissora De Energia, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	51,00%
Cantareira Transmissora De Energía, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	51,00%
Coqueiros Transmissora De Energía, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	100.00%
Pedras Transmissora De Energía, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	100.00%
Brilhante Transmissora De Energia, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	100.00%
Opará Transmissora de Energia, S.A.	BRAZIL	***	Operation of public service concessions for transmission of electrical energy	100.00%
Celeo Barreiras FV I, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV II, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV III, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV IV, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV V, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV VI, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%

(***) Companies not legally obliged to have their annual accounts audited.

Annex I: Detail of the Dependent Companies

2024 FINANCIAL YEAR	Registered office	Auditor	Activity	% Direct or Indirect Stake
Celeo Barreiras FV VII, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV VIII, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV IX, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV X, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Redes Transmissao de Energía, S.A.	BRAZIL	PwC	Holding	100.00%
Celeo Redes Transmissao e Renovaveis, S.A.	BRAZIL	KPMG	Holding	100.00%
CELEO REDES TRANSMISSAO DE ENERGIA, S.A.				
Vila Do Conde Transmissora De Energia, S.A.	BRAZIL	PwC	Operation of public service concessions for transmission of electrical energy	100.00%
LT Triangulo, S.A.	BRAZIL	PwC	Operation of public service concessions for transmission of electrical energy	100.00%
CELEO REDES TRANSMISSAO E RENOVAVEIS, S.A.				
Celeo Sao Joao Do Piaui FV I, S.A.	BRAZIL	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Sao Joao Do Piaui FV II, S.A.	BRAZIL	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Sao Joao Do Piaui FV III, S.A.	BRAZIL	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Sao Joao Do Piaui FV IV, S.A.	BRAZIL	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Sao Joao Do Piaui FV V, S.A.	BRAZIL	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Sao Joao Do Piaui FV VI, S.A.	BRAZIL	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
Serra De Ibiapaba Transmissora de Energía, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	100.00%

(***) Companies not legally obliged to have their annual accounts audited.

Annex I: Detail of the Dependent Companies

2024 FINANCIAL YEAR	Registered office	Auditor	Activity	% Direct or Indirect Stake
Consolidated investee companies Under the equity method (Note 10)				
Dependent on:				
CELEO REDES CHILE, S.A.				
CRC Transmisión, S.p.A.	CHILE	KPMG	Holding	50.00%
CRC TRANSMISIÓN, S.p.A.				
Diego de Almagro Transmisora de Energía, S.A.	CHILE	KPMG	Promotion, construction and operation of electrical energy installations	50.00%
Casablanca Transmisora de Energía, S.A.	CHILE	KPMG	Promotion, construction and operation of electrical energy installations	50.00%
Mataquito Transmisora de Energía, S.A.	CHILE	KPMG	Promotion, construction and operation of electrical energy installations	50.00%
CELEO REDES CHILE EXPANSIÓN, SpA				
Alfa Transmisora de Energía, S.A.	CHILE	EY	Promotion, construction and operation of electrical energy installations	20.00%
Dependent on:				
CELEO REDES BRASIL, S.A.				
Celeo Redes Expansoes, S.A..	BRAZIL	KPMG	Holding	50.00%
Jauru Transmissora De Energia, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	33.33%
CELEO REDES EXPANSOES, S.A.				
Parintins Amazonas Transmissora de Energia S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	50.00%
Cachoeira Paulista Transmissora de Energia, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	50.00%
Jauru Transmissora De Energia, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	33.33%

(***) Companies not legally obliged to have their annual accounts audited.

Annex I: Detail of the Dependent Companies

2023 FINANCIAL YEAR	Registered office	Auditor	Activity	% Direct or Indirect Stake
Consolidated investee companies				
By full integration				
Dependent on:				
CELEO CONCESIONES E INVERSIONES, S.L.				
Celeo Energía, S.L.	SPAIN	***	Holding	100.00%
Celeo Desarrollo Termosolar, S.L.U.	SPAIN	***	Promotion, construction and operation of electrical energy installations	100.00%
Celeo Redes, S.L.U.	SPAIN	KPMG	Holding	100.00%
Celeo Termosolar, S.L.U.	SPAIN	***	Holding	100.00%
Helios Inversión y Promoción Solar, S.L.U.	SPAIN	***	Holding	100.00%
Celeo Apolo FV, S.L.U.	SPAIN		Promotion, construction and operation of electrical energy installations	100.00%
CELEO ENERGIA, S.L.U.				
Celeo Energía Brasil, LTDA	BRAZIL	***	Promotion, construction and operation of any class of energy and services, utilities, waste processing, etc.	100.00%
Alwa II, S.p.A.	CHILE	***	Promotion, construction and operation of electrical energy installations	100.00%
CELEO REDES, S.L.U.				
Celeo Redes Chile, Ltda.	CHILE	KPMG	Holding	100.00%
Celeo Redes Chile Expansión, SpA	CHILE	***	Holding	100.00%
Celeo Redes Brasil, S.A.	BRAZIL	KPMG	Holding	100.00%
Celeo Redes Perú, SAC.	PERU	***	Holding	100.00%
Puerto Maldonado Transmisora de Energía, SAC.	PERU	EY	Promotion, construction and operation of electrical energy installations	100.00%
CELEO REDES CHILE Ltda				
Celeo Redes Operación Chile, S.A.	CHILE	KPMG	Holding	100.00%
Nirivilo Transmisora de Energía S.A.	CHILE	***	Promotion, construction and operation of electrical energy installations	100.00%
Goyo Transmisora de Energía, S.A.	CHILE	***	Promotion, construction and operation of electrical energy installations	100.00%
Celeo Obras de Ampliación, S.p.A.	CHILE	***	Design, engineering, supply, assembly and construction of expansion works	100.00%
CELEO REDES OPERACIÓN CHILE, S.A.				
Alto Jahuel Transmisora de Energía, S.A.	CHILE	KPMG	Promotion, construction and operation of electrical energy installations	100.00%
Charrua Transmisora De Energía, S.A.	CHILE	KPMG	Promotion, construction and operation of electrical energy installations	100.00%

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Solar Renewables Spain S.A.R.L.	LUXEMBOURG	***	Holding	100.00%
Dioxipe Solar, S.L.	SPAIN	KPMG	Development, construction and operation of solar thermal plants	97.57%
Aries Solar Termoeléctrica, S.L.	SPAIN	KPMG	Development, construction and operation of solar thermal plants	100.00%
HELIOS INVERSION Y PROMOCIÓN SOLAR, SL.U.				
Celeo Fotovoltaico,S.L.U.	SPAIN	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
CELEO REDES BRASIL, S.A.				
Encruzo Novo Transmissora De Energia, Ltda	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	100.00%
Integraçao Maranhense Tranmissora De Energia, S.A	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	51,00%
Linha De Transmissao Corumba, Ltda	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	100.00%
Caiua Transmissora De Energia, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	51,00%
Cantareira Transmissora De Energía, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	51,00%
Coqueiros Transmissora De Energía, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	100.00%
Pedras Transmissora De Energía, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	100.00%
Brilhante Transmissora De Energia, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	100.00%
Opará Transmissora de Energia, S.A.	BRAZIL	***	Operation of public service concessions for transmission of electrical energy	100.00%
Celeo Barreiras FV I, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV II, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV III, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV IV, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV V, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV VI, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%

(***) Companies not legally obliged to have their annual accounts audited.

Annex I: Detail of the Dependent Companies

2023 FINANCIAL YEAR	Registered office	Auditor	Activity	% Direct or Indirect Stake
Celeo Barreiras FV VII, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV VIII, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV IX, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Barreiras FV X, S.A.	BRAZIL	***	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Redes Transmissao de Energía, S.A.	BRAZIL	PwC	Holding	100.00%
Celeo Redes Transmissao e Renovaveis, S.A.	BRAZIL	KPMG	Holding	100.00%
CELEO REDES TRANSMISSAO DE ENERGIA, S.A.				
Vila Do Conde Transmissora De Energia, S.A.	BRAZIL	PwC	Operation of public service concessions for transmission of electrical energy	100.00%
LT Triangulo, S.A.	BRAZIL	PwC	Operation of public service concessions for transmission of electrical energy	100.00%
CELEO REDES TRANSMISSAO E RENOVAVEIS, S.A.				
Celeo Sao Joao Do Piaui FV I, S.A.	BRAZIL	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Sao Joao Do Piaui FV II, S.A.	BRAZIL	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Sao Joao Do Piaui FV III, S.A.	BRAZIL	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Sao Joao Do Piaui FV IV, S.A.	BRAZIL	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Sao Joao Do Piaui FV V, S.A.	BRAZIL	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
Celeo Sao Joao Do Piaui FV VI, S.A.	BRAZIL	KPMG	Promotion, construction and operation of photovoltaic facilities	100.00%
Serra De Ibiapaba Transmissora de Energía, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	100.00%

(***) Companies not legally obliged to have their annual accounts audited.

Annex I: Detail of the Dependent Companies

2023 FINANCIAL YEAR	Registered office	Auditor	Activity	% Direct or Indirect Stake
Consolidated investee companies Under the equity method (Note 10)				
Dependent on:				
CELEO REDES CHILE, S.A.				
CRC Transmisión, S.p.A.	CHILE	KPMG	Holding	50.00%
CRC TRANSMISIÓN, S.p.A.				
Diego de Almagro Transmisora de Energía, S.A.	CHILE	KPMG	Promotion, construction and operation of electrical energy installations	50.00%
Casablanca Transmisora de Energía, S.A.	CHILE	KPMG	Promotion, construction and operation of electrical energy installations	50.00%
Mataquito Transmisora de Energía, S.A.	CHILE	KPMG	Promotion, construction and operation of electrical energy installations	50.00%
CELEO REDES CHILE EXPANSIÓN, SpA				
Alfa Transmisora de Energía, S.A.	CHILE	EY	Promotion, construction and operation of electrical energy installations	20.00%
Transmisora de Quillota Limitida	CHILE	EY	Promotion, construction and operation of electrical energy installations	20.00%
Dependent on:				
CELEO REDES BRASIL, S.A.				
Celeo Redes Expansoes, S.A..	BRAZIL	KPMG	Holding	50.00%
Jauru Transmissora De Energia, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	33.33%
CELEO REDES EXPANSOES, S.A.				
Parintins Amazonas Transmissora de Energia S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	50.00%
Cachoeira Paulista Transmissora de Energia, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	50.00%
Jauru Transmissora De Energia, S.A.	BRAZIL	KPMG	Operation of public service concessions for transmission of electrical energy	33.33%

(***) Companies not legally obliged to have their annual accounts audited.

CELEO CONCESIONES E INVERSIONES, S.L. AND SUBSIDIARIES

Summarised Financial Information of companies consolidated under the equity method

31 December 2024

(Expressed in thousands of euros)

	Alfa Transmisora de Energía, S.A.	CRC Transmisión Subgroup	Jauru Transmissora. de Energía, S.A.	C.R. Expansões Subgroup
Information on the statement of financial position				
Non-current assets	1,447,468	385,005	60,188	313,000
Non-current liabilities	1,351,886	259,575	20,482	212,536
Non-current financial liabilities (*)	1,080,858	251,935	8,654	71,456
Total net non-current assets	**95,582**	**125,430**	**39,706**	**100,464**
Current assets	102,370	22,135	5,738	35,468
Cash and cash equivalents	25,931	5,268	1,601	24,438
Current liabilities	48,213	20,109	4,224	22,310
Current financial liabilities (*)	19,794	736	247	5,786
Total net current assets	**54,157**	**2,026**	**1,514**	**13,158**
Net assets	**149,739**	**127,456**	**41,220**	**113,622**
Percentage stake	20%	50%	33%	50%
Stake in net assets	29,948	63,728	13,740	56,811
Book value of the stake (**)	29,948	189,961	18,314	95,978
Information on the income statement				
Ordinary revenue	85,326	14,045	16,165	60,075
Depreciation and amortisation	(20,447)	(3,051)	(2,921)	(10,447)
Interest income	1,340	306	627	3,743
Borrowing costs	(62,554)	(18,322)	(2,082)	(20,400)
Charge (income) from gains tax	3,291	(373)	(2,376)	(5,724)
Result for the financial year from ongoing activities	(4,723)	2,046	4,613	15,256
Minority interests	-	-	-	(1,538)
Result for the financial year	(4,723)	2,046	4,613	13,718
Dividends received	462	-	1,796	6,665

(*) Excluding trade payables and other accounts payable, provisions and liabilities through deferred tax.
(**) The difference with the stake in net assets/reconciliation corresponds to the homogenisation of criteria with the international standards and policies of the group.

CELEO CONCESIONES E INVERSIONES, S.L. AND SUBSIDIARIES

Summarised Financial Information of companies consolidated under the equity method

31 December 2023

(Expressed in thousands of euros)

	Alfa Transmisora de Energía, S.A.	Transmisora Eléc. de Quillota, S.A.	CRC Transmisión Subgroup	Jauru Transmissora. de Energía, S.A.	C.R. Expansões Subgroup
Information on the statement of financial position					
Non-current assets	1,298,880	32,500	335,221	74,635	384,223
Non-current liabilities	1,241,681	1,946	239,348	24,410	257,595
Non-current financial liabilities (*)	930,178	-	232,806	10,140	90,567
Total net non-current assets	**57,199**	**30,554**	**95,873**	**50,225**	**126,628**
Current assets	96,722	1,925	42,559	6,834	43,705
Cash and cash equivalents	35,547	174	20,134	2,028	29,413
Current liabilities	41,873	1,925	31,306	7,261	35,519
Current financial liabilities (*)	13,353	-	4,775	2,556	9,507
Total net current assets	**54,849**	**2,255**	**11,253**	**(427)**	**8,186**
Net assets	**112,048**	**32,809**	**107,126**	**49,798**	**134,814**
Percentage stake	0.20	0.20	0.50	0.33	0.50
Stake in net assets	22,409	6,562	53,563	16,599	67,407
Book value of the stake (**)	22,410	6,562	165,267	21,459	110,378
Information on the income statement					
Ordinary revenue	82,264	2,459	14,787	(17,911)	51,965
Depreciation and amortisation	(24,328)	(1,177)	(3,243)	3,069	(8,688)
Interest income	1,806	166	168	(1,145)	4,992
Borrowing costs	(57,727)	-	(15,976)	2,723	(15,143)
Charge (income) from gains tax	18,879	(91)	(2,012)	2,712	(6,307)
Result for the financial year from ongoing activities	12,417	247	4,799	5,265	13,877
Minority interests	-	-	-	-	(1,755)
Result for the financial year	12,417	247	4,799	5,265	12,122
Dividends received	-	-	-	3,921	-

(*) Excluding trade payables and other accounts payable, provisions and liabilities through deferred tax.
(**) The difference with the stake in net assets/reconciliation corresponds to the homogenisation of criteria with the international standards and policies of the group.

2024 Management Report - Celeo Group

for the financial year ended 31 December 2024

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1. Introduction

The Celeo Group achieved a consolidated net profit attributed to the Parent Company in the 2024 financial year of 26 million euros (32 million euros in 2023).

Sales amounted to 290 million euros, compared with 292 million euros in 2023. The EBITDA stood at 193 million euros, compared to 198 million euros in 2023. Both variations correspond in the main to lower generation at the solar thermal power plants, caused by the curtailment events derived from misalignments between output and demand on the market in Spain. The variation in EBITDA is greater, since the end of the suspension of the Tax on the Value of Electrical Energy Production (IVPEE) led to this cost being registered under the caption Taxes, while in the previous financial year it was deducted from sales to maintain the reasonable return (see Note 2.1.4).

In terms of the awarding of new projects, the Celeo Group continued its growth in 2024. In Chile, as part of the expansion works put out to tender by the National Electricity Coordinator, Celeo was awarded the project to lay the second circuit of the 2 × 500 kV Ancoa-Charrúa line (CHATE), representing an investment of 106 million dollars and a completion period of 60 months. Likewise, in Brazil the Línea De Transmisión Corumba (LTC) and Línea De Transmisión Caiua (CATE) concessions were successfully strengthened, with investments of 14.5 and 9 million reals, respectively.

During 2023, Celeo consolidated its presence in Peru by being awarded the third Concession Contract in the country, Piura Nueva-Frontera, a project comprising the expansion of an existing substation and the construction of 270 km of 500 kV line that will connect with Ecuador to exchange electrical energy. In Brazil, of particular note was the award in June of Lot 6 in ANEEL's auction, Leilao 1/2023, consisting of a 357km double-circuit transmission line, the LT 500kV Xingó-Camaçari II. In the next auction of the year in December, Leilao 2/2023, Celeo won Lot 3, the LT 500kV Marimbondo 2-Campinas project. This project consists of a 388km single-circuit line in the states of Minas Gerais and Sao Paulo. In Chile, Celeo was awarded two new expansion works for the Hualqui and La Pólvora substations, as part of the International Public Tender for Expansion Works contemplated in Exempt Decree N°200/2022.

2. Business model and environment

2.1. Business model

The Celeo Group implements a business model comprising infrastructure project management, through investment in electrical energy generation and transmission system assets. It currently has projects in place in Brazil, Chile, Spain and Peru.

2.1.1 Transmission market in Brazil

Celeo Concesiones participates in this market in projects regulated by ANEEL (Agência Nacional de Energia Elétrica), the body which regulates the Brazilian electrical system. For newly constructed projects, ANEEL defines the maximum permitted annual income ("Receita Anual Permitida", or "RAP") for each transmission line tendered. The bidder offering the lowest RAP is awarded the concession, which will be subject to the following:

- The concession period is 30 years from the date of the award, with the possibility of renewing the concession upon expiry for a further 30 years with an adjusted RAP. During this period, the concession operator must guarantee availability of the assets and maintain a high-quality O&M and insurance programme.
- The concession operator is responsible for development and construction of the infrastructure by the Commercial Operation Date agreed in the tender conditions. In general, this period is from 2 to 3 years.
- The RAP is adjusted yearly on the basis of the inflation observed, with additional adjustments established in the tender conditions of each project, so as to guarantee profitability for the concession operator.

The updating of revenues is based on the last real RAP cycle (from 1 July of the current year to 30 June the following year), adjusted each year in accordance with the IPCA inflation index, except for the VCTE and CPTE projects, for which the revenues are adjusted according to the

IGP-M. The latter inflation index has a 12-month moving base from June the previous year to May in the year in question.

In addition to the annual inflation adjustment, the RAP for the Group's projects is subject to tariff revisions in years 5, 10 and 15 from signature of the concession contract, intended to guarantee the concession-holder's returns. Instead of these tariff revisions, the VCTE, LTT and CPTE projects benefit from a remuneration structure in which the RAP is reduced by 50% in the 16th year of operation.

2.1.2 Generation market in Brazil

On the Renewable Generation market, the Group sells approximately 80% of the energy generated by its plants on a regulated market (ACR), and 20% on an open market (ACL) based on long-term forecasts.

- On the regulated market, the energy is sold by means of long-term PPAs (20 years) with energy resellers as the counterpart, at a fixed price discounted for inflation. For the plants in Sao Joao do Piaui, these contracts were finalised in the generation auctions organised by ANEEL in the year 2018.
- As for all other generation, it is settled at the spot market price on the open market, or otherwise, depending on market conditions, under PPAs with a duration of up to 1 year on the open market (ACL).
- The energy produced by the Celeo plant is classified as "Incentivised Energy", with a 50% discount on the TUST (Grid Usage Charge).

2.1.3 Transmission market in Chile

The CNE (National Energy Commission) is the Chilean regulatory body, and defines in its transmission tenders the maximum VATT (annual transmission value per section) for each project. This value covers both the yearly reimbursement of the investment value, and the annual operation and maintenance costs. The bidder with the lowest VATT is awarded the project, subject to the following:

- The winner will be the owner of the project for an unlimited duration. During this period, the concession operator must maintain a high-quality O&M and insurance programme.
- The concession-holder is responsible for development, construction and operational start-up by the agreed Commercial Operation Date. This period is in general between 3 and 5 years.
- The VATT rate is adjusted each year in accordance with inflation,
- switching in year 21 of operations to the general regime, where the income is also adjusted every 4 years on the basis of the new asset replacement value in the system.

During the first 20 years, revenue is governed by a fixed tariff and adjusted for inflation. From year 20 onwards, the replacement value of the assets is remunerated at an after-tax interest rate which will be defined between 7% and 10%, and an amortisation period of 40 years for the substations and 50 years for the powerlines, with readjustments every 4 years.

Some of the revenues of Alfa Transmisora de Energía, S.A. are generated through long-term bilateral contracts established with third parties (independent buyers), such as mining companies and electricity generators, which do not entail any regulatory intervention. These contracts have indexing mechanisms to reflect changes in inflation rates in the United States and Chile.

2.1.4 Regulation of renewable energies in Spain

In June 2014 a reform was passed, adjusting the return on the investment, limiting the profitability of renewables projects during the useful life, in order to achieve a reduction or elimination of the tariff deficit which existed within the electricity system.

The change in remuneration mechanism involved a shift from the premium system to specific remuneration linked both to the investment (remuneration on investment or Rinv) and to operation (remuneration for operation, or Ro).

As a result, each type of facility was classified (IT) in accordance with its technology, location and year of construction, with a series of specific characteristics being assigned to each project according to which both the Rinv and Ro were granted to each facility based on the principle of ensuring that they will achieve a reasonable return, which at that point was set at 7.398% before tax. The Rinv and Ro covered both the cost of the investment and the cost of operation not covered by income generated through the sale to the POOL.

For each regulatory semi-period (3 years), the specific remuneration is calculated for each type of installation (IT). As a result, depending on the technology, the installed power and the year of commissioning, the project has specific values and a theoretical return adjusted throughout its useful life equal to the reasonable return established for each regulatory period (6 years).

On 23 November 2019 Royal Decree-Act 17/2019 was published, adopting urgent measures for the necessary adaptation of remuneration parameters affecting the electricity system. It establishes for renewables, co-generation and waste generation facilities a reasonable return of 7.09%, applicable during the second regulatory period (2020-2025). Nonetheless, renewables, co-generation and waste generation facilities that had remuneration upon the entry into effect of Royal Decree-Act 9/2013 are permitted, under certain circumstances, to maintain the reasonable return set for the first regulatory period, of 7.398%, during the second and third regulatory period (2020-2031). The photovoltaic facilities of the subgroup Helios maintain this last reasonable rate of return during this period.

Order TED/171/2020 was published on 28 February 2020, updating the remuneration parameters for electrical energy production installations using renewable sources of energy, applicable from 1 January 2020 onwards (adjusted in Royal Decree 6/2022, published on 30 March 2022) and on 14 December 2022, Order TED/1232/2022 was published, with those applicable from 1 January 2023 onwards, updated on 30 June 2023, following the publication of Order TED/741/2023.

Royal Decree 12/2021, approved in June 2021, temporarily suspended the 7% IVPPE duty (Tax on Value of Production of Electrical Energy) for the second half of 2021, this suspension having been extended up until 2023 under Royal Decree 20/2022, of 27 December 2022. Lastly, 27 December 2023 saw the publication of Royal Decree-Act 8/2023, which among other measures establishes the IVPEE rate at 3.5% for the first quarter of 2024, 5.25% for the second quarter and 7% thereafter.

2.1.5 Transmission market in Peru

Celeo Concesiones is involved in this market as an energy transmission project concession-holder for the Ministry of Energy and Mines, with Osinergmin (the Energy and Mining Investment Supervisory Body) being the agency responsible for the regulations affecting such assets.

- The bidder offering the lowest Mean Annual Cost (MAC) in USD will be awarded the contract. This MAC includes one component remunerating investment, and another covering the annual operation and maintenance costs. The MAC is adjusted yearly to take US inflation into account.
- The concession period runs for up to 30 years from the Commercial Operational Start-up of the infrastructure. During this period the concession-holder must guarantee availability of the infrastructure by performing proper operation and maintenance of the assets.

2.2. Economic context

2.2.1. Brazil

In 2023, Luiz Inácio Lula da Silva, the leader of the Partido dos Trabalhadores (PT), was sworn in as the country's president. Although he plans to stand for re-election in 2026, his chances could depend on economic performance, since a slowdown and a rise in inflationary pressure could lend impetus to other candidates.

Driven by three years of average GDP growth of 3% over the period 2022-24, and the progress in taxation and fiscal reforms, the belief is that Brazil enjoys more positive sentiment than in recent years. Nonetheless, the State policy of intervening in the economy, and concerns with regard to the fiscal measures to be implemented, have an effect on investor confidence. Lula's aim is to facilitate State-led development through a new industrial policy, aiming to boost public and private investment.

Tax reform remains a core objective, with complementary laws for the dual value-added tax system, which is currently being reviewed by the Senate. The government estimates a tax rate of 26.5%, although exemptions and pressure groups could increase this even further. Meanwhile, the country's policies are intended to strengthen environmental regulations to attract foreign investments and reduce the risk of divestment.

The government has loosened its fiscal targets for 2025 and thereafter, raising concerns as to its commitment to contain expenditure. A lack of fiscal consolidation and moderate growth could lead public debt, which already stood at 78% of GDP in mid-2024, to rise above 90% in 2029. Although progressive income tax reform could offer some relief, political resistance makes this difficult to implement.

As for monetary policy, the Brazilian Central Bank (BCB) once again tightened its measures in September, raising federal funds (the "Selic rate") to 10.75%, following a series of cuts towards the start of the year. Inflation stood at 4.8% in October, higher than the BCB's average target of 3%, with fiscal expansion and a tight labour market raising challenges in terms of any swift return to the target levels. The BCB is expected once again to increase flexibility in mid-2025, which could result in a Selic rate of 9% by 2026. This would imply real interest rates of 4.5-5.5%.

A good agricultural harvest reduced Brazil's current account deficit to an (estimated) level of 1.6% of GDP in 2024, while the rise in imports is expected to increase the deficit to 2.8% of GDP by 2029. However, the low level of public overseas debt and the substantial trade surplus (driven by robust agricultural and mining exports) will help to mitigate external vulnerabilities. During the period 2024-2028, real GDP growth is expected to be a modest 2.2% per annum, reflecting challenges such as low governmental expenditure, a weaker US economy, and the impact of the country's tighter monetary policy.

The Brazilian real has faced constant pressures caused mainly by the country's fiscal policy, and because the US dollar is stronger following Donald Trump's victory in the US presidential election. The currency is now expected to end the year 2025 at a BRL/USD exchange rate of 5.41, revised from a BRL/USD rate of 5.30.

Although President Da Silva has stated his intention to speed up Brazil's energy transition, its dependence on fossil fuels will make this a more challenging path to follow. Petrol, gas and electricity consumption in Brazil is forecast to expand over the next 10 years, with a drop in coal consumption.

Standard & Poor´s (S&P) has had a rating for the country of BB for foreign currency in the long term, since December 2024.

2.2.2. Chile

Chile is expected to register moderate economic growth in 2025, with an estimated rise in real GDP of around 1.8%. Growth will be backed up by improved credit conditions and lower interest rates, which will stimulate investment and private consumption.

Gabriel Boric's administration is forecast to face greater challenges in achieving a successful conclusion to the rest of his term (which ends in March 2026). His proposed institutional and fiscal reforms have encountered a number of barriers, with the government agenda expected to achieve only partial progress. Issues such as rising crime and migration may dominate the political debate prior to the presidential election in November 2025, which could result in a change of government.

The fiscal deficit is expected to drop from 2.4% of GDP in 2024, to 2.2% of GDP in 2025, backed by higher copper prices and the implementation of certain privileges for copper mining, which will boost government revenues. A fiscal reform is also forecast, expected to be approved this year or next. These revenue gains could be used for greater expenditure on social programmes and public works projects. Nonetheless, the expectation is that the fiscal deficit will continue to fall, and will amount to 1% of GDP by 2029, since the next government will prioritise fiscal consolidation and market-friendly reforms. Chile is expected to maintain strong access to market funds, backed up by its relatively low debt/GDP ratio, compared with other emerging markets.

The Chilean Central Bank (BCCh) is expected gradually to reduce its interest rate to 4% by the fourth quarter of 2025, from its current level of 5.25%. Central bank decisions will continue to be data-driven, balancing the challenges of low economic growth, rising public utility prices and uncertainty as to US monetary policy under the Trump administration, which could affect the peso. Once the rate reaches 4%, it is expected to remain stable throughout the period analysed. The risks that the easing cycle faces include inflationary pressures derived from public utilities costs and climate-related disturbances, such as the La Niña phenomenon. Meanwhile, geopolitical tensions could prompt the BCCh to raise rates again if the increase in oil and food prices or the drop in copper prices have a significant impact on inflation and growth.

Chile is forecast to register a real GDP growth slowdown to 1.8% in 2025, restricted by weak employment growth, high levels of uncertainty and rising electricity prices, which will affect private consumption. Investment will increase modestly as credit conditions improve, although optimism will be offset by the complex processes of environmental approval and the uncertainty surrounding the presidential election. After 2026, growth is likely to speed up under a more market-friendly administration, supported by regulatory reforms and investments in mining, renewable energy and green hydrogen. Average growth for 2025-29 is forecast at 2.4%.

The Chilean peso will weaken in 2025, to a CLP/USD level of 969.8 by the end of the year, amid uncertainty as to US monetary policy and the presidential election. A more stable internal political landscape after 2025 should help the peso to recover. Inflation will remain above the BCCh's target range of 2-4% throughout most of 2025, because of the rising public utilities prices, but will probably converge on 3% by mid-2026.

Standard & Poor´s (S&P) maintains a rating of A- for the country in foreign currency and in the long term.

2.2.3. Spain

Despite the Spanish economy's sound performance over recent years as a result of the slowdown in inflation, strong wage growth and EU-funded investments, economic growth is expected to slow from 2.7% in 2024 to 2% in 2025, remaining slightly higher than the Eurozone average. The expectation between 2026 and 2029 is for real GDP growth at an average rate of 1.7%, driven mainly by the constant rise in private consumption.

The fiscal deficit is expected gradually to fall to 2.6% of GDP by 2029, driven by strong nominal growth, although public debt will remain high by EU standards. The forecast is that the ratio of public debt to GDP will decline modestly, from an estimated 102.8% at the end of 2024, to 100.7% in 2029.

The European Central Bank (ECB) is expected to begin loosening monetary policy, with interest rates estimated to drop from 3.25% to 1.75% by the end of 2025. The lower cost of debt is expected to offer relief to households and companies in Spain. Despite a weaker external environment, Spain's economic prospects for 2024 and the following years remain relatively positive, with moderate growth expected in the short term, and more robust expansion from 2025 onwards.

Estimates are that Spanish inflation will slow from an estimated average of 3% in 2024 to 2.2% in 2025, and will continue to drop to an annual average of 1.9% over 2026-2029, influenced by the drop in energy and commodities prices. There is nonetheless a risk that inflationary pressures could arise again on the supply side.

The euro has seen a depreciation of approximately 10.3% against the US dollar since late September 2024, arriving at a USD/EUR rate of 1.03. This drop reflects the more aggressive rate-cutting focus of the ECB compared with the Federal Reserve, amid weaker economic prospects for the Eurozone, as well as Trump's victory in the US presidential election, which has increased the risk of a recession in Europe, as a result of the import tariffs likely to be imposed by the US in 2025. The euro is expected to maintain the same trend during 2025, to a USD/EUR rate of 1.05 on average, from an estimated USD/EUR of 1.08 in 2024. The euro is expected to continue weakening against the dollar over the period 2026-29, to 1.02 USD/EUR in 2029, largely due to faster monetary easing in the Eurozone than in the USA. Factors such as a current account surplus will lend the euro a degree of support.

The forecast is that Spain's current account surplus will stand at around 2.3% of GDP during the period analysed, higher than the 1.8% average for the pre-Covid-19 decade. Strong domestic demand will maintain a trade deficit in goods, at an average of more than 3% of GDP in 2025-2029, compared with an average of 2% over the past decade. However, this trend is expected to be partially offset by the recovery in income from international tourism.

The S&P long-term foreign currency credit rating for Spain is A.

2.2.4. Peru

Peru is an export-focused economy, specialising in commodities such as copper. Its economy has grown recently, making the most of the advantages offered by an attractive business environment and prudent policy. However, its political instability jeopardises its general economic prospects.

Following the political conflict connected with Pedro Castillo in 2022, Dina Boluarte was elected president until 2026. Support for an informal coalition in Congress is expected to remain in place, which should allow the government to see out its term.

Peru is forecast to see 3% GDP growth in 2025, reflecting a more dynamic global economy, driven by low inflation and monetary easing. Growth in 2025 will come from robust expansion in private consumption and an upturn in private investment, as a result of business-friendly policies from the Boluarte administration. Nonetheless, political instability, the slow recovery of business and consumer confidence, and the possible impacts of El Niño, continue to raise risks for economic growth.

The Peruvian sol is expected to strengthen slightly, ending 2025 at a PEN/USD rate of 3.68%. The sol will benefit from the rise in corporate prices and a slightly weaker US dollar because of the Federal Reserve's easing cycle. The sol will nonetheless remain below its pre-pandemic level of 3.31 PEN/USD, affected by slow economic growth and ongoing political risks.

The fiscal deficit is forecast to drop to an average of 1.9% of GDP in 2026-29, while the non-financial public sector (NFPS) deficit will fall from 4% of GDP in 2024, to 3% in 2025, as a result of the expected economic growth and the rise in metal prices. However, given the political instability and the risk that a populist candidate could win the next presidential election and reduce government control, forecasts are expected to be revised.

The expectation is that monetary policy will remain loose, with the Peruvian Reserve Central Bank (BCRP) expected to reduce its interest rate by 100 basis points to 4% in 2025, as inflation remains within the central bank's target range of 1-3%.

The estimation is that inflation will remain within the BCRP's target range of 1-3%, standing at 2.5% by the end of 2025, driven by lower oil prices. Nonetheless, the risks derived from a possible currency depreciation and from external shocks, such as the conflict between Israel and Hamas, could periodically push prices upwards.

Standard & Poor´s (S&P) maintains a rating of BBB for the country in foreign currency and in the long term.

3. Analysis of key figures for the year

3.1. Consolidated data

Celeo Group

At 31 December each year, in thousands of Euros

Data on results	2024	2023	Variation
Operating profit	131,153	137,440	-5%
EBITDA	193,336	198,252	-2%
Pre-tax profit	66,758	74,204	-10%
Net profit attributable to the controlling company	25,911	32,438	-20%
Net equity			
Net equity	1,350,033	1,416,996	-5%
Turnover			
Sales	289,772	291,880	-1%

The key figures for the financial year were affected by the changes described in subsection 1 of this report.

3.2. Sales through activities

Celeo Group

At 31 December each year, in thousands of Euros

Geographical areas	2024	2023	Variation
Spain	85,776	87,940	-2%
Brazil	139,438	142,110	-2%
Chile	61,898	61,830	0.1%
Peru	2,660	-	-
	289,772	**291,880**	**-1%**

Activities	2024	2023	Variation
Transmission	192,282	193,025	-0.4%
Generation	97,490	98,855	-1%
	289,772	**291,880**	**-1%**

The drop in sales in Brazil is the result of the EUR/BRL exchange rate fluctuation, since the figures rose in local currency terms. Income in Peru corresponds to the operational start-up of the Valle del Chira substation. The remaining variations are described in section 1 of this report.

4. Capital management policy

As a fundamental part of its strategy, the Celeo Group maintains a policy of financial prudence. The capital structure is defined by the commitment to solvency, and the goal of maximising shareholder return.

5. Financial risk management policy

The Celeo Group is exposed to certain financial risks that it manages by grouping systems for the identification, measurement, limitation of concentration and supervision. Operations connected with financial risk management are approved at the highest decision-making level, in accordance with the established standards, policies and procedures.

First risk to be mitigated is Market Risk, essentially through Exchange Rate Risk, which results from the operations conducted by the Group on international markets over the course of its business. Some contracts are denominated in currencies other than the functional accounting currency in each country. There could therefore be a risk of fluctuations in the exchange rates of these currencies affecting Group results. To manage and minimise this risk, the Celeo Group uses hedging strategies, since the objective is to generate profits only through the ordinary activities that it performs, and not by speculating on exchange rate fluctuations. The instruments used to achieve such hedging are essentially debts referenced to the currency in which contract payments are collected.

Variations in interest rates modify the fair value of those assets and liabilities accruing a fixed interest rate, and future flows from assets and liabilities referenced to a variable interest rate. The Celeo Group actively manages its exposure to interest rate risk, to mitigate its exposure to the variation in interest rates derived from debt taken on at variable interest rates, using hedging instruments where appropriate to minimise the financial interest risk, or by referencing borrowing to the same adjustment indices as applied to the income from the project financed.

Meanwhile, Liquidity Risk is mitigated by means of a policy of holding cash and highly liquid, non-speculative, short-term instruments, such as very short-term deposits at first-rate financial institutions, so as to be able to meet its commitments.

The main Credit Risk is attributable to accounts receivable through trade operations, to the extent that a counterparty or client might not meet its contractual obligations. To mitigate this risk, operations are performed with clients that have an appropriate credit record, while furthermore, given the activity and sectors in which it operates, the Celeo Group has clients with a high credit rating.

Meanwhile, in terms of transmission lines, specifically those providing their services in Brazil under the concession regime, the national system operator, Operador Nacional do Sistema Eléctrico (ONS), is responsible for coordinating system collections and payments, and informs the Concession Operator each month of the companies that are required to pay it: generators, major consumers and distributors connected to the system. Before these companies connect to the system, they lodge surety which will be enforced in the event of non-payment, and are immediately disconnected from the system, at which point the payment obligation is distributed among all other system users. The concession operator thus has a guarantee of collection under the national electricity system. In this regard, during the years that the Group has been operating these lines, no non-payment on the part of its users has occurred.

With regard to the transmission lines in Chile, Celeo Redes Chile is involved in the following transmission segments: National Transmission System (STN), Zonal Transmission System (STZ) and Dedicated Transmission System (STD). For the first two segments, the STN and STZ, the National Electricity Coordinator (CEN) is responsible for coordinating the flow of payments to the transmission companies for both systems. In these transmission systems, the income is received mainly through the charges for use of the transmission, which are calculated half-yearly by the National Energy Commission (CNE). The charges for use of the transmission are paid by the end clients (demand) and transferred by the suppliers, who may be the generators in the case of open market clients, or distributors in the case of regulated market clients. The transmission companies are thus protected against the risk of non-payment, since these charges must be passed on from the suppliers to the transmission companies, which are therefore not required to cover the risk of unrecoverable debts. The collection guarantee is based on a CEN Procedure which establishes that in the event of possible non-payment by a coordinated party (the company subject to coordination by the CEN), the party in breach is disconnected from the system, with the payment obligation being divided among the other coordinated companies. In the case of the STD, the income is collected through usage tolls, the commercial conditions of which are defined in the contracts signed between the transmission company and the user of the transmission line.

Meanwhile, the substations and power transmission lines in Peru belong, in the case of Valle del Chira and Puerto Maldonado, to the Complementary Transmission System ('SCT'), which handles certain areas of demand, while the recently awarded project, Miguel Grau - Frontera, belongs to the Guaranteed Transmission System ('SGT'), the revenues of which are borne by the entire system. The tariffs are regulated by the Energy and Mining Investment Supervisory Body (OSINERGMIN), and the process is coordinated by the Economic Operations Committee of the National Interconnected System (COES).

6. Environment

Celeo places on record its commitment to respect and protect the environment in its Code of Conduct, developed by means of its Environmental Policy, focused on raising awareness and facilitating sustainable business development.

The Environmental Policy is based on the application of the following six principles: prevention of pollution, efficiency in the use of resources and waste, protection of biodiversity and habitat, resilience to disasters and adaptation to climate change, fulfilment of requirements and continuous improvement.

Celeo has an Integrated Management System (referred to as the SIG in Brazil and Chile, and IMS in Spain and Peru), which includes the Environmental Management System (EMS). This working framework respects the autonomy and individual features of each country.

Celeo constantly works to achieve continuous improvement in all environmental management processes and at every level of the organisation.
Celeo subscribes to the principle of precaution, through the EMS, identifying the most significant environmental impacts from its activities, and establishing the required mechanisms to identify, evaluate and control them.

The Celeo Group collaborates with various associations promoting research and development in the sector. Celeo is also engaged in a number of innovative initiatives, such as the ANEEL

R&D programme, contributing to the development of Brazil's electricity system, improving system security and reducing environmental impacts, and its collaboration with the ABRATE (Brazilian Association of Electrical Energy Transmission Companies), aiming to optimise the efficiency of the electricity service, resulting in lower environmental impacts.

The Non-Financial Reporting Statement attached to the Management Report describes in depth the objectives, strategies and initiatives undertaken in 2024 in accordance with the Group's Environmental Management.

7. Human Resources

Workforce

Celeo Group

At 31 December each year	2024	2023	Variation
Brazil	403	406	-1%
Chile	218	203	+7%
Peru	16	6	+167%
Spain	44	42	+5%
	681	**657**	**+4%**

People have been the drivers of Celeo's growth and success since it was first founded. At Celeo we promote ethical and lasting relations with employees, offering stable and secure employment with a strong commitment to gender equality, diversity and inclusion, professional development and the hiring of local manpower under the safest possible conditions. In this regard, occupational risk prevention is a common denominator across all activities performed by the Group. A commitment to risk prevention forms part of our culture. This is a commitment which goes beyond legal regulations and client demands, setting stringent and very clear goals: zero accidents and zero tolerance for breaches of the preventive measures established by the company.

At the close of the 2024 financial year, the Group's workforce had increased by 24 people (4%) compared with the close of the previous financial year, giving a total of 681 employees.

8. Significant events after the close of the financial year

No events occurred between the close of the 2024 financial year and the formulation of these annual accounts that could make any significant difference to the true and fair view of the consolidated financial statements of the Celeo Group.

9. Prospects for the 2025 financial year

The Celeo Group maintains its commitment to growth on both the domestic and international markets, based both on the current portfolio of projects and the active pursuit of participation in tenders, developments or asset acquisitions linked to the energy sector in countries offering opportunities for expansion and growth.

Brazil reveals opportunities in the renewable generation sector for 2025, with the possibility of arranging long-term PPA deals for the company's own photovoltaic plant developments on the open market (ACL). The first capacity reserve auction allowing battery energy storage system (BESS) projects to take part is also expected to be announced. As for the transmission sector, ANEEL plans to hold an auction in October this year. This is expected to include 11 lots, which would add up to 1,195 km of transmission lines, and 3,000 MVA of transformer capacity. Opportunities for growth through acquisitions will likewise be explored.

As for Chile, the CEN (National Electricity Coordinator) has plans for a further tender of new and expansion works with national and zonal projects corresponding to the 2023 Expansion Plan, with the New Works Decree having been published in January 2025. These works should therefore soon be awarded, at the latest within the next 12 months. This tender will include 1 new works project within the national transmission system, totalling approximately USD 22 million, and 13 new works for the zonal transmission systems, totalling approximately USD 227 million. As for Expansion Works, no works belonging to the Celeo Group have been included for 2025. Opportunities for organic growth will likewise remain under consideration, through the acquisition of projects in operation, as well as the analysis of new business developments, such as Data Centres.

Peru will continue the expansion of its transmission system with new tenders scheduled for publication between 2026 and 2027. To this end, the COES (System Economic Operations Committee) has published the 2025-2034 Transmission Plan Update, including 19 Transmission projects with an investment value of approximately USD 1,000 million. These projects are expected to be tendered in various groups representing attractive amounts of investment for potential bidders. As Peru is considered to be a strategic market, opportunities for growth will be analysed by means of acquisitions of assets in operation.

Given this scenario, the Group continues with the continuous improvement of equipment, adjusting in accordance with the volume of activity of the different businesses it undertakes. The possibility of entry into new geographical areas will also be examined, wherever opportunities are detected, in particular in the transmission sector.

Given all the above, the Group looks ahead to the 2025 financial year with optimistic prospects for growth in terms of both turnover and value generation figures.

10. Capital stock and acquisition of treasury stock

At 31 December 2024 the capital stock of Celeo Concesiones e Inversiones, S.L., comprised 166,670,560 corporate stock units of a par value of 1 Euro each, fully subscribed and paid up.

Celeo Concesiones e Inversiones, S.L. stock is not traded on any secondary market.

Celeo Concesiones e Inversiones, S.L. performed no treasury stock acquisition operations during the 2024 financial year.

11. Transactions with related parties

With regard to information concerning transactions with related parties, we refer to the disclosures made in the explanatory notes on the consolidated financial statements at 31 December 2024, as established in Article 15 of Royal Decree 1362/2007.

12. Non-Financial Reporting Statement

The Non-Financial Reporting Statement is presented in Annex I to this document.

ANNEX I. NON-FINANCIAL REPORTING STATEMENT 2024

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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1. About Celeo

1.1. Business model

The Celeo Group is dedicated to the investment, development and management of infrastructure assets for the transmission of electrical energy and the generation of renewable energy and mainly operating within public-private partnership schemes.

Our assets and operations are located in Spain, Brazil, Chile and Peru. We have main control centres in Rio de Janeiro, Santiago de Chile and Lima. We also have back-up centres designed to ensure operational continuity in the event of failures in the main control centres.

Our team of professionals remotely operate the facilities from these centres 365 days a year, attending to the needs of the electrical system and complying with the requirements of the system operators in each country: the National System Operator in Brazil (ONS), the National Electricity Coordinator in Chile (CEN) and the Economic Operation Committee of the National Interconnected System in Peru (COES). In addition, we support maintenance teams in specific situations, such as contingencies and scheduled shutdowns. Likewise, our office in Madrid has specialised personnel who supervise production at the plants in Spain.

We also provide specific services, such as the commissioning of new facilities and the preparation of technical studies for the expansion of electricity networks. In addition, we offer third parties the use of surplus fibre optic network wires (OPGW) in transmission lines.

Finally, we continue to analyse new opportunities in other Latin American markets with the aim of diversifying the Group's activities and boosting its growth through expansion into new countries and the development of innovative projects.

1.1.1. Business areas

Our business focuses on two main areas:

- Transmission: development and operation of power transmission line projects.
- Generation: business development and managing solar thermal and photovoltaic power plant assets.

Transmission

Our expansion in Latin America has grown stronger in recent years. Today we are a benchmark in Brazil, Chile and Peru.

In Brazil, we are actively working on a catalogue of projects under a concession scheme. These projects are centred on the construction, operation and maintenance of electrical transmission lines. In Chile, we continue to promote initiatives aimed at the construction and operation of these lines, which in this case are managed under an ownership model. And, in Peru, the consolidation of the Operations and Maintenance team has been key to the commercial launch of the Valle del Chira substation project, which was successfully completed in December 2023. Additionally, we have completed the construction of the control centre in our offices in Lima, which is now fully operational and connected to the COES Dispatch Centre.

Among the new main developments in 2024, of particular note are:

- The construction of the first section of the 220 kV double-circuit line of the CASTE project, part of the stretch between Agua Santa and La Pólvora.
- Approval of the environmental licence (environmental qualification resolution, [RCA]) for the project for a new 220 kV double-circuit line between Don Goyo and La Ruca (GOTE).
- Approval of the environmental licence (environmental qualification resolution, [RCA]) for the project for the new switching substation at Loica and a new 220 kV double circuit line between Loica and Portezuelo (ALFA).
- Start of operations of the RETE project, which consists of the installation of a 200 MVAr reactive compensation bank in the Maipo substation.
- Start of operations of the RUTE project, which consists of the construction of the new El Ruil switching substation, which switches the Talca - La Palma and Talca San Ignacio circuits. It also has a 66/15 kV transformer with a capacity of 30 MVA.
- Start of operations of the Codegua substation, which consists of the construction of a new substation that sections the Sauzal - Alto Jahuel and Rancagua - San Francisco de Mostazal circuits. It also has a 110/66 kV transformer with a capacity of 100 MVA.
- Approval of the Pre-operational Study by COES for the 138 kV Puerto Maldonado - Iberia transmission line (TL) project, which made considerable progress in obtaining easements, reaching 75%.
- Citizen Participation workshops associated with the Puerto Maldonado - Iberia Environmental Impact Study in order to explain the project to the Communities within the project's area of influence.
- Approval of the environmental impact study of the TL 138 kV Puerto Maldonado - Iberia transmission line (PMI) by SENACE in July 2024. This milestone marked the start of construction.
- In 2024, citizen participation workshops were held in connection with the environmental impact study of the 500 kV interconnection project with Ecuador (Miguel Grau - Frontera). These workshops allowed the opinions of the communities existing in the area of influence of the project to be heard.
- In October 2024, Celeo Peru began operating the Lima control centre with its own resources, adding five employees to its workforce.
- Approval of the pre-operational study by COES for the 500 kV interconnection project with Ecuador (Miguel Grau - Frontera).
- Start-up of the expansion project at the Pedras substation, which consists of the installation of a 138 Kv- 50 MVAr shunt capacitor bank.

Transmission								
As of 31 December								
	2024				2023*			
Breakdown	**Brazil**	**Chile**	**Peru**	**Total**	**Brazil**	**Chile**	**Peru**	**Total**
km in operation	4,723	1,430	2	**6,155**	4,730	1,420	2	**6,152**
MVA in operation	10,874	3,134	60	**14,068**	10,525	2,804	60	**13,389**
km under construction	742	615	430	**1,787**	745	621	430	**1,796**
MVA under construction	0	510	20	**530**	0	1,010*	20	**1,030**

* This figure for 2023 includes the transformation capacity that will be built within the Group of works awarded to GOTE. However, this bank of transformers is within the scope of an expansion project and will therefore become the property of a third party.

Figure 1. Celeo's electricity transmission in Brazil

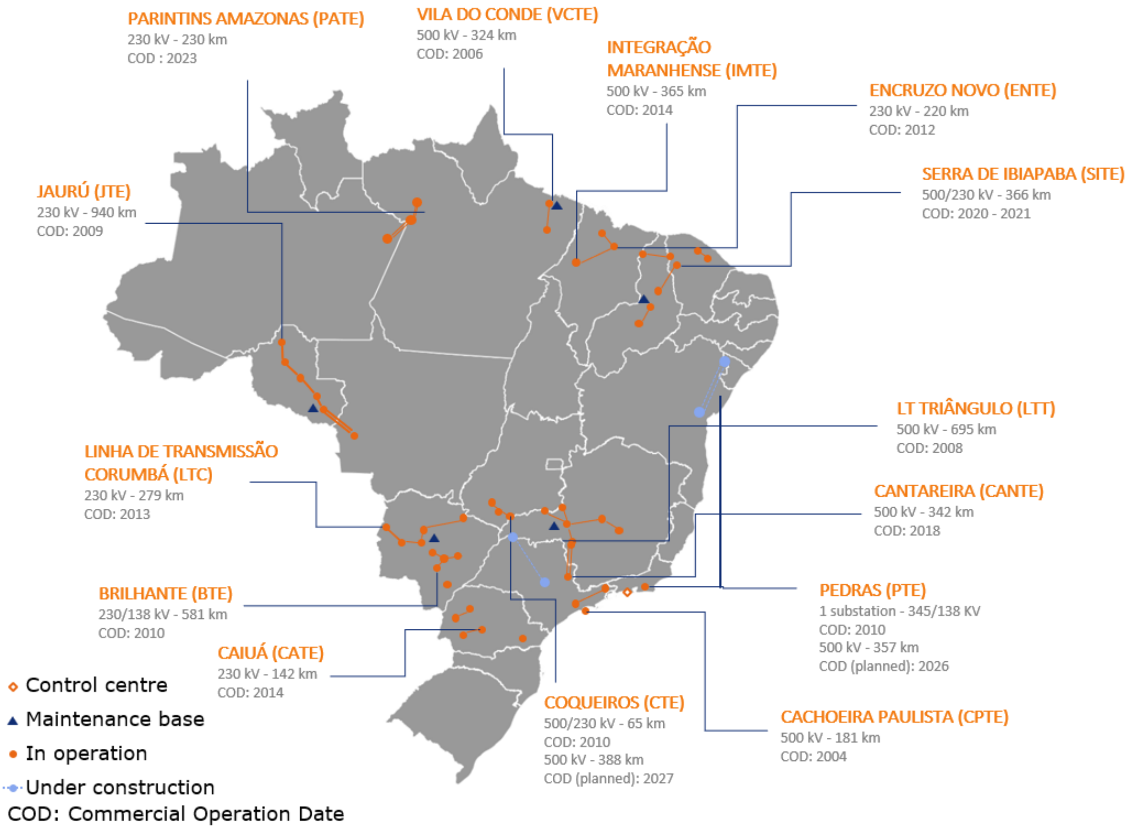


Figure 2. Celeo's electricity transmission in Chile

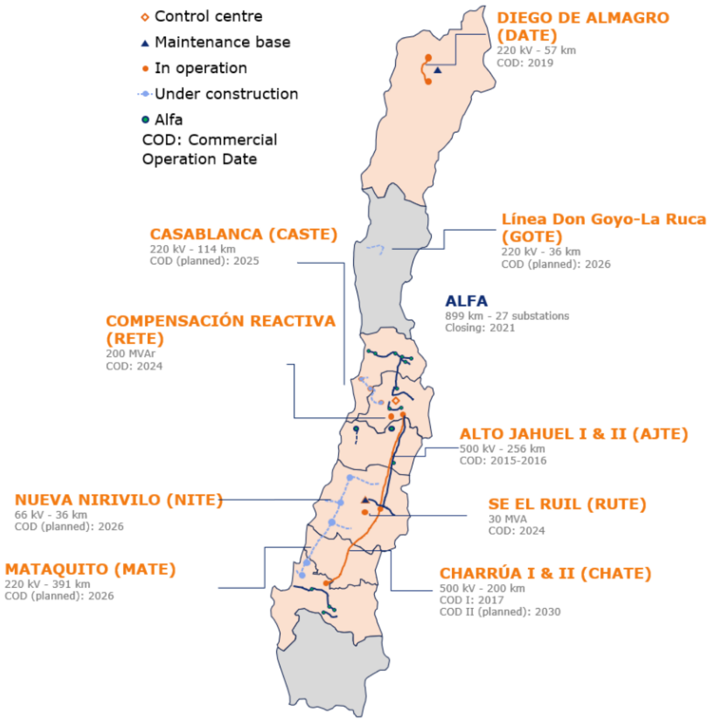


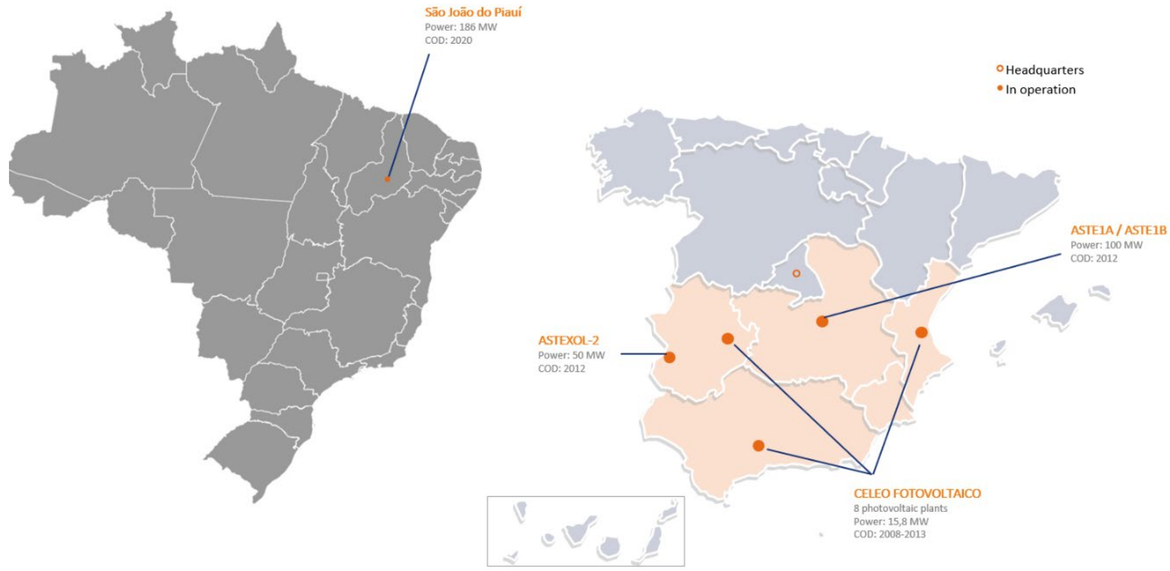
Figure 3. Celeo's electricity transmission in Peru

Generation

We currently have solar generation assets in Spain and Brazil.

- Solar thermal plants operational:
    - Spain: Astexol 2 (49.9 MW), Aste 1A (49.9 MW) and Aste 1B (49.9 MW).
- Photovoltaic plants operational:
    - Brazil: São João do Piauí (186.05 MW).
    - Spain: Siberia Solar (10 MW), THT Antequera (2 MW), ELC Leclerc (0.6 MW), HAE Alacant (0.5 MW), Alginet I and II, Almussafes I and II (2.7 MW).

Figure 4. Celeo Group's renewable energy generation



Generation: installed capacity						
As of 31 December						
	2024			2023		
Breakdown	**Spain**	**Brazil**	**Total**	**Spain**	**Brazil**	**Total**
Photovoltaic in MWp	18	224	**242**	18	224	**242**
Solar thermal in MW	150	-	**150**	150	-	**150**

1.2. Our purpose and our values

Mission

To contribute to economic and technological progress, social well-being and sustainable development through investments in safe, reliable and efficient energy infrastructures.

Vision

To become a leading company in the energy infrastructures market, committed to excellence, and with a sound environmental, social and good governance culture that involves all our stakeholders in the creation of value for the company.

Values

- Regard for life and its surroundings. Health and safety is an essential value. We prioritise safety over any other requirement in our activities, and only ever executing our activities under safe conditions. We look after the social and surrounding environment necessary to have a full life.

- Customer and stakeholder focus: We are committed to achieving the satisfaction of our customers and stakeholders, anticipating their needs and exceeding their expectations. We employ our best efforts to provide an excellent service day after day.
- Honesty, respect and transparency. We encourage honesty, respect and transparency throughout all areas of the company to construct ethical and long-lasting relationships.
- Commitment, effort and constancy. We believe in commitment, effort and constancy to reach our goals.

1.3. Main milestones in Celeo's history

Our company's history began in 2000, when Elecnor, our majority shareholder and strategic partner, was awarded a project for the construction and operation of 581 kilometres of 500 kV line in Brazil. This milestone marked the beginning of a period of growth and consolidation in the Brazilian energy transmission market through our company Elecnor Transmisora de Energía, SA (ETESA).

Later, in 2009, we took a decisive step by creating Celeo Concesiones e Inversiones (Celeo) in Spain: our parent company responsible for the comprehensive management of the Elecnor Group's concession businesses and investments. Furthermore, it was in that same year that we began our international expansion with Celeo being awarded its first transmission project in Chile.

In order to strengthen our presence in these markets, in 2011 we reorganised our assets and set up two key subsidiaries: Celeo Redes Brasil in Brazil and Celeo Redes Chile in Chile. This move allowed us to consolidate our operations and explore new opportunities in both regions. In 2014, we succeeded in forming a strategic alliance with APG, the Dutch pension fund manager, which acquired 49% of Celeo Redes, S.L.. Then, in 2019, APG strengthened its commitment to our business model by becoming a shareholder of our parent company.

In 2021, together with APG, we acquired 100% of the Colbún Transmisión, S.A. transmission business, thus consolidating our position in the Chilean market, where we manage more than 2,000 kilometres of transmission lines and 39 substations distributed throughout the country. During this time, in the Peruvian market we were awarded the 138 kV Puerto Maldonado - Iberia transmission line and the 220/60 kV substation in the Chira Valley.

In 2022, we continued to add to our list of achievements. Among the most noteworthy of these were the award of the concession contract for the Don Goyo project, the commissioning of a new bank of autotransformers at the Cumbre substation and the commissioning of the La Pólvora substation, all in Chile.

2023 was a year of great progress in Brazil. We were awarded Lot 6 of the ANEEL auction 1/2023, which includes a 357-kilometre, 500 kV double-circuit transmission line (Xingó-Camaçari); and, in the next auction for the same agency, 2/2023, we managed to obtain Lot 3, which includes a 388-kilometre line between Marimbondo 2 and Campinas, spanning Minas Gerais and São Paulo. At the same time, the PATE project (230 kV Oriximiná-Juruti-Parintins transmission line) began its commercial operation. Celeo was also awarded two strategic extensions at the Hualqui and La Pólvora substations in Chile, within the framework of Exempt Decree No. 200/2022, and obtained the environmental licence (RCA) for the CASTE project. In Peru, meanwhile, the Valle del Chira station came into operation.

Lastly, in 2024, we continued with our expansion. In Brazil, we were awarded new contracts for reinforcement work on the LTC and CATE concessions, with investments of 14.5 and 9 million reals respectively. In Chile, as part of the expansion works put out to tender by the National Electricity

Coordinator, Celeo was awarded the project to lay the second circuit of the 2 × 500 kV Ancoa-Charrúa line (CHATE), representing an investment of 106 million dollars and a completion period of 60 months.

1.4. Resilient business aligned with global trends

1.4.1. Sector context

Celeo carries out an annual analysis of the most relevant factors and trends, both at a global and sectoral level, that could have an impact on the development and performance of our activity. Only in this way can we ensure that we are prepared to face diverse crises and challenges.

Spain

The Spanish electricity sector includes the generation, transmission, distribution and marketing activities. Transmission and distribution activities are regulated in Spain, whereas generation and marketing activities are not.

The key actors in the sector are the Ministry for Ecological Transition and the Demographic Challenge (MITECO), the National Markets and Competition Commission (CNMC) and the Spanish Electricity Grid (REE).

From a regulatory perspective, in 2024 the publication of CNMC circular 1/2024 of 27 September is noteworthy, as it establishes the requirements for access and connection to the transmission and distribution network for demand facilities. The circular introduces the term *flexible demand access* in order to allow greater integration of storage facilities into the grid. This circular, which in the future is to be supplemented by regulatory development, also affects other demand facilities, such as data processing centres (DPCs).

Brazil

The Brazilian electricity sector comprises generation, transmission, distribution companies and marketers (sale of electricity to end users).

The main actors are the Ministry of Mines and Energy (MME), the National Electricity Agency (ANEEL), the National System Operator (ONS), the Chamber of Commerce of Electric Energy (CCEE) and the Energy Research Company (EPE).

Celeo monitors regulatory changes that may have an impact on the Company and participates actively in such changes. The regulatory resolutions that entered into force in 2024 include the following:

- Regulatory resolutions no. 1083, 1088 and 1096/2024, which approved the revision of submodules 9.1 and 9.2 of the tariff regulation procedures (PRORET) on the occasion of Public Consultation No. 31/2023, maintaining the current methodology for updating ANEEL's Reference Price Database services.
- Regulatory Resolution No. 1097/2024, amending Module 1, 'Glossary of Transmission Standards,' to include the regulatory improvements of Regulatory Resolution No. 1020/2022 regarding the improvement of the regulations associated with reinforcements and improvements in electrical transmission facilities, and module 5, 'Access to the System', in order to correct material errors when publishing regulatory resolution No. 1069/2023, which requires the presentation of a financial guarantee to request access.

Throughout the year, other regulatory resolutions were also published with the aim of keeping the grid procedures of the National Electricity System Operator up to date in order to comply with sectoral improvements.

We also monitored the main legislative and regulatory changes through our participation in public hearings and consultations, both individually and through the Brazilian Association of Electric Power Transmission Companies (ABRATE) and the Brazilian Solar Photovoltaic Energy Association (ABSOLAR). For example, we monitored the review of the revenues of the power transmission concession contracts which took place in 2024.

Chile

In Chile, the electricity sector has three relevant segments: generation, transmission and distribution. The transmission companies are privately owned, while the State plays a regulatory, supervisory and planning role. These functions are delegated to the following public bodies: Ministry for Energy, the National Energy Commission (CNE), the Superintendency for Electricity and Fuels (SEC) and the National Electric Coordinator. All are responsible for guaranteeing the correct functioning of the Chilean electricity system.

The transmission market in Chile is governed by the LGSE, the General Law on Electric Services (DFL No. 1 of 1982), which has undergone various modifications by subsequent laws published over the years. Furthermore, in 2022, the Project for the storage of renewable energies and electromobility was approved, which seeks to increase the share of renewable energies in the electricity matrix and promote the promotion of electromobility with incentives to transition to this type of technology.

In November 2024, the Chilean Chamber of Deputies approved the energy transition bill, including a series of measures to achieve this objective. Among other things, the project allows the tendering process for expansion works to be transferred to the owners and makes provision for a permanent mechanism for reviewing the investment value of these works. It also includes a transitional mechanism to review the investment value of paralysed or disputed investment projects to allow their construction to continue. Lastly, it aims to expedite the expansion works (both new and extension) considered necessary and urgent for the electricity system.

Regarding tariff issues, the *Preliminary technical report of the qualification study of the national electricity system facilities for the four-year period 2024-2027* was published in August 2024. This study aims to define whether the transmission sections will be part of the national, zonal or dedicated transmission systems.

Peru

The transmission system in Peru is a regulated market that is divided into a main national interconnected system (Sistema Eléctrico Interconectado Nacional - SEIN) and some isolated grids. It allows private participation and operates with a concession system. Every two years, the COES carries out a study of the expansion of transmission capacity, as well as a transmission plan, subject to the approval of the Ministry of Energy and Mines.

As a main new development, the Law on Efficient Generation (Law No. 28832 of 2006) introduced two additional categories for transmission installation: a guaranteed transmission system and a supplementary transmission system, which are applied to the installations commissioned after the enactment of the law (July 2006).

At present, the new framework coexists with inherited installations which were commissioned before 2006 and have conserved their concessions.

1.5. Presence in sector associations

Celeo actively collaborates with sector associations in each of the countries where it operates. These organisations not only represent and protect our values and interests as a group, but also serve as essential platforms to exchange knowledge, promote good practices and discuss the challenges facing the industry in the future.

During 2024, Celeo allocated a total of 171,250 euros to support these associations, and contributions to social action amounted to approximately 534,168 euros. The sectoral associations we support include the following:

Spain

- Asociación Española para la Promoción de la Industria Termosolar (PROTERMOSOLAR): an association whose members represent the sector's value chain and the main objective of the association is to promote the expansion and development of solar thermal technology both in Spain and in the rest of the world.

Brazil

- Associação Brasileira das Empresas de Transmissão de Energía Elétrica (ABRATE): association comprising electrical energy concessionaires and transmission concessions, the aim of which is to represent the legitimate interests and add value to the associated companies, with proactive actions to ensure the sustainability, development and attractiveness of the business.
- Associação Brasileira de Energía Solar Fotovoltaica (ABSOLAR): association that represents the photovoltaic sector in Brazil.
- Associação Brasileira de Recuperação Energética de Resíduos (ABREN): association whose purpose is to promote the recovery of energy from waste.
- Associação Brasileira de Soluções de Armazenamento de Energía (ABSAE): association dedicated to promoting the inclusion of energy storage in the Brazilian electricity sector.
- Associação Brasileira de Hidrogênio e Combustíveis Sustentáveis (ABHIC): association in charge of contributing to the regulation to promote the development of the hydrogen market and its derivatives; implementation and optimisation of market conditions; local technological development necessary for the hydrogen economy and sustainable fuels in Brazil.
- Comitê Nacional Brasileiro de Produção e Transmissão de Energia Elétrica (CIGRE Brasil): not-for-profit civil society with the aim of promoting the technical, technological and engineering exchange and development in Brazil.

Chile

- Asociación Chilena de Energías Renovables (ACERA): association that seeks the protection of the environment and sustainable development for Chile, through the promotion of renewable energies.
- Chilean Transmission Companies: association that seeks to highlight the importance of electricity transmission in the Chilean economy and stimulate investment in this industry through the proposal of public policies.
- Consejo Internacional de Grandes Sistemas Eléctricos (CIGRE): a global non-profit organisation that aims to become a technical benchmark and knowledge centre for the electricity sector in Chile.

Peru

- Comité de Operación Económica del Sistema Eléctrico Interconectado Nacional

1.6. Solvency and sustainable growth

We adopt a policy of financial prudence that is reflected in our solid capital structure. The aim is to guarantee solvency and, at the same time, optimise profitability for our shareholders.

Below follows the performance of the main financial figures for the last two financial years. Our Annual Financial Statements contain additional information on Celeo's other economic indicators.

1.6.1. Economic performance

Results data (thousands of euros)			
As of 31 December			
	Variation (%)	**2024**	**2023**
Operating profit	-5%	131,153	137,440
EBITDA	-2%	193,336	198,252
Pre-tax profit	-10%	66,758	74,204
Net profit	-20%	25,911	32,438

Revenues by activity and geographical area (thousands of euros)			
As of 31 December			
Geographical areas	**Variation (%)**	**2024**	**2023**
Spain	-2%	85,776	87,940
Brazil	-2%	139,438	142,110
Chile	0%	61,898	61,830
Peru	-	2,660	-
Total	**-1%**	**289,772**	291,880
Activities	**Variation (%)**	**2024**	**2023**
Transmission	0%	192,282	193,025
Generation	-1%	97,490	98,855
Total	**-1%**	**289,772**	**291,880**

Other economic indicators (thousands of euros)								
As of 31 December								
	Spain		**Brazil**		**Chile**		**Peru**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Pre-tax profits	5,120	5,348	65,675	66,180	(3,458)	3,282	(579)	(606)
Tax on profits paid	(4,766)	(679)	(7,453)	(9,078)	0	0	0	0
Public subsidies received	0	0	0	0	0	0	0	0

1.6.2. Financing

Celeo's energy transmission and generation activities require significant investment, especially during the initial stages of each project. Consequently, access to long-term financing in the capital markets is an essential element of the company's strategy.

Celeo has identified multiple sources of funding for this purpose, adapted to the characteristics and requirements of each investment initiative. Furthermore, it has evaluated financing opportunities linked to compliance with environmental, social and governance (ESG) criteria in response to market trends that demand a greater commitment to sustainability from companies.

In Brazil, Pedras Transmisora de Energia, S.A., secured a bridge loan for 150 million reals to cover the first phase of construction of the Xingó project, until part of the long-term financing is disbursed, formalised at the end of the financial year in the amount of 313 million reals. The rest of the financial resources necessary to cover the total costs of the project will be formalised at a later stage.

Meanwhile, in Chile, during 2024, Alfa Transmisora de Energía (ATE) carried out its second bond issue, reaching an amount of 3.3 million UF. Meanwhile, Nirivilo Transmisora de Energía (NITE) took out a 100-million-dollar bridge loan to finance the work needed to bring the NITE, RETE, RUTE and GOTE lines into commercial operation.

2. Our sustainable management model

As part of its commitment to responsible, transparent and sustainable management, Celeo promotes a business model that seeks to harmonise the expectations of its stakeholders with the company's performance in economic, social and environmental terms.

We achieve this through our sustainability policy, which is structured around five fundamental pillars that guide our activities: quality, occupational health and safety, care for the environment, compliance and social responsibility.

Pillars and principles of action of the Celeo Sustainability Policy	
Quality	• Customer and stakeholder approach • Sustainable, efficient and effective management of our assets and processes • Compliance with requirements • Continual improvement
Occupational health and safety	• Prevention of injuries and the deterioration of health • Prevention culture • Consultation and participation • Compliance with requirements • Continual improvement • Zero tolerance
Environment	• Preventing pollution • Efficient use of resources and waste • Protection of biodiversity and habitat • Resilience to catastrophes and adaptation to climate change. • Compliance with requirements • Continual improvement
Compliance	• Ethical culture and zero tolerance • The fight against fraud, corruption, passive and active bribery • Integrity in our activities • Responsibility • Continual improvement
Social responsibility	• Ethical and lasting professional relationships • Diversity • Fight against abuse • Well-being and social development • Continual improvement

2.1. Sustainability strategy

In 2024, we successfully completed our 2020-2024 business plan, a roadmap that allowed us to consolidate the continuous improvement in our operations and projects in Spain, Brazil, Chile and Peru. This strategic cycle marked significant advances in our performance, especially in the integration of sustainable practices and the incorporation of ESG aspects as fundamental pillars of our management.

Objectives met from the 2020-2024 business plan:

- Modification of the stakeholder engagement plan at Group level to include Peru.

- Extension of the scope of the Celeo Concesiones e Inversiones certificate to include Celeo Redes Peru and PMTE, in accordance with ISO 9001, 14001 and 45001.
- The certification of Spain and Peru is in accordance with management standards ISO 37001 and UNE 19601.
- Celeo's participation in the Global Real Estate Sustainability Benchmark (GRESB) tool for the first time.

Looking to the future, we have defined a new strategy, the 2025-2029 business plan, clearly focused on strengthening our sustainability strategy, increasing our organisational resilience and deepening the integration of ESG standards in all the regions where we operate.

To ensure the success of this strategic plan, we will continue to focus on our integrated management system, encompassing the management of risks and opportunities, information technologies, environmental protection, occupational health and safety, interaction with stakeholders and regulatory compliance. This approach ensures that all operational and sustainability aspects are closely aligned with our long-term vision.

We are also continuing to work to ensure that our assets are aligned with best sustainability practices. Our benchmark is the Equator Principles, which include the standards of the International Finance Corporation (IFC). We also integrate other benchmarks such as the European Investment Bank's (EIB) Environmental and Social Standards. These principles are essential for identifying, evaluating and managing the environmental and social risks related to the development of our activities.

2.1.1. ESG Objectives

Our ESG objectives are reflected in the annual budget and are detailed together with the corresponding measures in the different sections of this report. Furthermore, at Celeo Brasil and Celeo Chile we have developed our own annual sustainability action plan, with its own specific aims and objectives, the success of which requires the active participation and commitment of our collaborators. The achievement of these objectives is associated with the payment of a bonus that recognises the effort and commitment of the entire organisation to sustainability.

Below follows a breakdown of the objectives by country and degree of fulfilment:

ESG Objectives: Brazil		**Compliance 2024**
Environment	Achieve an average compliance rate of 85% in 3 audits, including waste separation in substations, 85% in maintenance facilities and 85% at Head Office.	100%
Social	Zero serious accidents. Frequency rate (FR) less than 3. Severity rate (SR) less than 60.*	0%**
	Participation of at least 80% of employees in every Success in Sustainability training programme.	0%***
Governance	Maintain and expand the certification of the IMS in accordance with ISO 9001 (Quality), ISO 14001 (Environment) and ISO 45001 (Safety) standards, as provided for in the 2024 plan.	100%
	100% participation of employees in the annual training for the internal *compliance* programme and anti-bribery management system.	100%

* GR = T × 1,000,000/H (T: computed time; H: number of man-hours of exposure to risk).

** This objective is made up of three interrelated indicators. Failure to achieve one of the three indicators means that the objective has not been fully met.

*** Not all the training sessions achieved an 80% participation rate, meaning that the target set was not met in full.

ESG Objectives: Chile		Compliance 2024
Social	Zero serious accidents.	100%
	Achieve 100% worker participation in an inclusion training activity, with a score on the evaluation test equal to or greater than 80% of the total responses of the company.	100%
Governance	Achieve 100% compliance with the Processes, Indicators and Improvements Project (PIM) annual work plan. Achieve 100% worker participation in a sustainability training activity, with a score in the evaluation test equal to or greater than 80% of the total responses of the company.	100% 100%
	Exceed the 80th percentile in global corporate GRESB infrastructure or a score of 80/100.	100%
	Achieve the certification of the anti-bribery management system. Achieve 100% worker participation in two training activities in the compliance pillar, with a score on the evaluation test equal to or greater than 80% of the total responses of the company.	100% 100%
	Achieve 100% attendance by workers in the cybersecurity training plan, with an evaluation test score equal to or greater than 80% of the total responses of the company.	100%

2.1.2. ESG communication and monitoring

We have a range of management and communication tools to monitor and report on our sustainability performance, providing us with a comprehensive overview:

- Corporate systems for ESG indicators. These tools, used on a quarterly basis, compile and analyse data on environmental, labour and, health and safety issues. In 2024, we have developed a specific tool for managing occupational health and safety at a corporate level that will become operational in 2025.

- Management report. This is a quarterly report submitted to Celeo's Board of Directors that includes a specific section on the most noteworthy ESG aspects of our operations in Spain, Brazil, Chile and Peru.
- Annual sustainability report. This document summarises our initiatives, achievements and challenges in the field of ethical, responsible and sustainable management. Since 2021, we have been preparing our Non-Financial Information Statement in accordance with the requirements established by Law 11/2018, of 28 December, on non-financial information and diversity.

2.1.3. Sustainability committees

In Brazil and Chile, the Group's sustainability principles are implemented and supervised by sustainability committees that adapt these guidelines to the environmental, social and governance policies of each country. The committees are made up of members of the local Executive Management together with leaders from the Sustainability, Quality, Environment, Human Resources, and Health and Safety departments.

Regular meetings are organised to evaluate and monitor the progress of the objectives as well as the organisation's performance in ESG areas, thereby ensuring a proactive approach aligned with global goals.

In the case of Spain, the Corporate Management is responsible for overseeing the implementation and supervision of the integrated management system in Spain and Peru. It also defines the strategies for managing risks and opportunities, establishes the quality and ESG objectives and is charged with other strategic functions that guarantee fulfilment of the company's commitments.

Furthermore, the General Management coordinates key activities such as the preparation of the Group's sustainability report and the implementation of the stakeholder engagement plan at a local level, thus reinforcing the connection with stakeholders.

Throughout the year, the managers of Spain, Brazil, Chile and Peru participate in regular coordination meetings to jointly monitor cross-cutting issues related to sustainability and to promote consistency and also to exchange best practices between the Group's different regions.

Sustainability Committee	Number of meetings in 2024	Number of meetings in 2023
Celeo Brasil	13	6
Celeo Chile	2	3

2.2. Commitment to sustainability

2.2.1. The SDGs and Celeo's agenda

At Celeo, we strongly support the United Nations 2030 Agenda. For this reason, we are committed to making progress in the coming years towards the objectives and goals which we have prioritised, which are inspired by the 17 Sustainable Development Goals (SDGs).

This prioritisation is closely linked to the nature of our activity, our strategic objectives and the usual practices of the sector. In the case of Brazil and Chile, the goals established have an impact both internally, in relation to the organisation's daily operations, and externally, through the social and environmental initiatives that we promote in the communities where we operate.

Brazil

SDG	Global SDG targets	Targets	Compliance 2024	Comments
SDG 5 Gender equality	5.5 Ensure full and effective participation for women and equal opportunities for leadership in all decision-making areas in political, economic, and public life.	Increase the number of women in the Operation and Maintenance area by 50 %, with 2022 as the baseline, by the end of 2026 (7 women will need to be hired between 2023 and 2026).	58%	Two new technical posts filled by women in 2024.
		Enrol 4 women in Electrical Engineering for each new training cycle.	100%	Goal achieved during 2023 for the 2023-2024 training cycle.
SDG 7 Affordable and clean energy	7.1 By 2030, ensure universal access to affordable, reliable, and modern energy services. 7.2 By 2030, significantly increase the share of renewable energy in the energy mix. 7.3 By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all.	By 2024, increase investment in renewable generation assets, reaching a capacity of 1000 MW.	22%	We continue to work on the development of new photovoltaic power generation developments in Brazil.
		By 2024, continue expanding and improving the electricity transmission infrastructure, increasing the portfolio on an annual basis: transmission lines (from 200 to 500 km); transformation capacity (from 500 to 1000 MVA).	100%	Participation in 2 auctions: - 1/2023, in which Celeo acquired Lot 6, with a length of 355 km. - 2/2023, in which Celeo was awarded Lot 3, with a length of 388 km.
SDG 8 Decent work and economic growth	8.8 Protect employment rights and promote safe and secure working environments for all workers, including migrant workers, particularly women migrants, and those in precarious employment.	Hiring of local labour (25% for new transmission projects and 50% for new renewable generation projects).	100%	The rationale was to contract labour for transmission projects as there were no generation projects contracted during 2024.

	8.3 Promote development through the creation of decent jobs, training and the growth of micro-, small- and medium-sized enterprises, entrepreneurship and innovation.	Carry out an ESG maturity diagnostic on 50 critical suppliers by 2023 and develop 2 suppliers per year by 2030	100%	10 providers developed in 2024.
	8.6 In 2020, reduce the proportion of youth not in employment, education or training by 3% and by 10% before 2030.	Implement social projects with volunteer resources and train young people in the places where projects are contracted from 2020 onwards.	100%	The second phase of the *Quipá - Jóvenes Cultivando el Conocimiento* project ended in August 2024.
SDG 13 Climate action	13.3 Improve education, awareness raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	Voluntary reforestation of 15% of the mandatory areas established in the new environmental tendering procedures. Priority will be given to the Permanent Preservation Area, legal reserve and the establishment of ecological corridors.	100%	In 2024, we will have completed the planting of 40 hectares in line with voluntary reforestation: 20 hectares in the Restaura Caatinga project and 20 hectares in the Nascentes project. New goals will be proposed for 2025.

Chile

SDG	Global SDG targets	Targets	Compliance 2024*	Comments
SDG 5 Gender equality	5.5 Ensure full and effective participation for women and equal opportunities for leadership in all decision-making areas in political, economic, and public life.	Have at least 10% of women occupying leadership positions (management, deputy management) by 2030.	0 %	Plan currently being developed, to be implemented in 2025.
		Reach a workforce made up of 20% female staff by 2030	100%	Total in 2024: there were 13 women finalists and 10 women hired in the processes.
	5.c Approve and strengthen sound policies and enforceable laws to promote gender equality and the	Have a participatory diagnosis that identifies gender gaps and barriers, and recognises	100%	In Q4, a diagnostic tool prepared by UN Women was applied, which allowed the

	empowerment of all women and girls in all areas.	tools that facilitate equality.		organisation to be evaluated according to different variables.
		Promote participative bodies in relation to abuse and mistreatment in the workplace that allow the strengthening of good practices with regard to healthy labour relations.	100%	Two talks were given on the Karin Law and healthy labour relations, one aimed at area managers and the other at the organisation as a whole.
SDG 7 Affordable and clean energy	7.1 By 2030, ensure universal access to affordable, reliable, and modern energy services.	Expand and upgrade the electricity transmission infrastructure by 2030, by adding 3 projects in the northern part of the country to the portfolio.	100%	During 2024, the preliminary stage of preparing bids and the initial list of works of interest was completed.
	7.2 By 2030, significantly increase the share of renewable energy in the energy mix.	Increase the portfolio of renewable generation projects for sale or construction to 1,000 MW by 2030.	100%	In March 2024, a bid for two government-owned plots of land for the development and implementation of storage systems was successfully submitted to the Ministry of National Assets.
SDG 8 Decent work and economic growth	8.8 Protect employment rights and promote safe and secure working environments for all workers, including migrant workers, particularly women migrants, and those in precarious employment.	Define a communications plan that continuously reinforces the culture of prevention.	100%	Launch of the +SEGUROS (SAFER) project, a communications plan made up of two elements: '+Seguros Reforzamiento' (SAFER Reinforced) and '+Seguros Te Aconseja' (SAFER Advises You). 100% of the publications were achieved each week during Q1 and Q2.
		Quantify the degree of tolerance and empowerment of the company's preventive culture.	80%	The first analyses regarding the methodology for quantification and the possible tools were carried out during Q2. In Q4,

				a supplier was selected and a purchase order was generated for the service to be implemented in Q1 2025.
SDG 13 Climate action	13.2 Integrate climate change measures into national policies, strategies, and planning.	Carry out 6 studies on physical factors by 2030.	100%	Phases I and II of the MEDIR study, scheduled for 2024, were completed.
		Implement 10 projects in transmission strips by 2030.	100%	The proposed project for the ecological restoration of Geophytes at a site in Central Chile was implemented within the framework of the New Line 2 × 220 Nueva Alto Melipilla - Nueva Casablanca - La Pólvora - Agua Santa project, given the need to recover the surface area of this group of plant organisms against a backdrop of climate crisis and biodiversity.
	13.3 Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	To reach a cumulative total of 600 direct hours (workshops + interventions) by 2030, with a specific annual forecast.	100%	In 2024, 228 hours of direct environmental education had been completed since 2022.
		Implement programmes in 10 schools close to our operations.	100%	Incorporation of the Carlos Del Campo Rivera school in Colbún (Maule Region).

*In order to meet the goals set for 2030, annual internal goals have been established, so the % of compliance in these cases refers to the fulfillment of the annual internal goal.

2.2.2. Participation in sustainability initiatives

Celeo reaffirms its commitment to sustainability through its active participation in various initiatives that strengthen environmental, social and governance (ESG) management.

GRESB is a leading organisation for the evaluation of the ESG performance of funds, infrastructure and real estate portfolios, continues to be a key benchmark for us. Furthermore, it allows us to monitor market trends in priority issues such as net zero, diversity, equality, inclusion and analysis of transitional climate risks, and to integrate these areas into their best sustainability practices. In 2024, we reached a significant milestone by participating for the first time as a group in the GRESB report and obtained a score of 92 out of 100. For the Group, this joint assessment consolidates the achievements previously made by its subsidiaries in Brazil and Chile, recognised in previous years. The score obtained as a group reflects the collective effort of its operations in Spain, Brazil, Chile and Peru, and highlights the degree of maturity achieved in implementing sustainable strategies.

Furthermore, since 2018, Celeo Brasil and Celeo Chile have been signatories to the United Nations Global Compact, an initiative that promotes corporate sustainability and the integration of the SDGs into corporate strategies. Through this alliance, we participate in thematic groups, encourage the involvement of our teams in discussion forums and develop projects where we exchange experiences with other organisations. This allows us to lead the way in key areas such as energy and resilience, human rights and regulatory compliance, while integrating best practices into our ESG management.

In Brazil, we are part of the Mente em Foco (Mind in Focus) movement, which encourages companies to develop initiatives to promote the mental health of their employees. In this context, Celeo Brasil has developed a number of initiatives, which include two corporate leadership academies (one specifically for leaders in the field and the other for those based in the office). These academies held several meetings during which routine issues were discussed, and in April 2024 we were one of the companies chosen as outstanding by the Global Compact within the movement. In 2024, Celeo Brasil reached a new milestone by participating in sustainability awards for the first time and becoming a finalist in two of them: the GRI Awards and the Business Ethics Award. At the GRI Awards, we came third in the Communities category with the Quipá project and achieved an outstanding participation in the Biodiversity category with Restaura Caatinga. Both projects were also recognised for their participation in the Business Ethics Award, consolidating our commitment to responsible and sustainable practices.

Furthermore, in 2024 we reaffirmed our commitment to excellence and sustainability by obtaining and renewing important certifications that endorse our responsible management practices in the countries where we operate.

Thus, in Spain the first follow-up of the Triple Certification (ISO 9001, ISO 14001, ISO 45001) was carried out, which included Celeo Redes Peru and PMTE in the scope. We obtained the Celeo Concesiones e Inversiones multisite certificate, which includes the operation and maintenance (O&M) activities in Peru in the scope and consolidates our standards in quality, environmental management and occupational health and safety. In addition, we obtained ISO 37001 (anti-bribery management) and UNE 19601 (criminal compliance) certifications in both Spain and Peru.

In Brazil, we achieved our second Triple recertification in 2024, expanding the scope to include PATE assets within the operation and maintenance activities. We also maintained the certification of the anti-bribery management system and consolidated a total of 55 certified assets in the country, a reflection of our commitment to integrity and efficient management.

In Chile, we successfully completed the Triple recertification, achieved ISO 37001 certification for anti-bribery management and added ISO 55001 certification for Asset Management, which demonstrates our comprehensive approach to sustainability.

2.3. Relations with our stakeholders

Our commitment to sustainable development is also reflected in the relationship and active collaboration with our stakeholders, a fundamental aspect for the organisation's success and continuity. To strengthen this link, we have a stakeholder engagement plan, a model based on the AA1000 standard that guides our stakeholder engagement practices. This programme facilitates the construction of solid relationships based on trust and is implemented in all the countries where we operate.

In 2024, we took another step in this direction by starting to draw up the documentation for the integrated Multisite management system. Within this framework we developed three strategic processes common to all countries: risk and opportunity management, the SEP and strategic management.

The SEP allows us to design specific action and communication plans which are adapted to the identified needs and expectations of our priority stakeholders, thus guaranteeing us a level of commitment appropriate to each context.

At the same time, we encourage continuous and close dialogue through various channels, such as satisfaction surveys, customer and employee consultations, citizen participation processes, visits, meetings and community diagnostics, among others. These tools help us gain a better understanding of the needs and expectations of stakeholders, which enhances our ability to respond effectively and sustainably.

Celeo stakeholders	Expectations
Investors, partners and shareholders	• Economic results of the company. • Appropriate risk profile. • Fulfilment of the company's growth forecasts, business plan and improvement initiatives. • Sustainability best practices.
Employees and trade unions	• Competitive working conditions. • Professional development. • Good working environment.
Clients	• Efficient provision of services.
Financial institutions (banks, insurers and regulators)	• Financial return on financed capital and compliance with prevailing legislation. • Favourable environment for executing services in terms of integrity, security and trust. • Best market practices on environmental and social issues, a favourable credit risk analysis and a good corporate integrity programme in place.
Suppliers of goods and services	• Creation and maintenance of a long-term partnership with Celeo. • Customer satisfaction. • Favourable environment for executing services in terms of integrity, security and trust. • Long-term relationships with Celeo.

Community (landowners, civil society, indigenous people, etc.)	• Compliance with territorial agreements. • Prevention of incidents during Celeo activities. • Compliance with regulations. • Good ESG practices.
Sector associations	• Long-term relationships with Celeo. • Customer satisfaction. • Promotion of CELEO's improvements in sustainability. • Promotion of best market practices. • Compliance with applicable regulations. • Defence of sectoral interests.
Regulators (sectoral, socio-environmental)	• Availability, quality, continuity of the energy supply and compliance with the prevailing legislation. • Environmental performance of the company. • Quality of service.
Competitors	• Cordial relations with Celeo. • Cooperation with Celeo during operation and maintenance activities.

3. Good governance, ethics and integrity

3.1. Corporate governance

3.1.1. Corporate structure

Our shareholder structure is divided between Elecnor, SA, which has a 51% stake, and Pasterze Investments Holding, BV, with a 49% stake. The latter is a company belonging to the Dutch fund APG Group, one of the world's largest pension funds.

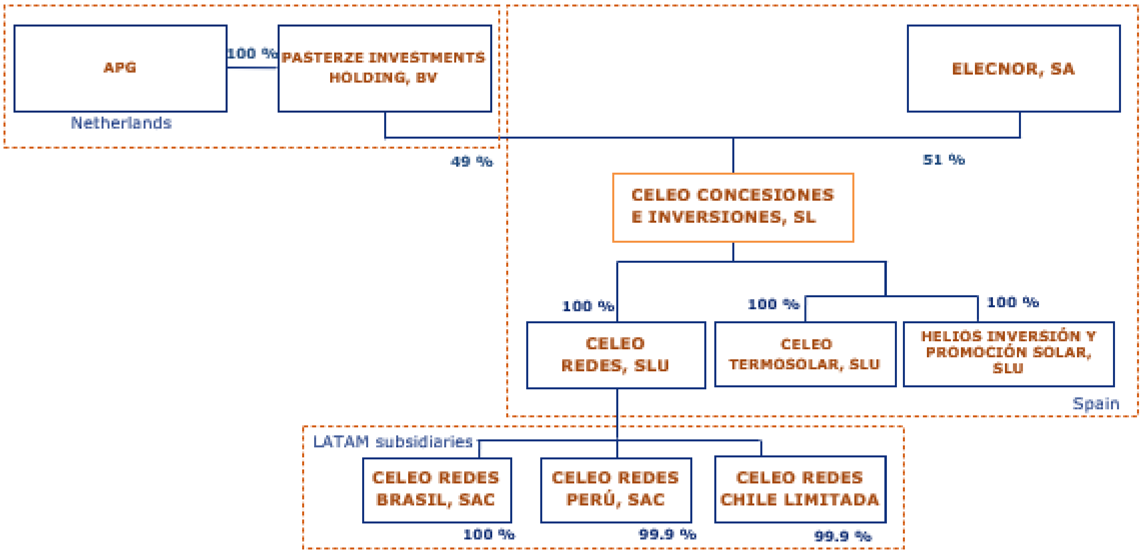
Elecnor, SA, is a Spanish corporation operating in more than 50 countries and an international leader in the integration of renewable energy concessions, sustainable infrastructure projects and essential services for the energy transition and digitalisation of cities. With more than 24,000 professionals, the Group's activities are structured around three main strategic lines: essential services, sustainable projects and, finally, concessions and own projects. Throughout its more than 60-year history, the driving forces behind the company's value creation and expansion have been efficiency, diversification, financial strength and the commitment of the people who form part of its organisation.

APG Group manages the pensions of 4.6 million scheme members in the Netherlands, with services that include executive consultancy, asset management, pension administration and employer communications. With approximately 616,000 million euros in assets under management as of December 2024, APG works with pension funds and employers in sectors such as education, public administration, construction, cleaning, social housing, sheltered employment, specialised medicine and architecture. The organisation has more than 4,500 employees, distributed among its offices in Heerlen, Amsterdam, Brussels, New York, Hong Kong and Singapore.

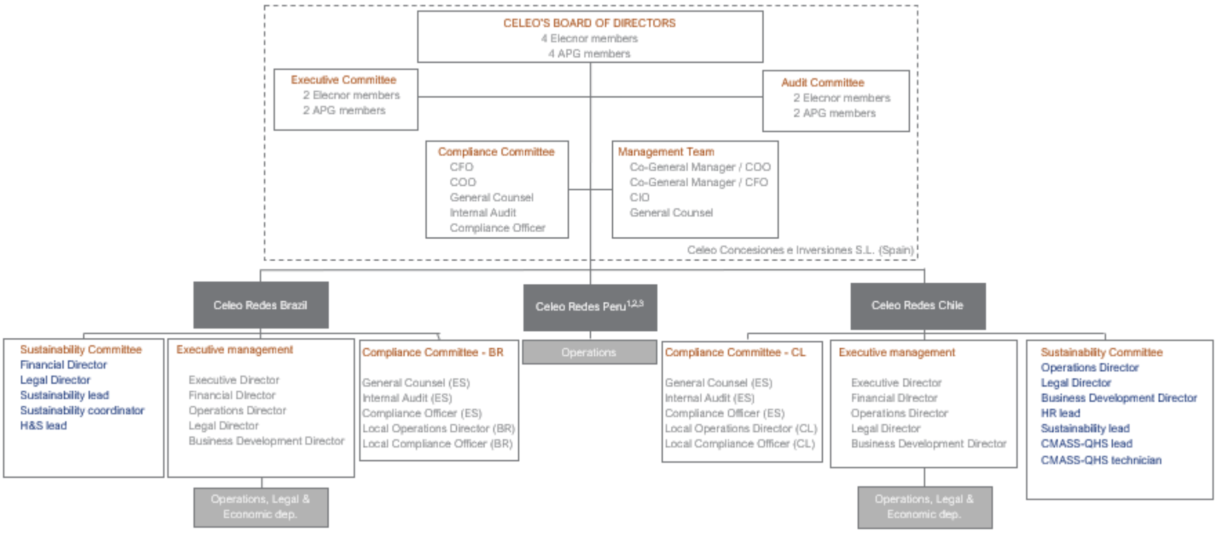
In Spain, Elecnor's investments in renewable energy and sustainable infrastructure are channelled mainly through its subsidiaries: Celeo Redes, SLU, which manages investments in Brazil, Chile and Peru; Helios Inversión y Promoción Solar, SLU, which manages photovoltaic assets in Spain; and Celeo Termosolar, SLU, which operates the Group's solar thermal plants in Spain.

In addition, Celeo Redes, SLU, has three international subsidiaries: Celeo Redes Brasil, SA, Celeo Redes Chile Limitada and Celeo Redes Perú, SAC, through which it manages the investments in their respective countries. These entities, in turn, supervise various special purpose companies, in some cases with third-party participation, created to develop large-scale strategic projects in Brazil, Chile and Peru.

This solid organisational structure reinforces our capacity to carry out sustainable projects with a high impact and aligned with our strategic and operational goals.



3.1.2. Administrative, management and supervisory bodies



1. At the end of 31 December 2024, there is no Executive Management and therefore management is carried out from Celeo Concesiones e Inversiones S.L.
2. At the close of 31 December 2024, there is no local Sustainability Committee and therefore management is carried out by Celeo Concesiones e Inversiones S.L.
3. At the end of 31 December 2024, there is no local Compliance Committee and therefore management is carried out by Celeo Concesiones e Inversiones S.L.

Composition

The Board of Directors is the most senior governing body of the Group. As of 31 December 2024, its composition was as follows:

Celeo Group Board of Directors	Position	Years of service	Executive / Independent / Proprietary	Representation
Miguel Morenés Giles	President	17/12/2019	Proprietary	Elecnor
René Defize Quiroga	Vice-president	10/06/2021	Proprietary	APG
Úrsula Albizuri Delclaux	Member	08/04/2024	Proprietary	Elecnor

Joaquín Gómez de Olea y Mendaro	Member	17/01/2017	Proprietary	Elecnor
Ronaldus Theodorus Joannes Gertruda Boots	Member	17/12/2019	Proprietary	APG
Eduardo Pinyol Escardó	Member	29/09/2023	Proprietary	Elecnor
Vacant*	Member	-	Proprietary	APG
Vacant*	Member	-	Proprietary	APG

*Two of the four APG positions on the Board of Directors are vacant and are awaiting to be assigned by APG.

Roles and responsibilities

The Board of Directors plays a fundamental role in defining the strategic direction of the company and in supervising its management. In 2024, the board incorporated female representation among its members. However, none of its members serves as an executive or independent director.

In terms of financial management and accounting, the company's accounts are audited annually by an external and independent auditor, which guarantees transparency and provides confidence in our financial management.

With regard to ESG, the board is regularly informed about the evaluations to which the organisation is subjected. Its functions also include the formulation of the Non-Financial Information Statement, prepared in compliance with Law 11/2018, of 28 December, regulating non-financial information and diversity. This report is validated by an independent organisation, thus reinforcing the credibility of our sustainability and transparency practices.

The board also encourages Celeo's active participation in independent evaluations such as GRESB, in which the company stands out in the environmental, social and governance spheres. This commitment emphasises the integration of sustainability as an essential element in the company's strategy and management.

During the 2024 financial year, the Board met on nine occasions, consolidating its focus on the supervision and promotion of responsible practices.

Experience and training

The members of the Board of Directors have knowledge and experience in the field of sustainable investments, infrastructure as well as ESG related issues necessary to discharge their duties. When appointing members of the board, care is taken to ensure that they have the knowledge, skills and experience appropriate to the functions they perform. This is the essential reason for their appointment.

In the last year, the Board of Directors of Celeo has not received specific training on ESG issues within the company.

Appointment and selection

The appointment and selection process for members of the Board of Directors and the committees is clearly defined in the Shareholders' Agreement and the company's Articles of Association. These documents establish key aspects such as the number of directors that make up the board and the committees, the term of office of the members and the right of each shareholder to appoint half of the members of each body. Therefore, the Annual General Meeting is responsible for appointing the members of the board, whereas the board is responsible for forming the corresponding committees.

With regard to situations of conflict of interest, both the shareholders' agreement and the Articles of Association contemplate the necessary procedures for their management within the Board. Furthermore, there is a specific regulation within our compliance management system designed to address and manage possible conflicts of interest within the framework of the company. This guarantees ethical and transparent governance.

Remuneration and benefits

With regard to remuneration policy, the directors do not receive any remuneration from Celeo. Provision is made for compensation for reasonable travel expenses and for performing their duties, which in no case represent significant amounts.

Committees

The Board currently has two Committees:

- Audit Committee. The committee is entrusted with the selection and supervision of the auditing firms for both the company and its subsidiaries. Likewise, it defines the procedures for managing controversies related to accounting or auditing issues and resorts to the specialised advice necessary to reinforce these activities. Its main functions also include the following:

- Supervise the accounting information related to key risks that may have a significant impact on the Group's financial results, as well as its tax matters.
- Review the accounting policies, assumptions and estimates applied in the preparation of the financial statements.
- Ensure the correct accounting treatment of the most relevant operations and guarantee their proper understanding.
- Validate the financial information that must be approved and presented by the Board of Directors and the General Shareholders' Meeting.
- Monitor the auditing processes.

Audit Committee	Position	Representation
Joaquín Gómez de Olea y Mendaro	President	Elecnor
René Defize Quiroga	Member	APG
Miguel Morenés Giles	Member	Elecnor
Vacant	Member	APG

The Audit Committee held two meetings during the 2024 financial year. Such sessions focus on supervising the audits carried out of Celeo and its subsidiaries, as well as evaluating the main events with potential economic impact on the Group's annual accounts. They are attended by the CFO of Celeo, the *general counsel* and the partners of the auditing firms. Furthermore, both the internal auditor and the head of accounting at Celeo participate, providing key information for the analysis. The Committee examines and reviews the annual accounts before submitting them to the Board of Directors for their formulation and subsequent approval.

- **Executive Committee.** The committee evaluates the results of the company and its businesses in line with the strategic policies defined by the Board of Directors and provides direct guidance to the Management Team.

Among its principal functions are:

- Analyse the progress of the business and ensure its alignment with the strategies defined by the Board of Directors.
- Keep a detailed record of projects under construction and in operation, as well as ongoing financing.
- Review and supervise the financial statements.

Executive Committee	Position	Representation
Miguel Morenés Giles	President	Elecnor
René Defize Quiroga	Member	APG
Ronaldus Theodorus Joannes Gertruda Boots	Member	APG
Eduardo Pinyol Escardó	Member	Elecnor

During 2024, this committee met on five occasions to deal with key issues related to the monitoring of operations and projects.

Furthermore, the Board of Directors has the permanent support of the Management Team, which plays a key role in implementing strategic decisions and the daily running of the company and its subsidiaries.

The main responsibilities of this team include:

- Propose and manage the Group's annual objectives.
- Drawing up and presenting periodic reports to the Board of Directors.
- Overseeing, approving and developing environmental, social and governance policies.
- Maintaining continuous contact with the executive management and managers of the subsidiaries in Brazil, Chile and Peru.

Management Team	Position
Santiago Carlos Oraa Gil	*Co-General Manager/Chief Financial Officer*
Jaime Luis Sáenz Denis	*Co-General Manager/Chief Operations Officer*
Ángel Ortega Cutillas	*Chief Investment Officer*
Alberto Ferrández Barturen	*General Counsel*

The Management Team combines solid experience with in-depth knowledge of the sector and the business, enabling it to provide strategic value to the company. Its members have specialised knowledge in key areas such as sustainability and compliance, thus reinforcing their ability to face the critical challenges of the organisation.

The Board of Directors is responsible for supervising the company's performance and carries out an evaluation based on the fulfilment of the annual objectives established for the Group.

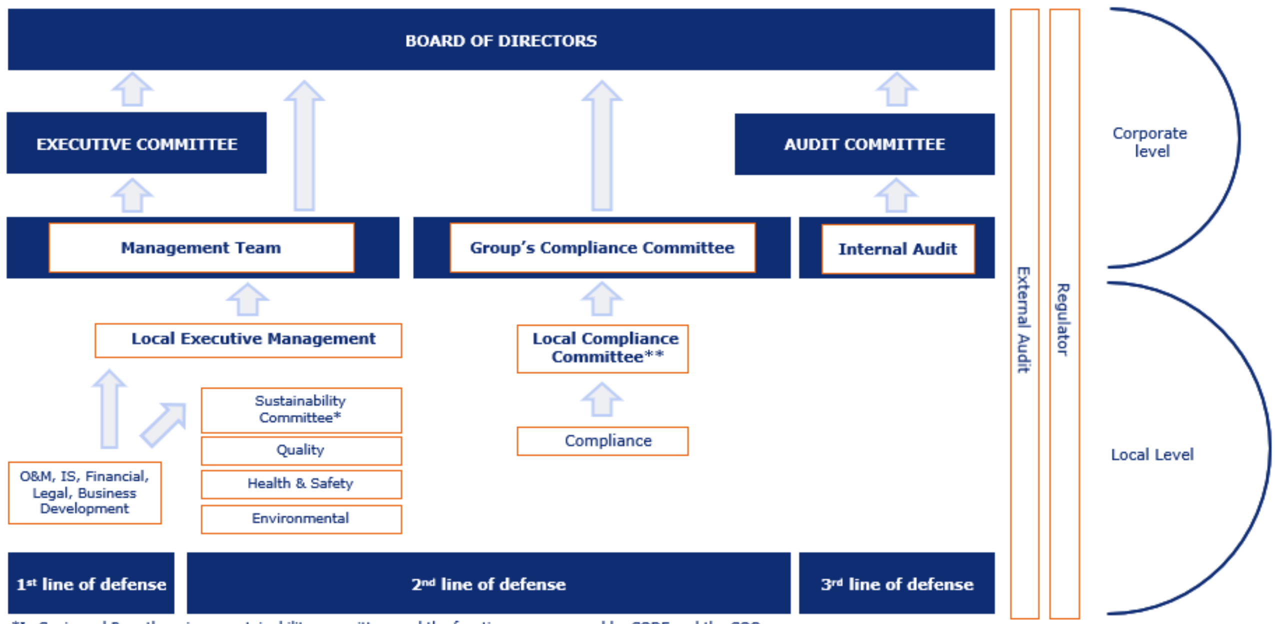
In the case of the Brazilian and Chilean operations, the executive management of both subsidiaries are in charge of the daily management and organisation of their respective companies. These managers maintain regular communication with the Management Team, which ensures their effective integration with Celeo's global strategy.

3.2. Risk management model

The Celeo Group has a risk management model based on three lines of defence, designed in accordance with the recommendations of the *Committee of Sponsoring Organizations* (COSO). This approach allows us to comprehensively manage the risks associated with our activities and guarantee effective control in all areas of the organisation. The three lines of defence are:

- Operational management, responsible for risk management and implementing corrective measures when deficiencies in processes or controls are identified. These functions are performed by the Operations, Finance, Legal, Corporate and Business Development areas, as well as by employees and middle managers, who report to local executive management, the control areas and the Sustainability Committee.
- Control areas, tasked with supervising, ensuring and monitoring risks and the control measures implemented. These areas, which include Quality, Health and Safety, the Environment and Compliance, work together with the front line to identify and assess risks, as well as to implement any necessary mitigating measures. All areas report to the Sustainability Committee, in Brazil and Chile, except Compliance, which reports to its own committee.
- Internal management control, which independently and objectively supervises all control systems and reports directly to the Audit Committee.

This model is complemented by additional lines of defence, such as external audits, regulators and other external agents. These provide an additional guarantee for stakeholders.



*In Spain and Peru there is no sustainability committee, and the functions are assumed by CODE and the COO.
**In Celeo Peru, the functions of the Committee correspond to the Spanish Compliance Committee.

The Celeo Group's risk management system considers two spheres of action:

- Business risks. These are those risks that can significantly influence the fulfilment of the organisation's strategic objectives, mission, vision and values. These risks are identified, analysed and evaluated, and classified into four categories: financial, strategic, operational and resilience. Each of these categories addresses key aspects such as market fluctuations, regulatory changes, daily operations and challenges related to climate change, all of which are prioritised in accordance with the Group's resilience plan.
- Process risks. These include specific factors associated with the functioning and operation of the company and its facilities. These risks, which cover areas such as quality, the environment, health and safety, compliance and information security, are managed by the corresponding control areas. Each subsidiary develops specific risk matrices, which are approved by the Sustainability Committee or the Compliance Committee, as appropriate.

During 2024, significant advances were made in risk management. In Spain, the risk management procedure was renamed the *risk and opportunity management procedure*.

The global risk matrix for the Celeo Chile business has been updated, and now includes reassessments and measures associated with strategic, financial and operational risks. We have also continued with the implementation of the electrical installation integrity management system (SGIIE) in compliance with standards NCh-ISO 55000, 55001 and 55002.

Moreover, we have developed a common risk and opportunity management process applicable to the whole Celeo Group, within the framework of our Multisite certification. This process includes an initial SWOT analysis and the creation of a new common risk and opportunity matrix. In addition, in the field of compliance, a specific matrix has been designed with a methodology adapted to Spain and Peru.

Lastly, we are continuing to work on the corporate resilience plan. We want to strengthen our capacity to face new threats, especially those related to climate change, and guarantee the long-term sustainability of our operations.

3.3. Compliance System

The Celeo Group has a compliance system that comprises the different systems applicable to the jurisdictions where we operate:

- The compliance management system applicable to Spain and Peru (CMS).
- The corporate integrity programme in Brazil (CIP)
- Chile's crime prevention model (CPM)

These systems are aimed at fostering a culture of ethics and compliance within the organisation in order to avoid conduct that may infringe the applicable legislation and the commitments undertaken by the company, harm its reputation or negatively affect its public image. These systems are based on the Celeo Group's Code of Ethics, which is implemented in the four jurisdictions in which we operate.

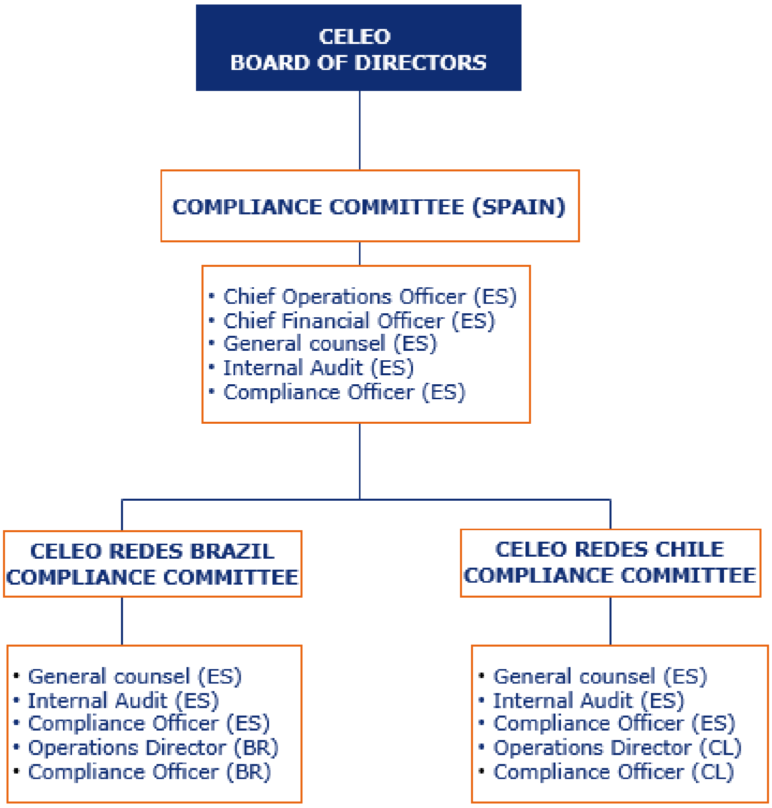
The Group's compliance policy sets out our principles in this area: a culture of ethics and zero tolerance; the fight against fraud, corruption, active and passive bribery; integrity in its activities; responsibility and continuous improvement.

The elements that make up the compliance system are, for example:

- Code of Ethics and compliance policy, common to the entire Celeo Group, which were adapted during the 2024 financial year to the requirements of ISO 37001 and UNE 19601 in order to obtain the respective certifications.
- *Compliance Manual*: an explanatory document which groups together, structures and regulates the QMS for its observation and monitoring by all the groups affected. Both Brazil and Chile have equivalent documents adapted to their jurisdictions and systems, the CIP and the CPM respectively.
- A set of specific policies, regulations and procedures to mitigate and prevent criminal compliance and anti-bribery risks, adapted to their corresponding jurisdictions. These include the Regulations on Anti-Corruption and Anti-Bribery, Conflicts of Interest and Prevention of Harassment or Discrimination, the Transparency Channel procedure, the Disciplinary Regulations, etc. This set of policies has been designed and adapted to the different jurisdictions in which we operate; there are currently specific versions adapted to the legislation applicable in our subsidiaries.

3.3.1. Compliance Committees

To ensure the correct application of the compliance system, we have a Corporate Compliance Committee (Spain and Peru) and similar committees in Brazil and Chile, whose powers and functions are in line with the specific regulations of each country. The three committees act in a coordinated way and based on a hierarchical structure. In the 2024 financial year, the structure of these committees was strengthened by replacing some of its members and appointing new ones, with the current composition as shown below:



Following the best practices of corporate governance, the Corporate Compliance Committee deals with issues related to compliance on a global scale, both for the parent company and for the subsidiaries in Spain and Peru. The Head of Internal Audit at Celeo has sat on the committee since January 2024, bringing the number of members up to five.

Furthermore, since January 2024, the local compliance committees, established in Brazil and Chile, have been made up of the Operations Directors and local compliance officers, as appropriate. In addition to these, the Group's general counsel, the compliance officer for Spain and the Head of Internal Audit at Celeo also form part of the Corporate Compliance Committee.

In Peru, there is no specific compliance committee, given the organisation's structure and resources. Relevant issues are instead dealt with directly by the Corporate Compliance Committee in Spain, with the compliance officer in Spain carrying out the corresponding functions in Peru.

The compliance management system (CMS) in Spain and Peru covers all Celeo Group entities in those jurisdictions, including the parent company Celeo Concesiones e Inversiones, SL, and the subholding company Celeo Redes Perú, SAC. In this context, the Compliance Committee is responsible for overseeing the development and supervision of the CMS in both subsidiaries, as well as providing guidance to the local committees. Its main functions include the following:

- Supervise, monitor and control the development and evolution of the Celeo Group's integrated compliance system.

- Monitor and collect up-to-date information from local compliance committees.
- Identify and evaluate compliance risks and guarantee the objectives in the areas in which the CMS is structured in Spain and Peru: prevention, response, reporting and monitoring.
- Develop the CMS while maintaining close communication with the Board of Directors.
- Manage any complaints received through the Transparency Channel and propose sanctions, where necessary, in accordance with the Disciplinary Regulations.
- Receive and evaluate regular reports presented by the compliance officer.
- Disseminate the knowledge and the application of the CMS.
- Coordinate the regulations with regard to compliance.

Throughout this financial year, the Corporate Compliance Committee has held five meetings in which several key issues were discussed, including:

- Update the composition of the committees, both corporate and local.
- Review and analysis of communications received through the Transparency Channel.
- Evaluation and approval of amendments to the documents that form part of the QMS, in order to adapt them to the UNE/ISO standards, as well as the review of the annual report of the system and the integration of the activity in Peru within the scope of the CMS.
- Review and authorisation of social investment projects for 2024.
- Supervision of continuous improvement work and the monitoring of relevant issues in the different jurisdictions of the Celeo Group.

3.3.2 Transparency and communication channels

With regard to communication and information, the Celeo Group provides its professionals and stakeholders with a platform that can be accessed via our website (https://www.celeogroup.com). There is a section dedicated exclusively to the Transparency Channel, which is available in every country where we operate.

This digital channel ensures the anonymity and total confidentiality of the participants and is presented as the appropriate means of channelling queries, communications or complaints relating to possible irregularities, non-compliance, infringements or suspicions linked to the compliance programme or any applicable regulations. In addition to the web channel, specific email addresses have been set up for each region to guarantee direct access for all users:

- Spain and Peru: transparencia@celeogroup.com
- Brazil: canaldetransparencia@celeogroup.com
- Chile: transparenciachile@celeogroup.com

During the 2024 financial year, multiple contacts were received through the Celeo Group's transparency channels.

Number of communications: Transparency Channel	2024	2023
Spain	53	65
Brazil	104	102
Chile	42	82
Peru	74	-
Totals	**273**	**249**

During the period under review, a total of 53 communications were registered through our Transparency Channel in Spain, which are categorised as follows: 42 documented entries (of which 21 correspond to information forms about meetings with public officials), 7 consultations and no complaints. Additionally, we received the following through the transparency channel in Spain:

- 2 communications related to Brazil.
- 2 communications related to Chile.

All of them were referred to or dealt with by the competent compliance area in Brazil and Chile respectively for processing and were incorporated into the internal records of the Spanish channel for follow-up.

In the case of Celeo Brasil, a total of 104 communications were registered: 81 documented entries, 15 queries, 8 complaints. Of these, 12 were anonymous.

Celeo Chile received a total of 42 communications: 28 documented entries, 10 queries and 4 complaints or reports. Of these, 3 were anonymous.

In the case of Celeo Perú, a total of 74 communications were registered: 71 documented entries (of which 59 correspond to information forms about meetings with public officials), 3 consultations and no complaints.

With regard to their resolution, all communications have been addressed and resolved except for the following, which at the date of this report are still in the process of investigation or resolution: (i) 3 queries/documented entries for information received in Spain and Peru, and (ii) a communication registered in the Transparency Channel in Brazil that is still under investigation.

It should be noted that no cases of fraud or bribery, including money laundering, were identified in the complaints received and subsequent investigations. Celeo evaluates all complaints received in detail and takes the necessary measures to guarantee compliance with the Code of Ethics and the compliance policy.

We act in accordance with the laws and regulations in force in the countries where we operate and we do so with respect for the specific characteristics and requirements of the energy sector. Furthermore, we have a team specialised in compliance which, in accordance with international best practices, is responsible for carrying out the relevant actions.

During the period covered by this report, no case has been identified that has resulted in a significant fine for non-compliance with the legislation or regulations applicable to compliance (for example, criminal, corruption and anti-bribery, money laundering or conflict of interest legislation).

3.3.3. Compliance actions

During 2024, various Compliance actions were carried out in Spain, Brazil, Chile and Peru:

In Spain and Peru:

- During the 2024 financial year, a comprehensive review of the entire CMS was carried out, for both Spain and Peru, including the Code of Ethics and the compliance policy, to achieve the following objectives:
    - Adapt the CMS and integrate it into the integrated management system.
    - Adapt it to the regulatory requirements applicable in Peru, as well as adapt the economic limits to the customs in that jurisdiction.
    - Comply with all the requirements of the ISO 37001 standard (relating to the anti-bribery management system) and the UNE 19601 standard (relating to the criminal compliance management system).
    - Adapt it to new regulatory requirements or voluntary standards to improve existing procedures.

As of the date of this report, the following actions, among others, have been carried out:

- A new risk matrix has been completed that covers the entire spectrum of criminal compliance and anti-bribery risks that apply in Spain and Peru, as well as the controls implemented on them, reflecting the level of inherent and residual risk.
- The Code of Ethics has been updated to adjust it to the new management situation of the Group, and the compliance policy has been updated to adapt it to the requirements of the UNE/ISO standards, preserving the original principles.
- A new compliance process sheet has been drawn up for the management of CMS key indicators.
- A comprehensive review of our CMS manual was carried out to regulate some aspects in more detail, as well as to harmonise it with the IMS system. As part of this review, new appendices have been drawn up, including:
    - List of especially exposed positions.
    - List of skills and substitutions.
    - Descriptive profiles of compliance officers and committee members.
- In relation to the Anti-Corruption and Anti-Bribery Regulations, the financial limits for gifts and invitations to events are adapted to reflect the situation in Peru. An electronic form has also been created to facilitate the reporting of hospitality expenses and gifts.

- Reinforced contracting measures have been integrated into the contracting procedure. These consist of more exhaustive measures for higher risk third parties. The financial thresholds for Peru have also been updated.
- The Transparency Channel procedure has been updated.
- The name of the Disciplinary Code has been changed to the Disciplinary Regulations and the responsibilities and competences in matters of sanctions have been specified.

Lastly, after having carried out an internal audit of our CMS and implementing the corresponding corrective actions for the findings detected, Celeo underwent an external certification audit, achieving a favourable result for the compliance certifications for Celeo in Spain and Peru.

In Brazil:

- We have continued to work on strengthening the compliance programme and the anti-bribery management system.
- We carried out the second maintenance audit for the ISO 37001 certification.
- An exhaustive review of the anti-bribery risk and opportunity matrix was carried out, which identified new control measures and outlined a strategic plan to take advantage of the new opportunities identified for the coming year.
- We have implemented improvements in the internal procedures for the procurement of goods and services with the aim of clarifying the due diligence criteria for the qualification of suppliers and service providers with regard to bribery.
- We made modifications to the CIP to reflect the new structure of the Brazilian Compliance Committee and its responsibilities, as well as to make minor corrections and adjustments.
- A periodic review of the CIP supporting documentation was carried out, and the period of validity was renewed for three years.
- Celeo has launched the Developing Suppliers programme, which will include a compliance management module. This module, designed as a compact version for small businesses, aims to present the key concepts and fundamentals related to compliance, providing participants with an overview of the subject and how a compliance programme can be organised and implemented by the company. The idea is to support suppliers and service providers in the development of better services for the Celeo Group in Brazil.
- Since 2018, we have actively participated with the Rio Compliance Institute (ICRIO for its acronym in Spanish), which promotes the best practices of good governance and the culture of compliance, ethics and transparency.
- We participate in Global Compact working groups on Anti-corruption.
- We have made it possible to send attachments in anonymous messages on the Transparency Channel (canaldetransparencia.celeoredes.com.br).

In Chile:

- We apply improvements to the crime prevention model. By way of example, we reassigned responsibilities and functions of the Crime Prevention Council, general manager and compliance officer for Chile and updated our communications matrix, risk matrix and recruitment and selection procedure.
- We organise general training chats and ones aimed at new starters.
- We organise general training chats and ones aimed at new suppliers.
- We have implemented a process for disseminating the Crime Prevention Model, which since 2023 includes a test on the knowledge acquired for the whole company.
- We obtained the recommendation for ISO 37001 certification of the anti-bribery management system.
- We had a clean internal audit to verify our compliance with the compliance procedures.

3.3.4. Compliance training

With regard to compliance training, each subsidiary defines its actions according to its specific needs and circumstances, as well as the most effective means of reaching employees.

In Spain and Peru, we have carried out various communication activities aimed at promoting and disseminating elements of the CMS through our intranet, email, the collaborative platform, etc. We also disseminate informative videos on anti-corruption and bribery, as well as on changes in our procedures and relevant developments in the system (new review mechanism in purchasing, obtaining UNE/ISO certifications, etc.). In terms of training, in 2024 we carried out:

- A mandatory general compliance training session for all professionals in the Spanish office.
- Two sessions for those in the Peru office, with the support of external advisors. One of these sessions covered the general content of our CMS and the other, more specific, session dealt with the prevention of workplace and sexual harassment.

All the sessions were given in a hybrid format (face-to-face and on-line). All new starters receive face-to-face training in compliance. It was specific, adapted to the risks associated with the job, lasted about 30 minutes and was included in the company's onboarding programme. Lastly, some of the members of the Compliance Committee, together with the compliance officer, completed various specific compliance courses, taught by external training centres, with a higher degree of specialisation in the subject.

In Brazil, we continued with regular training via mail and the Interliga system, reinforcing aspects of the corporate integrity programme and the anti-bribery management system such as: the importance of employees following corporate values, the ethical standards defined in our policies, the rules of conduct to be followed by employees, the anti-corruption policy, the value of the corporate integrity programme and, finally, the importance of the transparency channel and the guarantee of non-retaliation. We also provide training on the anti-bribery and anti-corruption policy and the anti-bribery management system for all Celeo Brasil employees. In 2024, we also offered specific courses on the different types of moral and sexual harassment and on the Transparency Channel, how it is used and the process for investigating complaints received.

In Chile, two training talks were given on the functioning of the Transparency Channel, the characteristics of the crime prevention model, the specific aspects of the anti-bribery management system and the functioning of the Celeo Group's Anti-Corruption and Anti-Bribery Regulations. The programme of induction talks for new employees was continued, as were training talks for new suppliers. After the second annual talk, the compliance officer also organised a knowledge test which was made available to the whole company.

Generic training in *compliance*					
Country	**Type of training (subject)**	**Format**	**Attendees**	**Area responsible**	**Hours per attendee**
Spain	Introduction to the compliance system (onboarding)	In-person / on-line	New starters* (5 in 2024)	Compliance	0.5
	General compliance training	In-person / on-line	All professionals	Compliance	1
Brazil	Introduction to the corporate integrity programme	In-person / on-line	New starters in 2024 (58 in 2024)	Compliance	0.5
	How to make a complaint and the Transparency Channel	In-person / on-line	Members of the Internal Commission for the Prevention of Accidents and Harassment - CIPA+A	Compliance	1
	How to make a complaint and the Transparency Channel	In-person / on-line	All professionals	Compliance	1
	SIPAT Office - Moral and sexual harassment	In-person / on-line	All professionals	Compliance	1
Chile	Review of the crime prevention model, Transparency Channel	On-line	All professionals	Legal	0.5
	Anti-bribery test	On-line	All professionals	Compliance	0.5
	Anti-bribery system training	On-line	All* professionals	Compliance	1
Peru	Annual general training on the compliance programme	In-person / on-line	All professionals	Compliance	1.5
	Sexual harassment in the workplace	In-person / on-line	All professionals	Compliance	1
	Introduction to the compliance system (onboarding)	In-person / on-line	New starters* (8 in 2024)	Compliance	0.5

* Those professionals who were unable to attend due to availability issues received the recorded session or the presentation materials.

3.4. Fight against corruption and bribery

At Celeo we have a zero-tolerance policy towards any practice that violates anti-corruption and anti-bribery legislation, at both national and international level. Our commitment to ethics, transparency and regulatory compliance is embodied in a robust compliance management system adapted to the legal specificities of each jurisdiction where we operate: Spain, Brazil, Chile and Peru. This system includes a comprehensive set of rules and procedures aimed at preventing, detecting and mitigating the corruption risks, thus reinforcing our responsibility as a leading business group in the sector.

Below follows a summary of the set of measures applicable in Spain and Peru, which are related to the equivalent specific rules and procedures applicable in the subsidiaries in Brazil and Chile, adapted to the respective legislation.

We have anti-corruption and anti-bribery regulations, which govern interactions with public officials and third parties with whom the Group interacts in its activities. This framework sets out different standards of behaviour and rules of conduct on gifts or presents, offers and promises. It generally prohibits those that can be considered bribery/corruption, both with public officials and between private individuals. It prohibits any type of contribution or donation to any political party, or their representatives, on behalf of the company and contemplates the criteria and procedures for the possible authorisation of donations and sponsorships to non-governmental organisations (NGO).

We have implemented the following preventive tools to detect and avoid possible situations of corruption or bribery:

- Statement of relationship with public officials, signed by all Celeo professionals and extended in 2024 to include their explicit commitment to anti-bribery policies.
- Procedure for meetings with public officials. The head of the corresponding department must be notified in advance, and the information must be sent to the compliance officer using a specific form.
- Anti-Corruption and Anti-Bribery Regulations. These regulate interactions with public officials and third parties, establishing clear standards on gifts, presents, invitations and promises. It prohibits any political contribution on behalf of the company and defines the criteria for authorising donations and sponsorships involving NGOs.
- Control of financial limits. It establishes maximum amounts applicable to gifts, invitations, meals and hospitality expenses, to be adapted to Peruvian standards in 2024.
- Travel and expense regulations. This establishes specific procedures for the payment of these expenses by employees.
- Conflict of Interest Regulations, designed to prevent possible cases of corruption between individuals.

- Procurement and contracting procedure. It includes additional controls depending on the degree of exposure to risk (for example, direct contracting, politically exposed persons).
- Strengthening in 2024:
    - Preparation of a list of positions with greater exposure to compliance risks and subject to stricter controls.
    - Creation of a digital form on the intranet to report gifts and invitations to events that exceed the financial limits.
    - Incorporation of standard compliance clauses in higher risk commercial contracts.

At local level, we have risk matrices (described in section "1.3.2. Risk management model") that identify and evaluate specific risks, together with control and monitoring measures. On our corporate website we have set up a specific space for key compliance documentation (such as the Code of Ethics or the Anti-Corruption and Anti-Bribery Regulations), accessible to all our stakeholders. The Transparency Channel guarantees the confidentiality and anonymity of complaints, offering a secure means of reporting possible irregularities.

In general terms, communications on compliance policies and procedures in the Celeo Group are sent to all employees. The members of the governing body are also kept informed of these communications and the training campaigns through quarterly reports.

With regard to money laundering, our compliance risk analysis has identified it as an unlikely risk due to our economic activity linked to generation and transmission, the source of income for which comes from the electricity market in general and from public institutions in particular. However, we have implemented due diligence measures for the hiring of third parties, which are included in the procurement procedure and in the supplier approval procedure. No money laundering cases or complaints were reported during 2024.

In terms of training, every single one of our employees and members of the governing body has received some kind of training on anti-corruption, or on compliance in general, and they have been informed of the organisation's anti-corruption policies and procedures.[1] Among these, we highlight:

- In Peru, a general session of the CMS where anti-corruption controls were explained.
- In Spain, specific training that included regulatory changes derived from the certifications obtained in 2024 (UNE 19601 and ISO 37001).
- Informative videos sent via the intranet to remind people of key controls (such as meeting reports with public officials or limits on gifts).

[1] Celeo's Board of Directors approved the CMS in 2020 and has been constantly informed of the amendments made; it has also had access to the main standards, codes and policies of which it is comprised. Furthermore, the Board receives a quarterly report on the most significant developments and circumstances throughout the Group. In Peru, the members of the local governing bodies are members of the Management Team in Spain, as well as the Compliance Committee of that jurisdiction, meaning they are duly informed and have access to all policies and procedures.

- In addition, new employees receive specific training on the CMS geared to their area of activity and all the educational material is available on the corporate intranet.
- In the case of the Group's shareholders and other stakeholders, they have access to certain policies and standards that form part of our compliance system in a space provided on the website (Code of Ethics, Compliance Policy and Anti-corruption and Anti-bribery Regulations), as well as information on and access to our Transparency Channel.

At Celeo, participation in significant operations associated with the company's economic activity (tenders, mergers and acquisitions [M&A], joint ventures, etc.) is subject to prior assessment and approval by the Management Team and subsequently, where appropriate, by the Board of Directors, with the main characteristics and potential associated risks being identified and addressed.

Additionally, in 2024, Celeo took a significant step forward in its commitment to international best practices in compliance by obtaining certifications in criminal compliance (UNE 19601) and anti-bribery management systems (ISO 37001) for its operations in Spain and Peru. These certifications, issued by AENOR in November 2024, guarantee the robustness and effectiveness of the Group's compliance management system and reaffirm its alignment with the most demanding standards in both jurisdictions.

The UNE 19601 certification guarantees the adequate implementation of measures aimed at preventing criminal offences in business activities, while the ISO 37001 certification recognises the Group's efforts to prevent, detect and address possible acts of corruption. The award of these certifications reflects Celeo's strategic focus on integrity and transparency, the fundamental pillars of its organisational culture and its corporate governance system.

This achievement reinforces Celeo's commitment to ethical and responsible management, which promotes an environment of trust and compliance in all areas of the organisation. It also emphasises the Group's role as a benchmark in the sector, not only in terms of sustainability and operation, but also in the implementation of effective compliance policies that help to guarantee regulatory compliance and mitigate risks in its daily activities.

The certifications obtained in Spain and Peru are an example of Celeo's continuous effort to maintain high quality standards in all the countries where it operates. With these certifications, the company consolidates its position as a company committed to excellence in management and regulatory compliance.

3.5. Commitment to human rights

The Celeo Group reaffirms its commitment to the protection of fundamental human rights and the socioeconomic development of the communities where it operates through its sustainability policy. This promotes relationships based on equality and reinforces the company's commitment to human rights, both internally and in its external operations.

In addition, Celeo's Code of Ethics, in line with the Universal Declaration of Human Rights, establishes clear guidelines for respecting the law and human rights. This code emphasises respect for ethnic and indigenous minorities, promotes equal opportunities and condemns practices such as child or forced labour. It also supports freedom of association and the right to collective bargaining and membership, in strict accordance with current regulations.

The promotion of these values begins from the moment new employees join the company. They receive the Code of Ethics, the compliance policy and other key documents as part of the onboarding process. In this way, we ensure that ethical standards are integrated into our corporate culture from the very first day.

In line with our commitment to sustainability, Celeo Brasil and Celeo Chile are signatories to the Global Compact, integrating the ten principles related to human rights, labour, the environment and anti-corruption into their strategy and promoting the SDGs.

Each of our operations uses risk matrices (detailed in section "1.3.2. Risk management model") to identify and assess human rights-related risks. In operations with greater exposure, we have achieved 100% coverage in specific evaluations and follow-ups.

When contracting suppliers, we have implemented due diligence processes that consider indicators associated with human rights and compliance. In Spain, for example, we request information about the suppliers' compliance system during the approval process, verifying the existence, prior to contracting, of a code of ethics and anti-corruption policies, adherence to the Global Compact or fair trade or other social initiatives.

Furthermore, each country has a transparency channel within its compliance system, designed to receive and manage queries and complaints, including those related to human rights. This channel operates under a standardised procedure that regulates its functioning. In Peru, this channel is integrated with the Spanish one, thereby increasing its scope and efficiency.

During 2024, not a single complaint related to human rights violations or cases of discrimination was registered.

4. Excellence and quality in our services

4.1. Renewable energy generation and transmission

One of our main objectives is to consolidate our position as a leading company in the energy infrastructure market and to excel in the service we offer while driving the progress of society. This commitment allows us to guarantee the optimal functioning of our assets, ensuring the quality, safety and continuity of the electricity supply in the countries where we operate, both in transmission and in power generation.

In order to achieve this, we have developed our own solid regulatory framework that includes policies, procedures, control systems and other documents integrated into our quality, environmental and occupational health and safety management system. This system is certified under the international standards ISO 9001, ISO 14001 and ISO 45001 in Spain, Brazil, Chile and Peru. We are also actively working to include the assets in Peru within the scope of the Spanish certification in the coming years, thus strengthening our global management.

Where Operation and Maintenance (O&M) is concerned, in Brazil and Chile we carry out these activities with our own personnel, to whom we offer continuous and specialised training. In Spain, these tasks are subcontracted to Elecnor, whereas Celeo is responsible for additional operating activities. In Peru, the operation side began to be carried out by in-house personnel in the last quarter of 2024, whereas maintenance is carried out by both in-house personnel and subcontracted companies.

To guarantee the efficiency and quality of our operations, we have implemented a maintenance plan based on the recommendations of the main manufacturers and the best practices of the sector. This plan takes into account key aspects such as seasonality, geographical location and the specific characteristics of our facilities, thus ensuring optimal management adapted to each context.

4.1.1. Availability of our lines

Each Celeo subsidiary adapts its management to the legal requirements of the territory in which it operates in order to measure its operational excellence. This approach makes it possible to carry out an efficient evaluation based on the availability of the assets and the record of hours of forced disconnection.

In Brazil, excellence is defined by the standards of ANEEL's regulatory resolution No. 905/2020, which establishes minimum requirements for the maintenance of the basic network. Celeo Brasil complies with 100% of scheduled maintenance and has a strategic plan that includes predictive and preventive actions over different time horizons. In 2024, the Brazilian Operations Department achieved its operational goals, carrying out key activities such as:

- The commissioning of the third capacitor bank with a capacity of 50 MVAr and a voltage of 138 kV at the Venda das Pedras substation (PTE concession).
- The sectioning of the Ibiapina II - Piripiri C2 230 kV transmission line (SITE concession) to connect a new incoming line via the Marangatu intermediate substation.
- Replacement of lightning conductor cables on the 230 kV Miranda 2 - Encruzo Novo transmission line (ENTE concession).

- The renewal of 35% of the signalling spheres on the 500 kV Estreito - Fernão Dias C2 transmission line (CANTE concession).
- The issuance of three new internal requirements for projects related to accesses, sectionings and line crossings.

In the Brazilian regulatory framework, the Permitted Annual Revenue (RAP for its acronym in Portuguese) is a key remuneration mechanism for transmission concessionaires, based on the total availability of the facilities. Celeo Brasil has set itself the operational target of keeping the Variable Portion over Permitted Annual Revenue (PV/RAP for its acronym in Portuguese) ratio below 1%. During 2024, a ratio of 1% was reached.

Availability (Brazil)		
As of 31 December		
	2024	**2023**
BTE	99.98%	99.98%
BTE II	100.00%	100.00%
CATE	99.93%	99.79%
CANTE	99.90%	99.99%
CTE	99.99%	99.99%
CPTE	99.99%	100.00%
ENTE	99.93%	99.99%
IMTE	99.99%	99.98%
JTE	99.97%	99.99%
LTC	99.99%	99.98%
LTT	99.96%	99.99%
PTE	99.99%	100.00%
SITE	99.99%	99.97%
VCTE	99.94%	99.97%
PATE	99.99%	99.98%

In the case of Chile, the operation complies with the standards of the Technical Standard on Security and Quality of Service (NTSyCS for its acronym in Spanish). This framework regulates the maximum hours and frequency of forced disconnection over a period of five years of operation. In 2024, the availability ratio for hours of forced disconnection reached an outstanding 99.92%, demonstrating rigorous compliance with regulations.

Availability (Chile)		
As of 31 December		
	2024	**2023**
AJTE	100.00%	99.97%
CHATE	100.00%	100.00%

DATE	100.00%	100.00%
ALFA	99.52%	99.69%
CASTE	100.00%	100.00%
MATE	100.00%	100.00%
NITE	99.88 %	-

In Peru, the availability of lines and substations in the National Interconnected Electricity System (SEIN for its acronym in Spanish) is the main performance indicator. Although not all downtime implies penalties, Celeo Redes Peru recorded an exceptional performance, with downtime attributable only to scheduled preventive maintenance. The faults observed were caused by external agents connected to the installation, specifically in the line cell on the 60 kV side. This event was not counted as an unavailability of the Valle del Chira substation, as it corresponded to third-party assets.

Availability (Peru)		
As of 31 December		
	2024	**2023**
PMTE-VdC	99.98%	100.00%

4.2. Renewable energy generation

In Spain and Brazil, we measure our operational effectiveness in terms of renewable energy generation (MWh).

Generation by technology (MWh)		
As of 31 December		
	2024	**2023**
Solar thermal (Spain)	232,400	263,792
Photovoltaic (Spain)	22,382*	22,028
Photovoltaic (Brazil)	381,227**	409,304

* Includes energy generated from electricity market (*pool*) invoices. Due to an incident in the signing of the accountant's records, there are three invoices that will be received or modified throughout 2025.

** Includes the energy generated as registered by the output meter.

4.3. Operational efficiency

In 2024, Celeo strengthened its commitment to excellence in the maintenance and operation of its assets, implementing innovative measures adapted to the specific needs of each market. At Group level, a thermographic inspection has been introduced for photovoltaic plants with a capacity of more than 1 MW as part of the maintenance plan. These biennial inspections (the last one in 2023) are carried out using unmanned aerial vehicles and complemented by image analysis using artificial intelligence. This method allows inspections to be superimposed in order to evaluate the evolution of the panels over time, optimising their performance and durability.

In Spain, the preventive maintenance plan for electricity generation plants includes regular checks made according to manufacturers' recommendations and market standards. Daily monitoring of assets ensures the early detection of any anomaly. However, at the Siberia Solar photovoltaic plant, restrictions on the evacuation of generation due to limitations in the transmission grid of Red Eléctrica de España persisted in 2024 and remained at levels similar to those of 2023.

In Brazil, the São João do Piauí plant also experienced significant evacuation restrictions imposed by the system operator (ONS). For Celeo Brasil's transmission assets, a statement is received every year from the National Electricity System Operator certifying that its facilities comply with operational standards without registering non-conformities.

Furthermore, in the regulated markets of Spain and Chile the nature of the activities ensures that no customer complaints are received.

During 2024, construction began on three new maintenance facilities in Casablanca, Bío-Bío and Los Andes. These facilities, designed to accommodate more than sixty people, are prepared to support the growth of the company and provide training for staff in specific tasks. They will also have space to store spare parts, thus reinforcing the technical response to contingencies.

Another significant development was the completion of the installation of fault detectors on the 44 kV Carena - El Raco line. This system will notably improve the availability rates of the line and will strengthen the injection of generation into the system from the Colbún and Pataguilla power stations.

As for technical losses due to transmission, they continue to be an inherent component of the operation of the electrical system. Although they cannot be completely eliminated, their impact on the carbon footprint and total emissions is detailed in section "1.7. Committed to the planet" of this report.

4.4. Innovation in the service of operations

As part of ensuring the efficiency and quality of our operations, we invest in innovation to carry out investment and development projects and so improve the operation and maintenance of our assets.

Celeo Brasil, through the ANEEL R&D programme, contributes to the development of the country's electrical system by investing in innovative initiatives that improve the safety of the system, the quality of the service and contribute to reducing the environmental impacts and electricity tariffs. During this financial year we also continued to collaborate with ABRATE, in which we work with LTT and PTE as cooperative companies on the development of an R+D project. In this sphere we seek to develop an Analytical Intelligence System for the Electricity Sector, within the Transmission module (SIASE-T), for the purpose of promoting a comprehensive platform that optimises the sector's operational, economic and financial information. In total, the investment by LTT and PTE amounts to 49,396 euros, of which 16,567 were invested in 2024.

Throughout 2024 we started two new projects that are essential for our operations. The first aims to develop a polymeric coating that protects equipment against dirt and aggressive natural agents, a recurring problem throughout the country, to increase the useful life of the equipment and mitigate overvoltage problems. The second project, focusing on transmission lines, will install angular displacement sensors to monitor environmental conditions and capture images to keep an eye on the surroundings and detect excessive vibrations. The aim is to ensure that the lines are always operational and to verify the effects of climate change, thus reducing stoppages caused by external factors and ensuring the delivery of the best service. Our ongoing commitment to innovation is evident in our investments, which with these two projects now exceed 353,264 euros.

Different initiatives have been launched at Celeo Chile within this framework, of which the following are particularly noteworthy:

- With regard to the pilot plan initiated in the previous financial year, in coordination with the Environment and Community Relations department, some improvements have been made to the application of herbicides in selected areas with the aim of verifying possible decreases in the growth rates of forest plantation regrowth, specifically:
    - Herbicide application activity continues in selected areas of the facilities.
    - This is carried out selectively in areas of fast-growing, non-native vegetation. This activity is complementary to other strip maintenance activities such as industrial shredding and seeks to reduce the reproduction rate of the vegetation.
    - No herbicide was applied along the lines during 2024.
- Through the Remote Assistance Project (RAP), we continue to support Celeo staff in remote areas who require assistance to carry out certain activities. To do this, we use an augmented reality headset that allows us to connect via the internet with another more experienced professional. This project was continued in 2024 for maintenance and operational activities.

4.5. Information security

Responsible information management is a fundamental cornerstone of our business model and activity. To this end, we have an information security policy based on the requirements of the ISO 27001 standard, which ensures strict data management and privacy in our operations.

Various specific procedures have been implemented in Spain, Brazil, Chile and Peru to guarantee the security and continuity of operations:

- Business Continuity & Cyber Security Standard: a standardised and normalised procedure that ensures a more resilient and robust day-to-day operation, as well as greater protection and responsiveness to any high-risk event. It also confirms that information security is a key element in business continuity.
- Computing Resources Using Standard: procedure for preserving Celeo's IT resources (such as computers, networks, proprietary data, etc.). Furthermore, it ensures that these resources comply with company regulations and protects it from damage to the infrastructure or legal harm as a result of improper use.
- Information and Records Management: system for the management of information and records in Celeo.
- Information Security Asset Management Standard: methodology for the proper identification and classification of information assets that are generated, obtained, acquired, transformed or controlled in the organisation.

Since 2020, a corporate group of information security managers from Spain, Brazil and Chile has been working on a corporate plan aligned with the ISO 27001 standard. This plan includes:

- Information security and management.
- Management of technological assets and their appropriate use.
- Operational continuity through access policies, contingency plans, cybersecurity and cryptography.
- Development of a governance framework that regulates standards in these areas.

As part of our 2021-2023 strategic information security plan, in 2023 the SOC/SIEM service was included for the corporate network (IT) and operational network (OT) in Celeo for Brazil and its global implementation for Celeo began to be studied. In 2024, this service was implemented in Chile in both its corporate (IT) and operational (OT) aspects, and in Spain and Peru it is currently being studied and a 2024-2029 plan has been established to give continuity to the objectives aligned with ISO 27001.

In addition, the corporate network has been audited and a series of ethical hacking exercises have been carried out with a general scope for the whole Group with the aim of validating the corrections already applied last year during phishing and training campaigns to raise awareness among employees.

We therefore continued to implement measures to address the risks detected, such as a project to improve the security perimeter that includes new equipment and security rules for photovoltaic assets in Spain.

Meanwhile, Celeo Chile continues with the implementation of the North American Electric Reliability Corporation-Critical Infrastructure Protection (NERC-CIP) standard for the national electricity sector, the latest improvement being the physical security of assets.

Throughout 2024, the following courses were also delivered to reinforce workers' information security skills:

- Module 1: Acceptable use policies (1 hour), with the participation of 205 workers. This module shows users the issues related to the acceptable use policies that they must sign and be familiar with when they join an organisation, as well as complying with them to protect the security of confidential information.
- Module 2: Remote working and the use of email (1 hour), with the participation of 204 workers. The aim of this module was to make users aware of the most important aspects of information security that become relevant when we work remotely. It emphasised secure connections with remote corporate equipment, the use of authorised applications and sharing files in secure corporate repositories. Furthermore, a module on risks in the use of email was added.
- Module 3: Physical security (1 hour), with the participation of 197 workers. This module raised user awareness of the importance of having procedures and physical control barriers to protect information assets from different types of threats.
- Reinforcement module concerning phishing: a crime by email (1 hour), with the participation of 11 workers. This was aimed at training users who had been the victims of

social engineering exercises in order to raise awareness of how to prevent this type of scam by identifying and reporting it.

These additional training programmes seek to strengthen the culture of security in the company and better prepare workers to address current challenges in cybersecurity.

In 2024, no substantiated complaints were received regarding breaches of customer privacy, and we managed to avoid significant incidents of data leakage or loss in Spain, Brazil and Peru. However, there were two notable events. In Brazil, a global fault in the Windows operating system, caused by the anti-malware software provider Falcon, temporarily impacted the availability of servers and computers. Recovery was rapid, with 88% of operating systems restored in less than six hours, and there was no data leakage or loss. Meanwhile, in Chile, a ransomware attack affected a pilot server undergoing connectivity tests. Thanks to early detection, the incident was confined to two restored servers with no loss of service.

4.6. Our suppliers

Celeo recognises that the efficiency, quality and sustainability of its services and assets depend to a large extent on the responsible relationship it maintains with its supply chain. By forming strong relationships with our suppliers, we not only strengthen our operations but also actively contribute to the sustainable development of the regions where we operate. This integrated and committed vision is an essential part of our identity and our mission to ensure that all Celeo's activities are aligned with our values of sustainability, quality and responsibility.

Given the nature of our activity, we work with suppliers who are highly specialised in the energy sector. These include companies dedicated to providing professional services such as consultancy, auditing and environmental services, financial institutions and law firms, as well as suppliers of essential materials and equipment such as high, medium and low voltage electrical products. We also have a strategic alliance with Elecnor, one that covers the construction of transmission lines in Brazil, Chile and Peru, as well as the operation and maintenance of solar thermal and photovoltaic assets in Spain.

Celeo's commitment to a sustainable supply chain is deeply rooted in our operations. To guarantee more efficient and responsible management, we classify our suppliers according to the region where they operate, actively promoting collaboration with local suppliers. Not only does this approach promote economic development in the communities close to our subsidiaries, it also reinforces the logistical efficiency and sustainability of our operations.

In Brazil and Chile, we have implemented an additional approach to managing our most critical suppliers, namely those whose goods or services have a direct impact on fundamental aspects such as business development, the health and safety of our workers, environmental protection and the quality and safety of our facilities. This approach allows us to prioritise risk management and ensure that each link in our supply chain reflects the values and standards that define Celeo.

Key indicators on suppliers				
As of 31 December 2024				
Country	**Number of suppliers**	**Number of critical suppliers**	**Purchases made (€)**	**Local purchases**
Spain	302	-	29,640,239	88%
Brazil	1,342	153	49,705,361	98%
Chile	1,408	67	150,264,800	95%
Peru	191	-	22,837,222	97%

The responsible and efficient management of the supply chain at Celeo is underpinned by key tools such as the risk and opportunity matrix, which allows us to identify, analyse and mitigate risks in each area of our operations. These risks cover a variety of aspects: possible contractual breaches, quality issues regarding materials or services, breaches of the compliance programme, delays in delivery or aspects related to occupational safety. So as to strengthen this management, all our suppliers undergo approval and evaluation processes that ensure their alignment with Celeo standards.

Each subsidiary operates independently in terms of purchasing, following procedures tailored to their local context. This decentralisation allows for greater efficiency in procurement management and encourages the use of practices aligned with the specific needs of each country. During the financial year in question, none of our operations experienced significant supply disruptions, which reflects the resilience of our approach.

In Brazil, procurement management is reinforced by specific procedures that detail guidelines and responsibilities for both the procurement of goods and services and the qualification of suppliers. The latter are classified into three categories: general, critical and strategic, according to the level of risk associated with the operation. Moreover, the procurement process integrates social, environmental and ethical considerations, as set out in the specifications. Since 2023, Celeo Brasil has been optimising its procurement strategy, prioritising long-term contracts with trusted suppliers. This approach has improved contracting conditions, increased flexibility in contract management and promoted economic development and job creation in local communities.

For suppliers we apply the following criteria: they must comply with their labour, social security and legal obligations, ethical criteria (no child labour, no slavery-like working conditions for their employees, no discrimination of any kind), ensure the health and safety of their employees and mitigate any negative environmental externalities.

Celeo Chile also has a supplier selection and evaluation procedure. Under this framework, the subsidiary also classifies its suppliers into three categories: general, critical and strategic.

This means that in 2024 all critical suppliers passed selection and evaluation filters according to environmental and social criteria.

Spain and Peru share standardised procedures for purchasing management and supplier evaluation that are adapted to the requirements of the recently obtained ISO 37001 and UNE 19601 certifications.

These standards reflect our commitment to best practices in matters of compliance and consolidate transparency in our commercial relations.

Furthermore, in all the countries where we operate, we expect our suppliers to fulfil their labour and legal obligations, to promote ethical standards such as non-discrimination and the prevention of inadequate working conditions, to guarantee the health and safety of workers, and to mitigate negative environmental impacts. This alignment with social and environmental values is an essential pillar in managing our supply chain.

Thanks to these efforts, there were no Celeo suppliers identified as causing significant actual or potential environmental or social impacts in 2024.

4.7. Main projects under construction

We rely on specialised subcontractors for the commissioning of new projects and for their construction, which is key to ensuring the quality of our services and operational efficiency. We work with Elecnor Servicios y Proyectos SAU and its subsidiaries in the different countries where our projects are located as a strategic partner for the construction of the facilities of the new projects acquired.

Below is a list of the projects under construction during the current financial year, which form part of the assets that will soon be added to our portfolio:

Brazil

- Xingó-Camçarí II Project. The concession contract was signed in September 2023 and since then the corresponding procedures prior to construction have been set in motion, with the preliminary environmental licence being obtained in November 2024. Completion is scheduled for 2026.
- Marimbondo II-Campinas Project. The concession contract was signed in September 2024 and since then the corresponding procedures prior to construction have been set in motion. Completion is scheduled for 2027.

Chile

- CASTE Project. In February 2023, it obtained a favourable Environmental Qualification Resolution (RCA). Construction of the project began the following day and is expected to be completed in early 2025.
- MATE Project. In April 2024, the project received a negative RCA, so it is currently in the appeal phase before the Committee of Ministers. The appeal process, which began in June 2024, is expected to conclude with a favourable decision from the Committee of Ministers and its subsequent resolution during 2025.
- NITE Project. Construction is expected to commence in 2025.
- RETE Project. The project was completed and the plant became operational in July 2024.
- RUTE Project. The project was completed and the plant became operational in December 2024.

- GOTE Project. In March 2024, the favourable RCA for the project was obtained, so progress is currently being made on the closure of easements and the Electricity Concession formalities. Construction is expected to start at the beginning of 2025.
- Project for the new Loica switching substation and 2 × 220 kV Loica-Portezuelo line. Given that the favourable RCA for the project was obtained in August 2024, progress is currently being made on the closing of easements and the formalities of the Electricity Concession, so construction is expected to start in 2025.

Peru

- Puerto Maldonado Iberia Project. The environmental licence was obtained in July 2024 and construction of the project began in August. It is expected to be completed in 2025.
- Miguel Grau - Frontera Project. Different activities have been carried out, including participatory workshops and public hearings on the detailed Environmental Impact Assessment. In December, the Pre-Operational Study was approved by the COES. The Environmental Impact Study will be presented at the beginning of 2025. The project is expected to be completed in 2027.

5. Our people

5.1. Commitment to quality employment

The well-being and psychosocial development of our human team is a fundamental cornerstone of the Celeo Group, and we reassert our commitment by actively working on initiatives that promote job quality, equity and recognition towards our employees. Furthermore, we constantly strengthen the bond and sense of belonging of our workforce, which we consider a key element for the success of the organisation.

Our labour strategy is aimed at creating stable, long-term employment, as well as establishing a professional development model that not only attracts high-level talent, but also fosters the retention and commitment of that talent over time.

In 2024, we significantly expanded our workforce with 113 new hires, reaching a total of 681 employees at the end of the financial year. Celeo's workforce is made up of 403 employees in Brazil, followed by Chile, where we already have more than 218 employees, in Spain by 44 employees and Peru, which consolidates its team with 16 members at the end of the year.

5.1.1. Well-being and work-life balance

Celeo manages the organisation of working time in strict accordance with the labour laws in force in each country where we operate, as well as in alignment with the applicable collective agreements. In relation to the control centres, they operate continuously, guaranteeing service 24 hours a day, 7 days a week.

We understand just how important it is for our employees to have a good work-life balance. Although we do not have a formal work-life balance policy, we have implemented various measures aimed at promoting flexible working hours. These actions include the possibility of remote working up to 20 % of the time, adjusting working hours to allow for more free time, such as a continuous working day in the summer months, and the active promotion of disconnecting from digital devices outside working hours.

A prominent example of these practices can be seen in Brazil, where computer equipment is programmed to disconnect automatically one hour after the end of the working day. This ensures that employees respect the established rest time and avoids excessive workloads.

5.1.2. Remuneration policy and social benefits

We have developed a unified remuneration methodology for the four countries in which we operate, based on a total compensation approach. This model integrates components such as fixed and variable remuneration with benefits programmes and flexible systems adapted to different groups. This makes us more competitive than similar companies in the sector. At the same time, we guarantee internal equity, with fair remuneration in proportion to individual responsibilities and contributions.

In Spain, in accordance with Royal Decree 902/2020 on equal pay for women and men, we annually prepare a pay register for our entire workforce. This demonstrates our commitment to equal pay.

Furthermore, we have implemented a programme of social benefits and flexible compensation plans in Spain, Brazil and Chile designed to meet the specific needs of our employees in those regions. During 2024, we updated the remuneration benchmarking analysis and obtained up-to-date data on salaries and social benefits in comparable companies. This analysis helps us to maintain a competitive position compared to the market and align ourselves with the sector's best practices.

Over the last year, we have carried out a process of standardising job positions in Spain, Brazil, Chile and Peru, thus ensuring the equivalence of internal roles with those of the market. Following this, we initiated a remuneration study to evaluate our competitiveness in terms of salaries and benefits compared to other electricity companies with similar characteristics. This analysis helps us to detect possible salary gaps or inequalities and to make strategic decisions to improve our ability to attract and retain talent.

The additional benefits we offer our employees include medical insurance, dental insurance and healthy breakfasts. Each country adapts these benefits to its particular social and labour conditions, which allows us to retain internal talent and guarantee a high level of satisfaction among our teams, thereby maintaining our competitiveness in the labour market.

5.1.3. Employee relations

In keeping with the principles of our Code of Ethics and high-level policies, at Celeo we promote freedom of association and affiliation and the right to collective bargaining, and we ensure compliance with current labour regulations in each country where we operate. Furthermore, we guarantee a fair and equitable relationship between the company and its employees, and we promote a culture of dialogue and participation.

At Group level, there are various communication channels that facilitate interaction with our workforce, including transparency channels in all countries, joint Health and Safety committees and the Internal Accident Prevention Committee in Brazil and Chile. These bodies make it possible to address labour, health and safety issues, thus strengthening trust and collaboration between employees and the organisation.

As for the coverage of collective agreements, this varies according to region:

- In Spain and Brazil, all employees are covered by collective bargaining agreements.
- In Chile, the operations personnel are included in a collective bargaining agreement. This achievement was the result of the collective bargaining process led by the union. It concluded in January 2024 with the signing of Celeo Chile's first collective agreement, which is valid for two years and aims to improve and strengthen existing benefits and working conditions.
- In Peru, the labour framework is governed by the general labour law, and dialogue between the company and employees takes place on an individual basis, as there is no specific agreement for our activity in this region.

These initiatives confirm our commitment to the responsible management of talent and the promotion of a working environment based on equality, respect and the fulfilment of labour rights.

At Celeo, internal communication is a fundamental pillar that keeps us connected to our employees and allows us to effectively transmit our culture, priorities and commitments. We have a range of channels and initiatives through which to achieve this, by encouraging dialogue and participation, tailored to the needs of each country and context. The main channels include face-to-face activities such as group meetings and awareness-raising sessions, the use of corporate emails, groups on collaborative work platforms and our corporate intranet. In addition, we highlight the internal newsletters *Corriente Continua* and *Más Conectados*, in Brazil and Chile respectively, as key tools for keeping our staff informed.

Key initiatives by country:

In Spain:

- Townhall Meetings. These are organised at the end of each quarter and allow the Management Team to share results, achievements and strategic challenges with the entire workforce, thereby promoting transparency and organisational alignment.

In Brazil:

- Acontece na Sustentabilidade: a space for debating issues of sustainability, diversity, equality and inclusion, as well as sharing related projects.
- Positive Energy 2024 Programme: promoting physical and mental well-being through healthy activities and habits over a period of eight months.
- *Campanha* #CeleoParaTodos: initiative to raise awareness of moral and sexual aggression in the workplace through illustrated stories.
- Canal Mente em Equilíbrio: counselling service for employees in times of crisis or in search of emotional guidance.

In Chile:

- Celeo digital wall: information screens in maintenance facilities to share corporate announcements.
- Improvement of the internal communication email, including an exclusive channel for reporting news on sustainability.
- Implementation of the internal communication plan, designed to centralise and optimise information through the Human Resources department.

These initiatives, together with our channels and programmes, reinforce our commitment to effective internal communication aligned with the Group's values and strategic objectives.

5.1.4. Commitment to equality and diversity

One of Celeo's main objectives in terms of equality is to increase the number of women in the workforce and in leadership positions. We are aware that we work in a historically male-dominated sector and that female representation in management and operational roles is still a major challenge.

At Celeo Brasil, specific measures have been implemented to boost the number of women joining the company. The selection processes in the Operations and Maintenance area prioritise the hiring of women, with the aim of balancing their representation in this traditionally male-dominated field. Women's Day is celebrated with activities aimed at highlighting their role in the sector, reinforcing their importance and promoting equal opportunities. Negotiation seminars have also been organised with the aim of promoting the empowerment of women, improving their qualifications and skills and encouraging their participation in strategic areas.

Gender equality is a cross-cutting pillar in all our operations. We apply equality and non-discrimination criteria in all our processes, guaranteeing equal access to job opportunities regardless of gender, race, religion, marital status, age, physical abilities, sexual orientation or any other personal condition. This promotes a work environment based on dignity, integrity and diversity, reinforcing the principle of zero tolerance with regard to workplace or sexual harassment or any other form of violence in the workplace.

In 2024, various actions were carried out in the field of equality, such as:

- Diversa é a Nossa Energía Programme.
- #CeleoParaTodos campaign.
- Mulheres na Electrotécnica Programme.
- Disability awareness workshops.
- In Chile, breast cancer awareness month.
- Activities on 8th March for Women's Day.

In terms of functional diversity, we maintain a strong commitment to inclusion. In Brazil, the programme to hire professionals with special needs is still in force, which has allowed for the incorporation of three employees with disabilities who, during this year, have participated in technical and strategic training in accordance with their individual development plans. In Chile, a person with a disability joined the team during the year. Despite the fact that Spain and Peru still do not have any employees with disabilities, we are continuing to make progress towards full inclusion.

In terms of accessibility, although we do not have a formal universal accessibility policy, we have adopted appropriate measures to guarantee an inclusive environment in our offices. In Brazil, the corporate and commercial facilities are adapted with lifts, accessible toilets and common areas, in compliance with international regulations. In Chile, universal accessibility is being evaluated in the new facilities under construction to ensure that they meet inclusion standards.

Lastly, we made significant progress in 2024 in relation to gender equality. In Peru, two women joined the team, the first female recruits in the Lima office. In Chile, the Workplace Harassment, Sexual Harassment and Gender-Based Violence Protocol was published, consolidating our commitment to equality and the protection of our employees' rights.

5.2. Continuous training and development

We firmly believe that each person has the capacity to identify the key areas for their professional development and that they should always be able to count on the support of their direct line manager, who plays an essential role in the success of this process. Our Human Resources Department promotes activities and tools that enhance the skills necessary to carry out the defined development actions.

Within our model, the direct line manager takes on key functions such as:

- Aligning the aspirations of the employee with the strategic needs of the organisation.
- Identifying opportunities for growth and continuous improvement.
- Creating personalised development plans, adapted to the challenges and objectives of each employee.
- Stimulate constructive dialogue and provide continuous feedback.

We also have a performance evaluation process that measures both the objectives achieved and the skills developed by each employee. This system was updated during 2024 and, as a result, led to an overall improvement in its implementation. Among the most notable changes is the incorporation of team objectives as a new criterion for evaluation, which complements the employee's self-assessment and the assessment by their manager. Through this, we seek to guarantee greater objectivity and fairness in the process. We apply these same standards in all the countries where we operate.

The updated model will be implemented as a pilot test in all countries during the next evaluation process, scheduled for early 2025. This pilot phase will allow us to analyse how it works, apply adjustments if necessary and consolidate a more balanced approach aligned with our global strategy. With this step forward, we reinforce our commitment to the professional growth of our employees and to talent management based on transparency, equity and continuous development.

5.2.1. Training and development

Celeo recognises the importance of training as a key tool for the professional development of its employees and the strengthening of its organisational capacities. Every year, each company designs its training plans adapted to the needs detected and business' strategic objectives.

At Group level, there is an onboarding programme that includes training in specific areas such as occupational risk prevention, compliance, information technology and systems, and other areas.

With the aim of identifying areas for improvement and optimising development proposals for our employees, in 2024 Celeo Spain implemented a pilot training plan based on active learning and experiential and specialised training. Additionally, support was maintained for high-investment training programmes, such as MBAs or equivalent, and a new employee was incorporated into this initiative.

Celeo Brasil continued its commitment to strategic training through the Liderança Energizada programme, which focuses on developing interpersonal skills at all levels of leadership. In 2024, this programme included monthly coaching sessions for leaders, as well as training in health and emotional intelligence aimed at addressing organisational challenges in a balanced and assertive manner. Celeo Brasil is also committed to continuous training: it offers internal courses on the integrated management system, workshops, technical and behavioural training, language programmes and participation in conferences and seminars.

In 2024, Celeo Chile made progress with a diverse training offer, which included training in cybersecurity, labour regulations (the Karin law), inclusion, English, operational management and sustainability. Of particular note was a leadership workshop aimed at managers and focused on strengthening team management, and sessions on SAP to optimise information management.

Both countries, Brazil and Chile, have educational support programmes in place to promote the academic training of their employees, from basic studies to undergraduate and MBA courses. For remote employees, courses have been offered in remote mode, with on-demand recordings available to facilitate learning.

Through these initiatives, we reaffirm our commitment to the integral development of our teams, aligning their skills with Celeo's objectives and promoting an organisational culture based on excellence and continuous learning.

5.2.2. Internal mobility

Celeo actively encourages internal mobility, both vertical and horizontal, within each country and between international operations. This strategy not only allows us to enhance the professional development of our collaborators but also contributes to taking advantage of and strengthening the internal talent of the organisation and the construction of enriching professional trajectories for our teams.

In 2024, we made significant progress in this area:

- Spain. Two professionals were able to change area within the organisation as part of their professional development plan, which has favoured the growth and diversification of their careers.
- Brazil. 92 promotions were made through the annual recognition of good performance, a sign of our commitment to meritocracy. Five transfers of technical personnel between substations have also been arranged and 58 promotions have been made through internal recruitment processes. This has strengthened internal mobility and the continuity of technical knowledge in the country.
- Chile. Ten employees from different areas have been promoted in recognition of their effort and dedication, reaffirming our commitment to merit-based professional development. In addition, lateral moves have been facilitated to promote flexibility and multidisciplinary learning within the organisational structure.

6. Prevention culture

The health and safety of Celeo's employees and stakeholders are fundamental cornerstones of our management. With this in mind, we are firmly committed to achieving our goal of zero accidents and zero tolerance for non-compliance, as well as promoting a strong of prevention culture throughout the organisation.

6.1. Managing health and safety

Our health and safety policy establishes commitments in the area of occupational risk prevention that apply to our employees as well as contractors and other interested parties. This policy is structured around six key principles:

- The prevention of injuries and the deterioration of health. We promote measures that reduce occupational hazards to a minimum.
- Prevention culture We strive to make prevention an essential value.
- Consultation and participation. We encourage the active collaboration of employees in health and safety matters.
- Compliance with legal requirements. We ensure that there is strict compliance with all applicable regulations.
- Continual improvement. We regularly review and optimise our systems and processes.
- Zero tolerance. We maintain a rigorous approach against any breach of security regulations.

We implement our integrated management system, which is certified in accordance with the ISO 45001:2018 standard in all the countries where we operate (Spain, Brazil, Chile and Peru), to guarantee a structured approach to identifying, assessing and mitigating occupational risks. This system seeks not only to protect our employees, but also to promote an active management that eliminates or minimises dangerous exposures in our operations.

We have identified the main risks associated with our operational activities, which are addressed as a priority through the 'Rules that Save Lives' campaign. These risks include driving (risk of crash, collision, overturning or being run over), working at height (risk of falling), working with electricity (risk of electrocution or burns) and forestry work (exposure to noise, vibration, cuts, fire and allergic reactions to stings), as the most significant.

In addition, our policy upholds our employees' right to refuse to carry out their work, allowing them to stop any activity that poses serious and imminent risks without fear of reprisal. To support this principle, we train our employees in interpreting risk analyses and identifying conditions that may endanger their safety.

Celeo provides access to the documentation of the integrated management system and guarantees that the information is clear, comprehensible and useful for all employees.

6.1.1. Main health and safety actions

In 2024, Celeo took significant steps to reinforce its commitment to occupational health and safety (OHS), by promoting safe and healthy environments in all the countries where it operates. This commitment is reflected in the continuous improvement of the company's integrated management system, based on the ISO 45001 standard, and in the implementation of various initiatives that strengthen our prevention culture.

As part of our global commitment, in April we organised the second corporate Rules that Save Lives campaign. This included the production of a video, with the participation of the *co-general managers*, which highlighted the importance of this programme in our operations. For the second time, and with even greater participation than in 2023, we also held the #SomosEnergía (#WeAreEnergy) Olympics, with a view to promoting healthy habits and combating a sedentary lifestyle among our employees.

In Spain, according to local legislation, occupational safety management has been carried out through an external prevention service. To reinforce these measures, we appointed a new office safety coordinator to ensure that good practices reach all areas of the company. This means that we now have three office safety coordinators. We are also currently working on a new tool that will enable us to coordinate business activities more effectively and maintain better control of activities carried out by third parties. We also launched the second edition of the global #SomosEnergía occupational risk prevention campaign.

In Brazil and Chile, we renewed the ISO 45001 certification, which includes Alfa's assets, reaffirming our commitment to maintaining the highest standards in OHS. Meanwhile, we extended the scope of our Multisite certification in Spain, integrating Celeo Redes Peru and PMTE, with the aim of guaranteeing a homogeneous and coordinated global focus.

In Brazil, we gave a significant boost to the management of critical processes, such as the use of vehicles and the clearing of power line corridors by third parties. These activities were optimised to reduce risks and improve operational safety. In addition, we are continuing with the Positive Energy programme, designed to promote the emotional and physical well-being of our employees through activities that promote healthy nutrition, physical activity and mental health. This programme includes a scoring system that rewards the active participation of employees and is complemented by the advice of a sports nutritionist. We also launched the Rota Segura (Safe Shift) initiative, aimed at operational teams, to recognise and encourage preventive and responsible behaviour related to the prevention of accidents and occupational health. This joint effort included both the analysis of indicators and recognising outstanding performance at the end of the year.

With regard to the initiatives developed in Chile, we would like to highlight the launch of the +Seguros (Safer) communications programme, an initiative aimed at raising awareness about our safety culture. It reinforces the basic concepts of health and safety both for the organisation in general and for specific areas through weekly publications such as +*Seguros Reforzamiento* (SAFER Reinforced) and +*Seguros Te Aconseja* (SAFER Advises You). This approach allowed employees to acquire key tools to ensure their own safety and that of their colleagues. We also organised our first Internal Week for the Prevention of Accidents at Work (SIPAT for its acronym in Spanish) in the city of Talca, a conference that brought together more than 150 participants, both in person and remotely. The conference was attended by two renowned Chilean speakers, who spoke about road safety and disaster risk management. During this period we managed to reinforce the safety knowledge of the workers and in doing so accumulated a total of 1,106 hours of training.

Finally, in March, we organised the Occupational Health and Safety Week in Chile, during which key agreements were established to unify procedures, tools and criteria in all areas of Celeo, including:

- The management of a tool for monitoring and implementing Rules that Save Lives.
- The definition of criteria for approving contractors and subcontractors common to all areas of Celeo based on the hazardous nature of the work.
- The creation of a personalised calendar to carry out personalised campaigns based on Rules that Save Lives.
- The development of a common checklist for carrying out OHS inspections to include other parameters of the integrated management system.
- The creation of a procedure and system of cross-inspections in OHS between countries.

In Peru, we completed the implementation of the OHS system in the operation and maintenance of the Chira Valley project and began to develop it in the construction stage of the Puerto Maldonado Iberia project. In addition, we carry out cross-inspections between countries, during which the Brazilian team visited Peru to evaluate occupational health and safety standards under IFC criteria. This international collaboration not only enriched our OHS approach, but also strengthened synergies between the teams, yielding very positive results for both sides.

6.1.2. Health and safety of subcontractors and clients

We recognise that protecting the health and safety of contractors and clients is essential to ensure responsible and sustainable operations. In each of the countries in which we operate, we have specific procedures in place that reinforce our prevention policy, adapting them to local risks and needs.

In Spain, health and safety issues at the plants are managed directly by Elecnor, our partner in operations. In Brazil, we have an occupational health and safety procedure for visitors and contractors to ensure that those who enter the facilities comply with Celeo's safety, occupational health and environmental standards. Before initiating any activity, we evaluate the contractors' documentation and verify that their skills are compatible with the requirements of the tasks to be carried out. Furthermore, the environmental dangers and risks associated with their activities are identified and managed by means of a Preliminary Risk Analysis (PRA). In particular, for activities such as the clearing of power line corridors, we have a range of procedures that ensure adequate monitoring depending on the urgency of the task.

In Chile, the Special Regulations for Contractor and Subcontractor Companies continue to be the central tool for guaranteeing compliance with occupational health and safety standards. These regulations not only define a clear regulatory framework for partner companies but also ensure compliance through periodic on-site inspections and through the accreditation platform. The occupational health and safety management procedure establishes a comprehensive approach to identify hazards, assess risks and implement control measures, and continuously verifies the effectiveness of preventive actions.

In Peru, important steps have been taken with regard to health and safety management for contractors. During 2024, we approved a set of Regulations for Contractor and Subcontractor Companies, which is provided to all collaborating companies as a mandatory framework for their activities. In addition, we carry out HSE (health, safety, and environment) audits on the main contractors involved in the operation and maintenance of the Valle del Chira project to assess how they perform in terms of occupational health and safety. During the launch of activities, we organise business activity coordination meetings to analyse the hazard identification, risk assessment and control matrices (HIRAC) and review work permits and other specific procedures to ensure that all parties involved comply with defined standards.

Lastly, in both Spain and Peru, we continue to work with environmental guidelines intended for subcontractors to ensure that activities comply with local environmental regulations.

Through these initiatives, we continue to promote a safe and healthy working environment not only for our employees, but also for all the people who form part of our operations.

6.2. Accident rates

In 2024, the main indicators for accidents involving own personnel were 1.80 (frequency rate) and 0.01 (severity rate), compared to 1.27 and 0.05 in 2023.

In order to effectively manage any kind of incident, there is an incident investigation procedure that allows us to analyse the causes, implement corrective and preventive actions and evaluate the effectiveness of the measures applied to minimise future risks. We developed a common online procedure for the Management of Occupational Health and Safety (OHS) Incidents throughout the Celeo Group. A new flash report format was introduced and integrated into the Prevsis management tool. It facilitates the immediate communication of any incident and strengthens communication and uniformity in incident management on a global scale. It is currently in the development phase and will be fully implemented in 2025.

In terms of occupational health, our workers do not face significant risks of workplace infection. The main ailments and illnesses are related to the endemic conditions of the regions where we operate. In this context, we provide the necessary protections, such as specific vaccination campaigns. For example, in 2024, we partnered with Elecnor to organise a yellow fever vaccination campaign, which was necessary for the Puerto Maldonado project. As a result of these preventive measures, we are pleased to report that during this year there have been no cases of occupational illness in the Group. For more information on accident rates, see Annex I, section 10.2.

6.3. Consultation and participation of employees in preventive activities

Our company firmly believes in the importance of consultation and the active participation of workers in health and safety matters and therefore encourages a constant dialogue that strengthens our prevention culture in all the countries where we operate. Worker consultation and participation takes place through the Internal Accident Prevention Committee, as well as through two worker representatives (for Celeo Brasil) and the joint health and safety committees (for Celeo Chile).

In Brazil, 100% of our employees are represented by the Internal Accident Prevention Committee (CIPA), made up of representatives of the company and the workers. This committee meets monthly to develop and supervise preventive actions that ensure optimal working conditions and minimise the risk of accidents and occupational illnesses. Furthermore, each site has a workers' representative who acts as a link in this consultation and participation process. To guarantee efficient management, we have a specific work plan that defines the responsibilities and functions of each committee member.

Communication is another fundamental cornerstone in Brazil. In this subsidiary, we use multiple channels, such as internal newsletters, corporate mail, weekly talks on health and safety at work, as well as the Transparency Channel, to keep employees informed about key aspects in this area.

In the case of Chile, joint health and safety committees continued to play a crucial role during 2024. During the year, a new committee was created in the Biobío region, and its members took on the challenge of designing a work programme focused on strengthening the safety culture, with a view to achieving certification of its management by our mutual insurance company in 2025. These monthly meetings are not only a key part of the +Seguros communications programme but also include essential functions such as advice on the use of protective equipment, monitoring compliance with preventive measures and the investigation of workplace accidents. Furthermore, these bodies make it possible to evaluate deviations, update risk matrices and discuss possible improvements, which ensures active and participatory consultation with workers.

In Spain and Peru, although we do not have formal committees or representatives due to the number of workers, there is an active Consultation and Participation Channel to facilitate direct communication with employees.

6.4. Training for employees in health and safety in the workplace

Continuous training in health and safety is essential to guarantee maximum protection in Celeo's operations. This is reflected in training activities designed according to the specific needs of each region and combining face-to-face and virtual formats. In 2024, we have rolled out a series of initiatives to ensure that each employee is prepared to face the challenges of their daily work with the best tools and knowledge.

Globally, we launched the second edition of the #SomosEnergía campaign, focused on combating a sedentary lifestyle and promoting healthy habits.

In Spain, a compulsory training was formalised, in accordance with the Metal Convention, with six-hour meetings aimed at both office staff and managers. Furthermore, in the technical sphere, a specialised course was given on low and high voltage work, which focused on reinforcing skills that are critical for safety in the sector.

In Brazil, we organised a Health and Safety Week, a landmark initiative that took place in two phases. The first was carried out at the operational facilities, focusing on the specific risks of daily activity, while the second took place at the administrative offices, with a more corporate-sector-oriented approach. This event included conferences by experts, group dynamics and motivational meetings and succeeded in actively involving the whole team.

In Chile, we have launched an ambitious three-year plan to consolidate our prevention culture. This year saw the launch of the +Seguros initiative, which uses different communication channels to reinforce safety procedures, rules and good practices. We also held our first Internal Week for the Prevention of Accidents in the Workplace, in which more than 150 participants took part in intensive training sessions. To close the year, we evaluated the degree of maturity of the organisation's safety culture using the Bradley curve, which provides us with a clear roadmap for 2025 and 2026.

In Peru, defensive driving training was provided with the aim of reducing risks in driving and also in the use and handling of fire extinguishers, which are essential for guaranteeing an adequate response in emergency situations. Furthermore, practical training was offered in the use and maintenance of personal protective equipment, with special emphasis on the correct handling of dielectric footwear, which is essential for tasks with a high electrical risk. Training was included on the subject of prevention and action in the face of workplace sexual harassment, reinforcing our zero-tolerance policy towards such behaviour. Finally, with the aim of strengthening the capacity for response and prevention, training was provided on the investigation and communication of workplace accidents.

6.5. Health checks

Celeo implements various initiatives adapted to the needs of each region in order to guarantee the health and well-being of its teams.

In Spain, employees are protected by a mutual insurance company that manages health and financial benefits in the event of work-related accidents and occupational illnesses. In addition, we offer an annual medical check-up through the External Prevention Service and this year we have updated the medical protocols according to the different job positions. Furthermore, in 2024 we carried out the second flu vaccination campaign and saw a significant increase in participation.

In Brazil, we have an occupational health and medical control programme that establishes clear guidelines for the prevention of occupational risks and illnesses. The environmental risk management programme also evaluates and mitigates the harmful agents to which workers could be exposed. Our employees have access to the Bradesco Saúde healthcare programme, which offers free medical care, and to the Mind in Balance channel, where they can receive tailored support from mental health specialists. As part of our preventive actions, we also organise flu vaccination campaigns, aimed at both administrative and operational staff.

In Chile, in 2024 we focused on ensuring compliance with the Ministry of Health (MINSAL) protocols for occupational risk management, covering factors such as ergonomics, noise and exposure to ultraviolet radiation. These measures have been key in preventing occupational illnesses and guaranteeing a safe working environment. This commitment not only protects our employees but also reinforces our responsibility towards public health.

Last but not least, with work getting under way on the Puerto Maldonado project in Peru, we prioritised the administration of yellow fever and tetanus vaccines. This measure was also extended to Spain and Chile for those employees participating in the project.

7. Committed to the planet

7.1. Environmental management

Celeo maintains its unwavering commitment to respecting and protecting the environment, a principle that is reflected in both our Code of Ethics and our environmental policy. This strategic document guides our actions towards the sustainable development of the business, integrating responsible practices in each of our operations. It is based on the application of the following principles:

- Preventing pollution.
- The efficient use of resources and waste.
- Protecting biodiversity and habitat.
- Resilience to catastrophes and adaptation to climate change.
- Compliance with requirements.
- Continual improvement.

We have implemented an integrated management system that incorporates an environmental management system (EMS) to guarantee compliance with these standards. This framework respects the particular characteristics and autonomy of each country where we operate, promoting continuous improvement in all environmental management processes and areas.

As part of this system, we have adopted the precautionary principle, which allows us to identify, evaluate and control the most significant environmental impacts of our activities. These include:

- Change in land use, associated with the removal of vegetation for the installation of structures and easement strips.
- Generation of hazardous waste during the preventive maintenance of facilities.
- Consumption of resources and emissions, including the use of energy and water and the generation of atmospheric emissions.

Furthermore, every time we start a new project, we evaluate its socio-environmental impact, as required by the nature of the project. These studies allow us to map out the possible impacts during the execution and operation phases and to establish the necessary corrective, mitigation or offsetting measures. Beyond the commitments arising from the environmental licences, we apply the International Finance Corporation (IFC) criteria during the construction of projects developed in countries that are not signatories of the Equator Principles, thus guaranteeing a global approach in our practices.

The sustainability activities that form part of our annual budget are focused on complying with legal requirements, protecting biodiversity, driving forward resilience plans and mitigating emissions. The most relevant environmental management indicators are consolidated using our Environmental Tool. It is designed to automate and centralise all the Group's environmental data, thereby ensuring effective monitoring and informed decision-making.

Celeo Concesiones e Inversiones carried out the first follow-up audit of its environmental management system and extended the scope to include Celeo Redes Peru and PMTE in O&M activities. Consequently, we have obtained the Multisite certificate (Spain and Peru) for our environmental management system.

Brazil certified its environmental management system in accordance with ISO 14001:2015, covering the full scope of its facilities.

In the case of Chile, in 2024 the scope of the integrated management system was extended in accordance with ISO 37001 and ISO 55001, in addition to that already certified under ISO 9001, ISO 14001 and ISO 45001. The integrated audit, which took place in September, achieved recertification for the quality, environment, and health and safety areas, and it recommended certifying the anti-bribery and asset management standards.

At present, Celeo has the necessary human, technical and economic resources to prevent, mitigate and offset the possible environmental impacts derived from its activities. On a global scale, it has a specialised team made up of 20 people who are strategically distributed throughout the regions where it operates: Two in Spain, 11 in Brazil, six in Chile and one in Peru. This team is responsible for supervising and guaranteeing compliance with the company's environmental management system.

Throughout 2024, we allocated a total of 4,794,052 euros to investments aimed at preventing and minimising the environmental impact of our activities, which reaffirms our commitment to sustainability and the protection of the environment.

In addition, the company is covered by an environmental liability policy in force until 31 December 2024, with a general limit of 20 million euros. This policy provides, within the established terms, the necessary compensation for possible environmental damage, which is an additional endorsement of our responsible environmental management initiatives.

Environmental investment and expenditure (euros)								
As of 31 December								
			2024			**2023**		
	Spain	**Brazil**	**Chile**	**Peru**	**Spain**	**Brazil**	**Chile**	**Peru**
Environmental management (OPEX)	122,038	1,673,869	767,327	28,097	48,437	1,944,314	826,292	20,032
Environmental management (CAPEX)	64,727	92,305	2,073,758	-	831,978	29,756	5,060,478	-
Total	186,765	1,766,174	2,841,085	28,097	880,415	1,974,445	5,886,770	20,032

7.2. Efficient resources

One of Celeo's priority objectives in environmental matters is to minimise the company's impact on the environment, promoting the efficient and responsible use of resources in all its operations and activities. With this in mind, consumption is monitored regularly, and measures are established aimed at its reduction.

7.2.1. Energy consumption

The company's electricity consumption mainly takes place at its solar thermal power plants and to a lesser extent, in offices, maintenance facilities and substations. Fuel consumption, meanwhile, is mainly linked to the natural gas used at solar thermal power plants and, to a somewhat lesser degree, to the liquid fuels used in vehicles for the maintenance of facilities and for backup generators.

In 2024, our electricity consumption rose to 29,399.70 MWh, representing an increase of 6% compared to 2023. As for natural gas consumption, it increased to 31,979.07 in 2024, to optimise production and improve the performance of solar thermal plants in Spain. Meanwhile, the consumption of fossil and renewable fuels reached 411,370 litres, driven by greater precision in purchasing control for stationary and mobile sources in Brazil, as well as by the increase in the fleet and maintenance activities in Chile.

As for the type of energy used, we promote the use of renewable sources. Celeo Brasil generates renewable energy from photovoltaic installations at the maintenance bases in Uberlândia and Vilhena. This energy is used for self-consumption in offices and warehouses, while the surplus is fed into the electricity grid. In 2024, these facilities produced 29.95 MWh of energy for self-consumption.

Celeo Chile similarly uses renewable energy generated by photovoltaic installations located at the Diego de Almagro maintenance facility in the Atacama region. During 2024, these facilities generated 3.68 MWh for self-consumption.

Trend in energy consumption by type of source			
As of 31 December			
	2024	**2023**	**2022**
Electricity (MWh)	29,400	27,787	25,767
Natural gas (MWh)	31,979	14,685	18,893
Fuels (l)	535,611	510,835	316,524
- Fossil fuels (Gasoil + diesel)	394,836	434,973	240,638
- Renewables (ethanol)	103,173	75,862	75,886
- Petrol*	37,603	-	-

* Starting in 2024, Celeo systematises data relating to the consumption of petrol as a source of energy.

Additionally, we are developing a range of initiatives to promote more efficient energy consumption, such as:

- Substituting traditional lighting with LED technology.
- Implementing environmental awareness programmes.

- Developing environmental education initiatives in local communities.
- Using ethanol as a fuel in vehicles.
- Adding electric vehicles to our fleet in Brazil and Chile.

7.2.2. Water consumption

Our company promotes the efficient and responsible consumption of water in all its operations but also acknowledges that the management of water resources varies according to the region in which the company operates. Our commitment is reflected in sustainable practices aimed at minimising the impact of our activities on this essential resource.

Waste management is a fundamental part of the efficient consumption cycle, as it guarantees that the water used in operational processes is returned to the environment in a responsible manner that complies with current regulations and minimises any potential impact. This includes uses such as refrigeration, cleaning or energy generation, in which the balance between water consumed and water discharged is crucial for the sustainability of operations.

The Group's highest water consumption is concentrated in the solar thermal power plants in Spain, where it is used for key processes, such as cooling the facilities, and generating the steam needed to produce electricity and clean the mirrors. The water for the Aste 1A and 1B plants comes from underground wells, while Astexol-2 uses surface water from the Guadiana River. Most of the water consumed in these processes is equivalent to the water discharged, as it is mainly reused in the cooling systems. At the solar thermal power plants, most of the water consumed is returned to the environment after use, which translates into an efficient and sustainable approach.

In our operations in Brazil, Chile and Peru, water consumption is mainly associated with office use and the maintenance of transmission lines and substations.

Most of our facilities in Brazil are supplied with water from wells, all of which have been granted the necessary environmental licences. According to the World Resources Institute Aqueduct Water Risk Atlas tool, only 6.45% of projects in the region are in areas of medium-high water stress, such as São João do Piauí (UFV-JSP) and Itaboraí (Rio de Janeiro, PTE). In 2024, the extension of the automated remote well monitoring system was completed. This advance allows for a more efficient control of water consumption and guarantees compliance with the concessions of rights to use the resource, in accordance with current environmental legislation.

In Chile, water is obtained mainly from the public network. In 2024, it was identified that 129.8 m^3 of the water consumption in facilities such as the Atacama maintenance facility, the Illapa substation and the Cumbres substation are in areas classified as suffering from water stress. During the year, the awareness campaign on the efficient use of water was stepped up with the aim of covering all operational facilities in the country.

In Peru, the Valle del Chira substation is located in an area of high-water stress.

996,784 m^3 of water were consumed in 2024, of which 55 % came from groundwater, 44 % from surface water and the rest from the mains supply.

7.2.3. Waste management

Celeo is committed to managing the waste generated during its operations in accordance with current legislation in each country. Wherever possible, it always prioritises sustainable alternatives such as recycling and reuse. The Group's focus is on minimising its environmental impact, optimising the final disposal of waste and promoting responsible practices throughout our chain of activities.

Solar thermal power plants are the main generators of waste within the Group. Hazardous waste includes activated carbon, hydrocarbon residues and thermal fluids for heat transmission. As for non-hazardous waste, the main materials are paper, cardboard, plastics, wood and sludge from wastewater treatment plants. In addition, electronic waste derived from damaged components and degraded panels is occasionally generated in photovoltaic plants. In these cases, priority is given to repairing the elements to extend their useful life and, as a last resort, they are replaced and properly treated.

In the case of Brazil and Chile, the majority of the waste generated is non-hazardous, such as paper, cardboard, plastics, organic waste and metals, and mainly derives from administrative activities. However, small amounts of hazardous waste are produced as a result of operation and maintenance activities, such as diesel, oils, lubricants, paints, solvents, contaminated packaging, batteries and lamps. This waste is handed over to authorised waste managers for processing and safe disposal. During the construction phases, the main waste generated is hazardous and non-hazardous industrial waste, all managed under strict environmental compliance standards.

In particular, Celeo Chile has implemented a strategy to reduce the use of plastics. Among the most noteworthy measures is the elimination of single-use plastic bottles and their replacement with reusable thermal bottles for field staff and water dispensers in offices.

Over the course of 2024, 362 tonnes of waste were generated, which represents a reduction of 44% compared to the previous financial year. Of this figure, 46% corresponded to hazardous waste and the remaining 54% to non-hazardous waste.

This reduction is mainly explained by the use of solar thermal power plants in Spain, specifically by the water consumption derived from condenser cooling and because this water seeped into the ground without any benefit being obtained. In 2024, with a view to resolving the problem, it was proposed that reversible electrodialysis technology, commonly known as EDR, be installed at the Aste 1 solar thermal plant. In this way, not only do we manage to reduce water consumption, but we also reduce seepage discharge to ‘0’. Therefore, the process has been improved and optimised, with care for the land and preventing the possibility of water with a high concentration of nitrates seeping into the ground. In this way, this water is basically ‘recycled’ in the EDR to be used in the open circuit system as a condenser coolant. This resulted in a significant reduction in the amount of waste generated, such as sludge, as can be seen in the above data.

In terms of waste management, 377 tonnes have been treated or recycled. Waste that is not managed during the year remains temporarily stored until it is properly processed in compliance with local legislation and best market practices.

7.3. Climate change

We are facing the challenge of climate change with a firm commitment to the decarbonisation of the global economy. Our business model, centred on the generation of renewable energy and the transmission of electrical energy, plays an essential role in driving the transition towards clean energy sources, thus reducing the emissions of sectors that are highly dependent on fossil fuels. This approach is in line with our aim of leading the change towards a more sustainable energy future in Europe and Latin America.

7.3.1. Resilience to climate change

We have implemented the resilience, climate change and business continuity plan since the end of 2022, a strategic tool which, through our risk management model, integrates the physical and transition risks associated with climate change. This plan, common to all the Group's subsidiaries, is designed in accordance with international standards such as GRESB, TCFD and the European Union Taxonomy and reinforces our ability to adapt and respond to climate challenges.

In 2024, we made significant progress in analysing the alignment of our catalogue with the European Union Taxonomy by identifying the necessary adaptations to guarantee maximum consistency with these standards.

Furthermore, in each region, we launched specific initiatives to reduce emissions, improve resilience and counteract the adverse effects of climate change. These actions include:

- Emissions control and monitoring. We implement external verifications to guarantee transparency and effectiveness in the measurement of greenhouse gases.
- Local plans for reducing emissions. These plans form part of our global carbon footprint management plan and optimise the efforts undertaken according to the particular characteristics of each region.
- Operational adaptation. We are making progress in the implementation of contingency plans for climate emergencies and strengthening the resilience of our operations in the face of natural disasters.
- Environmental offsetting. We carry out reforestation initiatives and renewable energy projects to offset the residual impacts of our operations.
- Active collaboration. We participate in global and local initiatives that promote the goal of zero net emissions, thus reinforcing our leadership in climate action.

Notably, Celeo Brasil has made the periodic review of the impacts of climate change a core aspect of its operational strategy. At least every five years, we evaluate the suitability of existing assets and update the design requirements for new projects. In 2023, this approach resulted in a substantial investment to mitigate the increase in disconnections due to lightning strikes on a section of the BTE concession. The investment involved commissioning a climatological study to evaluate the density of atmospheric discharges in the region, comparing current data with data from the time of the design. As a result, we identified an increase in this density, which led to a reverse engineering study of the concession with the aim of verifying the expected performance of the transmission line in light of the new indicators and initiating possible corrective actions. Thanks to the study it was possible to establish that the public atmospheric density maps used as a reference for basic projects may present incorrect information about the regions. Climate studies were therefore carried out specifically for the new projects, including Lot 3 and Lot 6, in order to ensure their resilience to climate change.

Additionally, a study focusing on stoppages due to wind was carried out at BTE. Although these stoppages only occur at certain points on the 230 kV Campo Grande - Chapadão e Anastácio - Sidrolândia transmission line, over the course of 2024 we replaced all the chains of central insulators with similar characteristics, at a cost of 1,206,689.88 reals.

Celeo Chile, meanwhile, launched the Celeo-MEDIR (Modelling and Evaluation of Challenges in Impacts and Resilience) project in 2024. This project combines advanced tools and databases to map climate risks and identify opportunities to improve the resilience of our assets. The precise modelling of critical variables allows for better-informed planning and a more robust design of our operations in the local context.

Chile also implemented its early warning plan for forest fires in 2024. This plan entailed providing emergency services contact details together with a list of preventative measures to be taken during the works. These actions were combined with training for our own staff, measures to improve security at our facilities, emergency and evacuation plans, signage and warning notices, and other measures.

7.3.2. Carbon footprint

We understand that managing and reducing our carbon footprint is not only an environmental responsibility, but also a comprehensive commitment to sustainability. Consequently, since 2022, Celeo has taken a significant step forward by calculating and verifying its carbon footprint in a centralised manner, unifying the reports in all the Group's subsidiaries. This effort allows us to manage emissions more effectively, as we now consider all relevant categories to offer a more comprehensive view of our environmental impact. This kind of progress reinforces our commitment to transparency and to the continuous improvement of our operations.

We know that our activities play a key role in decarbonisation and in the fight against climate change. During 2024, the solar thermal and photovoltaic plants that we operate in Spain have generated 254.04 GWh of clean energy, avoiding the emission of 66,050 tonnes of CO_2 equivalent. In Brazil, our São João do Piauí photovoltaic plant contributed 756.78 GWh, with an equivalent reduction in emissions of 317,863 tonnes of CO_2. These results not only reflect our commitment to the global energy transition but also underline our ability to contribute to a more sustainable future through the production of renewable energy.

Despite our achievements, we face challenges inherent to our activity, such as transmission losses, which represent a considerable part of our carbon footprint. Although these losses are difficult to manage (as they depend on the volume of energy transported and the energy mix of the electrical systems where we operate), we take all possible measures to minimise them. We also carefully manage emissions of sulphur hexafluoride (SF_6) gas, used as an insulator in circuit breakers. Although this gas is neither flammable nor toxic, it has a high global warming potential, which compels us to carry out rigorous controls. In 2024, these emissions amounted to 85 kilograms. We are constantly working on programmes to reduce them, such as the identification and progressive replacement of equipment with higher leakage rates.

At local level, our subsidiaries in Brazil and Chile are leading the way in this commitment with specific initiatives. Both subsidiaries have detailed SF_6 inventories and action plans in place aimed at minimising leaks into the atmosphere. These efforts reflect our dedication to improving our operational practices and ensuring that our activities are increasingly sustainable. Furthermore, the acknowledgement granted to Celeo Chile by the Ministry of the Environment's Huella Chile programme in 2022 highlights our leadership in the quantification and management of greenhouse gas emissions.

With this in mind, we have designed a carbon footprint management plan for the whole Group with medium and long-term goals. This plan prioritises actions on the most significant categories of our footprint and guarantees that our operations are increasingly efficient and have less of an impact. We complement these actions with measures such as offsetting emissions through reforestation programmes and using passenger transport companies that promote reducing the carbon footprint of business travel.

Trend in emissions (tCO_2eq)			
As of 31 December			
	2024	**2023**	**2022**
Scope 1	**19,746**	**6,247**	**43,847**
Spain	5,590	2,814	3,509
Brazil	2,490	2,887	39,872
Chile	11,657	543	466
Peru	10	3	N/ A
Scope 2 (with no transmission losses)	**3,991**	**5,890**	**5,827**
Spain	3,377	5,609	5,340
Brazil	406	53	208
Chile	175	217	279
Peru	32	11	N/ A
Scope 3	**65,546**	**820**	**875**
Spain	14,709	185	162
Brazil	1,941	314	378
Chile	48,466	278	335
Peru	431	43	N/ A
Total	88,664	**12,957**	**50,639**
Transmission losses*	**56,471**	**123,124**	**307,588**
Spain	N.A.	N/ A	N/ A
Brazil	10,617	44,403	50,406
Chile	45,855	78,721	257,182
Peru	N.A.	N/ A	N/ A

*Transmission losses are given for the energy transmitted and the technical characteristics of the transmission lines owned by Celeo. The company considers that they are not manageable emissions. They include the transmission losses from the Alpha lines.

In 2024, scope 1 emissions have increased considerably due to the land use change category, influenced by the CASTE project.

Furthermore, transmission losses decreased due to a change in the calculation methodology for Celeo's assets in Brazil, which now use the technical design parameters of the lines and their real load factor. Additionally, the transmission losses of Celeo's assets in Chile were obtained from information published by the National Electricity Coordinator.

7.3.3. Other emissions

In Brazil, we are taking firm steps to reduce the emissions of pollutants such as sulphur oxides (SO_x), nitrogen oxides (NO_x) and particulate matter (PM10) generated by our vehicle fleet. To achieve this, we are replacing fossil fuels with more sustainable options, such as ethanol derived from sugar cane, a renewable alternative that significantly reduces emissions. This effort is in addition to the actions in Chile, where three electric vehicles and five hybrids are already part of our fleet, marking a step forward towards cleaner mobility.

In addition, we proactively manage noise pollution, a physical pollutant that affects the environmental quality in our areas of influence. In Spain, we conduct regular noise studies in accordance with the environmental monitoring plan, and the results are reported annually to the competent authorities. In Brazil, noise monitoring is carried out in accordance with local regulations and ensures that our operations respect the established limits. Celeo Chile carries out annual or biennial monitoring in accordance with specific environmental resolutions, complemented by internal procedures that evaluate and control the noise at our facilities.

In addition to these actions, we also carry out reforestation initiatives, both as part of the commitments made in the project licences and on a voluntary basis. These activities not only contribute to offsetting carbon emissions, but also generate additional environmental benefits, such as the restoration of ecosystems and the improvement of biodiversity.

7.4. Biodiversity protection

7.4.1. Wildlife management

We understand how important it is to operate in balance with the diverse ecosystems in which we carry out our activities. The conservation and responsible use of natural resources are fundamental commitments for the Group, especially when working in regions such as Brazil, Chile or Peru, where the biological wealth requires careful and respectful management.

We identified a series of potential impacts on biodiversity during the construction and operation of our projects. The most significant of these include the loss of vegetation due to activities such as cutting and pruning, the reduction of habitats that can lead to accidents with wildlife, and pollution caused by vehicular traffic. Forest fires are an additional concern in Brazil, most of which are caused by human activity and their prevention requires a proactive approach.

Our strategy for dealing with these challenges combines mitigation, reparation and offsetting measures. We strive to minimise the interventions necessary for the development of infrastructures, seeking to optimise construction processes and promote the environmental regeneration of the affected areas. We also constantly monitor the birdlife in both Brazil and Chile. We focus particularly on verifying possible interference of transmission lines with bird behaviour or the occurrence of accidents. In Spain and Peru, we record the impact on birdlife, if any, in projects that are already up and running. So far, these studies have not revealed any significant impacts and it has been observed that the structures can be used by birds without negative repercussions.

During the operational phase, we find that the impact on conservation units and species, including those in danger of extinction, is minimal. In Brazil, the projects in operation cross the boundaries of six conservation units and are located in the buffer zone of another 16 units. According to Brazilian legislation, the buffer zone is defined in the management plan for each conservation unit; in cases where this plan does not exist, a radius of two kilometres is considered for projects with simplified licensing and three for those licensed through EIA-RIMA. One of the main impacts identified is selective logging, which is carried out on an ad hoc basis and only when necessary to mitigate operational risks. These impacts are offset through forest restoration projects.

We also closely monitor the endangered species included on the International Union for Conservation of Nature (IUCN) Red List, and therefore constantly assess the possible effects of our activities. It is worth noting that there was a bird collision in VdC during the period in question, causing a short circuit in the installation. Consequently, we took the necessary measures to control and repair the damage.

Below is a list of the flora and fauna species affected in the different countries where we operate:

Project	Number of protected species	Name of the species and categorisation*	Phase**	Location
SITE	2	*Handroanthus impetiginosus* (NT) *Handroanthus serratifolius* (EN)	Operation	Brazil
CHATE	1	*Austrocedrus chilensis* (NT)	Operation	Chile
CASTE	6	*Adesmia balsamica* (VU) *Citronella mucronata* (VU) *Alstroemeria marticorenae* (EN) *Gilliesia graminea* (VU) *Chloraea disoides* (CR) *Leucocoryne foetida* (VU)	Construction	Chile

* NT: Near Threatened; VU: Vulnerable; EN: Endangered; CR: Critically Endangered

** **Construction**: species that have been affected because we have had to carry out corrective action (offsetting or mitigation); **operation**: species of flora that we have had to cut in Brazil (selective cutting), or species of flora that we have had to prune in Chile as well asanimal species that have come into direct contact with the lines (mainly bird collisions).

In our project in PATE, Brazil, three cases of bird collisions were detected in 2024. These deaths did not affect any of the three species in the threatened category.

Some of Celeo's operational projects affect natural areas with some kind of protection. On the LTC, BTE, CATE, CPTE, CANTE, SITE, LTT, ENTE and IMTE projects in Brazil, there is some type of impact on areas of sustainable use and integral protection.

7.4.2. Reforestation and forest management

Our commitment to the environment is an integral part of our work, from the planning and construction of projects to their ongoing operation, environmental restoration and the active promotion of the conservation of local ecosystems. Reforestation during the construction of projects is generally linked to environmental licensing requirements. These offsetting measures are designed to counteract the change in land use and usually take the form of large-scale forest restoration projects, scaled to the level of impact caused. During the operational phase, the reforestation activities, although on a smaller scale, are no less significant. They are aimed at offsetting the effects of activities, such as selective logging, that pose risks to the safety and operation of our facilities.

In addition to complying with legal requirements, we have made voluntary commitments to increase our reforestation efforts. A clear example of this is the ambitious project in Brazil, where we have managed to increase mandatory reforestation under environmental licences by 15 %. This increase is equivalent to an additional 40 hectares, which have already been completely reforested.

Among the most outstanding projects in Brazil is Restaura Caatinga, an initiative aligned with the United Nations Decade on Ecosystem Restoration (2021-2030). This programme not only seeks to restore a semi-arid region, but also promotes sustainability through two strategic lines. Firstly, it promotes the dissemination of technologies adapted to the Caatinga biome and encourages scientific research, such as the reforestation technique developed by Dr Gislene Ganade, which is internationally recognised for its innovation. Celeo is proud to have been the first to apply this technique on a large scale. Secondly, the initiative promotes community development through training programmes, such as a 40-hour advanced course in ecological restoration and another for seed collectors, thus promoting self-sufficiency and strengthening local restoration chains.

In Chile, during 2024 and within the framework of the compliance plan for the Alto Jahuel (AJTE) project, our focus on the regeneration of the natural environment was consolidated with new plantations of native species. The planting activities corresponding to the construction of the CASTE project, which required the involvement of forested areas, are scheduled to begin in 2025. Meanwhile, we continue to maintain the areas reforested in previous years through tasks such as watering, weeding, pruning and replanting. By doing so, our aim is to guarantee the successful development of these areas and ensure that the objectives of plant restoration are fully met.

7.5. Environmental training and awareness raising

We know that environmental training is key to promoting an organisational culture geared towards sustainability and to guaranteeing that our operations comply with the highest environmental standards. With this in mind, in 2024 Celeo Brasil and Celeo Chile provided almost 3,000 hours of environmental training to their employees; Peru also provided 16 hours of environmental training. These sessions addressed key issues adapted to the particular characteristics of each region and operation.

Celeo Brasil organised specific training sessions targeting the maintenance and operations teams. These courses covered the main environmental impacts associated with transmission lines and substations and stressed the importance of having environmental programmes in place as mitigation and offsetting measures. The courses also covered the environmental licensing process, defining the roles and responsibilities within the work routine and emphasising the importance of communication with local communities. Environmental emergency drills were also carried out to improve the response capacity of substation maintenance staff in the event of possible incidents.

In Chile, the company promoted internal awareness-raising initiatives related to saving water and energy, these being fundamental pillars for a more efficient use of resources. Training and awareness-raising sessions were also organised, focusing on the handling of hazardous substances and waste, as well as compliance with current environmental regulations. These actions seek to strengthen the technical capacities of the teams and their commitment to sustainability.

8. Generators of value in our communities

Celeo's social commitment is centred on contributing to the development and well-being of communities while minimising the potential impact of the activities it carries out in its areas of influence. This aim is reflected in the company's Corporate Social Responsibility Strategy, designed to build ethical, transparent and sustainable relationships with stakeholders. This approach not only identifies the possible effects of its operations, but also establishes specific plans to prevent, mitigate or offset any negative impact.

Since implementing this strategy, we have moved towards projects that respond to the real needs of local communities. These projects are designed with a participatory approach and a long-term vision.

We acknowledge that our activity can have an impact on communities, such as the easements on properties crossed by transmission lines, the visual impact of the facilities, the occasional noise from electrical equipment or alterations to biodiversity, especially in protected areas. To tackle these challenges, we carry out detailed environmental and social assessments, which include specialised studies and the creation of spaces for citizen participation. This integral approach guarantees that effective control, mitigation and offsetting measures are implemented, that respect the specific characteristics of each territory.

Continuous and transparent dialogue with local communities is crucial to our work. We value relationships of trust and closeness as a basis for generating a positive and lasting impact. Through these interactions, we seek not only to mitigate the effects of our operations, but also to become a catalyst for promoting the development of the communities where we operate, through a model of shared growth that respects the environment.

8.1. Social actions linked to project development

The relationship we have with the local environment and communities is a core part of our socio-environmental commitment. Through various actions, we seek not only to comply with the licensing requirements, but also to generate a positive impact that reinforces our connection with the planet and the people in the regions where we operate. This approach includes activities ranging from citizen participation initiatives and awareness-raising workshops to specific consultations addressing local needs.

In Brazil, our environmental responsibility is reflected in the Integra Anti-Queimadas (Comprehensive Anti-Fires) programme, aimed at preventing forest fires and guaranteeing the operability of our transmission lines. Since its inception in 2017, the programme has promoted open and educational dialogue, which in turn has strengthened communication with local communities in the areas of direct and indirect influence (ADI and AII) of the project. Through cooperative actions adapted to regional needs, the programme aims to transmit information in a clear and accessible manner to members of the community, thus consolidating its role as an important channel for education and social commitment.

In 2024, the programme was implemented in 12 concessions and reached 43 municipalities. Thirty-six face-to-face meetings in which more than 760 people participated. In the educational field, 32 primary and secondary schools were involved, benefitting 480 students and training 44 teachers. An action was also organised in a technical and further education unit, involving another 37 students.

In addition to the face-to-face sessions, the programme provides establishments with teaching materials for use in the classroom and engagement tools to broaden the scope of the initiative and promote fire prevention awareness.

The susceptibility maps developed for each concession have been essential in prioritising actions in the most vulnerable areas and strengthening the active role of the communities in caring for their territory. This effort is complemented by an online learning environment that both extends the reach of face-to-face activities and reinforces the critical understanding of sustainable practices. Through the constant evaluation of the Integra programme, we continue to refine our prevention strategies to adapt to local needs.

In Chile, our community work follows a structured approach through the Community Relations Strategy, a programme designed to facilitate communication and collaboration with the communities that form part of our areas of influence. During 2024, we continued to implement the plans for projects such as CASTE, RETE and the expansion of the Mulchén substation, as well as initiating new actions for the GOTE project. These initiatives included meetings prior to construction to address concerns and the establishment of a permanent channel of communication to deal with queries and complaints.

A notable achievement this year was the closure of the Ancoa Informa programme, carried out in collaboration with Transelec, to mitigate the noise generated by the Ancoa substation. This programme included informative meetings, visits to the substation and social development actions which benefited the residents of Rincón de Pataguas Oriente and demonstrated our commitment to a harmonious coexistence with local communities.

In Peru, we launched a citizen participation plan for the Miguel Grau - Nueva Frontera project with the support of Elecnor. The aim of this plan is to inform society about the progress of the project and, at the same time, identify the needs of the local communities. By doing so, we aim to achieve a transparent and effective communication with these communities.

8.1.1. Respect for traditional communities

Celeo Brasil is aware of the sociocultural significance of the indigenous and Quilombola communities and of the need to preserve their environment and way of life. As a result, and within the framework of environmental legislation, a special emphasis has been placed on respecting and collaborating with these communities.

To guarantee an appropriate interaction with these communities, a study of both the indigenous and Quilombola aspects was carried out. These tools assess the socio-environmental impacts of our projects on these populations and are essential requirements for obtaining an environmental licence for our activities. The study of the indigenous component was carried out in collaboration with the National Foundation for Indigenous Peoples (FUNAI), whereas the study of the Quilombola component involved the participation of the National Institute for Colonisation and Agrarian Reform (INCRA). The results of these studies have allowed us to draw up specific plans (the basic environmental indigenous plan and the plan for the Quilombola communities) that detail the control and mitigation measures for the impacts identified.

Throughout 2024, we have made progress in the Quilombola environmental licensing for the UFV-SJP Expansion project, a process that is still ongoing together with INCRA. In parallel, within the framework of the basic indigenous environmental plan (PBAI) of the CAIUÁ concession, we carried out various actions that stand out for their positive impact on the communities:

- A social communication programme was launched aimed at promoting an open and constant dialogue with the communities.
- Places of worship were built and architectural projects were designed to create multifunctional cultural spaces, thus promoting the existence of meeting places and the preservation of their cultural identity.
- Training courses were organised in environmental management and law, aimed at strengthening the capacity of indigenous communities to manage their environment.
- The programme worked on formalising indigenous associations, helping them to formalise their structure and representation.
- The active participation of indigenous leaders was promoted in a regional event focusing on indigenous causes with the aim of strengthening their representation and their capacity to influence key issues.

These initiatives reflect Celeo's firm commitment to cultural respect and the strengthening of traditional communities in the areas where we operate. We seek not only to minimise impacts, but also to actively contribute to the well-being and development of these populations, integrating them on the path towards a more equitable development.

8.2. Supporting development and social welfare

We develop initiatives that go beyond the legal requirements and seek to generate a positive impact in areas such as culture, social welfare and environmental education. These actions are framed within the company's internal policies and the applicable agreements and contracts, and they are validated both by the communities and by the sustainability and compliance committees.

In 2024, we donated 15,000 euros to ECODES to support the Ni un Hogar Sin Energía (Not a Home Without Energy) project, aimed at improving energy efficiency in 100 vulnerable homes and, therefore, contributing to the fight against energy poverty.

In Brazil, our initiatives were carried out within the framework of the Celeo in the Community programme. Both the continuation and finalisation of previous projects and the preparation of new ones for 2025 are particularly noteworthy:

- Quipá Project (second edition). In São João do Piauí, the opportunities offered to young people in livestock farming and beekeeping were increased, and the training they receive in communication and sales techniques was expanded. The project culminated in the Quipá Fair and the construction of the Casa de la Miel (House of Honey), a community space for honey processing and packaging. This project was developed in association with the Umbuzeiro Socio-environmental and Cultural Institute.

- ECOE Verde (Green) Project (second and third editions). In Atibaia, in the state of São Paulo, the environmental education programme was extended to municipal schools and local communities, where workshops were held on sustainable cooking, vegetable gardens and recycling. The second edition concluded with a plan for volunteers from the community to maintain the project, while the third edition will seek to make it sustainable. The initiative was carried out in collaboration with Espaço Crescer-Livre Atividade.
- Restaura Caatinga Project In Crateús (state of Caerá), 20 hectares were restored through an innovative methodology that uses long-rooted seedlings. People from the community received training in catering and local economic development was promoted. This project, in line with SDG 13, was carried out in collaboration with the Associação Caatinga.
- A diagnosis for the Amazon. A social study was carried out in the PATE's area of influence to identify the main needs of local communities. Based on this analysis, a public call for proposals was launched to select a project, in line with our corporate social responsibility strategy, to be implemented in 2025.

Furthermore, basic food parcels were donated through campaigns such as Círio de Nazaré (The Taper of Our Lady of Nazareth) and Navidad Sin Hambre (Christmas Without Hunger), an initiative that benefited people in vulnerable situations.

In Chile, our social investment is organised around three main areas:

1. Environment. We continued the environmental education programme in six schools, developed a waste management project in the Lomas de Manso community and promoted participatory reforestation in the El Colorado community.
2. Employability and entrepreneurship. The first entrepreneurship fair was organised in Rincón de Pataguas, complemented by epoxy resin workshops to boost local businesses.
3. Culture and sport. We supported initiatives such as the 2024 Murals Gathering in La Calera, Astronomy Week in Diego de Almagro and sporting events such as the Maule Marathon, an event that took place for the third consecutive year and which brought together runners from all over the country, including internal participants.

Finally, with regard to the fires that affected the central area of Chile, we delivered supplies and equipment to the fire brigades of various municipalities to deal with the different emergency situations. We also made a contribution to families affected by the Valparaíso fire, providing both basic goods and tools.

In Peru, in addition to fulfilling the social actions derived from socio-environmental licences, the social needs in the areas of influence of our operations were identified. This study is intended to guide social investments towards initiatives that are in line with our corporate social responsibility strategy, thus ensuring that the actions are meaningful and sustainable for local communities.

8.2.1. Projects linked to the tax incentive

Celeo Brasil maintains its commitment to allocate part of its tax contribution to projects that promote culture, sport and the defence of the rights of children and the elderly. Throughout 2024, four initiatives selected in the financial year 2023 were implemented and, in addition, four other projects were identified and approved to channel the incentivised resources corresponding to 2024. This process was carried out by means of an open call, thereby guaranteeing transparency and democratic participation.

The Sustainability Committee evaluated the proposals and, with a view to prioritising actions in municipalities in the north and northeast of Brazil, selected those that best aligned with the criteria of social impact and with the Group's corporate social responsibility strategy.

The Vision and Inclusion project stands out from among the projects approved, as it aims to improve the eye health of approximately 250 children and young people, as well as 250 elderly people in situations of social vulnerability. This project includes eye tests and the free provision of around 475 pairs of prescription glasses in public schools and underprivileged communities, thereby improving the quality of life of the beneficiaries and their access to educational and social opportunities.

8.2.2 Corporate volunteering

Our corporate volunteering programme in Chile was organised on a regional basis, enabling each region to make a significant contribution to their local communities.

- The Atacama region organised an afternoon of entertainment for the residents of the Diego de Almagro Senior Citizens' Centre with the intention of bringing joy and moments of relaxation to its beneficiaries.
- The Aconcagua-Valparaíso region organised a participatory reforestation project together with the community neighbouring the La Pólvora substation, promoting environmental awareness and strengthening relations with the neighbours.
- The Maule region continued its traditional support for the Malié Children's Home by celebrating Children's Day and creating a special, festive atmosphere for the children.
- The Biobío region focused on improving the garden of the Charrúa Foster Home School, thus regenerating the educational spaces for the children.
- In Santiago, a day of entertainment was once again held for the residents of the San Carlos Home of the Las Rosas Foundation, an institution dedicated to supporting the country's most vulnerable elderly people.

In addition, winter and Christmas campaigns were organised in Maule and Santiago in which warm clothing and gifts were collected and donated to the most needy people.

9. About the report

9.1. Scope

This report, (which forms an integral part of the Management Report), complies with the requirements established in Law 11/2018, of 28 December, regarding non-financial information and diversity. Against this backdrop, the document offers a global and interconnected vision of the activities carried out by Celeo and highlights the main economic, social, environmental and governance impacts, as well as the aspects relevant to stakeholders in the 2024 financial year.

As detailed in Appendix II: Table of contents of Law 11/2018. In the drafting of the report, the selected international GRI standards have been followed as a reference, ensuring alignment with the material aspects identified for the business and the sector in which we operate.

The scope of the information provided covers the entire Celeo Group, made up of Celeo Concesiones e Inversiones, SL, and its subsidiaries. The report specifies the cases where the scope of the data presents limitations.

It should be noted that the environmental information excludes projects currently under construction, as Celeo is not directly involved in their management. Nor does it include the data corresponding to CAIUÁ, a company that represents 3% of the kilometres of line in operation in Brazil, due to the fact that Celeo does not exercise operational control over this special purpose vehicle. However, the report does include the environmental data for the co-investments managed by Celeo.

9.2. Materiality analysis

During the last half of 2024, Celeo drafted its first dual-materiality analysis under EFRAG guidelines, a requirement introduced by the Corporate Sustainability Reporting Directive (CSRD) to provide a comprehensive view of how a company's activities affect and are affected by ESG factors.

Celeo's dual materiality analysis process followed the CSRD guidelines, the European Sustainability Reporting Standards (ESRS) and the various guidelines published by the European Financial Reporting Advisory Group (EFRAG) up to the date of publication of this report. However, since the report in accordance with these standards is not applicable for this year, the information reporting requirements related to double materiality are not answered, including only the final result of the analysis.

This exercise includes an assessment from a dual perspective, responding to new corporate reporting requirements in the area of sustainability, and aims to identify and prioritise ESG issues of significant importance to the organisation. Dual materiality is the combination of the following aspects:

- Impactful materiality. A sustainability issue is material from an impact perspective if it relates to Celeo's performance or the potential significant impacts on people or the environment in the short, medium or long term.
- Financial materiality. A sustainability issue is material from a financial perspective if it causes or may cause significant financial effects, i.e., it generates or may generate significant risks or opportunities that influence or may influence future cash flows and thus the enterprise value of the company in the short, medium or long term.

The process followed by Celeo is detailed below:

1. Analysis of the ESG context, the value chain and the stakeholders linked to Celeo.	Objective: understand and analyse the business model and trends, and understand how stakeholders are affected throughout the value chain. An internal analysis of the business model and strategy was carried out, which also identified the phases that make up Celeo's value chain, including both upstream and downstream phases. A comparative analysis was made of four benchmark companies in the sector, or in the regions in which Celeo does business, and seven key sustainability benchmarks were analysed, such as **Sustainability Accounting Standards Board** (SASB), **Standard & Poor's Financial Services** (S&P Global Rating) and **MSCI Index**, to name a few. In addition, a complete risk analysis was carried out of Celeo's internal risks as well as the risks in the value chain and sectoral and global risks.
2. Identification of current and potential impacts and of the risks and opportunities of sustainability issues for Celeo.	Objective: identify the impacts, risks and opportunities of ESG aspects throughout the value chain. Internal interviews were carried out to identify impacts, risks and opportunities (IRO) in the value chain with regard to the environment and society, including human rights. The opinion of the stakeholders consulted in the materiality analysis carried out in 2023 was taken into consideration. This resulted in a list of relevant IROs for the company and its value chain.
3. Evaluation of financial materiality and impact materiality	Objective: evaluate impacts, risks and opportunities using quantitative or qualitative thresholds. Thresholds were established to evaluate the identified IROs. On the basis of a work session with the corresponding area experts, the severity and probability of the impacts were defined for impact materiality and the magnitude and probability of the risks and opportunities for financial materiality.
4. Definition of materiality	Objective: evaluate the issues aligned with the ESRS according to the results of the analysis-evaluation of the IROs to obtain the materiality. The results obtained were consolidated to form the materiality matrix. This was validated by the Management Team.

Below are the 5 material topics of Celeo (and its 10 material subtopics) and their relationship with the ESRS. The material issues have been linked individually at the level of issue, sub-issue or sub-sub-issue of the ESRS, taking into account the particular IROs in each case.

ENVIRONMENTAL		SOCIAL		GOVERNANCE	
Climate change and energy transition	• ESRS E1. Climate change. Climate change adaptation • ESRS E1. Climate change. Climate change mitigation • ESRS E1. Energy	**Occupational health, safety and well-being**	• ESRS S1. Own workforce. Working conditions health and safety.	**Ethics, Compliance and Transparency**	• ESRS G1. Business conduct. Corruption and bribery. • ESRS G1. Business conduct. Political engagement
Protection of biodiversity and the environment	• ESRS E4. Biodiversity and ecosystems. Species population size • ESRS E4. Biodiversity and ecosystems. Direct impact drivers of biodiversity loss.	**Relationship with communities and social action**	• ESRS S3. Affected communities. Communities' economic social and cultural rights. • ESRS S3. Affected communities. Communit ies' civil and political rights.		

10. Annex I. Tables and indicators

10.1. Indicators relating to Our people

Table 1: Trend in the workforce by year and country

Trend in the workforce by year and country As at 31 December each year	2024	2023
Spain	44	42
Brazil	403	406
Chile	218	203
Peru	16	6
Total	**681**	**657**

Table 2: Trend in the workforce by gender and age

Trend in the workforce by gender and age As at 31 December each year	2024		2023	
	Men	*Women*	*Men*	*Women*
<35	181	58	189	63
35-50	315	77	296	65
>50	50	–	43	1
Total	**546**	**135**	**528**	**129**

Table 3: Trend in workforce by job location and country

Trend in workforce by job location and country As at 31 December each year	2024		2023	
	Structure	*In the field*	*Structure*	*In the field*
Spain	42	2	40	2
Brazil	143	260	141	265
Chile	93	125	85	118
Peru	14	2	4	2

Total	**292**	**389**	**270**	**387**

Table 4: Trend in workforce by gender and professional category

Trend in workforce by gender and professional category As at 31 December each year	2024		2023	
	Men	*Women*	*Men*	*Women*
Staff	488	118	433	109
Middle Management	42	14	77	15
Management	10	2	12	4
Top Management	6	1	6	1
Total	**546**	**135**	**528**	**129**

Table 5: Workforce by contract type

Workforce by contract type As at 31 December 2024	Spain		Brazil		Chile		Peru		Total	
	Men	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*
Permanent	25	19	321	75	184	34	14	1	**544**	**129**
Temporary	-	-	2	5	-	-	-	1	**2**	**6**
Total	**25**	**19**	**323**	**80**	**184**	**34**	**14**	**2**	**546**	**135**

Workforce by contract type As at 31 December 2023	Spain		Brazil		Chile		Peru		Total	
	Men	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*
Permanent	26	16	319	81	175	28	6	-	**526**	**125**
Temporary	-	-	2	4	-	-	-	-	**2**	**4**
Total	**26**	**16**	**321**	**85**	**175**	**28**	**6**	**-**	**528**	**129**

Table 6: Workforce by employment type

Workforce by employment type As at 31 December 2024	Spain		Brazil		Chile		Peru		Total	
	Men	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*
Full-time	24	19	321	74	184	34	14	2	543	129
Part-time	1	-	2	6	-	-	-	-	3	6
Total	25	19	**323**	**80**	**184**	**34**	**14**	**2**	**546**	**135**

Workforce by employment type As at 31 December 2023	Spain		Brazil		Chile		Peru		Total	
	Men	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*
Full-time	24	16	319	81	175	28	6	-	**524**	**125**
Part-time	2	-	2	4	-	-	-	-	**4**	**4**
Total	**26**	**16**	**321**	**85**	**175**	**28**	**6**	**-**	**528**	**129**

Table 6: Average workforce by country, contract type and gender

Average workforce by country, contract type and gender As at 31 December 2024	Spain		Brazil		Chile		Peru		Total	
	Men	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*
Permanent	26,38	17,38	320,89	80,66	177,81	32,52	8,65	0,83	**533,73**	**131,39**
Temporary	-	-	1,91	4,15	-	-	-	0,56	**1,91**	**4,71**
Total	**26,38**	**17,38**	**322,8**	**84,81**	**177,81**	**32,52**	**8,65**	**1,39**	**535,64**	**136,1**

Average workforce by country, contract type and gender	Spain		Brazil		Chile		Peru		Total	
	Men	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*

As at 31 December 2023										
Permanent	25.2	15.7	309.5	76.7	163.2	29.5	4.0	-	**501.9**	**121.9**
Temporary	-	-	1.3	4.5	1.7	-	-	-	**3.0**	**4.5**
Total	**25.2**	**15.7**	**310.8**	**81.2**	**164.9**	**29.5**	**4.0**	**-**	**504.9**	**126.4**

Table 6: Average workforce by country, contract type and professional category

Average workforce by country, contract type and professional category As at 31 December 2024	**Spain**		**Brazil**		**Chile**		**Peru**		**Total**	
	Permanent contract	*Temporary contract*	*Permanent contract*	*Temporary contract*	*Permanent contract*	*Temporary contract*	*Permanent contract*	*Temporary contract*	*Permanent contract*	*Temporary contract*
Top Management	5	-	1	-	1	-	-	-	**7**	**-**
Management	3	-	4.41	-	4	-	-	-	**11.41**	**-**
Middle Management	-	-	40.88	-	13.94	-	1	-	**55.82**	**-**
Staff	35.76	-	355.26	6.06	191.38	-	8.48	0.56	**590.88**	**7.18**
Total	**43.76**	**0.56**	**401.55**	**6.06**	**210.32**	**0**	**9.48**	**0.56**	**665.11**	**7.18**

Average workforce by country, contract type and professional category As at 31 December 2023	**Spain**		**Brazil**		**Chile**		**Peru**		**Total**	
	Permanent contract	*Temporary contract*	*Permanent contract*	*Temporary contract*	*Permanent contract*	*Temporary contract*	*Permanent contract*	*Temporary contract*	*Permanent contract*	*Temporary contract*
Top Management	4.3	-	1.0	-	1.0	-	-	-	**6.3**	**-**
Management	5.2	-	4.6	-	4.0	-	-	-	**13.8**	**-**
Middle Management	-	-	37.8	-	49.7	-	2.0	-	**89.5**	**-**

Staff	31.4	-	342.8	5.9	138.0	1.7	2.0	-	**514.1**	**7.6**
Total	**40.8**	**-**	**386.2**	**5.9**	**192.7**	**1.7**	**4.0**	**-**	**623.7**	**7.6**

Table 7: Average workforce by country, contract type and age

Average workforce by country, contract type and age As at 31 December 2024	**Spain**		**Brazil**		**Chile**		**Peru**		**Total**	
	Permanent contract	*Temporary contract*	*Permanent contract*	*Temporary contract*	*Permanent contract*	*Temporary contract*	*Permanent contract*	*Temporary contract*	*Permanent contract*	*Temporary contract*
>50	4	_	33.25	_	14.61	_	0.21	_	**52.07**	**_**
35-50	28.17	_	236.97	_	121.93	_	3.61	0.56	**390.68**	**0.56**
<35	11.59	_	131.33	6.06	73.79	_	5.66	_	**222.37**	**6.06**
Total	**43.76**	**0**	**401.55**	**6.06**	**210.33**	**0**	**9.48**	**0.56**	**665.12**	**6.62**

Average workforce by country, contract type and age As at 31 December 2023	**Spain**		**Brazil**		**Chile**		**Peru**		**Total**	
	Permanent contract	*Temporary contract*	*Permanent contract*	*Temporary contract*	*Permanent contract*	*Temporary contract*	*Permanent contract*	*Temporary contract*	*Permanent contract*	*Temporary contract*
>50	4.3	-	22.99	-	7.22	1.35	-	-	**34.71**	**1.35**
35-50	22.6	-	221.3	-	105.0	0.5	1.1	-	**350.0**	**0.5**
<35	14.0	-	386.2	5.9	75.8	-	2.9	-	**232.5**	**5.9**
Total	**40.9**	**-**	**386.2**	**5.9**	**193.8**	**1.7**	**4.0**	**-**	**623.7**	**7.6**

Table 7: Average number of employees by employment type and professional category

Average number of employees by employment type and	**Spain**		**Brazil**		**Chile**		**Peru**		**Total**	
	Full-time	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*

professional category As at 31 December 2024										
Top Management	5	_	1	_	1	_	_	_	**7**	**_**
Management	3	_	4.41	_	4	_	_	_	**11.41**	**_**
Middle Management	_	_	40.88	_	13.94	_	1	_	**55.82**	**_**
Staff	34.17	1.59	354.76	6.56	191.38	_	9.03	_	**589.34**	**8.15**
Total	**42.17**	**1.59**	**401.05**	**6.56**	**210.32**	**0**	**10.03**	**0**	**663.57**	**8.15**

Average number of employees by employment type and professional category As at 31 December 2023	**Spain**		**Brazil**		**Chile**		**Peru**		**Total**	
	Full-time	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*
Top Management	4.3	-	1.0	-	1	-	-	-	**6.3**	**-**
Management	5.2	-	4.6	-	4	-	-	-	**13.8**	**-**
Middle Management	-	-	37.8	-	49.7	-	2	-	**89.5**	**-**
Staff	30.3	-	315.48	5.41	108.45	-	-	-	**454.75**	**7.6**
Total	**39.9**	**1**	**385.7**	**6.6**	**194.4**	**-**	**4**	**-**	**623**	**7.6**

Table 8: Average number of employees by employment type and age

Average number of employees by employment type and age As at 31 December 2024	**Spain**		**Brazil**		**Chile**		**Peru**		**Total**	
	Full-time	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*

>50	4	_	33.25	_	14.61	_	0.21	_	**52.07**	**_**
35-50	26.58	1.59	236.47	0.5	121.93	_	4.16	_	**389.14**	**2.09**
<35	11.59	_	131.33	6.06	73.79	_	5.66	_	**222.37**	**6.06**
Total	**42.17**	**1.59**	**401.05**	**6.56**	**210.33**	**0**	**10.03**	**0**	**663.58**	**8.15**

Average number of employees by employment type and age As at 31 December 2023	**Spain**		**Brazil**		**Chile**		**Peru**		**Total**	
	Full-time	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*
>50	4.3	-	25.2	-	14.2	-	-	-	**43.7**	**-**
35-50	22.0	0.7	220.8	0.7	105.4	-	1.1	-	**348.2**	**1.4**
<35	13.6	0.3	139.8	5.9	74.8	-	2.9	-	**231.1**	**6.2**
Total	**39.9**	**1.0**	**385.8**	**6.6**	**194.4**	**-**	**4.0**	**-**	**624.1**	**7.6**

Table 9: Trend in number of dismissals

Trend in number of dismissals by gender As at 31 December each year	**2024**	**2023**
Men	43	28
Women	11	9
Total	**54**	**37**

Trend in number of dismissals by professional category As at 31 December each year	**2024**	**2023**
Top Management	-	1
Management	1	1
Middle Management	4	18

Staff	49	17
Total	**54**	**37**

Trend in turnover rate and employment termination As at 31 December each year	**2024**	**2023**
New starters	113	151
Departures	90	103
Turnover %	**13%**	**7%**

Table 10: Trend in average remuneration

Trend in average remuneration by gender As at 31 December each year	**2024**	**2023**
Men	33,429.83	32,270
Women	32,211.03	30,064

Trend in average remuneration by gender and age As at 31 December each year	**2024**		**2023**	
	Men	*Women*	*Men*	*Women*
>50	50,598.64	_	53,589	-*
35-50	35,580.40	38,846.37	34,224	38,917
<35	24,273.33	23,459.09	24,158	22,022

*Data are not provided on the grounds of confidentiality.

Trend in average remuneration by gender and age As at 31 December each year	**2024**		**2023**	
	Men	*Women*	*Men*	*Women*
Staff*	25,547.87	27,384.16	22,312	25,477
Middle Management	63,119.53	51,083.21	54,788	48,390
Management	135,890.83	-**	136,982	120,222
Top Management	292,702.23	-**	245,594	-**

*During 2024, a Job Matching exercise was carried out, changing the categorisation criteria for the Middle Management and Staff categories.

**The total average remuneration for the Top Management and Management categories is not recorded due to confidentiality reasons.

Table 11: Salary gap by professional category

Salary gap by professional category As at 31 December each year	2024	2023
Top Management	-*	-*
Management	-*	12%
Middle Management	19%	12%
Staff	-7%	-14%

**The pay gap in the Top Management and Management categories is not recorded due to confidentiality reasons.

Table 12: Training

Training ratios by country As at 31 December each year	2024		2023	
	Training hours	*Investment in training (€)*	*Training hours*	*Investment in training (€)*
Spain	4,274	80,085	2,255	58,683
Brazil	62,399	442,902	67,637	494,376
Chile	10,313	170,161	10,708	176,253
Peru	823	14,234	31	0*
Total	**77,809**	**707,382**	**80,631**	**729,312**

*In 2023, Celeo Spain took over investment in training at Celeo Peru.

Training by professional category As at 31 December 2024	Spain		Brazil		Chile		Peru		Total	
	Men	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*
Top Management	28.50	150	77.5	0	44	0	0	0	**150**	**150**
Management	314	0	464	279.3	149.5	0	0	0	**927.50**	**279.30**
Middle Management	0	0	7,298.3	2,256.9	618	177	68	0	7,984.30	2,433.90

Staff	2,626	1,156	42,75 3	9,270	7,345.0	1,978.5 0	667	88	53,391.50	12,492 .50
Total	**2,968. 50**	**1,306**	**50,59 2.8**	**11,806 .2**	**8,157**	**2,155. 50**	**735**	**88**	**62,453.3**	**15,35 5.7**

10.2. Indicators related to Prevention culture

During 2024, the hours of absenteeism (including sick leave) were 16,225 compared to 18,112 in 2023.

Table 13: Accident rates for own staff

Indices for own personnel As at 31 December 2024	***Accidents with sick leave***	***Days lost***	**Hours worked**	***Frequency index***	**Severity index**
Spain	0	0	81,600	0.00	0.00
Brazil	3	13	1,111,000	2.70	0.01
Chile	0	0	454,291	00.00	00.00
Peru	0	0	21,152	0.00	0.00
Total	**3**	**13**	**1,668,043**	**1.80**	**0.01**

Trend in accident rates for own staff As at 31 December each year	**2024**	**2023**
Frequency index*	1.80	1.27
Severity index**	0.01	0.05

*Frequency Index = (number of accidents with sick leave not including commuting/hours worked x 10^6

**Severity Index= (number of days lost/hours worked) x 10 ^3

Trend in own staff frequency index by country As at 31 December each year	**2024**		**2023**	
	Men	*Women*	*Men*	*Women*
Spain	0.00	0.00	0.00	0.00
Brazil	3.4	0.00	1.21	0.00
Chile	0.00	0.00	0.00	16.88
Peru	0.00	0.00	0.00	0.00

Total	**2.3**	**0.00**	**0.81**	**2.97**

Trend in own staff severity index by country As at 31 December each year	**2024**		**2023**	
	Men	*Women*	*Men*	*Women*
Spain	0.00	0.00	0.00	0.00
Brazil	0.01	0.00	0.00	0.00
Chile	0.00	0.00	0.00	1.13
Peru	0.00	0.00	0.00	0.00
Total	**0.01**	**0.00**	**0.01**	**0.20**

EPC (Brazil, Chile, Peru) and O&M (Spain) staffing indices As at 31 December 2024	***Accidents with sick leave***	***Days lost***	**Hours worked**	***Frequency index***	**Severity index**
Spain	0	0	169,923	0.00	0.00
Brazil	0	0	30,631	0.00	0.00
Chile	2	17	618,552	3.23	0.03
Peru	1	2	186,210	5.37	0.01
Total	**3**	**19**	**1,005,315**	**3.59**	**0.02**

EPC (Brazil, Chile, Peru) and O&M (Spain) staffing indices As at 31 December 2023	***Accidents with sick leave***	***Days lost***	**Hours worked**	***Frequency index***	**Severity index**
Spain*	0	0	173,733	0.00	0.00
Brazil	0	0	595,153	0.00	0.00
Chile	3	35	443,149	6.77	0.08
Peru	3	7	217,003	13.82	0.03

Total	**6**	**42**	**1,429,037**	**4.20**	**0.03**

*Only data for O&M personnel for ASTE 1A, ASTE 1B and ASTEXOL solar thermal plants.

Table 14: Accident rates for subcontractor staff

Subcontractor personnel indices (other) As at 31 December 2024	***Accidents with sick leave***	***Days lost***	**Hours worked**	***Frequency index***	**Severity index**
Spain	N/A	N/A	N/A	N/A	N/A
Brazil	2	3	365,200	5.48	0.01
Chile	1	4	280,860	3.56	0.01
Peru	0	0	36,093	0.00	0.00
Total	**3**	**7**	**682,153**	**1.32**	**0.00**

Subcontractor personnel indices (other) As at 31 December 2023	***Accidents with sick leave***	***Days lost***	**Hours worked**	***Frequency index***	**Severity index**
Spain	N/A	N/A	N/A	N/A	N/A
Brazil	1	5	234,300	4.27	0.02
Chile	3	67	211,287	14.20	0.32
Peru	0	0	22,204	0.00	0.00
Total	**4**	**72**	**467,791**	**8.55**	**0.15**

Table 15: Training for employees in health and safety

Training for employees in health and safety in the workplace As at 31 December 2024	***Training hours***	***Main topics***
Spain	155	Driving, prevention, emergencies.
Brazil	19,162	Driving, working at height, electrical hazards, prevention.

Chile	3,248	Driving, working at height, electrical hazards, emergencies.
Peru	380	Driving, working at height, electrical hazards, emergencies.
Total	**22,944.5**	

10.3. Indicators relating to "Committed to the Planet"

Table 16: Trend in consumption

Trend in consumption by country As at 31 December of each year and in MWh	**2024**	**2023**
Spain	20,930	20,785
Brazil	7,451	6,055
Chile	868	894
Peru	150	53
Total	**29,400**	**27,787**

Trend in fossil fuel consumption As at 31 December of each year and in litres	**2024**	**2023**
Spain	59,906	52,341
Brazil	183,514	249,746
Chile	188,300	207,724
Peru	3,718	1,024
Total	**432,438**	**510,835**

Trend in water consumption by source As at 31 December of each year and in m^3	**2024**	**2023**
Water supply network consumption	**5,443**	**5,249**
Spain	225	211

Brazil	2,252	2,550
Chile	2,564	2,269
Peru	402	219
Consumption of subterranean water	**552,768**	**620,535**
Spain	549,732	616,261
Brazil	3,004	4,240
Chile	32	34
Peru	N/A	N/A
Consumption of surface water (river)	438,573	**532,201**
Spain	438,573	532,201
Brazil	N/A	N/A
Chile	N/A	N/A
Peru	N/A	N/A
Total	**996,784**	**1,157,985**

Table 17: Trend in waste

Trend in waste generated by type and by country As at 31 December of each year and in kg	**2024**	**2023**
Hazardous	**166,326**	**267,767**
Spain	136,862	234,923
Brazil	27,610	30,636
Chile	1,729	2,208
Peru	125	0
Non-hazardous	**196,152**	**382,701**
Spain	180,130	349,691
Brazil	9,650	26,905
Chile	5,149	6,105

Peru	1,223	9
Total	**362,478**	**650,468**

Trend in waste management As at 31 December of each year and in kg	**2024**	**2023**
Destination*	**383,153**	**621,845**
Hazardous waste	155,480	245,197
Non-hazardous waste	227,673	376,648
Stored**	**30,173**	**35,082**
Hazardous waste	26,727	25,568
Non-hazardous waste	3,446	9,514
Total	**421,2983**	**656,927**

* Total waste that has had a final disposal, through some form of treatment: recycled, reused, incinerated, etc.

** Waste temporarily stored prior to being delivered to the authorised waste management companies. Some waste may correspond to the previous financial years.

Trend in waste processing As at 31 December of each year and in kg	**2024**	**2023**
Recycled	290,675	413,790
Incinerated	4,061	729
Landfill	86,871	207,327
Total	**381,607**	**621,846**

Trend in the intensity ratio of the transmission activity: Brazil and Chile As at 31 December of each year and in tCO_2/km	**2024**	**2023**
Greenhouse gas intensity ratio		
Carbon footprint for Brazil and Chile*	14,728	4,292
Size of the operation (km of operational line)	6,153	6,152

Intensity	**2,39**	**0.70**

*Scopes 1 and 2 without transmission losses

Trend in the generation activity intensity ratio As at 31 December of each year and in $tCOe_2$/km	2024	2023
Greenhouse gas intensity ratio		
Spain's carbon footprint	8,967	8,608
MWh generated in Spain	254,938	285,820
Intensity	**0.04**	**0.030**

Other atmospheric emissions As at 31 December of each year and in kg	2024	2023
Sox	191	237
NOx	3,243	4,056
PM	399	485
Others*	1,507	3,781
Total	**5,340**	**8,559**

*These include mainly emissions of TSP, CO, VOC, NH3, RCHO and THC.

11. Annex II. Contents of Law 11/2018 of 28 December concerning non-financial information and diversity

Non-material or non-applicable matters under the double materiality analysis are reported for continuity with previous years.

Information required by Law 11/2018	Materiality	Location and notes	Reporting criteria: GRI
General information			
A brief description of the business model including: its business environment, organisation and structure	Material	4-8	GRI 2-1 GRI 2-2 GRI 2-6

Markets in which it operates	Material	6-8	GRI 2-1
Objectives and strategies of the organisation	Material	8, 15-25	GRI 2-23 GRI 2-24
Main factors and trends that may affect its future evolution	Material	10-11	--
Reporting framework used	Material	84	--
Principle of materiality	Material	84-86	GRI 3-1 GRI 3-2
Environmental issues			
Management focus: description and results of the policies relating to these issues as well as the main risks relating to these issues linked to the group's activities	Material	67-78	GRI 2-23 GRI 2-24 GRI 2-25 GRI 3-3
Detailed general information			
Detailed information on the current and forecast effects of the company's activities on the environment and, where applicable, health and safety.	Material	67-78	GRI 3-3
Environmental assessment or certification procedures	Material	67-69	GRI 3-3
Resources dedicated to the prevention of environmental risks	Material	68	GRI 3-3
Application of the precautionary principle	Material	68	GRI 2-23
Amount of provisions and guarantees for environmental risks	Material	68	GRI 3-3
Pollution			
Measures to prevent, reduce or repair emissions that severely affect the environment; taking into account any form of specific atmospheric pollution from an activity, including noise and light pollution	Material	69-70, 71-76	GRI 3-3 GRI 305-7
Circular economy and waste management and prevention			

Measures on the prevention, recycling, reuse and other forms of recovery and the disposal of waste	Non-material	71, 100-101	GRI 306-1 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5
Actions to combat food waste	Non-material	Non-material	GRI 3-2
Sustainable use of resources			
Water consumption and water supply in accordance with local limitations	Non-material	70, 99-100	GRI 303-1 GRI 303-5
Consumption of raw materials and measures adopted to improve the efficiency of their use	Non-material	Non-material	GRI 3-2
Direct and indirect energy consumption	Material	69-70, 99	GRI 302-1 GRI 302-2 GRI 302-3
Measures taken to improve energy efficiency	Material	69-70	GRI 302-4
Use of renewable energies	Material	69	GRI 302-1
Climate change			
Greenhouse gas emissions generated as a result of the company's activities, including the use of goods and services that produces them	Material	73-75, 101-102	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5
Measures adopted to adapt to the consequences of climate change	Material	71-75	GRI 201-2
Medium- and long-term goals established to reduce greenhouse gas emissions and the resources employed.	Material	71-75	GRI 305-5
Biodiversity protection			
Measures employed to preserve or restore biodiversity	Material	75-77	GRI 304-1 GRI 304-2 GRI 304-4

Impacts caused by activities or operations in protected areas	Material	75-77	GRI 304-1 GRI 304-2 GRI 304-4
Social and personnel related issues			
Management focus: description and results of the policies relating to these issues as well as the main risks relating to these issues linked to the group's activities	Material	55-60	GRI 2-23 GRI 2-24 GRI 2-25 GRI 3-3
Employment			
Total number and distribution of employees by country, gender, age and professional category	Material	55, 87-88	GRI 2-7a GRI 405-1
Total number and distribution of contract types and annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category	Material	55, 88-93	GRI 2-7b
Number of dismissals by gender, age and professional category	Non-material	93-94	GRI 401-1
Average remuneration and trend disaggregated by gender, age and professional category or equal value	Non-material	55-57, 94	GRI 2-19 GRI 3-3
Salary gap, the remuneration of equal jobs or the average of the company	Non-material	95	GRI 3-3
Average remuneration of directors and senior management, including variable remuneration, allowances, compensation, payment to long term savings schemes and any other receipts disaggregated by gender	Non-material	29	GRI 3-3 GRI 201-3
Implementation of disconnecting from work policies	Non-material	55	GRI 3-3
Number of employees with disabilities	Non-material	58	GRI 405-1
Organisation of the work			
Organisation of working time	Non-material	55	GRI 3-3
Number of hours of absenteeism	Non-material	96	GRI 3-3

Measures aimed at facilitating the enjoyment of work-life balance and promoting the co-responsibility by both parents.	Non-material	55	GRI 3-3
Health and safety			
Occupational health and safety conditions	Material	61-66	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8
Workplace accidents, particularly their frequency and severity, as well as professional diseases, disaggregated by gender	Material	64-66, 96-98	GRI 403-9 GRI 403-10
Corporate relationships			
Organisation of corporate dialogue including procedures to inform and consult with personal and negotiate with them	Non-material	56-57	GRI 2-29
Percentage of employees covered by a collective bargaining agreement by country	Non-material	56	GRI 2-30
Overview of the collective bargaining agreements, particularly with regard to occupational health and safety	Non-material	56-57	GRI 403-4 GRI 403-8
Mechanisms and procedures used by the company to encourage workers' involvement in managing the company, in terms of information, consultation and participation.	Non-material	56-57	GRI 3-2
Training			
Training policies implemented	Non-material	40, 59-60, 65-66	GRI 404-2
Total number of hours of training by professional category	Non-material	40, 59-60, 65-66, 95	GRI 404-1
Universal accessibility			

Universal accessibility for people with disabilities	Non-material	58	GRI 3-2 GRI 405-1
Equality			
Measures adopted to promote equal treatment and opportunities between women and men	Non-material	58-59	GRI 2-23 GRI 2-24
Equality plans, measures adopted to promote the employment, protocols against sexual harassment and the grounds of gender	Non-material	58-59	GRI 2-23 GRI 2-24
Policy against all forms of discrimination and, where appropriate, the management of diversity	Non-material	58-59	GRI 2-23 GRI 2-24
Respect for Human Rights			
Management focus: description and results of the policies relating to these issues as well as the main risks relating to these issues linked to the group's activities	Non-material	43-44	GRI 2-23 GRI 2-24 GRI 2-25 GRI 3-3
Application of due diligence procedures			
Application of due diligence procedures concerning human rights and preventing the risks of infringing human rights and, where applicable, measures to mitigate, manage and remedy possible abuses committed.	Non-material	43-44, 51-52	GRI 2-15 GRI 2-23 GRI 3-1a GRI 3-3a GRI 414-1 GRI 414-2
Reported cases of human rights infringements	Non-material	43-44	GRI 2-26 GRI 406-1
Measures implemented for the promoting and complying with the provisions of the fundamental agreements of International Labour Organization related to respecting the freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour and the abolition of child labour.	Non-material	43-44	GRI 3-3
Fight against corruption and bribery			

Management focus: description and results of the policies relating to these issues as well as the main risks relating to these issues linked to the group's activities	Material	41-44	GRI 2-23 GRI 2-24 GRI 2-25 GRI 3-3
Measures adopted to prevent corruption and bribery	Material	41-44	GRI 2-26 GRI 205-2 GRI 205-3
Measures to fight against money laundering	Material	41-44	GRI 2-26 GRI 205-2 GRI 205-3
Contributions to foundations and non-profit organisations	Material	12-13, 79-80	GRI 2-28 GRI 201-1 GRI 203-2
Information about the company			
Management focus: description and results of the policies relating to these issues as well as the main risks relating to these issues linked to the group's activities	Material	51-52,79-83	GRI 2-23 GRI 2-24 GRI 2-25 GRI 3-3
The company's commitment to sustainable development			
The impact of the company's activity on employment and local development	Material	79-83	GRI 201-1 GRI 203-1 GRI 203-2 GRI 204-1
The impact of the company's activity on local and regional populations	Material	79-83	GRI 2-29
The relationships held with the actors of the local communities and forms of dialogue	Material	79-83	GRI 2-29
Association or sponsorship actions	Material	81-83	GRI 2-28 GRI 201-1
Procurement and suppliers			
Inclusion in the procurement policy of social, gender equality and environmental issues	Non-material	51-52	GRI 3-3 GRI 308-1 GRI 414-1

Consideration of social and environmental responsibility in relationships with suppliers and subcontractors	Non-material	51-52	GRI 3-3 GRI 308-1 GRI 414-1
Supervision and audit systems and their results	Non-material	51-52	GRI 2-25 GRI 308-2 GRI 414-2
Consumers			
Measures for the health and safety of consumers	Non-material	49-51	GRI 3-3
Systems for claims, complaints received and their resolution	Non-material	49-51	GRI 3-3 GRI 416-2 GRI 415-1
Tax information			
Profits obtained by country	N/A	13-14	GRI 207-1 GRI 207-2 GRI 207-4
Tax on profits paid	N/A	13-14	GRI 207-1 GRI 207-2 GRI 207-4
Public subsidies received	Material	13-14	GRI 201-4

12. Annex III. Verification letter

Celeo Concesiones e Inversiones S.L. and subsidiaries

Independent Assurance Report on the Consolidated Non-Financial Information Statement (NFIS)

31 December 2024

KPMG Auditores, S.L.
P.º de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Consolidated Non-Financial Information Statement of Celeo Concesiones e Inversiones S.L. and subsidiaries for 2024

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

To the shareholders of Celeo Concesiones e Inversiones S.L.:

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Consolidated Non-Financial Information Statement (hereinafter NFIS) of Celeo Concesiones e Inversiones S.L. (hereinafter the Parent) and subsidiaries (hereinafter the Group) for the year ended 31 December 2024, which forms part of the accompanying consolidated Directors' Report of the Group for 2024.

The NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, which has not been the subject of our assurance work. In this respect, our work was limited exclusively to providing assurance on the information identified in the "Annex II. Contents of Law 11/2018 of 28 December concerning non-financial information and diversity" table included in the accompanying consolidated Directors' Report.

Directors' Responsibility

The Directors of the Parent are responsible for the content and authorisation for issue of the NFIS included in the Group's consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and the selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) based on each subject area in the "Annex II. Contents of Law 11/2018 of 28 December concerning non-financial information and diversity" table included in the aforementioned NFIS.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Management (ISQC) 1, which requires us to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and areas of the Group that participated in the preparation of the Report, reviewing the processes for compiling and validating the information presented in the NFIS and applying certain analytical procedures and sample review tests, which are described below:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2024 based on the materiality analysis performed by the Group and described in the "9.2. Materiality analysis" section, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2024.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2024.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2024 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Celeo Concesiones e Inversiones S.L. and subsidiaries for the year ended 31 December 2024 has not been prepared, in all material aspects, in accordance with prevailing mercantile legislation and the selected GRI Standards based on each subject area in the "Annex II. Contents of Law 11/2018 of 28 December concerning non-financial information and diversity" table included in the aforementioned NFIS.

Use and Distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Marta Contreras Hernández

9 April 2025