

Grupo Ecoener, S.A. and Subsidiaries

Condensed Consolidated Interim Financial Statements

30 June 2022

Consolidated Interim Directors' Report

30 June 2022

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

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GRUPO ECOENER, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2022

(Thousands of Euros)

	Notes	30.06.2022 (*)	31.12.2021
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	4	8,022	8,000
Goodwill		3,905	3,905
Easement rights		1,873	1,834
Other intangible assets		2,244	2,261
Right-of-use assets	6	10,592	7,756
Property, plant and equipment	5	253,998	222,057
Land and buildings		89,392	85,889
Technical installations and other PPE		103,732	92,081
Under construction and advances		60,874	44,087
Non-current investments in related parties		4	4
Non-current investments		337	250
Loans to third parties		276	196
Other financial assets		61	54
Deferred tax assets	12	20,362	22,085
Other non-current assets		658	665
Total non-current assets		293,973	260,817
CURRENT ASSETS			
Inventories		365	-
Products in progress		33	-
Advances to suppliers		332	-
Trade and other receivables	7	17,900	19,346
Trade receivables for sales and services rendered		12,055	7,299
Other receivables		808	698
Public entities, other	12	5,037	11,349
Current tax assets	12	882	1,266
Investments in related parties	14	1,900	702
Current investments		41,580	41,509
Equity instruments		39,129	39,906
Loans to third parties		289	297
Other financial assets		2,162	1,306
Other current assets		1,958	1,710
Cash and cash equivalents	8	54,628	42,542
Cash on hand		54,622	37,528
Other cash equivalents		6	5,014
Total current assets		119,213	107,075
TOTAL ASSETS		413,186	367,892
EQUITY AND LIABILITIES			
EQUITY			
Registered capital		18,224	18,224
Share premium		99,326	99,326
Reserves		(13,541)	(19,605)
Other shareholder contributions		6,573	6,573
Own shares		(110)	-
Profit attributed to Parent company		10,847	6,058
Translation differences		1,614	506
Equity attributed to Parent company		122,933	111,082
Non-controlling interests		9,155	8,050
Total equity	9	132,088	119,132
NON-CURRENT LIABILITIES			
Non-current provisions		2,419	1,886
Other provisions		2,419	1,886
Non-current debts	10	219,261	193,460
Loans and borrowings		81,331	62,215
Lease liabilities		9,742	7,142
Bonds and other marketable securities		106,241	109,874
Other financial liabilities		21,947	14,229
Deferred tax liabilities		1,587	1,141
Grants	11	13,139	13,260
Non current trade payables		15,107	11,830
Other non-current liabilities		3,143	2,319
Total non-current liabilities		254,656	223,896
CURRENT LIABILITIES			
Current debt	10	13,241	16,378
Loans and borrowings		3,364	8,408
Lease liabilities		318	277
Bonds and other marketable securities		6,772	6,221
Debt with related parties		1,806	180
Other financial liabilities		981	1,292
Trade and other payables-		12,788	8,241
Suppliers		5,927	1,216
Other payables		3,912	5,408
Personnel		51	34
Public entities, other	12	2,300	1,043
Advances from customers		598	540
Current tax liabilities	12	267	82
Other current liabilities		146	163
Total current liabilities		26,442	24,864
TOTAL EQUITY AND LIABILITIES		413,186	367,892

(*) Unaudited

The accompanying notes and Appendix I form an integral part of the Condensed Consolidated Interim Financial Statements at 30 June 2022.

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

GRUPO ECOENER, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIOD

ENDED 30 JUNE 2022

(Thousands of Euros)

	Notes	30.06.2022 (*)	30.06.2021 (*)
CONTINUING OPERATIONS			
Revenues	13	38,406	20,395
Ordinary income		38,249	20,250
Other income		157	145
Self-constructed assets		1,243	919
Supplies		(5,376)	(2,260)
Use of raw materials and other consumables		(5,389)	(2,259)
Subcontracted work		13	(1)
Other operating income		86	59
Non-trading and other operating income		85	59
Operating grants taken to the income statement for the year		1	-
Personnel expense	13	(2,988)	(1,662)
Salaries, wages and similar		(2,430)	(1,350)
Employee benefits expense		(452)	(312)
Provisions		(106)	-
Other operating expenses		(6,884)	(6,252)
External services		(5,869)	(4,605)
Taxes		(400)	(1,221)
Losses, impairment and changes in trade provisions		(615)	(426)
Amortisation/depreciation		(5,699)	(4,739)
Non-financial and other capital grants		120	51
Impairment and gains/(losses) on disposal of fixed assets		(181)	(30)
Impairment and losses		(181)	(30)
Otros resultados		83	38
OPERATING PROFIT		18,810	6,519
Finance income		354	56
Finance costs		(3,009)	(2,926)
With related parties	14	-	(46)
Debt with third parties		(3,000)	(2,878)
Provision adjustments		(9)	(2)
Change in fair value of financial instruments		(776)	(6,906)
Translation differences		(247)	398
NET FINANCE INCOME/COST		(3,678)	(9,378)
PRE-TAX PROFIT/(LOSS)		15,132	(2,859)
Income tax		(3,033)	5,546
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS		12,099	2,687
DISCONTINUED OPERATIONS			
Profit/(loss) for the year from discontinued operations, net of tax		-	-
CONSOLIDATED PROFIT FOR THE PERIOD		12,099	2,687
PROFIT ATTRIBUTED TO PARENT COMPANY		10,847	3,109
PROFIT/(LOSS) ATTRIBUTED TO NON-CONTROLLING INTERESTS		1,252	(422)
EARNINGS PER SHARE (Basic and diluted)		0.19	0.11

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GRUPO ECOENER, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

(Euros)

	30.06.2022 (*)	30.06.2021 (*)
CONSOLIDATED PROFIT FOR THE PERIOD (I)	12,099	2,687
Consolidated profit/(loss) taken directly to equity-		
Translation differences	1,351	595
TOTAL CONSOLIDATED PROFIT/(LOSS) TAKEN DIRECTLY TO CONSOLIDATED EQUITY (II)	1,351	595
Other consolidated comprehensive income that may be reclassified to the income statement for the period-	-	-
TOTAL OTHER CONSOLIDATED COMPREHENSIVE INCOME (III)	-	-
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (I+II+III)	13,450	3,282
Attributed to:		
Parent company	11,955	3,496
Non-controlling interests	1,495	(214)

The accompanying notes and Appendix I form an integral part of the Condensed Consolidated Interim Financial Statements at 30 June 2022.

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GRUPO ECOENER, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

(Thousands of Euros)

	Capital	Share premium	Reserves	Treasury shares and equity investments	Profit/(loss) for the period attributable	Other shareholder contributions	Translation differences	Non-controlling interests	Total
CLOSING BALANCE AT 31 DECEMBER 2021	18,224	99,326	(19,605)	-	6,058	6,573	506	8,050	119,132
Total comprehensive income	-	-	-	-	10,847	-	1,108	1,495	13,450
Transactions with shareholders									
Transactions in own shares or equity investments (net)	-	-	40	(110)	-	-	-	-	(70)
Dividends - non-controlling interests	-	-	-	-	-	-	-	(376)	(376)
Other changes in equity-									
Transfers between equity items	-	-	6,058	-	(6,058)	-	-	-	-
Other movement	-	-	(34)	-	-	-	-	(14)	(48)
CLOSING BALANCE AT 30 JUNE 2022 (*)	18,224	99,326	(13,541)	(110)	10,847	6,573	1,614	9,155	132,088

	Capital	Share premium	Reserves	Treasury shares and equity investments	Profit/(loss) for the period attributable	Other shareholder contributions	Translation differences	Non-controlling interests	Total
CLOSING BALANCE AT 31 December 2020	560	4,750	(5,840)	-	3,457	73	(356)	8,972	11,616
Total comprehensive income	-	-	-	-	3,109	-	387	(214)	3,282
Transactions with shareholders									
Capital increase	5,424	94,576	-	-	-	-	-	-	100,000
Capital increase	12,240	-	(12,240)	-	-	-	-	-	-
Cost of issuing equity instruments	-	-	(4,466)	-	-	-	-	-	(4,466)
Shareholder contributions	-	-	-	-	-	6,500	-	-	6,500
Dividends - non-controlling interests	-	-	-	-	-	-	-	(756)	(756)
Other changes in equity-									
Distribution of profit/(loss) for previous year	-	-	3,457	-	(3,457)	-	-	-	-
Changes in the scope of consolidation	-	-	(241)	-	-	-	-	179	(62)
Other movement	-	-	34	-	-	-	-	(60)	(26)
CLOSING BALANCE AT 30 JUNE 2021 (*) (**)	18,224	99,326	(19,296)	-	3,109	6,573	31	8,121	116,088

The accompanying notes and Appendix I form an integral part of the Condensed Consolidated Interim Financial Statements at 30 June 2022.

(*) Unaudited

(**) The condensed consolidated statement of changes in equity for the six-month period ended 30 June 2021 is presented for comparative purposes only.

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GRUPO ECOENER, S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

(Thousands of Euros)

	Notes	30.06.2022 (*)	30.06.2021 (*)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the period before tax		15,132	(2,859)
Adjustments for:		12,989	12,339
Amortisation/depreciation		5,699	4,739
Impairment adjustments		615	426
Gains/(losses) on disposals of fixed assets		181	30
Finance income		(354)	(56)
Finance costs		3,009	2,926
Translation differences		247	(398)
Change in fair value of financial instruments		776	6,906
Grants recognised in the income statement		(120)	(51)
Other income/expense		2,936	(2,183)
Changes in operating assets and liabilities		294	4,726
Inventories		(365)	230
Trade and other receivables		(3,901)	1,893
Other current assets		(211)	(211)
Trade and other payables		4,742	2,801
Other current liabilities		(17)	13
Other non-current assets and liabilities		46	-
Other cash flows from operating activities		(3,775)	(2,497)
Interest paid		(3,843)	(2,505)
Interest received		354	56
Income tax received/(paid)		(286)	(48)
CASH FLOWS FROM OPERATING ACTIVITIES		24,640	11,709
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments			
Group companies and associates		(81)	(832)
Intangible assets		(70)	(93)
Property, plant and equipment		(33,219)	(18,984)
Other financial assets		(712)	(2)
Proceeds from sale of investments			
Group companies and associates		-	20
Intangible assets and PPE		3	41
Other financial assets		17	5
CASH FLOWS FROM INVESTING ACTIVITIES		(34,062)	(19,845)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from and payments for equity instruments			
Issue of equity instruments		-	100,000
Acquisition of own equity instruments		(529)	-
Disposal of own equity instruments		379	-
Grants, donations and bequests received		6,533	-
Proceeds from and payments for financial liability instruments			
Debt issue			
Loans and borrowings		12,123	17,070
Other debt		8,420	-
Redemption and repayment of other debt			
Bonds and similar securities		(3,084)	(3,483)
Loans and borrowings		(1,863)	(2,856)
Other debt		(10)	(1,949)
Finance lease payables		(289)	(276)
Dividends and interest on other equity instruments paid			
Dividends		(2)	(375)
Other		-	(5,610)
CASH FLOWS FROM FINANCING ACTIVITIES		21,678	102,521
EFFECT OF EXCHANGE RATE FLUCTUATIONS (IV)		(170)	708
NET INCREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		12,086	95,093
Cash and cash equivalents at start of period		42,542	13,681
Cash and cash equivalents at period end		54,628	108,774

The accompanying notes and Appendix I form an integral part of the Condensed Consolidated Interim Financial Statements at 30 June 2022.

(*) Unaudited

1. Brief history, activity and composition of the Group

Grupo Ecoener, S.A. (hereinafter, the Parent Company or Ecoener Group, together with its Subsidiaries, the Group) was incorporated as a solely-owned limited company (*sociedad anónima unipersonal*) under Spanish law on 28 January 2020, and registered in the Mercantile Register of La Coruña in volume 3,716 of the archive, general section, page 40, sheet number C-59,313. Its registered office is at Cantón Grande, nº 6 - 6º (La Coruña, Spain).

The corporate purpose of the Parent Company and Subsidiaries is the generation of electricity from renewable energy sources (such as wind, hydro, biomass and solar photovoltaic), as well as the design, promotion and development, construction, management, maintenance, operation, closure and dismantling of the relevant production facilities. These activities may be carried out directly or indirectly through the incorporation, acquisition and holding of shares, debentures, equity interests and rights in companies.

The corporate purpose also includes administration and management services, intermediation in commercial transactions of all kinds, provision of technical assistance services in general, as well as the administration and management of all kinds of assets, both movable and immovable, and their business development.

Grupo Ecoener, S.A. is part of the Luis de Valdivia Group, whose Parent company is Luis de Valdivia, S.L. with registered offices at Calle Juana de Vega, nº 10B - 4º (La Coruña, Spain). The consolidated annual accounts of Luis de Valdivia S.L. and Subsidiaries were authorised for issue on 29 June 2022.

The shares of Grupo Ecoener, S.A. have been listed on the Spanish stock exchange since 4 May 2021. The annual accounts of Grupo Ecoener S.A. and Subsidiaries were approved on 29 April 2022.

The condensed consolidated interim financial statements of Grupo Ecoener, S.A. at 30 June 2022 were prepared by the Directors of the Parent Company on 08 September 2022.

2. Basis of presentation, accounting and measurement policies

2.1. Basis of Presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) "Interim Financial Reporting" under International Financial Reporting Standards as adopted by the European Union (IFRS-EU). However, they do not include all information and disclosures required in consolidated annual accounts under the International Financial Reporting Standards adopted by the European Union (IFRS-EU). Accordingly, these condensed consolidated interim financial statements should therefore be read in conjunction with the consolidated annual accounts for the year ended 31 December 2021, which were prepared in accordance with IFRS-EU.

As a result, certain notes and estimates included in the aforementioned consolidated annual accounts have not needed to be restated. Instead, the accompanying selected explanatory notes include an explanation of events or changes, if any, that are material to the explanation of changes in the consolidated statement of financial position, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows from 31 December 2021, the date of the aforementioned consolidated financial statements, to 30 June 2022.

The condensed consolidated interim financial statements of Grupo Ecoener, S.A. have been prepared on the basis of the financial statements of Grupo Ecoener, S.A. and the companies that form part of the Group. Each company prepares its financial statements in accordance with the accounting principles of the country in which it operates. The adjustments and reclassifications needed to standardise principles and criteria in accordance with IFRS-EU have been made during the consolidation process. Furthermore, the accounting policies of the consolidated companies are changed when necessary to ensure consistency with the policies adopted by the Group.

The accounting policies used to prepare these financial statements are the same as those used to prepare the consolidated annual accounts for the year ended 31 December 2021.

The information contained in these condensed consolidated interim financial statements is the responsibility of the Directors of the Parent Company.

2.2. New standards adopted

(a) IFRS-EU standards and IFRIC interpretations effective from 1 January 2022

The following amendments published by the IASB and adopted by the European Union came into force in 2022 and have therefore been taken into account in the preparation of these condensed consolidated interim financial statements without having a material impact:

Standards and amendments to standards		EU effective date
Amendment to IFRS 3 - Reference to the Conceptual Framework	IFRS 3 is updated to align the definitions of assets and liabilities in a business combination with those in the conceptual framework. Furthermore, certain clarifications regarding the recording of contingent assets and liabilities are introduced.	1 January 2022
Amendment to IAS 16 - Proceeds before intended use	This amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while preparing the asset for its intended use. Proceeds from selling such items, and production costs, must be recognised in the income statement.	1 January 2022
Amendment to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract	The amendment explains that the direct cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.	1 January 2022
Annual improvements to IFRS (2018-2020).	Annual improvements to NIIF (2018-2020) (Amendments to IFRS 1, IFRS 9, IFRS 16 and NIC 41)	1 January 2022

(b) Standards, amendments and interpretations that entered into force in previous years which have not been adopted by the European Union

Up until the date on which these condensed consolidated interim financial statements were authorised for issue, the following IFRS and amendments to IFRS have been published by the IASB, but are not mandatory:

Standards and amendments to standards		EU effective date
Amendment to IAS 1- disclosure of accounting policies	Amendments that enable entities to appropriately identify the information on material accounting policies that should be disclosed in the financial statements.	1 January 2023
Amendment to IAS 8- definition of accounting estimates	Amendments to and clarifications on what is to be understood as a change in accounting estimate.	1 January 2023
IFRS 17 Insurance contracts and amendments	It replaces IFRS 4 and sets out the principles for recording, measuring, presenting and breaking down insurance contracts so that an entity can provide relevant and reliable information that enables users of the information to determine the effect of the contracts on the financial statements.	1 January 2023

New standards, amendments and interpretations not yet adopted are not expected to have a material impact on the condensed consolidated interim financial statements.

(c) Industry regulation

In the first half of 2022, several legal regulations with an impact on the Group's economic activity have been adopted. These regulations are detailed below:

Royal Decree-Law 6/2022 of 29 March adopting urgent measures within the framework of the national plan responding to the economic and social consequences of the war in Ukraine. This regulation contains a number of measures to be applied to a wide range of economic and social areas. The following measures affecting the renewable energies sector are worth highlighting:

- The updating of the parameters of the specific remuneration scheme for generation assets using renewable resources. The remuneration parameters for the current regulatory semi-period (2020-2022) were regulated by Order TED/171/2020. Under the current regulations and exceptionally, the semi-period is divided into two, one for the years 2020 and 2021 and another, with updated parameters, for 2022, notwithstanding the update that should be carried out for the following semi-period, from 1 January 2023 to 31 December 2025.

This decree mandates the publication of a Ministerial Order, within a period of less than two months from the publication of the aforementioned Decree-Law, updating the parameters for calculating the new investment and operating remuneration for application during 2022. At the date of authorisation for issue of these condensed consolidated interim financial statements, the final Order has not been issued.

Once the final text is published, the CNMC must standardise and settle, as established, the difference between the remuneration values currently being settled in accordance with the above parameters for the 2020-2021 period and those set out in the final Ministerial Order.

The main impact of this measure is a reduction in the investment remuneration of practically all regulated national facilities, as a result of the high prices obtained for the sale of energy on the market. Since 1 January 2022, the Group has recorded investment remuneration income in accordance with the draft parameters published, recording a liability for the difference between the amount accrued according to this criterion and the amount settled to date by the CNMC.

- Extension of the temporary suspension of the tax on the value of electricity production (IVPEE) until 31 December 2022 and the application of the reduced VAT rate of 10%, subsequently extended and reduced, in the case of VAT, with the publication of Royal Decree-Law 10/2022.
- Measures to speed up the procedures for processing renewable energy projects.

Lastly, Royal Decree-Law 11/2022 of 25 June, extends the suspension of the IVPEE and the application of a reduction in remuneration to facilities that do not emit greenhouse gases (clawback gas) until 31 December 2022. Furthermore and until the same date, applicable VAT on electricity bills is reduced from 10% to 5%.

2.3. Comparative information

The 2021 information included in these notes to the consolidated annual accounts is presented solely and exclusively for comparison with the 2022 information.

In 2021, and in order to achieve a true and fair view in the recording of the accounting effects of financial instruments that do not qualify for hedge accounting, relating to energy price guarantee contracts, in accordance with the financial reporting framework applicable to the Group, the instruments are no longer presented as part of operating results, but are rather presented as net financial income/cost so that revenues represent the quantitative evolution thereof, without being impacted by the volatility of the financial instruments for which hedge accounting is not applied.

Therefore, in order to have a correct comparison with the 2021 figures, they have been restated in application of the criteria defined by the Group in the second half of 2021. The effects of this restatement are as follows (in thousands of Euros):

Consolidated income statement headings	30.06.2021	Reclassification	30.06.2021 (restated)
Revenue	18,206	2,189	20,395
Operating profit	4,330	2,189	6,519
Change in fair value of financial instruments	(4,717)	(2,189)	(6,906)
Net finance income/cost	(7,198)	(2,189)	(9,387)
Consolidated profit/(loss) for the year from continuing operations	2,687	-	2,687

2.4. Seasonality

The production of renewable energy is linked to meteorological factors causing certain volatility, although the technological and geographical diversification of our generating facilities enables the Group to mitigate the seasonal factor by generating recurring cash flows and income.

2.5. Consolidation principles

The consolidation principles used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the consolidated annual accounts for the year ended 31 December 2021.

Details of the companies included in the scope of consolidation at 30 June 2022 and 31 December 2021, with an indication of the percentages of ownership, as well as other relevant information, are shown in accompanying Appendix I, which forms an integral part of this note to the condensed consolidated interim financial statements.

Consolidation scope changes

In the six-month period ended 30 June 2022, there have been no significant changes to the Group's scope of consolidation.

The main changes in the Group's scope of consolidation in the six months ended 30 June 2021 were as follows:

- Incorporation of the companies Kenia Kipkurere Limited, and Ecoener Kenia Kundos Limited in Kenya owned in full by Grupo Ecoener, S.A.
- On 12 April 2021, Ecoener Wind Power Plant d.o.o. Beograd in Serbia was incorporated and is fully owned by Grupo Ecoener, S.A.
- Dissolution by agreement of the shareholders of Conservilla Majorera, S.L., Cresta de Gallo, S.L. and Mosquera de Tamadaba, S.L. The effect of this settlement was a decrease of Euros 13 thousand for non-controlling interests.
- In 2021 the Parent sold a 49% stake in the subsidiary Amagante Herreño, S.L. without altering its level of control, as it continues to hold a 51% stake.

2.6. Accounting risks and estimates

The main risks and uncertainties, as well as the main accounting estimates, coincide with those disclosed in the consolidated annual accounts for 2021, without significant changes since their publication.

- Useful lives of property, plant and equipment and intangible assets.
- Assessment of possible impairment losses on intangible assets and items of property, plant and equipment.
- Calculation of the fair value of certain financial instruments.
- Recoverability of deferred tax assets.
- Recoverability of receivables.
- Estimation of lease period.
- Future costs for decommissioning facilities and restoring land.

2.7. Foreign currency transactions

The sensitivity analysis performed on potential fluctuations of five percent of the most relevant currencies compared to the functional currency of each Group company reflects a residual impact on consolidated equity and the consolidated income statement at the end of the interim periods ended 30 June 2022 and 2021.

3. Segment reporting

The Group identifies its operating segments mainly on the basis of the technologies used for the generation and sale of electricity using renewable energies at the facilities it owns. Each operating segment is assigned at the level of the company that owns the activity, taking into account the technology with which the majority of its revenues are generated. These segments are the basis for regular review, discussion and assessment. Thus, the segments that have been identified are as follows:

- Operation of hydroelectric power plants.
- Operation of wind farms.
- Operation of solar photovoltaic plants.
- The commercialisation of energy other than that produced at the facilities owned by the Group.
- Other services.

Furthermore, for the purposes of presenting its operating segments, and in relation to the Other operating expenses heading, the Group presents the sub-captions External services and Taxes grouped together on the same line and Losses, impairment and changes in trade provisions on a separate line.

The breakdown of the consolidated income statement and of the assets and liabilities in the consolidated statement of financial position for the interim period ended 30 June 2022 and 2021, disclosed by operating segment, is as follows:

30.06.2022 (Thousands of Euros)						
	Operation of hydroelectric power plants.	Operation of wind farms.	Operation of solar photovoltaic plants.	Energy commercialisation	Other services	Total
Revenues	7,974	18,365	6,824	4,271	972	38,406
Self-constructed assets	-	-	-	-	1,243	1,243
Supplies	(617)	-	-	(3,814)	(945)	(5,376)
Other operating income	22	54	16	-	(6)	86
Personnel expense	-	-	-	(45)	(2,943)	(2,988)
External services and taxes	(1,146)	(1,819)	(478)	(18)	(2,808)	(6,269)
Losses, impairment and changes in trade provisions	-	-	(559)	(56)	-	(615)
Amortisation/depreciation	(1,568)	(2,946)	(927)	(5)	(253)	(5,699)
Capital grants	-	85	35	-	-	120
Impairment and gains/(losses) on disposal of fixed assets	-	-	-	-	(181)	(181)
Other gains/(losses)	-	(17)	-	87	13	83
Operating profit/(loss)	4,665	13,722	4,911	420	(4,908)	18,810
Finance income	300	4	17	4	29	354
Finance costs	(607)	(122)	(709)	(9)	(1,562)	(3,009)
Change in fair value of financial instruments	-	-	-	-	(776)	(776)
Translation differences	(186)	-	(17)	(16)	(28)	(247)
Net finance income/cost	(493)	(118)	(709)	(21)	(2,337)	(3,678)
Pre-tax profit/(loss)	4,172	13,604	4,202	399	(7,245)	15,132
Income tax for the period	(790)	(1,982)	(417)	-	156	(3,033)
Profit/(loss) after tax	3,382	11,622	3,785	399	(7,089)	12,099
Segment assets						
Non-current	66,249	103,608	46,709	35	77,372	293,973
Current	11,542	25,185	11,389	2,676	68,421	119,213
	77,791	128,793	58,098	2,708	145,794	413,186
Segment liabilities and equity	48,849	54,444	47,497	2,190	260,206	413,186
Additions due to non-current assets						
Intangible assets	-	-	-	-	72	72
Property, plant and equipment	1,122	170	1,325	-	30,250	32,867
	1,122	170	1,325	-	30,324	32,939

30.06.2021 (Thousands of Euros)						
	Operation of hydroelectric power plants.	Operation of wind farms.	Operation of solar photovoltaic plants.	Energy commercialisation	Other services	Total
Revenues	7,009	8,704	2,010	2,542	130	20,395
Self-constructed assets	-	-	-	-	919	919
Supplies	-	-	-	(2,259)	(1)	(2,260)
Other operating income	-	58	-	-	1	59
Personnel expense	-	-	-	(40)	(1,622)	(1,662)
External services and taxes	(1,862)	(1,850)	(223)	(33)	(1,858)	(5,826)
Losses, impairment and changes in trade provisions	15	9	(459)	9	-	(426)
Amortisation/depreciation	(1,500)	(2,562)	(492)	(4)	(181)	(4,739)
Capital grants	-	51	-	-	-	51
Impairment and gains/(losses) on disposal of fixed assets	-	-	-	-	(30)	(30)
Other gains/(losses)	-	17	-	-	21	38
Operating profit/(loss)	3,662	4,427	836	215	(2,621)	6,519
Finance income	-	6	21	3	26	56
Finance costs	(617)	(72)	(499)	-	(1,738)	(2,926)
Change in fair value of financial instruments	(1,155)	(5,751)	-	-	-	(6,906)
Translation differences	209	-	196	(10)	3	398
Net finance income/cost	(1,563)	(5,817)	(282)	(7)	(1,709)	(9,378)
Pre-tax profit/(loss)	2,099	(1,390)	554	208	(4,330)	(2,859)
Income tax for the period	(348)	6,556	(2)	(1)	(659)	5,546
Profit/(loss) after tax	1,751	5,166	552	207	(4,989)	2,687
Segment assets						
Non-current	64,354	103,219	27,700	46	21,584	216,903
Current	10,421	10,333	14,139	1,560	98,299	134,752
	74,775	113,552	41,839	1,606	119,883	351,655
Segment liabilities and equity	37,991	38,096	15,727	1,220	258,621	351,655
Additions due to non-current assets						
Intangible assets	-	1	-	-	150	151
Property, plant and equipment	52	1,396	18,580	-	31,309	51,337
	52	1,397	18,580	-	31,459	51,488

Details of the consolidated income statement for the interim periods ended 30 June 2022 and 2021, as well as assets and liabilities, broken down by geographical region, are as follows:

	30.06.2022 (Thousands of Euros)				
	Spain	Guatemala	Honduras	Other	Total
Revenues	30,200	5,984	2,222	-	38,406
Self-constructed assets	1,118	-	-	125	1,243
Supplies	(944)	(4,432)	-	-	(5,376)
Other operating income	63	21	14	(12)	86
Personnel expense	(2,394)	(286)	(25)	(283)	(2,988)
External services and taxes	(5,099)	(522)	(254)	(395)	(6,270)
Losses, impairment and changes in trade provisions	-	(56)	(559)	-	(615)
Amortisation/depreciation	(4,447)	(627)	(548)	(77)	(5,699)
Capital grants	120	-	-	-	120
Impairment and gains/(losses) on disposal of fixed assets	(177)	-	(4)	-	(181)
Other gains/(losses)	(12)	95	-	-	83
Operating profit/(loss)	18,428	177	846	(642)	18,809
Finance income	10	307	16	21	354
Finance costs	(1,872)	(616)	(458)	(63)	(3,009)
Change in fair value of financial instruments	(776)	-	-	-	(776)
Translation differences	(17)	(204)	(16)	(10)	(247)
Net finance income/cost	(2,655)	(513)	(458)	(52)	(3,678)
Pre-tax profit/(loss)	15,773	(336)	388	(694)	15,131
Income tax for the period	(2,972)	(48)	-	(13)	(3,033)
Profit/(loss) after tax	12,801	(384)	388	(707)	12,098
Segment assets					
Non-current	222,953	39,603	15,739	15,678	293,973
Current	93,746	8,356	5,611	11,500	119,213
	316,699	47,959	21,350	27,178	413,186
Segment equity and liabilities	331,848	39,737	18,038	23,563	413,186
Additions due to non-current assets					
Intangible assets	72	-	-	-	72
Property, plant and equipment	12,988	6	56	19,817	32,867
	13,060	6	56	19,817	32,939

30.06.2021 (Thousands of Euros)					
	Spain	Guatemala	Honduras	Other	Total
Revenues	14,359	4,027	2,009	-	20,395
Self-constructed assets	919	-	-	-	919
Supplies	(1)	(2,259)	-	-	(2,260)
Other operating income	59	-	-	-	59
Personnel expense	(1,466)	(156)	(20)	(20)	(1,662)
External services and taxes	(4,209)	(1,167)	(288)	(162)	(5,826)
Losses, impairment and changes in trade provisions	19	14	(459)	-	(426)
Amortisation/depreciation	(3,670)	(548)	(495)	(26)	(4,739)
Capital grants	51	-	-	-	51
Impairment and gains/(losses) on disposal of fixed assets	(30)	-	-	-	(30)
Other gains/(losses)	29	-	-	9	38
Operating profit/(loss)	6,060	(89)	747	(199)	6,519
Finance income	7	3	21	25	56
Finance costs	(1,742)	(616)	(499)	(69)	(2,926)
Change in fair value of financial instruments	(6,906)	-	-	-	(6,906)
Translation differences	(4)	188	195	19	398
Net finance income/cost	(8,645)	(425)	(283)	(25)	(9,378)
Pre-tax profit/(loss)	(2,585)	(514)	464	(224)	(2,859)
Income tax for the period	5,598	(38)	(14)	-	5,546
Profit/(loss) after tax	3,013	(552)	450	(224)	2,687
Segment assets					
Non-current	164,116	36,114	14,794	1,879	216,903
Current	124,074	5,720	4,398	560	134,752
	288,190	41,834	19,192	2,439	351,655
Segment equity and liabilities	288,897	33,113	15,791	13,854	351,655
Additions due to non-current assets					
Intangible assets	152	-	-	-	152
Property, plant and equipment	48,995	89	5	2,247	51,336
	49,146	89	5	2,247	51,488

The Group's non-current assets (other than financial instruments, equity accounted investments and deferred tax assets) at 30 June 2022 and 31 December 2021 are located in the following geographical areas:

	(thousands of Euros)	
	30.06.2022	31.12.2021
Spain	202,782	182,807
Guatemala	39,448	36,914
Honduras	15,739	14,956
Other	15,648	3,809
	273,617	238,486

Non-current assets are allocated according to the country of incorporation of the Group company that owns the asset.

Revenue from ordinary activities from transactions with a single external customer representing 10% or more of revenue from ordinary activities by segment as at 30 June 2022 and 2021 is as follows:

	(thousands of Euros)	
	30.06.2022	30.06.2021
Operation of wind farms	16,240	6,348
Energy commercialisation	1,318	1,171
Operation of solar photovoltaic plants	2,222	2,009
Operation of hydroelectric power plants	7,954	5,856
	27,734	15,384

4. Intangible Assets and Goodwill

Changes in intangible assets for the six-month period ended 30 June 2022 and the year ended 31 December 2021, are as follows:

	(thousands of Euros)			
	31.12.2021	Additions	Translation differences	30.06.2022
Cost:				
Easement rights	3,050	-	261	3,311
Other intangible assets	3,225	72	-	3,297
Total cost	6,275	72	261	6,608
Accumulated amortisation:				
Easement rights	(1,216)	(113)	(109)	(1,438)
Other intangible assets	(955)	(89)	-	(1,044)
Total accumulated amortisation	(2,171)	(202)	(109)	(2,482)
Accumulated impairment				
Other intangible assets	(9)	-	-	(9)
Carrying amount	4,095	(130)	151	4,117

	(thousands of Euros)					
	31.12.2020	Additions	Disposals	Other	Translation differences	31.12.2021
Cost:						
Easement rights	2,735	-	-	-	315	3,050
Other intangible assets	3,050	151	(22)	-	46	3,225
Total cost	5,785	151	(22)	-	361	6,275
Accumulated amortisation:						
Easement rights	(895)	(206)	-	-	(115)	(1,216)
Other intangible assets	(757)	(163)	15	-	(50)	(955)
Total accumulated amortisation	(1,652)	(369)	15	-	(165)	(2,171)
Accumulated impairment						
Other intangible assets	(87)	-	24	54	-	(9)
Carrying amount	4,046	(218)	17	54	196	4,095

Additions in the six-month period ended 30 June 2021 mainly relate to easement rights on the land where the power plants are located.

At 30 June 2022 and 31 December 2021, fully amortised intangible assets amount to Euros 81 thousand and Euros 47 thousand, respectively.

Goodwill

Goodwill recognised in intangible assets relates to the positive difference on first consolidation arising from the inclusion in the consolidated annual accounts of the net assets of the following companies (in thousands of Euros):

Company	30.06.2022	31.12.2021
Hidroeléctrica del Giesta, S.L	3,669	3,669
Energías de Pontevedra, S.L	236	236
Total	3,905	3,905

At 30 June 2022 and 31 December 2021, no movement in goodwill has been recorded.

Goodwill is allocated to each company's cash generating units (CGUs) and is compared with the recoverable amount.

5. Property, plant and equipment

Changes in property, plant and equipment for the six-month period ended 30 June 2022 and the year ended 31 December 2021, are as follows:

	(thousands of Euros)					
	31.12.2021	Additions	Disposals	Transfers	Translation differences	30.06.2022
Cost:						
Land and buildings	128,511	1,783	-	-	5,341	135,635
Plant, machinery and other items	131,560	1,600	(21)	13,006	34	146,179
Under construction and advances	44,087	29,484	(177)	(13,006)	486	60,874
Total cost	304,158	32,867	(198)	-	5,861	342,688
Accumulated depreciation						
Land and buildings	(38,833)	(2,132)	-	(192)	(998)	(42,155)
Plant, machinery and other items	(39,311)	(3,160)	14	192	(14)	(42,279)
Total accumulated depreciation	(78,144)	(5,292)	14	-	(1,012)	(84,434)
Accumulated impairment						
Land and buildings	(3,789)	-	-	-	(299)	(4,087)
Plant, machinery and other items	(168)	-	-	-	-	(168)
	(3,957)	-	-	-	(299)	(4,255)
Carrying amount	222,057	27,575	(184)	-	4,550	253,998

	(thousands of Euros)					
	31.12.2020	Additions	Disposals	Transfers	Translation differences	31.12.2021
Cost:						
Land and buildings	120,541	72	(150)	2,289	5,759	128,511
Plant, machinery and other items	106,978	773	(37)	23,634	212	131,560
Under construction and advances	20,096	50,491	(595)	(25,923)	18	44,087
Total cost	247,615	51,336	(782)	-	5,989	304,158
Accumulated depreciation						
Land and buildings	(34,026)	(3,860)	19	-	(966)	(38,833)
Plant, machinery and other items	(33,777)	(5,452)	32	-	(114)	(39,311)
Total accumulated depreciation	(67,803)	(9,312)	51	-	(1,080)	(78,144)
Accumulated impairment						
Land and buildings	(3,401)	(923)	811	-	(276)	(3,789)
Plant, machinery and other items	(647)	-	479	-	-	(168)
	(4,048)	(923)	1,290	-	(276)	(3,957)
Carrying amount	175,764	41,101	559	-	4,633	222,057

The main additions in 2022 relate to investments in the construction of six wind farms and six solar photovoltaic plants in the Canary Islands, the expansion of a hydropower plant in Galicia, and the construction of four solar photovoltaic plants in Colombia and the Dominican Republic.

The Group analyses the existence of impairment indicators, including the analysis of potential regulatory changes as well as a review of the cash flow projections of each CGU. At 30 June 2022, the Group has no additional impairment other than that recorded at 31 December 2021.

The main additions in 2021 relate to investments in the construction of eight wind farms and twelve photovoltaic plants in the Canary Islands.

In addition, during 2022 the Group carried out work on its assets amounting to Euros 1,243 thousand (Euros 1,368 thousand at 31 December 2021), capitalised and recorded under the Self-constructed assets heading in the consolidated income statement.

Derecognitions in the year ended 31 December 2021 related mainly to the disposal of obsolete assets with a carrying amount of Euros 731 thousand. As a result of these transactions, a loss of Euros 553 thousand was recognised under Impairment and gains/(losses) on disposals of fixed assets in the consolidated income statement.

At 30 June 2022, fully depreciated items of property, plant and equipment amount to Euros 1,400 thousand (Euros 1,288 thousand at 31 December 2021).

At 30 June 2022, the Group holds property, plant and equipment subject to guarantees linked to the green bonds issued on 10 September 2020 for Euros 85,488 thousand (Euros 87,217 thousand at 31 December 2021).

The Group takes out insurance policies to cover the possible risk of damage to its property, plant and equipment. The Parent Company's directors consider the insurance coverage taken out to be adequate, taking into consideration the various locations of the property, plant and equipment.

6. Rights of use

Movement in rights of use during the period ended 30 June 2022 and at 31 December 2021, is as follows:

	(thousands of Euros)				
	31.12.2021	Additions	Disposals	Translation differences	30.06.2022
Cost					
Land	7,923	2,256	-	726	10,905
Vehicles	108	107	(63)	-	152
Offices	517	-	-	-	517
	8,548	2,363	(63)	726	11,574
Accumulated amortisation					
Land	(546)	(139)	-	(48)	(733)
Vehicles	(163)	(45)	-	-	(208)
Offices	(83)	(21)	63	-	(41)
	(792)	(204)	63	(48)	(982)
Closing balance	7,756	2,249	-	587	10,592

	(thousands of Euros)				
	31.12.2020	Additions	Disposals	Translation differences	31.12.2021
Cost					
Land	7,827	80	(120)	136	7,923
Vehicles	145	18	(64)	9	108
Offices	450	254	-	(187)	517
	8.422	352	(184)	(42)	8.548
Accumulated amortisation					
Land	(366)	(184)	-	4	(546)
Vehicles	(109)	(39)	64	(79)	(163)
Offices	(197)	(47)	-	161	(83)
	(672)	(270)	64	86	(792)
Closing balance	7,750	82	(120)	44	7,756

Lease liabilities

A breakdown of the minimum payments from future lease liabilities in these contracts, by maturity, is as follows:

	(thousands of Euros)	
	30.06.2022	31.12.2021
Less than one year	542	513
1 to 5 years	2,915	2,678
More than 5 years	21,409	19,643
	24,866	22,834

7. Trade and other receivables

Details of trade and other receivables are as follows:

	(thousands of Euros)	
	30.06.2022	31.12.2021
Trade receivables for sales and services rendered	20,284	14,325
Impairment of receivables	(8,229)	(7,026)
Public entities, other	5,037	11,349
Other receivables	808	698
	17,900	19,346

Movement in the provision for impairment of loans is as follows:

	(thousands of Euros)	
	30.06.2022	31.12.2021
Opening balance	(7,026)	(5,431)
Charges	(559)	(1,115)
Reversals	-	41
Translation differences	(644)	(521)
Closing balance	(8,229)	(7,026)

8. Cash and cash equivalents

At 30 June 2022 and 31 December 2021, the Group has recognised cash and cash equivalents of Euros 54,628 thousand and Euros 42,542 thousand, respectively, of which Euros 9,0016 thousand (Euros 9,023 thousand at 31 December 2021) relates to restricted cash, as collateral for the green bonds issued on 10 September 2020.

9. Equity

Details of consolidated equity and movement during the period are shown in the consolidated statement of changes in equity.

9.1 Capital

On 4 March 2021, the then Sole Shareholder of Grupo Ecoener, S.A. made a shareholder contribution by cancelling part of the loan it had with the Company for Euros 6,500 thousand.

On 22 March 2021, the Sole Shareholder carried out a capital increase of Euros 12,240 thousand by issuing 122,400 new shares against freely distributable reserves. Simultaneously, the then Sole Shareholder amended the nominal value of all the shares by means of a split of 312.5 new shares for each existing share. As a result of this transaction, share capital was set at 40,000,000 shares with a par value of Euros 0.32.

On 30 April 2021, the then Sole Shareholder of Grupo Ecoener, S.A. approved a share capital increase of Euros 5,242 thousand by issuing 16,949,150 new Parent company shares with a par value of Euros 0.32 per share.

On 4 May 2021, the Parent Company was floated on the stock exchange with the flotation of all the shares issued on 30 April 2021 at a share premium of Euros 5.58 per share. As a result, the total amount of the issue for the IPO was Euros 100 million.

Following this transaction, the Parent company's share capital at 30 June 2022 and 2021 amounts to Euros 18,224 thousand, represented by 56,949,150 shares with a par value of Euros 0.32 each, fully subscribed and paid up.

In relation to these capital increases and the IPO, the Parent company has recorded the incremental expenses associated therewith as a reduction in reserves, net of the tax effect, amounting to Euros 4,466 thousand.

Details of the Parent company's shareholders who hold a stake of more than 3% at 30 June 2022 are as follows:

<u>Shareholders</u>	<u>% indirect interest</u>
Luis de Valdivia, S.L.	70.98%
Onchena, S.L.	6.14%
Gam Holding AG	4.760%
Handelsbanken Fonder AB	3.325%

9.2 Share premium

At 30 June 2022 and 2021, the share premium amounts to Euros 99,326 thousand. This reserve is freely distributable.

9.3 Reserves

In accordance with the Spanish Companies Act 2010, 10% of profits must be transferred to the legal reserve each year until it represents at least 20% of share capital. The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase. Except for the aforementioned use, the legal reserve may only be used to offset retained losses, as long as no other reserves exist that may be used for that purpose and as long as the aforementioned 20% minimum level is respected.

At 30 June 2022 and 31 December 2021, the legal reserve stands at Euros 2,560 thousand.

9.4 Own shares

Changes in own shares in thousands of Euros for the six-month period ended 30 June 2022 are as follows:

	Thousands of Euros
	30.06.2022
Opening balance	-
Additions	529
Disposals	(419)
Closing balance	110

On 17 March 2022, the Parent company entered into a liquidity contract with a financial institution to manage its own shares. The Parent company's share transactions carried out by the financial institution, within the framework of this contract, are performed on the Spanish stock exchanges and are intended to favour the liquidity of the transactions and the regularity of the listing of its shares.

At 30 June 2022, the Parent company, Grupo Econer, has 18,168 own shares representing 0.032% of share capital at this date. The result of own share transactions amounted to Euros 40 thousand, which have been recorded under Reserves in the consolidated statement of financial position.

9.5 Translation differences

Details of the translation differences, generated entirely by the conversion to euros of the interim financial statements of the companies located abroad as at 30 June 2022 and 31 December 2021, are as follows:

	(thousands of Euros)	
	30.06.2022	31.12.2021
Country		
Guatemala	(502)	(732)
Panama	(2)	6
Dominican Republic	(945)	(37)
Honduras	13	270
Kenya	10	5
Serbia	(2)	(1)
Colombia	(141)	(17)
Kyrgyzstan	(45)	-
Total translation differences	(1,614)	(506)

9.6 Earnings/(losses) per share

Basic earnings per share are determined by dividing net profit/(loss) attributable to equity holders of the Parent by the weighted average number of shares outstanding during the period, excluding, if applicable, the average number of treasury shares held during the period.

The Parent company has no potentially dilutive effects, so basic earnings per share match diluted earnings per share.

At 30 June 2022 and 2021, basic and diluted earnings per share are as follows:

	30.06.2022	30.06.2021
Number of shares	56,949,150	56,949,150
Average number of shares	56,939,535	28,743,879
Profit/(loss) attributable to Parent (thousands of Euros)	10,847	3,109
Earnings per share (Euros per share)		
Basic/diluted	0.19	0.11

10. Financial debts

Details of financial debt at 30 June 2022 and 31 December 2021, are as follows:

	(thousands of Euros)			
	30.06.2022		31.12.2021	
	Non-current	Current	Non-current	Current
Related parties				
Debts with related parties	-	1,806	-	180
Unrelated parties				
Debts and payables				
Bonds and other marketable securities	106,241	6,772	109,874	6,221
Loans and borrowings	81,331	3,364	62,215	8,408
Lease payables	9,742	318	7,142	277
Other financial liabilities	21,947	981	14,229	1,292
	219,261	13,241	193,460	16,378

10.1 Bonds and other marketable securities

On 10 September 2020, the subsidiary Ecoener Emisiones, S.A.U. issued two classes of green bonds listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange, amounting to Euros 130 million, the main features of which are as follows:

- i. Class 1: These bonds have a nominal amount of Euros 39,000 thousand and mature on 31 December 2040. The applicable interest rate is 2.35%.
- ii. Class 2: These bonds have a nominal amount of Euros 91,000 thousand and mature on 31 December 2040. The applicable interest rate is 2.35%.

On 30 June 2022, the Group paid Euros 3,082 thousand in principal and Euros 1,486 thousand in interest on the green bonds (Euros 6,590 thousand and Euros 2,885 thousand, respectively, at 31 December 2021).

At 30 June 2022, the Directors expect to meet the terms set out in the marketable securities contract, as they were met at 31 December 2021.

10.2 Loans and borrowings

On 28 May 2018, the Group company Llanos del Sur Fotovoltaica, S.A. signed a loan for dollars 19,493 thousand with an expected end date of 16 December 2028. At 30 June 2022 and 31 December 2021, the amount outstanding is Euros 14,270 thousand and Euros 13,552 thousand, respectively.

At 30 June 2022, the Group company, Energías del Ocosito, S.A., has outstanding repayments of Euros 36,462 thousand (Euros 31,782 thousand at 31 December 2021), relating to the loan extended in 2022 amounting to Dollars 37,090 thousand and maturing in 2040.

In 2022, the Group's subsidiaries have drawn down loans totalling Euros 10,870 thousand for the construction of wind farms and photovoltaic plants located in the Canary Islands. At 30 June 2022, the outstanding principal of these loans, which have an average term of 17 years, amounts to Euros 33,812 thousand.

10.3 Lease payables

Lease liabilities relate to the application of IFRS 16. This standard involves recognising a right-of-use asset and a lease liability corresponding to the present value of the fixed payments to be made during the lease term.

Most of the leases affected by this standard relate to leases of land on which power generation facilities are installed and office leases (Note 6).

10.4. Other financial liabilities

Under the Other financial liabilities heading is a debt arranged by the subsidiary, Ecoener Inversiones, S.C.A., NAIF SICAV, PLC. This debt has three tranches of investor loan contracts, as follows (in thousands of Euros):

	Amount	Maturity
Tranche I	5,150	2025
Tranche II	7,500	2025
Tranche III	8,400	2028
	20.370	

At 30 June 2022 and 31 December 2021, the debt outstanding is Euros 20,115 thousand and Euros 12,650 thousand, respectively.

This heading also includes the debt deriving from the contract for the transfer of the electricity supply signed by the subsidiary, Energías del Ocosito, S.A. At 30 June 2022 and 31 December 2021, the amount outstanding is Euros 1,832 thousand and Euros 1,579 thousand, respectively.

11. Grants

Details and movement in non-refundable grants received at 30 June 2022 and 31 December 2021 is as follows (in thousands of Euros):

	Amount extended	Balance at 31.12.2021	Additions	Transfers to profit/(losses)	Balance at 30.06.2022
Grants awarded by official bodies	13.402	13,252	-	(120)	13,132
Other grants	11	8	-	(1)	7
Total	13,413	13,260	-	(121)	13,139

	Amount extended	Balance at 31.12.2020	Additions	Transfers to profit/(losses)	Balance at 31.12.2021
Grants awarded by official bodies	13.402	3,607	9,782	(137)	13,252
Other grants	11	-	11	(3)	8
Total	13,413	3,607	9,793	(140)	13,260

In 2021, the Institute for Energy Savings and Diversification (IDAE) awarded several subsidiaries grants for a total of Euros 9,782 thousand to finance the construction of a number of wind farms and photovoltaic parks in the Canary Islands.

The Directors of the Parent company expect to fulfil the terms governing the awarding of the grants received.

12. Taxation

At 30 June 2022 and 2021, the tax rate applicable to pre-tax profit/(loss) is as follows (in thousands of Euros):

	30.06.2022	30.06.2021
Pre-tax profit/(loss)	15,128	(2,859)
Income tax for the period	(3,033)	5,546
Effective tax rate (%)	(20%)	(193%)

Details of balances with public entities at 30 June 2022 and 31 December 2021 are as follows (in thousands of Euros):

	30.06.2022		31.12.2021	
	Non-current	Current	Non-current	Current
Assets				
Deferred tax assets	20,362	-	22,085	-
Current tax assets	-	882	-	1,266
Value added tax	-	5,037	-	4,817
Capital grants	-	-	-	6,532
Other tax	-	-	-	-
	20,362	5,919	22,085	12,615
Liabilities-				
Deferred tax liabilities	1,587	-	1,141	-
Current tax liabilities	-	267	-	82
Value added tax and similar taxes	-	1,595	-	304
Social Security	-	95	-	83
Withholdings	-	490	-	607
Other	-	120	-	49
	1,587	2,567	1,141	1,125

Movement in deferred tax assets and liabilities is as follows (in thousands of Euros):

	31.12.2021	Additions	Disposals	30.06.2022
Deferred tax assets-				
Non-deductible financial expenses	1,630	-	(139)	1,491
Non-deductible amortisation	245	2	(20)	227
Tax loss carryforwards	4,434	-	(1,445)	2,990
Rights to tax deductions	15,776	-	(122)	15,654
	22.085	2	(1,726)	20,362
Deferred tax liabilities-				
Temporary differences	1,128	443	-	1,571
Right-of-use leases	13	3	-	16
	1,141	446	-	1,587

	31.12.2020	Additions	Disposals	31.12.2021
Deferred tax assets-				
Non-deductible financial expenses	1,805	33	(208)	1,630
Non-deductible amortisation	288	7	(50)	245
Tax loss carryforwards	486	3,948	-	4,434
Rights to tax deductions	2,454	15,776	(2,454)	15,776
	5,033	19.764	(2,712)	22.085
Deferred tax liabilities-				
Temporary differences	-	1,128	-	1,128
Right-of-use leases	126	13	(126)	13
	126	1,141	(126)	1,141

At 30 June 2022 the Group has recorded a deferred tax asset of Euros 20,362 thousand, of which Euros 15,654 thousand relate to deductions for investments made in fixed assets of subsidiaries located in the Canary Islands. The recording of the asset is based on analysis performed by the Group using the expected future results of the facilities that have generated the deduction and of other companies belonging to the tax group.

Recoverability analysis of deferred tax assets and activated tax credits

As stated in the accounting policies, the Group recognises deferred tax assets in the consolidated statement of financial position only if they are recoverable within a reasonable period, also considering the legally established limits for their application. For estimating the recovery of activated tax credits, a time horizon is considered in accordance with the Group's current business situation, bearing in mind the maximum recoverability periods of such credits established by the applicable tax regulations.

The analysis of the recoverability of tax credits pending offset is carried out by the Group using estimates for each of the companies with activated tax credits, on which it makes the necessary tax adjustments to determine the relevant tax bases. Additionally, the Group considers the limitations to the offsetting of taxable bases established by the respective jurisdictions, carrying out a specific analysis for each of them. The Group also assesses the existence of deferred tax liabilities with which to offset these tax losses in the future. In the estimates and budgets, the Group considers the operating, financial and macroeconomic circumstances applicable to each company, such as the use level of installed production capacity in each facility, the sale prices in the market for the energy produced and, if appropriate, the applicable regulatory remuneration scheme, the financial framework applicable to each project and the operating expenses

associated with it. These parameters are projected considering historical data and forecasts and reports from experts and independent bodies, as well as objectives set by the Group.

13. Income and expenses

a) Revenues

The breakdown of the Group's revenue by operating segment for the interim periods ended 30 June 2022 and 2021 is as follows:

	(thousands of Euros)	
	30.06.2022	30.06.2021
Operation of hydropower plants	7,974	7,009
Operation of wind farms	18,365	8,704
Operation of solar photovoltaic plants	6,824	2,009
Energy commercialisation	4,271	2,542
Other services	972	131
	38,406	20,395

During the six-month period ended 30 June 2022 and following the application of the new industry regulations described in section 2.2.c), the Group has recorded an increase in revenues of approximately Euros 11,753 thousand. This amount results, on the one hand, from the decrease of Euros 2,063 thousand arising from the recalculation of the adjustment to the return on investment for companies owning regulated assets operating in Spain that had been recognised in previous years under the previously applied regulatory regime, and on the other hand, from the increase in market price adjustments amounting to Euros 13,816 thousand for these companies.

b) Personnel expense

Details of social security charges for the interim periods ended 30 June 2022 and 2021 are as follows:

	(thousands of Euros)	
	30.06.2022	30.06.2021
Social Security payable by the company	452	311
Other employee benefits expenses	106	1
	558	312

The average number of individuals employed by the Group in the first half of 2021 and 2022, distributed by gender, is as follows:

	30.06.2022	30.06.2021
Male	87	46
Female	27	20
	114	66

At 30 June 2022 and 2021, the Group has no employees with a disability equal to or greater than 33%.

At 30 June 2022 and 2021, the Parent company's Board of Directors comprises three women and seven men.

14. Related party balances and transactions

The main balances held by the Group with its main shareholder at 30 June 2022 and 31 December 2021 are as follows:

	(thousands of Euros)	
	30.06.2022	31.12.2021
Loans and credit facilities (granted)	1,904	706
Total receivables balance	1,904	706
Loans and credit facilities (received)	1,806	180
Total payables balance	1,806	180

The main transactions carried out during the six months ended 30 June 2022 and 2021 by the Group with its main shareholder are as follows:

	(thousands of Euros)	
	30.06.2022	30.06.2021
Finance costs	-	46
Services received	176	22
Total expenses	176	68
Services rendered	829	-
Total income	829	-
Other transactions:		
Other operations	-	6,500
	-	6,500

15. Information relating to the Group's Senior Management and Board of Directors

On 28 January 2020, the then Sole Shareholder incorporated the Parent company and appointed a Board of Directors, comprising four individuals.

On 7 April 2021, the Board of Directors approved the "intention to float" in order to apply for the Parent company's shares to be admitted for trading on Spanish stock exchanges.

In view of the above and in accordance with the recommendations of good corporate governance, on 12 April 2021, the then Sole Shareholder of the Parent company certified the resignation of the current directors, a change in the number of members of the Board of Directors and the appointment of new directors by public deed.

At 30 June 2021 and 2022, the Board of Directors comprises 10 members.

15.1 Director and Senior Management Remuneration

At 30 June 2022, the Parent company has paid the annual premium for Directors' and executives' liability insurance amounting to Euros 62 thousand (Euros 95 thousand for 2021).

Below are details of the remuneration paid and received by members of the Board of Directors during the six-month periods ended 30 June 2022 and 2021:

	(thousands of Euros)	
	30.06.2022	30.06.2021
Fixed pay	514	307
Allowances	96	36
Salary	78	53
Total pay	688	396

At 30 June 2022, seven employees are considered senior management, and have accrued pay amounting to Euros 459 thousand. At 30 June 2021, senior management consisted of 1 employee whose accrued income amounted to Euros 12 thousand.

15.2 Conflicts of interest concerning the Directors of the Parent company

At the date of preparation of these condensed consolidated interim financial statements, none of the members of the Parent Company's Board of Directors or persons related to them have disclosed any conflicts of interest requiring notification in accordance with the provisions of art. 229 of the TRLSC.

However, the Directors of the Parent company have been informed that the chair of the Board of Directors holds management positions in other companies with the same, similar or complementary types of activity as the Company, belonging to the business group of which Luis de Valdivia, S.L. is the Parent company. The consolidated annual accounts of Luis de Valdivia, S.L. And Subsidiaries for the year ended 31 December 2021 are filed at the Mercantile Register of La Coruña.

16. Guarantee commitments to third parties and other contingent liabilities

At 30 June 2022 and 31 December 2021, the Group has pledged guarantees and surety certificates to secure the fulfilment of obligations or commitments acquired for the following amounts:

	(thousands of Euros)	
	30.06.2022	31.12.2021
Fulfilment of facility commitments	6,311	5,153
Fulfilment of FEDER Canary Island funds	8,419	8,419
Tax	1,385	466
Reservation of grid connection point	26,402	26,503
Total	42,517	40,541

In addition, a pledge has been granted on the shares of Ecoener Emisiones, S.A.U. as security for the debt held by the latter as a result of the bond issue on the Open Market (Freiverkerh) of the Frankfurt Stock Exchange.

The Parent's Board of Directors does not expect any significant liabilities to arise for the Group in relation to the guarantees detailed above.

As mentioned in Note 5, the Group holds pledged items of property, plant and equipment subject to guarantees.

17. Subsequent events

From 30 June 2022 up to the date of authorisation for issue of these condensed consolidation interim financial statements by the Group's directors, no significant events have taken place or have come to their attention.

GRUPO ECOENER, S.A. AND SUBSIDIARIES

Information relating to Subsidiaries
for the interim period ended 30 June 2022

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

Company	Address	Activity	% of effective interest
<i>Ecoener Emisiones sub-group</i>			
Ecoener Emisiones, S.A.	Spain	Other services	100%
Drago Renovables, S.L.	Spain	Wind farms	75%
Energías de Pontevedra, S.L.	Spain	Wind farms	100%
Hidroeléctrica de Oourol, S.L.	Spain	Wind farms	70%
Hidroeléctrica del Giesta, S.L.	Spain	Hydropower plants	100%
Mocan Renovables, S.L.	Spain	Wind farms	75%
Soc. Lucense de Energía Hidráulica, S.L.	Spain	Hydropower plants	100%
Yesquera de Aluce, S.L.	Spain	Wind farms	100%
<i>Ecoener Invers. de Centroamérica sub-group</i>			
Ecoener Invers. de Centroamérica S.A.	Guatemala	Other services	99.99%
Comercializadora Centroamericana de Energía La Ceiba, S.A.	Guatemala	Energy providers	100%
Ecoener Solar de Guatemala, S.A.	Guatemala	Other services	100%
Ecoener Sol de Escuintla, S.A.	Guatemala	Other services	100%
Ecoener Sol del Puerto, S.A.	Guatemala	Other services	100%
Ecoener Ingeniería, S.A.	Guatemala	Other services	98%
Sol de Guatemala, S.A.	Guatemala	Other services	100%
Ecoener Ingeniería Honduras, S.A.	Honduras	Other services	100%
Llanos del Sur Fotovoltaica, S.A.	Honduras	Solar photovoltaic plants	50%
<i>Energías de Forcarei sub-group</i>			
Energías de Forcarei, S.L.	Spain	Other services	97%
Hidro Quetzal, S.A.	Guatemala	Other services	76%
Energías del Ocosito, S.A.	Guatemala	Hydropower plants	76%
<i>Ecoener Inversiones SCA, SICAV-NAIF sub-group</i>			
Ecoener Inversiones SCA, SICAV-NAIF	Malta	Other services	100%
Alamillo de Doramas, S.L.	Spain	Wind farms	100%
Cardo de Plata, S.L.	Spain	Wind farms	100%
<i>Aquis Querquennis sub-group</i>			
Aquis Querquennis, S.L.	Spain	Wind farms	100%
Aquis Querquennis Dominicana, S.R.L.	Dominican Republic	Other services	100%
Aquis Querquennis Colombia, S.A.S.	Colombia	Other services	100%
Aquis Querquennis Guatemala, S.A.	Guatemala	Other services	100%
Amagante Herreño, S.L.	Spain	Other services	51%
Bejeque Rojo, S.L.	Spain	Other services	100%
Bencomia de Risco, S.L. (*)	Spain	Solar photovoltaic plants	100%
Canutillo de Sabinosa, S.L. (*)	Spain	Solar photovoltaic plants	100%
Cardoncillo Gris, S.L.	Spain	Other services	100%
Chajorra de Aluce, S.L.	Spain	Other services	100%
Colino Majorero, S.L.	Spain	Other services	100%
Dama de Bandama, S.L.	Spain	Other services	100%
Ecoener Ingeniería, S.L.	Spain	Other services	100%
Ecoener Inversiones, S.L.	Spain	Other services	100%
Eólicos de Ferrol, S.L.	Spain	Other services	100%
Eólicos del Matorral, S.L. (*)	Spain	Other services	100%
Eólicos Herculinos, S.L.	Spain	Other services	100%
Fonte Dos Arcos, S.L.	Spain	Other services	100%
Helecho de Cristal, S.L.	Spain	Other services	100%
Herdanera, S.L.	Spain	Other services	100%
Hierba Muda, S.L.	Spain	Other services	100%
Magarza del Andén, S.L.	Spain	Other services	100%

GRUPO ECOENER, S.A. AND SUBSIDIARIES
Information relating to Group companies for the period ended
31 December 2021

Company	Address	Activity	% of effective interest
<i>Ecoener Emisiones sub-group</i>			
Ecoener Emisiones, S.A.	Spain	Other services	100%
Drago Renovables, S.L.	Spain	Wind farms	75%
Energías de Pontevedra, S.L.	Spain	Wind farms	100%
Hidroeléctrica de Oourol, S.L.	Spain	Wind farms	70%
Hidroeléctrica del Giesta, S.L.	Spain	Hydropower plants	100%
Mocan Renovables, S.L.	Spain	Wind farms	75%
Soc. Lucense de Energía Hidráulica, S.L.	Spain	Hydropower plants	100%
Yesquera de Aluce, S.L.	Spain	Wind farms	100%
<i>Ecoener Invers. de Centroamérica sub-group</i>			
Ecoener Invers. de Centroamérica S.A.	Guatemala	Other services	99.99%
Comercializadora Centroamericana de Energía La Ceiba, S.A.	Guatemala	Energy providers	100%
Ecoener Solar de Guatemala, S.A.	Guatemala	Other services	100%
Ecoener Sol de Escuintla, S.A.	Guatemala	Other services	100%
Ecoener Sol del Puerto, S.A.	Guatemala	Other services	100%
Ecoener Ingeniería, S.A.	Guatemala	Other services	98%
Ecoener Ingeniería Honduras, S.A.	Honduras	Other services	100%
Llanos del Sur Fotovoltaica, S.A.	Honduras	Solar photovoltaic plants	50%
<i>Energías de Forcarei sub-group</i>			
Energías de Forcarei, S.L.	Spain	Other services	97%
Hidro Quetzal, S.A.	Guatemala	Other services	76%
Energías del Ocosito, S.A.	Guatemala	Hydropower plants	76%
<i>Ecoener Inversiones SCA, SICAV-NAIF sub-group</i>			
Ecoener Inversiones SCA, SICAV-NAIF	Malta	Other services	100%
Alamillo de Doramas, S.L.	Spain	Wind farms	100%
Cardo de Plata, S.L.	Spain	Wind farms	100%
<i>Aquis Querquennis sub-group</i>			
Aquis Querquennis, S.L.	Spain	Wind farms	100%
Aquis Querquennis Dominicana, S.R.L.	Dominican Republic	Other services	100%
Aquis Querquennis Colombia, S.A.S.	Colombia	Other services	100%
Amagante Herreño, S.L.	Spain	Other services	51%
Bejeque Rojo, S.L.	Spain	Other services	100%
Bencomia de Risco, S.L. (*)	Spain	Solar photovoltaic plants	100%
Canutillo de Sabinosa, S.L. (*)	Spain	Solar photovoltaic plants	100%
Cardoncillo Gris, S.L.	Spain	Other services	100%
Chajorra de Aluce, S.L.	Spain	Other services	100%
Colino Majorero, S.L.	Spain	Other services	100%
Dama de Bandama, S.L.	Spain	Other services	100%
Ecoener Ingeniería, S.L.	Spain	Other services	100%
Ecoener Inversiones, S.L.	Spain	Other services	100%
Eólicos de Ferrol, S.L.	Spain	Other services	100%
Eólicos del Matorral, S.L. (*)	Spain	Other services	100%
Eólicos Herculinos, S.L.	Spain	Other services	100%
Fonte Dos Arcos, S.L.	Spain	Other services	100%
Helecho de Cristal, S.L.	Spain	Other services	100%
Herdanera, S.L.	Spain	Other services	100%
Hierba Muda, S.L.	Spain	Other services	100%
Magarza del Andén, S.L.	Spain	Other services	100%

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

AUTHORISATION FOR ISSUE OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND CONSOLIDATED INTERIM DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2022

The condensed consolidated interim financial statements and consolidated interim directors' report for the six-month period ended 30 June 2022 have been authorised for issue by the Board of Directors of the Parent company of Grupo Ecoener, S.A. at their meeting on 8 September 2022.

Luis de Valdivia Castro
Chair

Fernando Rodríguez Alfonso
Vice-chair

. María Eugenia Girón Dávila
Director

Fernando Lacadena Azpeitia
Director

Juan Carlos Ureta Domingo
Director

Eduardo Serra Rexach
Director

Rafael Canales Abaitua
Director

Ana Isabel Palacio del Valle Lersundi
Director

Dean Tenerelli
Director

Inés Juste Bellosillo
Director

Grupo Ecoener, S.A. and Subsidiaries

Consolidated Interim Directors' Report for the six-month period ended 30 June 2022

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

1. Company overview

The Group's principal activities are as follows:

- a) The generation of electricity from renewable energy sources and the design, development, construction, management, maintenance, operation and closure and dismantling of the corresponding production facilities.
- b) Ownership, through concession arrangements or administrative authorisations, of the activities and facilities described above, and by virtue of such ownership, pertinent registration in the corresponding administrative registries; and
- c) The execution of purchase and sale transactions and transfers, the arrangement of mortgages, leases and usufructs, and the completion of any other legal transactions in relation to the production or facilities described above.

Grupo Ecoener currently specialises in the construction, management, development and maintenance of renewable energy facilities and the operation thereof. The Group operates hydropower plants, wind farms and solar photovoltaic plants, these being the three primary technologies, generating long-term energy to support sustainable development.

The Group operates in 10 countries, builds or develops renewable energy assets and projects (Spain, Honduras, Guatemala, the Dominican Republic and Colombia where it has assets in operation or under construction; and Panama, Ecuador, Kenya, Georgia and Serbia where it is developing projects that are at different stages of the project pipeline).

The Parent company's shares were listed on the Spanish stock exchange on 4 May 2021.

1.1 Operation

Segments and business divisions

The operating segments are as follows: (i) operation of hydropower plants; (ii) operation of wind farms; (iii) operation of solar photovoltaic plants; (iv) energy commercialisation; and (v) other services. The other services segment includes all those activities that generate revenues and bear expenses from sources other than electricity produced by the facilities owned by the Group or energy commercialisation, as well as renewable energy generation projects in progress, and corporate management costs, including personnel dedicated to the operation of generating facilities. These projects in progress, once completed, are transferred to the "Operation of hydropower plants", "Operation of wind farms" and "Operation of solar photovoltaic plants" segments.

The three main renewable energy technologies (hydropower, wind, solar photovoltaic) and, to a lesser extent, energy commercialisation, comprise the business lines and form the basis for evaluating the Group's results, which management uses to make its management decisions at corporate level and periodically evaluate the business lines.

The Pipeline and Portfolio categories are important indicators of the operating segments' current performance and growth potential, providing useful information on the trends and changes in activities in prior years.

The Group's business management is based on its ability to successfully execute projects classified as "Early Stage" and "Advanced Development", and to fully develop its "Backlog" projects.

These categories define our "Pipeline". Additionally, assets classified as "Under Construction" and "In Operation" are deemed to be included in our portfolio but are not defined as "Pipeline".

In accordance with this classification, the following characteristics or requirements must be met by the projects at each stage thereof, in accordance with our parameters:

- Early Stage: projects under analysis, where the suitability and viability of the selected site has been confirmed, and in which there is a certain (unquantified) likelihood of obtaining the right to use the land and obtaining the access and connection point.
- Advanced Development: projects in which there is at least a 50% probability of obtaining the right to use the land and at least a 90% probability of obtaining an access and connection point; and also those in which there is at least a 90% likelihood of obtaining the right to use the land and at least a 50% probability of obtaining the access and connection point.
- Backlog: refers to projects in respect of which: (i) agreements granting a right for the use of the land have been executed, there is a legal framework in place that allows such use without the need for an agreement; (ii) access and connection permits have been obtained; and (iii) certain permits have been obtained and there is, in any event, a 90% likelihood of obtaining all the permits required for construction.

The following table shows the capacity of the Group's assets and facilities, measured in MW, as well as its project pipeline, by technology, as of 30 June 2022:

	ASSETS AND PIPELINE				
	Assets		Pipeline		
	In operation	Under construction	Backlog	Advanced Development	Early Stage
Hydropower	52	3	-	120	482
Wind	73	31	54	-	90
Solar photovoltaic	46	152	178	174	380
TOTAL	171	186	232	294	952

Details of the Group's international presence and assets at 30 June 2022:

	ASSETS AND PIPELINE				
	Assets		Pipeline		
	In operation	Under construction	Backlog	Advanced Development	Early Stage
Spain	141	49	88	72	-
Rest of Europe	-	-	-	-	210
Central and South America	30	137	144	202	657
Africa	-	-	-	20	85
TOTAL	171	186	232	294	952

As of 30 June 2022, our asset portfolio amounts to 357 MW, distributed among assets in operation (171 MW) and assets under construction (186 MW) and established in 5 different geographical areas (Spain, Guatemala, Honduras, the Dominican Republic and Colombia).

Additionally, as at 30 June 2022, our project pipeline amounts to 1,478 MW, classified as Backlog (232 MW), Advanced Development (294 MW) and Early Stage (952 MW) across 5 different geographical areas of Spain, Eastern Europe, Latin America and Africa.

The projects included in the portfolio as of 30 June 2022 are consistent with the project portfolio published as at 31 December 2021.

The technologically and geographically diversified nature of the Group's portfolio means part of it is protected by a natural hedge known as the "portfolio effect", enabling it to avoid fluctuations arising from the availability of resources at any given time. The remuneration schemes for projects are also tied to strong currencies.

2. Business performance and results

2.1 Significant events over the period

The Group currently has six photovoltaic plants and six wind farms under construction in the Canary Islands, as well as four photovoltaic plants in the Dominican Republic and Colombia and the expansion of a hydropower plant in Galicia.

Furthermore, the Group has a portfolio of projects in various stages of development, the construction of which will be carried out by the Group, which has the personnel needed to do this.

2.2 Key financial indicators

The Group's results for the first six months of 2022 have exceeded the estimates set out for the period, due mainly to the positive performance of renewable energies worldwide. This business performance is underpinned by various aspects, such as a significant rise in electricity demand and cost, with the renewable energy industry experiencing the highest level of growth among energy producing businesses.

The most noteworthy figures from the results obtained in the first half of 2022 and 2021 are as follows (thousands of Euros):

	30.06.2022	30.06.2021	Variation	Variation %
Revenues	38,406	20,395	18,011	88.31%
EBITDA	24,509	11,258	13,251	117.69%
<i>EBITDA margin (%)</i>	<i>63.81%</i>	<i>55.20%</i>		
Adjusted EBITDA	25,222	11,676	13,545	116.01%
<i>Adjusted EBITDA margin (%)</i>	<i>65.67%</i>	<i>57.25%</i>		
EBIT	6,410	5,363	1,047	19.52%
Net profit/(loss)	12,098	2,687	9,411	350.24%

With respect to the balance sheet, as at 30 June 2022 the Group's assets total Euros 413,186 thousand, net equity amounts to Euros 132,088 thousand and current and non-current liabilities amount to Euros 281,098 thousand, of which Euros 84,695 thousand relate to bank borrowings.

With respect to the balance sheet, as at 31 December 2021 the Group's assets totalled Euros 367,892 thousand, net equity amounted to Euros 119,132 thousand and current and non-current liabilities amounted to Euros 248,760 thousand, of which Euros 70,623 thousand relate to bank borrowings.

Revenues

The Ecoener Group has five main lines of business, namely: (i) operation of hydropower plants; (ii) operation of wind farms; (iii) operation of solar photovoltaic plants; (iv) energy commercialisation; and (v) other services.

Changes in energy production during the first half of 2022 versus the same period in 2021 were as follows:

- Hydropower output fell to 49.17 GWh in 2022, down -41.17% (or 34.41 GWh) on 2021 when 83.58 GWh was produced.
- Wind output fell to 87.00 GWh in 2022, down -7.38% (or 6.93 GWh) on 2021 when 93.93 GWh was produced.
- Solar photovoltaic output increased to 34.58 GWh in 2022, representing a 182.74% (or 22.35 GWh) rise on 2021 when 12.23 GWh was produced.

The breakdown of revenue by geographical area in the first six months of 2022 and 2021 is as follows (thousand euros):

Revenues	30.06.2022	30.06.2021	Variation	% variation
Spain	30,200	14,359	15,841	110.32%
Guatemala	5,984	4,027	1,957	48.60%
Honduras	2,222	2,009	213	10.60%
Other	-	-	-	
Total	38,406	20,395	18,011	88.31%

The breakdown of revenue by operating segment for the first half of 2022 and 2021 is as follows (thousands of Euros):

Revenues	30.06.2022	30.06.2021	Variation	% variation
Hydropower facilities	7,974	7,009	965	13.76%
Wind farms	18,365	8,704	9,661	111%
Solar photovoltaic plants	6,824	2,010	4,814	239.50%
Energy commercialisation	4,271	2,542	1,729	68%
Other services	972	130	842	648%
Total	38,406	20,395	18,011	49.08%

Revenue increased by Euros 18,011 thousand (88.31%) to Euros 38,406 thousand in the first half of 2022 compared to Euros 20,395 thousand in the first six months of 2021, due mainly to the following:

- Increase of Euros 11,753 thousand as a result of amendments to the regulations that set the remuneration parameters for the renewable sector in Spain.
- Commissioning of 12 solar photovoltaic plants in the Canary Islands, representing 12% of revenues.
- Increase of Euros 1,728 thousand in revenues from the energy commercialisation segment, which reflects the activity of the Guatemalan subsidiary, Comercializadora Centroamericana de Energía La Ceiba, S.A.

Operating profit/(loss)

Operating income rose 188.53% to Euros 18,810 thousand in the first half of 2022 from Euros 6,519 thousand in the first six months of 2021, mainly due to:

- 88.31% increase in revenues between the six-month periods ended 30 June 2022 and 2021;
- Supplies increased by 138% to Euros 5,376 thousand in the six months ended 30 June 2022 compared to Euros 2,260 thousand in the first half of the previous year, due to higher costs in the energy commercialisation

segment whose activity has increased significantly as mentioned in the revenue section.

- An increase in personnel expenses to Euros 2,988 thousand in the first half of 2022 from Euros 1,662 thousand in the first half of 2021, mainly due to a 73% rise in the average number of employees from 66 in 2021 to 114 in 2022.

Pre-tax profit/(loss)

Pre-tax profit increased 429% to Euros 15,131 thousand in the first half of 2022 from a loss of Euros 2,859 thousand in the first six months of 2021, mainly due to:

- Operating profit increased by Euros 12,291 thousand compared to the same period of the previous year, due to the factors described in the previous sections.
- Decrease of Euros 6,130 thousand due to the loss generated by the Change in fair value of financial instruments, which at 30 June 2021 mainly included the measurement of the financial instrument on the sale price of energy contracted by the Group companies owning generation facilities in Spain in the amount of Euros 6,906 thousand. In 2022 no financial instruments have been arranged to hedge the energy price in Spain. Changes in the fair value of financial instruments at 30 June 2022 includes the change in fair value of the mutual investment funds recognised under Current investments - equity instruments in the statement of financial position, which resulted in a loss for the six-month period of Euros 776 thousand.

2.1.1 Alternative performance measures

The Group has prepared its consolidated financial statements for the first six-month period of 2022 in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), including unaudited financial information for the first half of 2021. The Group has also presented certain alternative performance measures ("APMs") to provide additional information that will contribute to the comparability and understanding of its financial information and facilitate decision-making and evaluations of the Group's performance. The APMs should be considered by users of the financial information as complementary to, and not as a substitute for, the aggregates presented in accordance with the basis of presentation of the Consolidated Annual Accounts. The Group's most significant APMs are as follows:

A. EBITDA

Definition: Consolidated profit/(loss) for the year less net financial loss, income tax and depreciation and amortisation.

Reconciliation: the reconciliation of this APM with the consolidated interim financial statements for the six-month period ended 30 June 2022 is as follows (thousands of Euros):

	30.06.2022	30.06.2021
Profit/(loss) for the period	12,099	2,687
(-) Finance income/costs	3,678	9,378
(-) Income tax for the year	3,033	(5,546)
(-) Depreciation and amortisation	5,699	4,739
EBITDA	24,509	11,258

Explanation of use: EBITDA is considered as a measure of the performance of the Group's activity because it provides information for analysing profitability (before interest, tax, depreciation and amortisation). It is also a measure that is widely used by the investment community in appraising companies' performance. Additionally, it is a magnitude widely used by investors when assessing companies, as well as by rating agencies and creditors to assess the level of indebtedness by comparing EBITDA with net financial debt or with debt service.

B. EBITDA MARGIN

Definition: EBITDA divided by net revenues

Reconciliation: the reconciliation of this APM with the Consolidated Interim Financial Statements for the six-month period ended 30 June 2022 is as follows (thousands of Euros):

	30.06.2022	30.06.2021
EBITDA (I)	24,509	11,258
Net revenues (II)	38,406	20,395
EBITDA margin (I/II)	63.82%	55.20%

Explanation of use: the EBITDA margin is considered by the Group as a measure of the performance of its activity, as it provides information on the percentage contribution that EBITDA represents with respect to net revenues. This contribution allows comparative analyses to be conducted on the performance of our project margins.

C. ADJUSTED EBITDA

Definition: EBITDA - Other income, losses, impairment and variation of provisions for trade operations and impairment and income from disposal of fixed assets.

Reconciliation: the reconciliation of this APM with the consolidated interim financial statements for the six-month period ended 30 June 2022 is as follows (thousands of Euros):

	30.06.2022	30.06.2021
EBITDA	24,509	11,258
(-) Other income	(83)	(38)
(-) Losses, impairment and changes in trade provisions	615	426
(-) Impairment and gains/(losses) on disposals of fixed assets	181	30
Adjusted EBITDA	25,222	11,676

Explanation of use: Adjusted EBITDA is considered by the Group as a measure of the performance of its activity, as it provides an analysis of the profit and loss from operations excluding income not arising strictly from its activity and impairment and disposals of non-current assets.

D. ADJUSTED EBITDA MARGIN

Definition: Adjusted EBITDA divided by net revenues

Reconciliation: the reconciliation of this APM to the consolidated interim financial statements for the six-month period ended 30 June 2022 is as follows (amounts in thousands of Euros):

	30.06.2022	30.06.2021
Adjusted EBITDA (I)	25,222	11,676
Net revenues (II)	38,406	20,395
	65.67%	57.25%

Explanation of use: the adjusted EBITDA margin is considered by the Group as a measure of the performance of its activity, excluding income not arising strictly from its activity and impairment and disposals of non-current assets, since it provides information on the percentage contribution represented by adjusted EBITDA with respect to net revenues.

E. WORKING CAPITAL

Definition: Total current assets less total current liabilities.

Reconciliation: the reconciliation of this APM with the consolidated interim financial statements for the six-month period ended 30 June 2022 is as follows (thousands of Euros):

	30.06.2022	31.12.2021
Total current assets (I)	119,213	107,075
Total current liabilities (II)	26,442	24,864
Working capital (I/II)	92,771	82,211

Explanation of use: Working capital is a financial aggregate used to measure the performance of the Group's activity, since it provides an analysis of the Group's liquidity, operational efficiency and financial health in the short term.

F. NET FINANCIAL DEBT

Definition: The sum of non-current and current debts, less non-current and current lease liabilities, current financial investments and cash and cash equivalents.

Reconciliation: the reconciliation of this APM with the consolidated interim financial statements for the six-month period ended 30 June 2022 is as follows (thousands of Euros):

	30.06.2022	31.12.2021
Non-current debts (I)	219,261	193,460
Non-current lease liabilities (II)	9,742	7,142
Current debts (III)	13,241	16,378
Current lease liabilities (IV)	318	277
Current financial investments (V)	41,580	41,509
Cash and cash equivalents (VI)	54,628	42,542
Net financial debt (I-II+III-IV-V-VI)	126,234	118,368

Explanation of use: Net financial debt is an aggregate that measures the financial debt position of a company. It is an aggregate widely used by investors when assessing the net financial leverage of companies, as well as by rating agencies and creditors to assess the level of net borrowings.

2.1.2 Operating Segments

	At 30.06.2022					
	Hydropower	Wind	Solar PV	Energy commercialisation	Other	Total
Revenues	7,974	18,365	6,824	4,271	972	38,406
Profit/(loss) for the period	3,382	11,622	3,785	399	(7,089)	12,099
(-) Finance income/costs	493	118	709	21	2,337	3,678
(-) Income tax for the period	790	1,982	417	-	(156)	3,033
(-) Depreciation and amortisation	1,568	2,946	927	5	253	5,699
Total EBITDA	6,233	16,669	5,838	425	(4,656)	24,509
(-) Other income	-	17	-	(87)	(13)	(83)
(-) Losses, impairment and changes in trade provisions	-	-	559	56	-	615
(-) Impairment and gains/(losses) on disposals of fixed assets	-	-	-	-	181	181
Adjusted EBITDA (III)	6,233	16,686	6,397	394	(4,488)	25,222
Total EBITDA margin	78.17%	90.76%	85.54%	9.98%	(479.77%)	63.82%
Total adjusted EBITDA margin	78.17%	90.85%	93.73%	9.24%	-462.48%	65.67%

	30 June 2021					
	Hydropower	Wind	Solar PV	Energy commercialisation	Other	Total
Revenues	7,009	8,704	2,009	2,542	131	20,395
Profit/(loss) for the period	1,751	5,167	551	207	(4,989)	2,687
(-) Finance income/costs	1,563	5,817	282	7	1,709	9,378
(-) Income tax for the period	348	(6,556)	2	1	659	(5,546)
(-) Depreciation and amortisation	1,500	2,562	532	4	141	4,739
Total EBITDA	5,162	6,990	1,367	219	(2,480)	11,258
(-) Other income	-	(17)	-	-	(21)	(38)
(-) Losses, impairment and changes in trade provisions	(15)	(9)	459	(9)	-	426
(-) Impairment and gains/(losses) on disposals of fixed assets	-	-	-	-	30	30
Adjusted EBITDA (III)	5,147	6,964	1,826	210	(2,471)	11,676
Total EBITDA margin	73.64%	80.30%	65.21%	8.67%	(1865%)	55.20%
Total adjusted EBITDA margin	73.44%	80.00%	88.06%	8.28%	(1857%)	57.25%

2.1.3 Geographical information

	30 June 2022					
	Spain	Guatemala	Honduras	Dominican Republic	Other	Total
Revenues	30,200	5,984	2,222	-	-	38,406
Profit/(loss) for the period	12,801	(384)	388	(22)	(685)	12,098
(-) Finance income/costs	2,655	513	458	(124)	176	3,678
(-) Income tax for the period	2,972	48	-	10	3	3,033
(-) Depreciation and amortisation	4,447	627	548	47	30	5,699
Total EBITDA	22,875	804	1,394	(89)	(476)	24,508
(-) Other income	12	(95)	-	-	-	(83)
(-) Losses, impairment and changes in trade provisions	-	56	559	-	-	615
(-) Impairment and gains/(losses) on disposals of fixed assets	177	-	4	-	-	181
Adjusted EBITDA (III)	23,062	769	1,957	(89)	(477)	25,221
Total EBITDA margin	75.74%	13.52%	62.69%	-	-	63.82%
Total adjusted EBITDA margin	76.36%	12.85%	88.05%	-	-	65.67%

	30 June 2021					
	Spain	Guatemala	Honduras	Dominican Republic	Other	Total
Revenues	14,359	4,027	2,009	-	-	20,395
Profit/(loss) for the period	3,013	(552)	450	17	(241)	2,687
(-) Finance income/costs	8,645	425	283	(42)	67	9,378
(-) Income tax for the period	(5,598)	38	14	-	-	(5,546)
(-) Depreciation and amortisation	3,670	548	495	26	-	4,739
Total EBITDA	9,730	459	1,242	1	(174)	11,258
(-) Other income	(29)	-	-	(9)	-	(38)
(-) Losses, impairment and changes in trade provisions	(19)	(14)	459	-	-	426
(-) Impairment and gains/(losses) on disposals of fixed assets	30	-	-	-	-	30
Adjusted EBITDA (III)	9,712	445	1,701	(8)	(174)	11,676
Total EBITDA margin	67.76%	11.38%	61.83%	0.00%	0%	55.20%
Total adjusted EBITDA margin	67.64%	11.03%	84.68%	0.00%	0%	57.25%

2.2 Key non-financial indicators

2.2.1 Production

All of the electricity generated by the Group comes from renewable sources: hydropower, wind power and solar PV, in the following regions:

Electricity production (GWh)						
Technology	Country	Region	30.06.2022	30.06.2021	30.06.2020	30.06.2019
Hydropower	Spain	Galicia	37.67	71.78	64.06	55.81
Hydropower	Guatemala	Quetzaltenango	11.51	11.80	10.39	8.54
Hydropower	All	All	49.17	83.58	74.45	64.35
Wind	Spain	Galicia	24.65	31.31	31.29	27.73
Wind	Spain	Canary Islands	62.36	62.62	34.15	32.81
Wind	All	All	87.00	93.93	65.44	60.54
Solar PV	Spain	Canary Islands	22.08	-	-	-
Solar PV	Honduras	Choluteca	12.05	12.23	13.39	13.46
Solar PV	All	All	34.58	12.23	13.39	13.46
All	All	All	170.75	189.74	153.28	138.35

Power in operation, by technology (MW)						
Technology	Country	Region	30.06.2022	30.06.2021	30.06.2020	30.06.2019
Hydropower	Spain	Galicia	38.3	38.3	38.3	38.2
Hydropower	Guatemala	Quetzaltenango	14.2	14.2	14.2	14.2
Hydropower	All	All	52.5	52.5	52.5	52.4
Wind	Spain	Galicia	21.0	21.0	21.0	21.0
Wind	Spain	Canary Islands	52.6	51.6	43.6	29.2
Wind	All	All	72.6	72.6	64.6	50.2
Solar PV	Spain	Canary Islands	29.4	29.4	-	-
Solar PV	Honduras	Choluteca	16.2	16.2	16.2	16.2
Solar PV	All	All	45.6	45.6	16.2	16.2
All	All	All	170.7	170.70	133.3	118.8

2.2.2 Environment

The essential principles that we have respected and taken on as our own include the preservation of surroundings, integration of the production facilities into the environment, respect for human rights and commitment to the communities in which the Group carries on its activities.

This commitment is also demonstrated in the long-term vision of each project and in the responsibility assumed vis-à-vis local communities and stakeholders. For this reason, the Group has always ensured, and will continue to ensure, the utmost respect towards both the natural and social surroundings of its projects, and it will continue to strive to protect the investments and the people involved in the performance of its activities

Based on these premises, the actions detailed below are included in the environmental sustainability plan:

- **Respect for natural environment:** The main objective is to ensure that the environment is cared for, guaranteeing respect and care for the natural surroundings and having the resources required to cause the lowest impact possible when performing activities. This commitment to natural surroundings is put into practice through various sustainability programs.
- **Sustainable water management:** Responsible and sustainable water management is a basic pillar of our environmental sustainability policy, for which purpose: (i) we conduct studies of minimum and environmental water flows, as well as water quality studies, once a year; (ii) we implement measures to improve consumption (implementation of water consumption measurement and control mechanisms at the headquarters and at the assets); and (iii) we ensure that water is returned to nature and to local communities.
- **Protection of biodiversity:** Examples of our commitment with biodiversity include most notably the following actions: (i) installation of monitoring equipment and infrared lighting at the new wind power assets, aimed at reducing the risk of bird collisions, and which cause wind turbines to stop when birds approach; (ii) signalling measures for flows of migratory birds; (iii) use of fish barrier and ladder systems at the new hydropower plants; (iv) installation of fire dampers to avoid fires at power facilities; and (v) reforestation processes.

2.2.3 Employees

The average number of Group employees in the six-month period ended 30 June 2022 and 2021, broken down by gender, is as follows:

	30.06.2022	30.06.2021
Male	87	46
Female	27	20
	114	66

The Group is included in collective bargaining agreements with workers' organisations in Spain, and Group management considers that the terms and conditions of these agreements are consistent with general industry practice. We believe that we enjoy satisfactory labour relations with our employees, and we have not experienced any major industrial disputes or work stoppages.

The Group's policy is to attract and retain qualified employees, for which purpose we have adopted competitive and attractive remuneration policies based on professional development, individual objectives and the Group's general performance.

3. Liquidity and capital resources

The main sources of financing for our projects are as follows:

- We have financed a significant portion of our portfolio with a Euros 130 million non-recourse senior green bond (composed of (i) Euros 39 million guaranteed

class A1 bonds bearing a 2.35% interest rate due 31 December 2040 and (ii) Euros 91 million guaranteed class A2 bonds bearing a 2.35% interest rate due 31 December 2040) to replace existing senior debt facilities, fund project related capital expenditures and corporate general purposes and pay any ancillary costs (the "Senior Bond"), which was subscribed by top-tier investors such as Manulife, Aviva or Schrodgers. As said, the issuance of the Senior Bond replaced our existing senior debt facilities allowing us to extend the maturity of our existing debt, reducing the financing cost of our operating projects in Spain and raising additional resources for financing equity of the projects under construction in the Canary Islands in 2021.

- We also use bank loans under non-recourse project finance structures to finance our long term our projects in Guatemala and Honduras with local banks and the construction of our projects in the Canary Islands.
- Finally, we are using an innovative financing structure in the Canary Islands which allows raising from private investors funds for 5 years bullet with a rate of 1%, who complete their profitability with specific tax profits available in Canary Islands.

Our main liquidity and capital requirements as of 30 June 2022, mainly related to our Senior Bond and non-recourse project finance from financial institutions are to finance project development and construction costs, current operations, working capital requirements and debt service obligations. Thus, we mainly focus in maintaining adequate financing flexibility by formalising short-term financing operations as well as maturities deferral when possible.

The Group also has liquidity constraints related to debt service requirements in connection with its existing and future debt. The Group's current and non-current financial liabilities amount to Euros 232,502 thousand at 30 June 2022 and Euros 209,838 thousand at 31 December 2021, representing 82.71% at 30 June 2022 and 84.35% at 31 December 2021 of our total liabilities as of such dates. The increase in financial liabilities at 31 December 2020 relates to three project finance transactions for the construction of three wind farms and twelve photovoltaic plants in Gran Canaria.

Following the IPO and with the issue and flotation of the new shares for a nominal amount of Euros 100 million, the Group has additional liquidity to finance the construction and running of new renewable energy facilities and to support the growth of our portfolio. As a normal part of our business and depending on market conditions, the Group will, from time to time, consider opportunities to repay, redeem, repurchase or refinance our debt.

The Group has historically financed its liquidity and capital requirements primarily through non-recourse project finance with financial institutions at a local and/or international level (comprising also development banking institutions) as well as multilateral collective investment entities or other innovative ways.

Changes in the Group's operating plants, lower than anticipated electricity sales, increased expenses or other events may cause to seek additional debt, equity or other financing in future periods.

In terms of our liquidity position, the cash flows from the Group's operations are the main source of cash financing for existing operations, capital expenditure, investments and interest and capital payment obligations. The Group also relies on external financing, including bonds or loans from financial institutions, as described above. The Group's general financing policy consists of managing its liquidity to ensure that the Group's maintain access to funds required for future obligations.

3.1 Financial obligations

The following table provides a breakdown of the current and non-current financial liabilities as of 30 June 2022 and 31 December 2021:

	(thousands of Euros)			
	30.06.2022		31.12.2021	
	Non-current	Current	Non-current	Current
Related parties				
Debts with related parties	-	1,806	-	180
Unrelated parties				
Debts and payables				
Bonds and other marketable securities	106,241	6,772	109,874	6,221
Loans and borrowings	81,331	3,364	62,215	8,408
Lease payables	9,742	318	7,142	277
Other financial liabilities	21,947	981	14,229	1,292
	219,261	13,241	193,460	16,378

Our main financial liability is our Senior Bond. The maturities of the nominal value of the bond, in thousands of euros and categorised separately for Class A1 and Class A2, are as follows:

Thousand Euros	2020	2021	2022	2023	2024	Subsequent years	Total
Class A1	1,650	1,977	1,926	2,472	2,796	28,179	39,000
Class A2	3,849	4,613	4,494	5,768	6,524	65,752	91,000
Total	5,499	6,590	6,420	8,240	9,320	93,931	130,000

The amounts and maturities of our Senior Bond, and of the bank loans arranged under non-recourse project finance structures to finance our projects in Guatemala, Honduras and Canary Islands with local banks, are subject to compliance with a number of financial and non-financial covenants that have been met to date.

3.2 Contractual obligations and off-balance sheet transactions

We have contingent liabilities relating to bank guarantees, surety certificates and other guarantees provided in the normal course of our operations. In the normal course of business, we are obliged to provide performance bonds in the form of bank or cash guarantees for the performance of projects, as well as surety certificates. At 30 June 2022 the amount provided by guarantees totals Euros 42,517 thousand (Euros 40,541 thousand at 31 December 2021).

4. Main risks and uncertainties

4.1. Operating risks

4.1.1 Regulatory risk

a) Regulatory changes

Electricity generation activity is regulated in all jurisdictions in which the Group operates. Therefore, regulation can have a direct impact on the Group's results.

The Group is subject to a variety of laws and regulations in the markets in which it operates, some of which may conflict with each other and all of which are subject to change. The Group operates in a variety of international locations, including emerging markets and markets with political uncertainties. Note 2.2.c of these half-yearly condensed consolidated interim financial statements at 30 June 2022 describes the main changes to the regulatory framework affecting the Group during the year.

b) Licenses, authorisations, concessions and permits

The Group is required to obtain various interconnection, environmental, construction and other administrative approvals in connection with its operations in the countries in which the Group's operate. Failure to comply with applicable laws, regulations or recognised international standards or to obtain or renew the necessary permits and approvals may result in the loss of the right to operate facilities or continue operations, the imposition of significant administrative liabilities or costly compliance procedures or other enforcement measures that could have the effect of closing or limiting production from the Group's operations, any of which could impair the ability to successfully compete in the industry, which could have a material adverse effect on our consolidated profit and loss account.

4.1.2 Operational risk

a) Project pipeline

Year-on-year changes in the size of our Pipeline or projects portfolio may have a significant impact on our results of operations. In general terms, the increase in the number of projects translates into a general increase in expenses in the Group's profit and loss account.

b) Significant upfront investments in our projects

Accomplishing the Group's Pipeline requires to make significant upfront investments, particularly in connection with costs associated with project analysis and feasibility studies, payments for land rights, payments for interconnection and grid connectivity arrangements, government permits, engineering and procurement of our renewable energy facilities, in addition to the personnel-hours dedicated by the Group's employees, which affect results of operations.

c) Risks related to normal operations in the course of business

The operational risk in the Group's activities is concentrated in the impossibility of generating electricity, or of completing the work of a solar photovoltaic, hydropower plants or wind farms. In order to minimise these risks, the Group conducts the following measures:

- Insurance: the vast majority of the aforementioned operational risks are capable of being insured. In this way, the Group has an insurance programme, contracted with insurers of recognised solvency, to adequately cover the risks related to the development of projects, both in the construction and assembly phase and in the operation of the plants. Adequate risk management and its appropriate transfer to the insurance market is one of the basic pillars of our policies. The Group's insurance program covers transportation, construction or assembly risks, anticipated loss of profits, civil liability, risks of material damage, machinery breakdowns and loss of operational profits and civil liability for contamination.

- Quality process: the Group develops adequate operation and maintenance processes so that those uninsurable events of interruption in electricity generation are minimal. Likewise, the Group has a criteria for spare parts aimed at a rapid resolution of production stoppages.

4.1.3 Risks due to customer concentration

The Group operates with Power Purchase Agreements (“PPAs”) for the sale of energy or with regulated remuneration schemes which, in many cases, has a main customer as the buyer of energy and with an established energy sale price. This high concentration of customers is mitigated by the fact that the contracts are long-term and oblige the buyer to purchase energy during that period, so the loss of future business will only be in cases of the buyer's insolvency, and not by commercial decisions.

Additionally, the Group generates the remaining income by selling electricity through merchant remuneration systems, therefore by selling the energy generated to the market.

4.2. Financial risks

Risks are managed by the Group's Central Treasury Department in accordance with policies approved by the board of directors. This department identifies, evaluates and mitigates financial risks in close collaboration with the Group's operational units.

4.2.1 Market risk

Market risk is the risk that changes in market prices (for example, exchange rates or interest rates) will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control exposure to such risks within acceptable parameters, while optimising profitability.

a) Interest rate risk

As the Group does not have a considerable amount of remunerated assets, income and cash flows from operating activities are not significantly affected by fluctuations in market interest rates.

Interest rate risk arises from non-current borrowings which, following the issuance of the Project Bond in 2020, has been mitigated as it is a fixed rate financing.

Therefore, income and cash flows from the Group's operating activities are mostly independent from fluctuations in market interest rates and consequently, given that the Group's indebtedness is at fixed interest rate, it is estimated that the interest rate risk is not significant.

b) Market price risk

The Group is exposed to the risk that volatility of the energy market implies on its gross operating margin. The energy market is an active market, in which prices are subject to certain volatility as a result of the interaction of supply and demand. This exposes the Group to the risk of compromising its gross operating margins.

The Group signs agreements with clients to ensure the sale price of the energy sold and its gross operating margins ("PPAs" and regulated remuneration schemes). These contracts allow the Group to secure the price of energy for a period. The Group's policy is that these agreements cover at least 70% of the income, being at the end of the year in a range higher than 80%.

Therefore, only those assets that are exposed to merchant remuneration schemes, mainly in the Canary Islands, are exposed to market price risk.

c) *Currency risk*

Currency risk is associated with future commercial transactions, recognised assets and liabilities, and net investments in foreign operations. The Group is exposed to the risk of transactional exchange rate to the extent that the Group carries out transactions in currencies other than the functional currencies of the different subsidiaries that comprise the Group. The main functional currency of the group companies is the euro.. Nonetheless, there are certain subsidiaries that operate with currencies other than the euro, especially the dollar, lempira and quetzal.

To reduce the risk inherent to investments in foreign businesses with a functional currency other than the euro, the Group tries to borrow in the same currency in which cash flows generated by the assets it finances. In addition, at the end of the years ended 30 June 2022, the Group has a "secured portfolio" which means that it has a balanced portfolio with diversified technology and geography, as well as 100% linked to hard currencies in relation to the contracts of the different remuneration schemes, mainly the dollar.

4.2.2 Credit risk

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each client. However, Management of the Group also consider factors that may influence the credit risk of the Group's customer base, including the risk of default associated with the industry and the country in which clients operate.

The objective of credit risk management is to reduce the impact of credit risk exposure as far as possible by means of the preventive assessment of the credit ratings of the Group's customers. When contracts are being performed, the credit quality of the outstanding amounts receivable is periodically evaluated and the estimated recoverable amounts of doubtful receivables are adjusted.

The Risk Management Committee has established a credit policy whereby each new customer is individually reviewed for creditworthiness prior to the standard credit period the Group grants to its customers. The Group's review includes external ratings, if available, financial statements, credit rating information, industry information and, in some cases, references.

The Group limits its exposure to the credit risk of commercial accounts receivable by establishing a payment term of 30 to 90 days for individual and corporate clients respectively.

Also, the Group maintains its cash and cash equivalents in highly-rated financial institutions.

For all these reasons, credit risk has historically been very limited.

4.2.3 Liquidity Risk

Liquidity risk is the risk that the Group could encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other assets. The Group's objective when managing liquidity is to ensure, as far as possible, that it has enough liquidity to meet its liabilities when they mature, without incurring unacceptable losses or risk of damage to the reputation of the Group.

The Group uses the cost of its activities to calculate the cost of its products and services, which helps monitoring cash flow requirements and optimise cash return on investments.

The Group applies a prudent policy to cover its liquidity risks based on having sufficient cash and marketable securities, as well as sufficient financing through credit facilities, to settle market positions. Due to the dynamic nature of the underlying businesses, the Group's Treasury Department aims to maintain sufficient headroom on its undrawn committed borrowing facilities.

5. Significant events after the reporting date

Subsequent to the close of the six-month period ended 30 June 2022 and up to the date of issue of this report, no significant events have taken place.

6. Outlook for the Group

In future periods, the Group will mainly seek to continue funding investments for the development and construction of the projects identified as part of the Pipeline.

Current outlook prospects are positioning the Group in a favourable position as indicated by current industry trends. In the medium and long term, electrical power is expected to exponentially gain market share and continue to evolve until becoming the largest energy provider, covering 49% of the world's energy demand.

Hence, we believe that we are in a good position to capitalise on the momentum of renewable energies given our experience in multiple technologies, our experience throughout the value chain, our diversified portfolio and investment opportunities, and our capacity to produce energy using hydropower, wind and solar PV technologies. We also believe that our Backlog (totalling 232), Advanced Development (totalling 294) and Early Stage (totalling 952) projects are indicators of the strength of our business, our capacity to expand our geographic footprint and our ability to generate operating revenue and visible cash flows in the near and medium term.

Based on the foregoing, our strategy in future periods, will be twofold:

- i. On the one hand, we will emphasise the creation of growth based on profitability and risk control through the development and commissioning of our current portfolio of assets, the current Pipeline and additional opportunities identified by our experienced team. This, mainly performed by means of the international expansion in markets without risk of instability of the electricity transmission or distribution network; and

- ii. Ensuring that this growth is sustainable from an environmental point of view and of integration in the communities in which the projects are developed.

7. R&D activities

The Group did not make any significant investments in research and development activities in 2022 and 2021. We use the best technologies, software and IT applications and we develop internal knowledge as a result of such use.

8. Acquisition and disposal of treasury shares

In 2022 the Parent company, Ecoener Group, entered into a liquidity contract with the aim of favouring the liquidity of transactions and the regularity of its share price. At 30 June 2022, the Parent company holds a total of 18,168 shares with a balance of Euros 110 thousand recorded under own shares in the consolidated statement of financial position.

9. Dividend policy

Our objective at Ecoener is to reinvest our cash flows from operations in developing long-term projects and increasing value for shareholders by executing the business plan. We do not expect to pay out dividends until 2024. Subsequently, the dividend policy will be reconsidered based on how our business outlook and financial performance evolve.

Our future dividend policy will depend on various factors, including our income and generation of cash flows, distributable profit, financial position, debt servicing obligations, cash requirements (including investment plans), compliance with obligations to be exceeded or not exceeded contained in the debt instrument agreements, future outlook, market conditions and other factors that may be considered relevant at the time. The Board of Directors shall be in charge of carrying out the dividend payment proposal, and the Annual General Meeting shall be in charge of approving it.