

**FLOENE**

DISTRIBUÍMOS ENERGÍAS DE FUTURO

**Hello, Future.  
Hello, Floene.**

**Management Report and Consolidated Accounts  
1<sup>st</sup> Half 2023**



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# 01

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Who we are



Management Report and Consolidated Accounts  
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# 01 Who we are

Floene Energias, S.A. (Floene) is the largest operator of the gas distribution network in Portugal, through the direct management and participation of nine Regional Gas Distribution Operators (DSO), located in 106 municipalities from the North to the South of the country.

FLOENE manages around 70% of the gas distribution network (medium and low pressure) in Portugal and is responsible for the operation, expansion and maintenance of one of the most modern and efficient networks in Europe, with more than 13,700 kilometers, mostly made up of polyethylene (94 percent) and with an average age of less than 16 years, which allows it to ensure a safe supply and high quality service, complying with all the criteria defined by ERSE and the sector's specific legislation.

The distribution operation of FLOENE Group companies is responsible for supplying more than 1.1 million residential, tertiary, and industrial Customers (out of a total of 1.6 million in Portugal) and for the distribution of 17 TWh of natural gas per year. We play an important role in the national energy landscape, with a geographical coverage that allows us to contribute to the effective improvement of the quality of the national energy system.

FLOENE Group operates in a regulated public service sector, with a consolidated regulated asset base ("RAB") of circa €1 billion as of June 30, 2023, and owns five regional gas distributors that operate under concession contracts (Lisboagás, Lusitaniagás, Setgás, Tagusgás and Beiragás), with a duration of 40 years, while the others (Duriensegás, Medigás, Dianagás and Paxgás) operate under licenses with a 20-year term.

The regulatory framework is defined by the Energy Services Regulatory Authority (ERSE), an independent entity responsible for regulating the gas and electricity sectors in Portugal.

With a legacy of 175 years of history, and after changing the shareholder structure in March 2021, the Group began a process of profound transformation, not only in terms of its identity and brand, but also by strengthening its internal skills and acquiring new skills, ensuring the maintenance of high performance and the successful management of its autonomization process from its previous majority shareholder, Galp.

Floene assumes a relevant role in Portugal's energy transition, as its gas infrastructure and the potential for distributing renewable gases represent a sustainable and cost-effective solution for decarbonisation. Our goal is to grow, create value and embrace the transformation and sustainable progress of the communities where we operate.

# 02

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First half highlights



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# 02 2023 First half Highlights

## 2.1. Financial Indicators

thousands of €	2023	First Half 2022	Δ	Δ%
EBITDA	56 713	52 861	3 852	7.3%
EBIT	32 150	28 752	3 398	11.8%
Financial results	(8 351)	(5 053)	(3 298)	65.3%
Net income	13 432	7 013	6 419	91.5%
Free cash flow <sup>1</sup>	23 016	49 318	(26 302)	(53.3%)
Net debt <sup>2</sup>	568 928	559 466	9 462	1.7%
Net fixed assets <sup>3</sup>	1 123 616	1 126 873	(3 257)	(0.3%)
CAPEX <sup>4</sup>	19 303	15 755	3 548	22.5%

<sup>1</sup> Cash flows from operating activities - Cash flows from investment activities

<sup>2</sup> Bank debt + Bond loans - Cash and equivalents

<sup>3</sup> Tangible assets + Intangible assets (excluding Goodwill)

<sup>4</sup> Capital expenditure considers the additions of the year of tangible and intangible assets

## 2.2. Operational Indicators

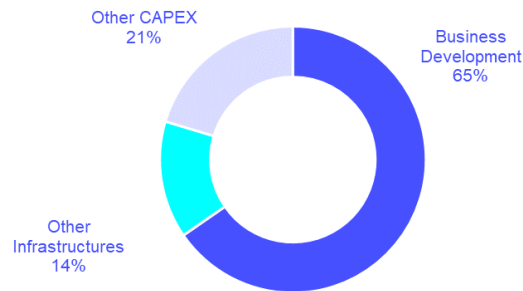
		2023	First Half 2022	Δ	Δ%
Connection points <sup>1</sup>	#	1 131 524	1 131 266	258	0.0%
Gas volume distributed	GWh	8 166	8 888	(722)	(8.1%)
Total network extension <sup>1</sup>	km	13 761	13 673	88	0.6%
Primary network	km	790	790	0	-
Secondary network	km	12 971	12 883	88	0.7%
Service lines	km	370 005	366 977	3 028	0.8%

<sup>1</sup> The values for 2022 report as of December 31

## 2.3. Investment and Volume of distributed gas

Investment in the first half of 2023 amounted to €19.3 million, up €3.5 million (22.5%) YoY. FLOENE continues to allocate approximately 65% of its investment to the expansion and optimization of the distribution network throughout the entire national territory. This expansion will be increasingly relevant to enable the injection of renewable gases into the gas network, such as biomethane and hydrogen, in the current context of an accelerated pace of energy transition and in line with the objectives of Portuguese energy policy, namely the PNEC 2030.

In the first half, 88 km of gas distribution network were built, reaching a total length of 13,761 km, and another 3,028 service lines, ensuring their interconnection to this modern infrastructure to over 258 new industrial and residential consumption sites (net growth), promoting greater equity and national cohesion.



The volume of natural gas distributed in the network stood at 8,166 GWh, recording a reduction of 8.1% YoY, mainly impacted by the decrease in the industrial segment (-8.4%), following the high prices registered in the market.

#### 2.4. Developments in the infrastructure decarbonization process - *The Natural Energy of Hydrogen*

The pilot project of injecting green hydrogen in the gas network in Seixal – *The Natural Energy of Hydrogen* - was formally inaugurated on March 7, 2023, with the presence of the Portuguese Prime Minister and the Minister for the Environment and Climate Action, among other entities. At the end of the first half of 2023, the injection of hydrogen into this network reached around 12%vol.

#### 2.5. Regulatory framework – New tariffs for the period 2024-2027

On 1st June, ERSE approved and published the document "Tariffs and gas prices for the 2023-2024 gas year", which includes the tariffs for access to the distribution networks, as well as the prices of regulated services to be in force between October 1, 2023, and September 30, 2024.

The document "Parameters for the regulatory period 2024 to 2027" was also approved and published, with the new parameters to be applied in the new regulatory period, which confirms the continuity of the current regulatory framework that will start on January 1, 2024, until December 2027. The remuneration model for regulated assets and the "price-cap" applied to OPEX are maintained, essentially updating the limits of the base remuneration rate between 3.5% and 7.8%, and a reduction of efficiency factors.

We highlight the increase in asset remuneration rates in the 2023-2024 gas year, in line with the evolution of the macroeconomic and financial context, which materializes in the evolution of the Portuguese Bond Yields, and has an impact on the remuneration of distribution assets. Thus, the reference RoR for the calendar year 2023 published by ERSE stood at 5.89%. The calculation of the RoR is carried out based on an average of the yields of the 10-year bonds issued by the Portuguese State.

When calculating Allowed Revenue for the first half of 2023, FLOENE's regulated companies considered a RoR of 5.87%, which compares with the RoR of 4.70% applied in the first half of the previous year. In terms of tariffs, with an impact on



Cash Flow, the RoR applied in the first half of 2023 was 5.05%, which compares with 4.70% in the same period of last year.

## 2.6. Completion of the refinancing process

At the beginning of March 2023, the Company completed a partial repurchase transaction of its EMTN bond in the amount of €180 million. This transaction was financed through a bank syndicate, with a variable interest rate indexed to Euribor and a contracted spread. Following this transaction, Floene was left with €420 million of its fixed-rate EMTN bond.

At the end of June 2023, FLOENE issued a € 420 million bond, for a 5-year period, maturing in July 2028 and with a coupon of 4.875%, listed on Euronext Dublin. This transaction was successfully completed in a market environment with high volatility and global interest rate increases. The increase in the interest rate is partially mitigated by the revision of the remuneration rate of the regulated assets.

The refinancing process, concluded on July 3<sup>rd</sup>, reduces the company's financial risk, enabling a greater diversification of funding sources, maturities, and interest rate profiles, with approximately 40% of debt at floating rate and 60% at fixed rate.

With this transaction, FLOENE reinforced its commitment to maintaining an Investment Grade credit profile, reaffirmed at the beginning of June by S&P, at 'BBB-', with a stable Outlook.

## 2.7. Governance and Risk Management

Aligned with FLOENE's internal transformation process, management has given increasing importance to the improvement of its governance structure, with the approval of a new Internal Audit Department, an independent organ responsible for supervising and evaluating the efficiency and effectiveness of the internal control system and risk management process.

During the first semester, and as a fundamental element of support to the internal control system and integration of ESG criteria, the review and development of a set of policies, standards and procedures continued. Additionally, a review of the mapping of core processes within the scope of the Environmental, Quality and Safety Management System, goals and objectives is underway, ensuring continuous improvement and its implementation in accordance with applicable legislation, regulations and ethical principles.

# 03

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Financial performance



Management Report and Consolidated  
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# 03 Financial Performance

## 3.1 Consolidated results

thousands of €	2023	First Half 2022	Δ	Δ%
Turnover	82 367	77 114	5 253	6.8%
Net operating costs	(25 654)	(24 253)	(1 400)	5.8%
<b>EBITDA</b>	<b>56 713</b>	<b>52 861</b>	<b>3 852</b>	<b>7.3%</b>
Amortisation, depreciation and impairment <sup>1</sup>	(24 467)	(24 014)	(453)	1.9%
Provisions	(96)	(95)	(1)	1.0%
<b>EBIT</b>	<b>32 150</b>	<b>28 752</b>	<b>3 398</b>	<b>11.8%</b>
Financial results <sup>1</sup>	(8 351)	(5 053)	(3 299)	65.3%
<b>Profit before tax</b>	<b>23 798</b>	<b>23 699</b>	<b>99</b>	<b>0.4%</b>
Taxes	(6 027)	(6 253)	226	(3.6%)
Energy sector extraordinary contribution	(3 859)	(10 131)	6 272	(61.9%)
<b>Consolidated net income</b>	<b>13 912</b>	<b>7 315</b>	<b>6 597</b>	<b>90.2%</b>
Non-controlling interests	(480)	(302)	(177)	58.6%
<b>Net income to FLOENE</b>	<b>13 432</b>	<b>7 013</b>	<b>6 420</b>	<b>91.5%</b>

<sup>1</sup> Includes IFRS 16

In the first half of 2023, turnover amounted €82.4 million, an increase of 6.8% compared to the previous year (YoY). This evolution is mostly explained by the increase in Allowed Revenues, of 9.3% YoY, which amounted to €77.2 million, driven by the evolution of the remuneration rate (RoR) from 4.70% to 5.87%.

Net operating costs, excluding the pass-through effect, were €25.7 million, an increase of 5.8%, reflecting the inflation impact on the price of some services and materials and the integration of costs with ongoing projects, namely internal reorganization, necessary to reinforce independence from the previous shareholder.

EBITDA was €56.7 million, an increase of €3.9 million YoY (7.3%), mainly explained with the positive evolution of RoR, of approximately €6.0 million, as mentioned above.

EBIT was €32.2 million, an increase of 11.8% YoY.

Financial results were negative by €8.4 million, reflecting the increase in costs related to the negotiation of a credit line in the bond format (Backstop Facility) and with the partial repurchase transaction in the amount of €180 million, which became financed through a banking syndicate, with a variable interest rate indexed to the Euribor rate and a contracted spread.

FLOENE's net income, in the first 6 months of 2023, amounted to €13.4 million, an increase of €6.4 million (+91.5%) when compared to the same period of the previous year. This evolution is explained by the reduction of the provision by €6.7 million on the Extraordinary Contribution on the Energy Sector (CESE) following decisions of the Constitutional Court, judging this tax unconstitutional for the year 2018, favorable to companies of the Lisboagás and Paxgás Groups, and the decision of the Central Administrative Court in favor of the Setgás Group company for the same year. However, CESE continues to have a significant impact on the result (€10.4 million corresponding to CESE for the year 2023, fully registered at the beginning of the year to which it reports), as in previous years.

### 3.2 Cash flow

	2023	2022	Δ	Δ%
Cash flows from operating activities	44 407	62 480	(18 073)	(28.9%)
Cash flows from investing activities	(21 391)	(13 162)	(8 229)	62.5%
<b>Free Cash Flow</b>	<b>23 016</b>	<b>49 318</b>	<b>(26 302)</b>	<b>(53.3%)</b>
Loans obtained net of repayments	(521)	(521)	0	(0.0%)
Net financial expenses <sup>(1)</sup>	(5 556)	(902)	(4 654)	516.0%
<b>Net cash flow</b>	<b>16 939</b>	<b>47 895</b>	<b>(30 956)</b>	<b>(64.6%)</b>
<b>Cash and equivalents at the end of the period</b>	<b>104 462</b>	<b>115 379</b>	<b>(10 917)</b>	<b>(9.5%)</b>

<sup>1</sup> Includes payments of interests, similar costs, lease payments and lease interest (IFRS 16)

In the first 6 months of 2023, operating cash flow amounted to €44.4 million, a decrease of 28.9% YoY, reflecting, on the one hand, the reduction in customer receipts of circa €9.1 million due to lower distributed volumes of gas, not offset by the average increase in tariffs of 2.2%, and, on the other hand, the increase in payments to suppliers and the adjustment to income tax for the previous year.

Free Cash Flow was €23.0 million, a decrease of €26.3 million, explained by the reduction in cash flow from operating activities by €18.0 million and the realization of the investment which increased by €8.2 million compared to the same period of the previous year.

The payment of net financial charges increased YoY to €5.6 million, following the debt refinancing, which implied an increase interest payment in the first half compared to the same previous period and an increase in debt service, marked by the worsening of financial market conditions due to macroeconomic conditions.

Cash and equivalents at the end of the period was €104.5 million.

### 3.3 Financial situation

thousands of €	30 Jun.2022	31 Dec.2021	Var. vs 31 Dec.2021
Net fixed assets	1 123 616	1 128 174	(4 559)
Active use rights (IFRS 16)	10 787	11 078	(291)
Working capital <sup>1</sup>	23 243	22 313	930
Subsidies to investment	(193 823)	(197 489)	3 666
Other non-current assets (liabilities)	(114 581)	(112 123)	(2 458)
<b>Capital employed</b>	<b>849 242</b>	<b>851 954</b>	<b>(2 712)</b>
<b>Total debt</b>	<b>673 420</b>	<b>673 379</b>	<b>41</b>
Cash and equivalents	104 492	87 523	16 968
<b>Net Debt</b>	<b>568 928</b>	<b>585 856</b>	<b>(16 928)</b>
<b>Leases (IFRS 16)</b>	<b>11 479</b>	<b>11 720</b>	<b>(241)</b>
<b>Equity</b>	<b>268 836</b>	<b>254 378</b>	<b>14 457</b>
<b>Total equity and net debt</b>	<b>849 242</b>	<b>851 954</b>	<b>(2 712)</b>
<b>Net Debt to equity</b>	<b>2.1x</b>	<b>2.3x</b>	<b>-</b>

<sup>1</sup> Working capital = Current assets-Current liabilities (excluding cash and equivalents, short-term debt, short-term leases and short-term subsidies)

As at 30 June 2023, net fixed assets were €1,123.6 million, a reduction of €4.6 million YoY, reflecting the increase in depreciation, not offset by the increase in investment.

At the end of the first half, working capital amounted to €23.3 million, namely related to the payment of subsoil occupation taxes to be recovered in the short term.

The tariff receivable deviation to be recovered, from regulated distribution and pass-through activities, stood at €32.1 million.

Net debt decreased to €569.0 million compared to December 2022, showing a reduction of €17.0 million, supported by the liquidity registered at the end of this period.

### 3.4 Financial ratios

Under the EMTN Programme (Euro Medium Term Note) issued by FLOENE on september 2016, financial covenants were defined (“Financial Covenants”), which represent a protection for its Creditors. These ratios have two limits, one in the form of lock-up of dividends distribution and the other in the form of event of default.

The net debt to EBITDA ratio standing at 5.1x and the debt service coverage ratio at 2.8x, allows compliance with defined financial ratios within a comfortable headroom.

	First Half	Lock-up	Default
	2023	Limits	
Net Debt <sup>1</sup> / EBITDA <sup>2</sup>	5.1x	> 6.5x	> 7.0x
Debt Service Coverage Ratio <sup>3</sup>	2.8x	< 2.0x	< 1.5x

<sup>1</sup> Bank Loan + Bond (including Origination Fess) + Accrued Interest - Cash and equivalents

<sup>2</sup> EBITDA + provisions as of June 30, 2022, annualized on a straight-line basis

<sup>3</sup> (Cash Flow from Operating Activity - CAPEX Payments) annualized/ Interest Service annualized

04

ESG performance



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# 04 ESG Performance

## 4.1 Our strategic position in the energy transition

Floene sees the energy transition as an opportunity to promote the optimization of the National Gas System infrastructure. In this context, Floene continues to develop a set of initiatives aimed at accelerating the introduction of renewable gases into the gas distribution network, thus consolidating the entire process of achieving, in the networks where it operates, the renewable gas injection goals.

Our ambition is to be a critical enabler for a fair energy transition, promoting partnerships and improving national literacy and education in renewable gases. In a context of energy crisis, the investment in endogenous energies with strong decarbonization potential that ensure flexibility, resilience, and security in energy supply has never been so important.

We believe that the classic model of centralized production and distribution of energy will increasingly give way to a decentralized model, that will promote the use of renewable or low-carbon gases, contributing to an effective decarbonization.

The development of renewable gas production will also be a factor of territorial cohesion, contributing to the economic and social growth in all regions of our country. The growing number of requests for injection into the grid received by Floene in recent months illustrates the potential of local operators to promote this transition to renewable gases. To be able to respond to this new paradigm, it is therefore essential for the distribution network to reach these potential biomethane and green hydrogen producers who are spread from the north to the south of our country.

### Information requests – injection of renewable gases into the grid

	2023	Dec. 31, 2022 <sup>(1)</sup>	Δ	Δ%
Hydrogen	103	72	31	43.1%
Biomethane	15	11	4	36.4%
<b>Total</b>	<b>118</b>	<b>83</b>	<b>35</b>	<b>42.2%</b>

<sup>1</sup> Cumulated requests until 2022



## 4.2 Our projects

We are developing several pilot projects with renewable gases, namely the injection of green hydrogen into the gas grid. These projects involve various partnerships and multiple stakeholders (including local producers, municipalities, industrial associations, academy, etc.).

- Roadmap for the Introduction of Renewable Gases in Industry – [Indústrias de Futuro](#)

Started in 2022 and lasting 24 months, this is a pioneer project in Portugal. This roadmap aims to boost the decarbonization of the national economy through renewable gases in the industry, with a special focus on hydrogen. During the first half of 2023, three workshops took place in the cities of Coimbra, Aveiro and Torres Vedras. The main goal is to build synergies at the local and regional levels, support and develop diagnosis of energy needs from hard to abate industries and continue to promote the impact of renewable gases on the decarbonization and development of the Portuguese economy.

- [Natural Energy of Hydrogen](#) (initially known as Green Pipeline Project)

This is the first project in Portugal of green hydrogen (H<sub>2</sub>) injection into the natural gas grid. This initiative, which covers around 80 customers, mostly residential, started hydrogen injection (2 to 5%vol.) in 2022, with the ambition to reach a maximum of 20%vol. During the first half of 2023, hydrogen injection reached around 12%vol.

This site was formally inaugurated on March 7, 2023, with the presence of the Prime Minister and the Minister for the Environment and Climate Action, among other entities.

## 4.3 Our sustainability approach

Our approach focuses on the materialization of our purpose. All stages are essential for creating value in the four most relevant axes for our stakeholders and in alignment with our purpose.

The structure of our positioning demonstrates the correlation between our strategic axes and the values that drive us as a company. Each of the 4 axes groups the material sustainability topics addressed and valued by our stakeholders, accompanied by commitments, objectives, goals, and initiatives that materialize them.

- Strategic axes valued by Floene and stakeholders



#### 4.4 Alignment with SDG and Sustainability Agenda

During the first half of 2023, we promoted the maintenance of our ESG performance, through the monitoring of the initiatives planned in Floene Sustainability Agenda. Our activity contributes to the sustainable development goals (SDG), where we distinguish SDG 4 and SDG 17 that will allow us to highlight our performance as an enabler of the energy transition, promoting partnerships and improving literacy and national education in the renewable gases field. These are the commitments tracked and monitored during the 1st half of 2023 and which constitute the Sustainability Agenda:

Axes	SDG	Description	Commitments
<b>Governance</b>		Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> <li>Promote a culture of ethics and compliance.</li> <li>Ensure legal compliance of our processes, operations, policies, and internal regulations.</li> </ul>
		Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	<ul style="list-style-type: none"> <li>Foster close relationships with the local community.</li> <li>Strengthen the literacy on renewable gases.</li> </ul>
<b>Planet</b>		Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> <li>Contribute to improving energy efficiency.</li> <li>Mitigate climate change by reducing operational carbon emissions.</li> </ul>
		Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> <li>Ensure transparent and integrity-based relationships with suppliers, incorporating ESG criteria.</li> </ul>
<b>People</b>		Ensure access to quality health care and promote well-being for all	<ul style="list-style-type: none"> <li>Promote the safety, health, and well-being of employees.</li> <li>Foster employee engagement and development.</li> </ul>
		Achieve gender equality	<ul style="list-style-type: none"> <li>Promote a culture and organizational climate that attract and retain talent.</li> <li>Promote a culture of equality, diversity, and inclusion, ensuring equal opportunities throughout the organization.</li> </ul>

Axes	SDG	Description	Commitments
Prosperity		Ensure access to affordable, reliable, sustainable and modern energy for all	
		Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> <li>Contribute to a low-carbon economy - Facilitation of the renewable gas market and the decarbonization and decentralization of the economy.</li> <li>Promote the financial sustainability of the company.</li> </ul>
		Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> <li>Foster a culture of innovation within the company.</li> <li>Promote technological capacity building, development of solutions aligned with sustainability challenges, and foster knowledge networks and partnerships.</li> </ul>
		Reduce inequality within and among countries	<ul style="list-style-type: none"> <li>Ensure the quality and supply of our service.</li> <li>Develop a customer-centric culture, exceeding their needs and expectations.</li> </ul>
		Make cities and human settlements inclusive, safe, resilient and sustainable	

Concerning the performance in the first half of 2023, we highlight the following indicators:

- Short-term decarbonization plan – scope 1 and scope 2 emissions

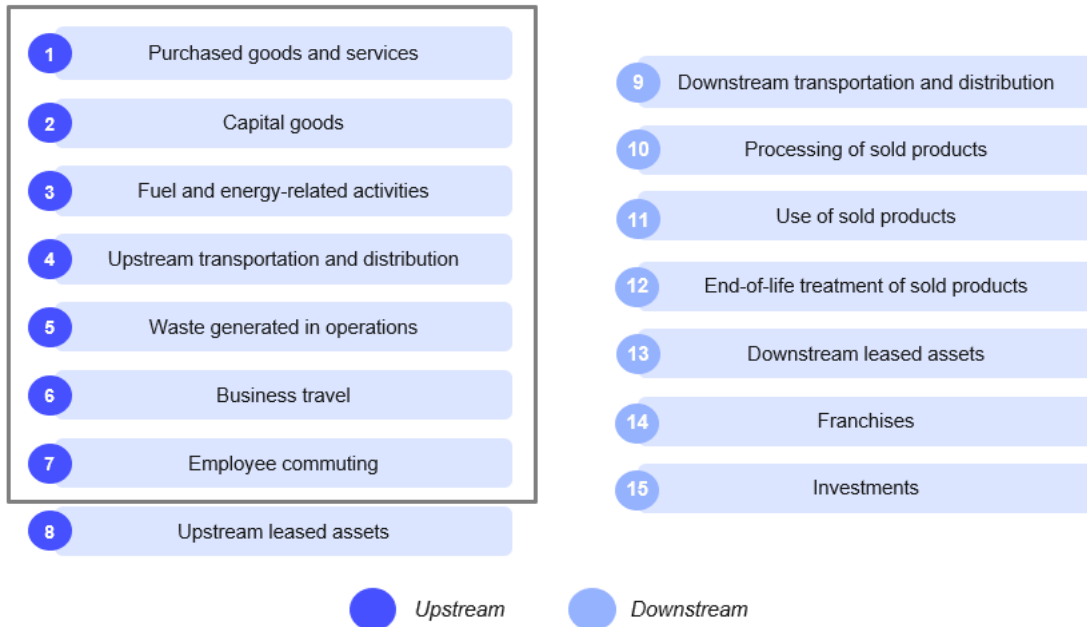
According to the short-term decarbonization plan established at Floene, there is a target of reducing emissions by 25% by 2025 compared to 2020 values. This plan includes several operational initiatives in terms of replacing the fleet with hybrid vehicles, electricity consumption of renewable source, reduction of leaks in the network, among others. In the 1st half of 2023, compared to the base year of 2020 (1st half), there was a reduction of around 5% in scope 1+2 emissions.

- Carbon footprint – scope 3 emissions

Within the scope of the Sustainability Agenda, knowledge of our company's Carbon Footprint is one of our priorities, believing that this knowledge will lead to an evolution in the way we look at the value chain and in our relationship with our stakeholders in the decarbonization journey.

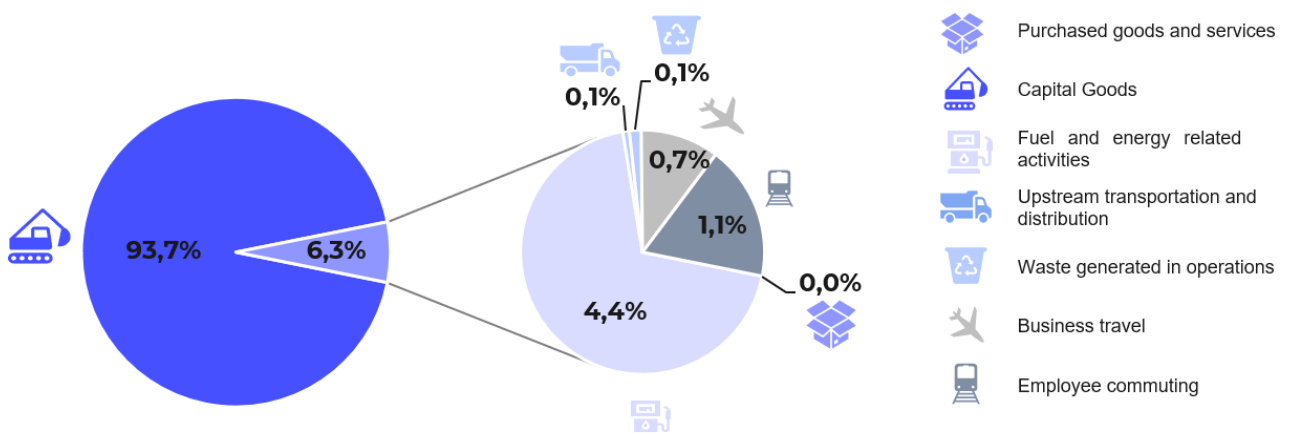
During the 1st half of 2023, a first iteration was carried out to calculate Scope 3 emissions at Floene, covering the nine DSOs and based on the approved methodology of the GHG protocol. Based on the categories considered as material for this first exercise, it was possible to obtain an estimate of emissions from the value chain with a high use of specific factors

to our activity. The choice of categories to be included in the calculation of Floene's scope 3 emissions was based on Floene's business model and the benchmark to the emissions reporting carried out by some companies that operate in the same sector.



### Carbon Footprint Scope 3 Floene 2022

**10.7 ktCO<sub>2</sub>e**



This first iteration of Floene's scope 3 emissions identified 10,657 tCO<sub>2</sub>e in 2022. Around 94% of emissions come from fixed assets, due to the construction and maintenance of the gas distribution network, which is one of the main costs related with Floene's activity.

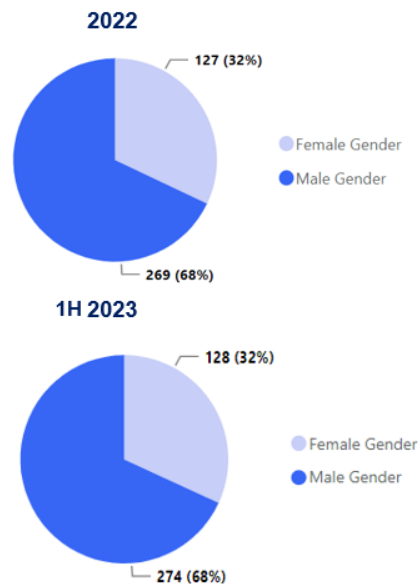
During the coming months, important steps will be taken in the presentation of results and challenges, as well as in the interaction with our stakeholders, namely in the supply chain, which will allow us to obtain specific activity data, adequate to the services and products provided, as well as preparing the integration of new categories for estimating emissions.

- Social indicators

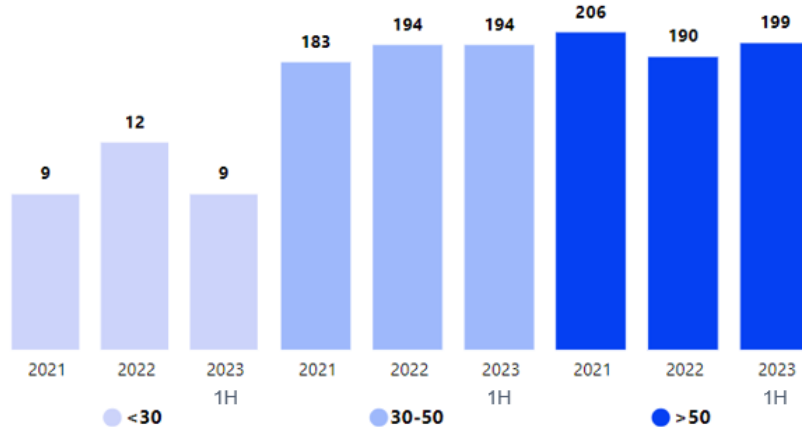
### Number



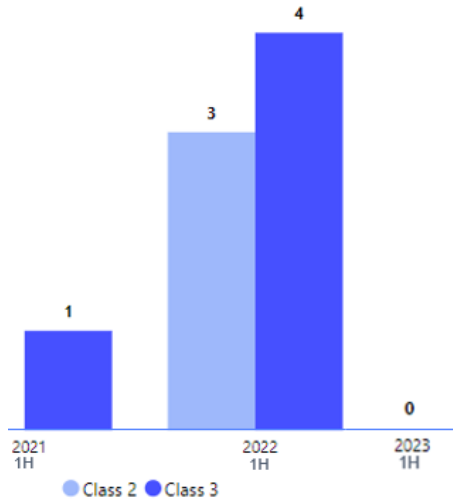
### Gender



### Age

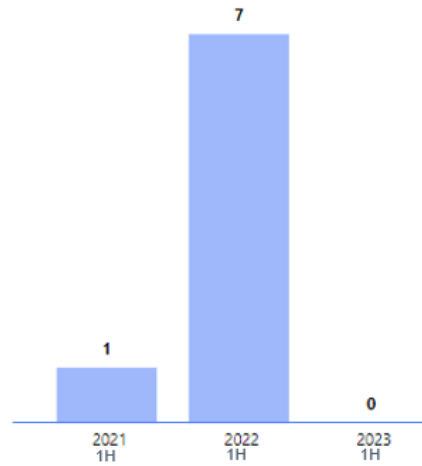


### Personal accidents per class (number)

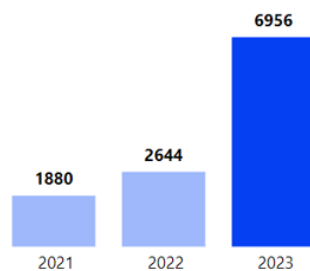


Class 2: accident with medical intervention or work restriction;  
Class 3: accident with work leave or with multiple injured (>5)

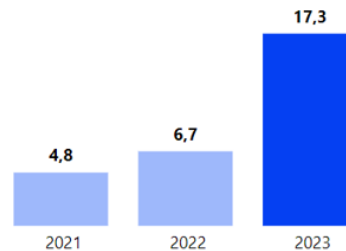
### Total Personal accidents (number)



### Total training hours 1H (#)



### Training hours per employee 1H (h/empl.)



## 4.5 Governance and Risk management

Floene adopts a dynamic and comprehensive Risk Management methodology, which encompasses a set of risk identification, assessment, treatment and monitoring activities, involving the Executive Committee, the Risk Management area and those responsible for risk mitigation action plans.

During the first half of 2023, two Internal Control and Risk committees were held, whose mission is to support the Board of Directors and the Executive Committee in monitoring the risks of Floene group, ensuring the enforcement of the risk management policy, with the aim of reducing the likelihood of risk occurrence or limiting its impact.

The main risks and uncertainties identified in the first half of 2023, arising from the nature of FLOENE's activity and the current context, are as follows:

- regulatory changes and legal framework,
- the refinancing process of the company's current bond issuance, and
- information systems and cybersecurity.

The company does not expect these risks to change over the next six months. However, at the end of the first half, the Company recorded a reduction in the risk associated with regulatory changes, with the publication by ERSE on June 1, 2023, as mentioned above, of the document “Regulation parameters for the period from 2024 to 2027” which confirms the continuity of the current regulatory framework that will start on January 1, 2024, until December 2027. This document maintains the remuneration model for regulated assets and the “price-cap” applied to OPEX, basically having updated the limits variation in the base remuneration rate between 3.5% and 7.8%, and reduction of efficiency factors.

Regarding the risk related to the refinancing process, and as referred to in point 2.6, this was substantially reduced with the successful completion of the bond repurchased in March and the issuance of a 5-year bond loan in the amount of €420 million in international market in June. As already mentioned, this issue allows the repayment of its previous loan maturing in September 2023, thus minimizing the Company’s financial risk, also allowing for greater diversification of its funding sources, maturities and interest rate profile, with approximately 40% of debt at variable rates and 60% at fixed rates.

Regarding liquidity risk, as of June 30, 2023, FLOENE has €104.5 million in cash and cash equivalents, as well as €440.0 million in available and unused credit lines, making a total amount of €544.5 million, showing a solid and sufficient liquidity position to satisfy all its current liabilities.



# 05

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Relevant facts occurring after the close  
of the first half



Management Report and Consolidated Accounts  
1st Half 2023

# 05 Relevant facts occurring after the close of the first half of 2023

On July 3, the Company completed the EMTN refinancing process, with the issuance of a 5-year bond loan in the amount of €420 million, admitted to trading on the regulated market of Euronext Dublin, with maturity in July 2028 and a coupon of 4.875%. The new bond loan will make it possible to repay the bond loan contracted in 2016, due in September 2023.



Lisbon, July 26, 2023

### The Board of Directors

---

Diogo da Silveira  
Chairman

---

Karl Klaus Liebel  
Member

---

Roxana Tataru  
Member

---

Ippei Kojima  
Member

---

Nuno Luís Mendes Holbech Bastos  
Member

---

Gabriel Nuno Charrua de Sousa  
Member

---

Satoshi Kanomata  
Member

---

Pedro Álvaro de Brito Gomes Doutel  
Member

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Miguel Faria  
Member

# Annexes



**Management Report and Consolidated Accounts**  
**1st Half 2023**



# Annexes

## Annex I – Governing Bodies

The composition of the governing bodies of Floene Energias, S.A. as at 30 June 2023, is as follows:

### Board of the General Meeting

Pedro Schiappa Pietra Ferreira Cabral <sup>(1)</sup>, Chairman  
Rafael de Almeida Garrett Lucas Pires, Secretary

### Company Secretary

Pedro Maria Soares Cruz Teles Feio, Effective  
Ana Trouillet Pessoa, Alternate

### Board of Directors

Diogo António Rodrigues da Silveira, Chairman  
Karl Klaus Liebel, Member  
Roxana Tataru, Member  
Ippei Kojima, Member  
Nuno Luís Mendes Holbech Bastos, Member  
Gabriel Nuno Charrua de Sousa, Member (CEO)  
Satoshi Kanomata <sup>(2)</sup>, Member (CSO)  
Pedro Álvaro de Brito Gomes Doutel, Member (CFO)  
Carlos Miguel Faria da Silva <sup>(3)</sup>, Member (COO)

### Executive Committee

Gabriel Nuno Charrua de Sousa, CEO  
Satoshi Kanomata <sup>(2)</sup>, CSO  
Pedro Álvaro de Brito Gomes Doutel, CFO  
Carlos Miguel Faria da Silva <sup>(3)</sup>, COO

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(1) Annual General Meeting of Shareholders of April 28, 2023

(2) Shareholders Unanimous written resolution of May 22, 2023

(3) Shareholders Unanimous written resolution of May 22, 2023



## Audit Board

Pedro Miguel Ribeiro de Almeida Fontes Falcão, Chairman  
 Manuel Lázaro Oliveira de Brito, Member  
 José Carlos Carvalho Brites, Member  
 Amável Alberto Freixo Calhau, Alternate Member

## Statutory Auditor

PricewaterhouseCoopers & Associados – SROC, Lda., represented by:  
 Rita da Silva Gonçalves dos Santos, ROC n.º 1681, Effective  
 José Manuel Henriques Bernardo, ROC n.º 903, Alternate

## Annex II – Mandatory Statements

### A. Shareholders with qualifying holdings as at 30 June 2023

Shareholders	No. of Shares	Nominal Value	%
Allianz Infrastructure Luxembourg II S.à r.l.	40 743 759	1.00 EUR	45,51%
Allianz European Infrastructure Acquisition Holding S.à r.l.	26 412 050	1.00 EUR	29,50%
Meet Europe Natural Gas, Lda.	20 144 057	1.00 EUR	22,50%
Petrogal, S.A.	2 229 275	1.00 EUR	2,49%
<b>Total</b>	<b>89 529 141</b>	<b>1,00 EUR</b>	<b>100,00%</b>

### B. Share ownership as at 30 June 2023 by current members of the Board of Directors and the supervisory bodies

(Article 447 no. 5 of the Commercial Companies Code)

As at 30 June 2023, none of the members of the Board of Directors and Audit Board held shares or bonds issued by FLOENE.

### C. Main transactions between related parties carried out in the first half of 2023

During the first half of 2023 there were no relevant transactions between FLOENE related parties that had a significant impact on its financial situation or respective performance, nor that had an impact on the information included in the annual report concerning the financial year 2022, during the first 6 months of the financial year 2023.



## Annex III – Statement of compliance of the information presented

### STATEMENT OF COMPLIANCE OF THE BOARD OF DIRECTORS

In accordance with the applicable reporting principles applicable for the interim financial reporting, each member of the FLOENE Board of Directors below declares that, to the best of their knowledge, the information presented in the condensed consolidated financial statements concerning the first half of the financial year 2023 was prepared in accordance with the applicable accounting standards, giving a true and fair value of the assets and liabilities, financial position and results of FLOENE and the companies included in the perimeter consolidation, and that the interim management report for the first half of the year 2023 faithfully describes the main events that occurred during the period to which it refers and the impact on the respective financial statements, as well as a description of the main risks and uncertainties for the next six months.

Lisbon, July 26, 2023

#### The Board of Directors

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Diogo da Silveira  
Chairman

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Karl Klaus Liebel  
Member

---

Roxana Tataru  
Member

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Ippei Kojima  
Member

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Nuno Luís Mendes Holbech Bastos  
Member

---

Gabriel Nuno Charrua de Sousa  
Member

---

Satoshi Kanomata  
Member

---

Pedro Álvaro de Brito Gomes Doutel  
Member

---

Miguel Faria  
Member



## STATEMENT OF COMPLIANCE OF THE AUDIT BOARD

Within the scope of the exercise of duties of the members of Audit Board of FLOENE Energias, S.A. and in accordance with the applicable reporting principles applicable for the interim financial reporting, each member of the Audit Board below declares that, to the best of their knowledge, the information presented in the condensed consolidated financial statements concerning the first half of the financial year 2023 was prepared in accordance with the applicable accounting standards, giving a true and fair value of the assets and liabilities, financial position and results of the Company and the companies included in the consolidation perimeter, and that the interim management report for the first half of the year 2023 faithfully describes the main events that occurred during the period to which it refers and the impact on the respective financial statements, as well as a description of the main risks and uncertainties for the second half of the year.

Lisbon, July 28, 2023

### The Audit Board

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Pedro Fontes Falcão  
Chairman

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José Carlos Carvalho Brites  
Member

---

Manuel Lázaro Oliveira de Brito  
Member





## Annex IV – Condensed consolidated financial statements as at June 30, 2023

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## Condensed consolidated statement of financial position

Floene Energias, S.A.

Condensed consolidated statement of financial position as at 30 June 2023 and 31 December 2022  
(Amounts stated in thousand Euros - € k)

Assets	Notes	June 2023	December 2022
<b>Non-current assets:</b>			
Tangible assets	4	435	445
Intangible assets and Goodwill	5	1 125 456	1 130 004
Rights-of-use of assets	6	10 787	11 078
Deferred tax assets	12	14 190	14 364
Other receivables	8	20 064	20 055
Other financial assets		3	3
<b>Total non-current assets:</b>		<b>1 170 936</b>	<b>1 175 950</b>
<b>Current assets:</b>			
Inventories	7	1 352	1 200
Trade receivables	8	11 079	9 260
Other receivables	8	67 920	62 025
Cash and cash equivalents	9	104 492	87 523
<b>Total current assets:</b>		<b>184 843</b>	<b>160 009</b>
<b>Total assets:</b>		<b>1 355 779</b>	<b>1 335 959</b>
Equity and Liabilities	Notes	June 2023	December 2022
<b>Equity:</b>			
Share capital		89 529	89 529
Ancillary capital contributions		19 516	19 516
Reserves		13 223	13 037
Retained earnings		125 054	111 206
<b>Total equity attributable to shareholders:</b>		<b>247 322</b>	<b>233 289</b>
Non-controlling interests	15	21 513	21 089
<b>Total equity:</b>		<b>268 836</b>	<b>254 378</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Financial debt	10	253 870	72 337
Lease liabilities	6	10 303	10 610
Other payables	11	191 750	190 144
Post-employment and other employee benefit liabilities	13	46 166	47 130
Deferred tax liabilities	12	18 348	18 755
Provisions	14	84 895	81 069
<b>Total non-current liabilities:</b>		<b>605 332</b>	<b>420 046</b>
<b>Current liabilities:</b>			
Financial debt	10	419 550	601 042
Lease liabilities	6	1 176	1 110
Trade payables	11	11 109	8 445
Other payables	11	43 563	47 381
Current income tax payable	12	6 215	3 557
<b>Total current liabilities:</b>		<b>481 611</b>	<b>661 535</b>
<b>Total liabilities:</b>		<b>1 086 943</b>	<b>1 081 581</b>
<b>Total equity and liabilities:</b>		<b>1 355 779</b>	<b>1 335 959</b>

The accompanying notes form an integral part of the condensed consolidated statement of financial position and must be read in conjunction.



## Condensed consolidated statement of income and other comprehensive income

### Floene Energias, S.A.

Condensed consolidated statement of income and other comprehensive income for the six-month periods ended 30 June 2023 and 30 June 2022

(Amounts stated in thousand Euros - € k)

	Notes	June 2023	June 2022
Sales	16	2 896	1 820
Services rendered	16	79 472	75 294
Other operating income	16	22 331	20 163
Financial income	16 and 18	1 668	27
<b>Total revenue and income:</b>		<b>106 366</b>	<b>97 304</b>
Cost of sales	17	(2 312)	(1 096)
Supplies and external services	17	(17 314)	(17 878)
Staff costs	17	(10 704)	(9 799)
Amortisation, depreciation and impairment losses on tangible and intangible assets and rights-of-use	17	(24 467)	(24 014)
Provisions	14 and 17	(96)	(95)
Impairment losses on accounts receivables	17	105	52
Other operating costs	17	(17 760)	(15 696)
Financial expenses	17 and 18	(10 019)	(5 079)
<b>Total costs and expenses:</b>		<b>(82 567)</b>	<b>(73 605)</b>
<b>Profit before taxes and other contributions:</b>		<b>23 798</b>	<b>23 699</b>
Income Tax	12	(6 027)	(6 253)
Energy Sector Extraordinary Contribution	14	(3 859)	(10 131)
<b>Consolidated net income for the period</b>		<b>13 912</b>	<b>7 315</b>
<b>Income attributable to:</b>			
<b>Floene Energias, S.A. Shareholders</b>		<b>13 432</b>	<b>7 013</b>
<b>Non-controlling interests</b>	15	<b>480</b>	<b>302</b>
<b>Basic and Diluted Earnings per share (in Euros)</b>		<b>0,15</b>	<b>0,08</b>
<b>Consolidated net income for the period</b>		<b>13 912</b>	<b>7 315</b>
<b>Items which will not be recycled in the future through net income</b>			
Remeasurements - pension benefits		601	9 148
Income taxes related to actuarial gains and losses	12	-	(1 510)
<b>Total comprehensive income for the period, attributable to:</b>		<b>14 513</b>	<b>14 953</b>
<b>Floene Energias, S.A. Shareholders</b>		<b>14 033</b>	<b>14 647</b>
<b>Non-controlling interests</b>	15	<b>480</b>	<b>305</b>

The accompanying notes form an integral part of the condensed consolidated statement of income and other comprehensive income and must be read in conjunction.



## Condensed consolidated statement of changes in equity

Floene Energias, S.A.

Condensed consolidated statement of changes in equity for the six-month periods ended 30 June 2023 and 30 June 2022

(Amounts stated in thousand Euros - € k)

	Share capital	Ancillary capital contributions	Reserves	Retained earnings	Sub-Total	Non-controlling interests	Total
<b>As at 1 January 2022</b>	<b>89 529</b>	<b>19 516</b>	<b>12 080</b>	<b>97 911</b>	<b>219 036</b>	<b>20 200</b>	<b>239 236</b>
Consolidated net income for the period	-	-	-	7 013	7 013	302	7 315
Other gains and losses recognised in equity	-	-	-	7 635	7 635	3	7 638
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 647</b>	<b>14 647</b>	<b>305</b>	<b>14 953</b>
Increase/decrease in reserves	-	-	957	(957)	-	-	-
<b>As at 30 June 2022</b>	<b>89 529</b>	<b>19 516</b>	<b>13 037</b>	<b>111 601</b>	<b>233 684</b>	<b>20 505</b>	<b>254 189</b>
<b>As at 1 January 2023</b>	<b>89 529</b>	<b>19 516</b>	<b>13 037</b>	<b>111 206</b>	<b>233 289</b>	<b>21 089</b>	<b>254 378</b>
Consolidated net income for the period	-	-	-	13 432	13 432	480	13 912
Other gains and losses recognised in equity	-	-	-	601	601	-	601
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 033</b>	<b>14 033</b>	<b>480</b>	<b>14 513</b>
Increase/decrease in reserves	-	-	186	(186)	-	(56)	(56)
<b>As at 30 June 2023</b>	<b>89 529</b>	<b>19 516</b>	<b>13 223</b>	<b>125 054</b>	<b>247 322</b>	<b>21 513</b>	<b>268 836</b>

The accompanying notes form an integral part of the condensed consolidated statement of changes in equity and must be read in conjunction.



## Condensed consolidated statement of cash flows

### Floene Energias, S.A.

Condensed consolidated statement of cash flows for the six-month periods ended 30 June 2023 and 30 June 2022

(Amounts stated in thousand Euros - € k)

	Notes	June 2023	June 2022
<b>Operating activities:</b>			
Cash received from customers		122 902	132 016
(Payments) to suppliers		(31 342)	(26 053)
(Payments) relating to employees		(13 890)	(12 796)
(Payments) of value-added tax (VAT)		(16 404)	(17 368)
(Payments) of income tax		(3 602)	(585)
(Payments) relating to subsoil occupation levies		(12 081)	(11 781)
(Payments) relating to Energy Sector Extraordinary Contribution		(71)	(13)
Others (payments) relating to the operational activity		(1 105)	(940)
<b>Cash flow from operating activities (1)</b>		<b>44 407</b>	<b>62 480</b>
<b>Investing activities:</b>			
(Payments) for the acquisition of tangible and intangible assets		(21 999)	(13 164)
Cash received from interests and similar income		608	3
<b>Cash flow used in investing activities (2)</b>		<b>(21 391)</b>	<b>(13 162)</b>
<b>Financing activities:</b>			
Cash received related to loans obtained	10	180 000	-
(Payments) related to loans obtained	10	(180 521)	(521)
(Payments) from interests and similar costs		(4 917)	(380)
(Payments) relating to leases	6	(472)	(353)
(Payments) relating to lease interests	6	(166)	(169)
<b>Cash flow used in financing activities (3)</b>		<b>(6 077)</b>	<b>(1 423)</b>
Net change in cash and cash equivalents (4) = (1) + (2) + (3)		16 939	47 895
Effect of exchange rate changes on cash and cash equivalents		(1)	-
Cash and cash equivalents at the beginning of the period		87 523	67 484
<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<b>104 462</b>	<b>115 379</b>

The accompanying notes form an integral part of the condensed consolidated statement of cash flows and must be read in conjunction.



# Notes to the condensed consolidated financial statements as at 30 June 2023

## 1 Corporate information

### Parent-Company

Floene Energias, S.A. (designated as “Floene” or “Company”), with Head Office at Rua Tomás da Fonseca in Lisbon, Portugal, realises its corporate purpose in the energy sector, especially the natural gas distribution and commercialisation, including supporting management services in the areas of management, administration and logistics, purchasing and supply and information systems.

### The Group

On 30 June 2023, Floene Energias, S.A. and its subsidiaries (designated as Floene Group or Group) develop their activities in the distribution of natural gas, under a public service regime, and commercialisation of natural gas, on a last resort basis.

## 2 Significant accounting policies

### 2.1. Basis of presentation

Condensed consolidated financial statements for the six-month period ended 30 June 2023 were prepared in accordance with IAS 34 - Interim Financial Reporting as adopted by European Union. These condensed financial statements do not include all the notes that are usually prepared in the annual financial statements. Additionally, only material changes were disclosed as required by IFRS 7 and IFRS 13. In this context, these condensed financial statements should be read in conjunction with the Floene Group's consolidated financial statements for the year ended 31 December 2022.

The accounting policies adopted as at 30 June 2023 are consistent with those applied for the year ended 31 December 2022 and for the semester ended 30 June 2022.

Based on the results of the Floene Group, as well as the macroeconomic environment in Portugal and the segment in which it operates, there were no indications, as at 30 June 2023, that would lead us to reassess the conclusions reached in the preparation of the annual financial statements as at 31 December 2022, regarding the recoverability of tangible and intangible assets.

These condensed consolidated financial statements have been prepared in thousand Euros (unit: € k), unless otherwise stated, since this is the preferred currency in the economic environment in which the Group operates. Due to rounding, the totals and subtotals of the tables presented may not be equal to the sum of the numbers presented.

The new standards/changes to the standards (IFRS as adopted by the European Union) that came into force in the period did not have a material impact on the financial statements.

### Providing and disclosing information

Following the exit of the United Kingdom from the European Union, and since the bonds issued by Floene Energias, SA under Medium Term Note Programme are admitted to trading on the main market of the London Stock Exchange, Floene Energias, S.A. is no longer subject to the supervision of the Portuguese Securities Market Commission (CMVM) and therefore the obligations to provide and disclose information provided for in the Portuguese Securities Code (CVM). Thus, Floene Energias, S.A. is now subject to the supervision of the Financial



Conduct Authority (FCA) and continues to provide and disclose relevant information in accordance with the reporting and transparency obligations established by the FCA for issuers of securities.

It should also be noted that according to the regime provided by the FCA, for financial years beginning after 31 December 2020, the IFRS issued by the IASB and adopted by the European Union are equivalent to the international financial reporting standards adopted by the United Kingdom for the purposes of Transparency Rules (as defined by section 474 (1) of the Companies Act 2006).

Under the publication of Law No. 99-A/2021, of 31 December, Floene ceased to qualify as a Public Interest Entity in Portugal, with effect from 1 January 2022, due to the fact that its securities were not admitted to trading on a regulated market in Portugal.

### 3 Segment information

#### Operational segments

The Group at 30 June 2023 is comprised by Floene Energias, S.A. and its subsidiaries that carry out their activities of distribution and commercialisation of natural gas on a last resort basis.

The Gas operational segment encompasses the areas of distribution and commercialisation of natural gas on a last resort basis.

Regarding "Others", the Group considered the holding company Floene Energias, S.A..



The financial information for the previously identified segments, as at 30 June 2023 and 2022 are presented as follows:

	Unit: € k							
	Consolidated		Natural gas		Others		Consolidation adjustments	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Sales and services rendered</b>	82 367	77 114	82 378	76 793	9 653	10 086	(9 663)	(9 764)
<b>Cost of sales</b>	(2 312)	(1 096)	(2 312)	(1 097)	(1)	1	-	-
<b>Other income and expenses</b>	(23 341)	(23 157)	(23 955)	(26 033)	(8 884)	(7 218)	9 497	10 093
<b>EBITDA</b>	56 713	52 861	56 111	49 663	768	2 868	(166)	329
<b>Amortisation, depreciation and impairment losses</b>	(24 467)	(24 014)	(23 959)	(23 522)	(508)	(492)	-	-
<b>Provisions (net)</b>	(96)	(95)	(96)	(95)	-	-	-	-
<b>EBIT</b>	32 150	28 752	32 055	26 046	260	2 376	(166)	329
<b>Other Financial income and expenses</b>	(8 351)	(5 052)						
<b>Income tax</b>	(6 027)	(6 253)						
<b>Energy Sector Extraordinary Contribution</b>	(3 859)	(10 131)						
<b>Consolidated net income, of which:</b>	13 912	7 315						
<b>Non-controlling interests</b>	480	302						
<b>Floene Energias, S.A. Shareholders</b>	13 432	7 013						
<b>OTHER INFORMATIONS <sup>(1)</sup></b>								
<b>Segment assets <sup>(2)</sup></b>								
Investments in subsidiaries <sup>(3)</sup>	2 278	2 278	3	3	2 275	2 275	-	-
Other assets	1 353 500	1 333 681	1 310 833	1 286 307	268 487	241 630	(225 820)	(194 259)
<b>Segment assets</b>	<b>1 355 779</b>	<b>1 335 959</b>	<b>1 310 836</b>	<b>1 286 310</b>	<b>270 762</b>	<b>243 905</b>	<b>(225 820)</b>	<b>(194 259)</b>
of which rights-of-use of assets	10 787	11 078	6 034	6 215	4 753	4 863	-	-

1) 2022 amounts refer to the year ended 31 December 2022

2) Net amount

3) Goodwill and Other financial assets





## 4 Tangible assets

The composition and movements of Tangible assets are as follows:

Unit: € k

	Land, natural resources and buildings	Office equipment	Total
<i>As at 31 December 2022</i>			
Acquisition cost	938	14	952
Accumulated depreciation	(507)	-	(507)
<b>Net amount</b>	<b>432</b>	<b>14</b>	<b>445</b>
<i>As at 30 June 2023</i>			
Acquisition cost	938	14	952
Accumulated depreciation	(516)	(1)	(517)
<b>Net amount</b>	<b>422</b>	<b>13</b>	<b>435</b>

Unit: € k

	Land, natural resources and buildings	Office equipment	Total
<b>Balance as at 1 January 2022</b>	<b>450</b>	<b>-</b>	<b>450</b>
Depreciation and impairment	(19)	-	(19)
Transfers	-	14	14
<b>Balance as at 31 December 2022</b>	<b>432</b>	<b>14</b>	<b>445</b>
<b>Balance as at 1 January 2023</b>	<b>432</b>	<b>14</b>	<b>445</b>
Depreciation and impairment	(9)	(1)	(10)
<b>Balance as at 30 June 2023</b>	<b>422</b>	<b>13</b>	<b>435</b>



## 5 Intangible assets and Goodwill

The breakdown and movements in intangible assets and goodwill are as follows:

										Unit: € k
	Lands	Buildings	Basic equipment	NG consumption reconversion	Assets under construction	Other concession agreements	Concession agreement		Goodwill	Total
							Total concession agreement	Other intangible assets		
<i>As at 31 December 2022</i>										
Acquisition cost	12 717	12 917	1 395 413	628 964	2 263	25 820	2 078 095	7 763	2 336	2 088 194
Accumulated amortisation	(5 111)	(7 819)	(620 361)	(297 687)	-	(24 315)	(955 294)	(2 835)	(61)	(958 189)
<b>Net amount</b>	<b>7 606</b>	<b>5 099</b>	<b>775 051</b>	<b>331 277</b>	<b>2 263</b>	<b>1 506</b>	<b>1 122 801</b>	<b>4 928</b>	<b>2 275</b>	<b>1 130 004</b>
<i>As at 30 June 2023</i>										
Acquisition cost	12 717	12 928	1 406 014	630 918	5 781	26 731	2 095 089	9 428	2 336	2 106 852
Accumulated amortisation	(5 245)	(7 928)	(635 704)	(304 907)	-	(24 420)	(978 205)	(3 131)	(61)	(981 397)
<b>Net amount</b>	<b>7 472</b>	<b>5 000</b>	<b>770 310</b>	<b>326 011</b>	<b>5 781</b>	<b>2 311</b>	<b>1 116 884</b>	<b>6 297</b>	<b>2 275</b>	<b>1 125 456</b>



Unit: € k

	Lands	Buildings	Basic equipment	NG consumption reconversion	Assets under construction	Concession agreement Other concession agreements	Total concession agreement	Other intangible assets	Goodwill	Total
<b>Balance as at 1 January 2022</b>	<b>7 860</b>	<b>4 686</b>	<b>770 097</b>	<b>346 211</b>	<b>1 706</b>	<b>1 205</b>	<b>1 131 764</b>	<b>2 519</b>	<b>2 275</b>	<b>1 136 558</b>
Additions	-	-	-	-	37 969	-	37 969	3 221	-	41 190
Amortisations	(268)	(262)	(31 576)	(14 305)	-	(414)	(46 825)	(798)	-	(47 623)
Write-offs/ disposals	-	-	(8)	-	-	-	(8)	-	-	(8)
Other adjustments (Transfers)	14	675	36 538	(628)	(37 413)	715	(100)	(14)	-	(114)
<b>Balance as at 31 December 2022</b>	<b>7 606</b>	<b>5 099</b>	<b>775 051</b>	<b>331 277</b>	<b>2 263</b>	<b>1 506</b>	<b>1 122 801</b>	<b>4 928</b>	<b>2 275</b>	<b>1 130 004</b>
<b>Balance as at 1 January 2023</b>	<b>7 606</b>	<b>5 099</b>	<b>775 051</b>	<b>331 277</b>	<b>2 263</b>	<b>1 506</b>	<b>1 122 801</b>	<b>4 928</b>	<b>2 275</b>	<b>1 130 004</b>
Additions	-	-	-	-	17 639	-	17 639	1 664	-	19 303
Amortisations	(134)	(109)	(15 937)	(7 225)	-	(235)	(23 639)	(296)	-	(23 935)
Write-offs/ disposals	-	-	(16)	-	-	-	(16)	-	-	(16)
Other adjustments (Transfers)	-	11	11 211	1 959	(14 121)	1 040	100	-	-	100
<b>Balance as at 30 June 2023</b>	<b>7 472</b>	<b>5 000</b>	<b>770 310</b>	<b>326 011</b>	<b>5 781</b>	<b>2 311</b>	<b>1 116 884</b>	<b>6 297</b>	<b>2 275</b>	<b>1 125 456</b>



## 6 Rights-of-use of assets and Lease liabilities

The rights-of-use of assets are detailed as follows:

	Buildings	Vehicles	Unit: € k Total
<i>As at 31 December 2022</i>			
Acquisition cost	13 537	880	14 417
Accumulated amortisation	(2 919)	(419)	(3 339)
<b>Net amount</b>	<b>10 618</b>	<b>460</b>	<b>11 078</b>
<i>As at 30 June 2023</i>			
Acquisition cost	13 537	983	14 520
Accumulated amortisation	(3 273)	(460)	(3 733)
<b>Net amount</b>	<b>10 264</b>	<b>523</b>	<b>10 787</b>

The movements occurred during the period are as follows:

	Buildings	Vehicles	Unit: € k Total
<b>Balance as at 1 January 2022</b>	<b>11 326</b>	<b>174</b>	<b>11 499</b>
Additions	-	505	505
Depreciations	(708)	(221)	(929)
Other adjustments	-	3	3
<b>Balance as at 31 December 2022</b>	<b>10 618</b>	<b>460</b>	<b>11 078</b>
<b>Balance as at 1 January 2023</b>	<b>10 618</b>	<b>460</b>	<b>11 078</b>
Additions	-	238	238
Depreciations	(354)	(169)	(523)
Write-offs	-	2	2
Other adjustments	-	(9)	(9)
<b>Balance as at 30 June 2023</b>	<b>10 264</b>	<b>523</b>	<b>10 787</b>

The lease liabilities are detailed as follows:

	June 2023	December 2022
<b>Maturity analysis - contractual undiscounted cash flow</b>	<b>13 927</b>	<b>14 383</b>
Less than one year	1 191	1 125
One to five years	3 989	3 989
More than five years	8 748	9 269
<b>Lease liabilities included in the consolidated statement of financial position</b>	<b>11 479</b>	<b>11 720</b>
Current	1 176	1 110
Non-current	10 303	10 610



In addition to the depreciation of rights-of-use for the period presented in the first table of this Note, the amounts recognised in the consolidated statement of income for the period are as follows:

Unit: € k

	Notes	June 2023	June 2022
		<b>396</b>	<b>546</b>
Interest on lease liabilities	<b>18</b>	166	169
Expenses related to short-term, low-value and variable-payment leases		230	377

The amounts recognised in the condensed consolidated statement of cash flows are as follows:

Unit: € k

	June 2023	June 2022
<b>Financing activities</b>	<b>639</b>	<b>522</b>
Payments relating to leases	472	353
Payments relating to leasing interests	166	169

## 7 Inventories

Inventories as at 30 June 2023 and 31 December 2022 are detailed as follows:

Unit: € k

	June 2023	December 2022
	<b>1 352</b>	<b>1 200</b>
Raw, subsidiary and consumable materials	1 441	1 290
Goods	11	10
Write-down on inventories	(99)	(99)

## 8 Trade and Other receivables

### 8.1. Trade receivables

The caption Trade receivables as at 30 June 2023 and 31 December 2022 presents the following detail:

Unit: € k

	Notes	June 2023	December 2022
		<b>11 079</b>	<b>9 260</b>
Trade receivables		11 536	9 821
Allowance for doubtful amounts	8.3	(456)	(561)



## 8.2. Other receivables

The caption Other receivables as at 30 June 2023 and 31 December 2022 presents the following detail:

	Notes	June 2023		December 2022	
		Current	Non-current	Current	Non-current
		<b>67 920</b>	<b>20 064</b>	<b>62 025</b>	<b>20 055</b>
<b>State and other public entities</b>		<b>3</b>	-	-	-
<b>Other receivables</b>		<b>27 090</b>	<b>2 235</b>	<b>21 796</b>	<b>2 235</b>
Subsoil occupation levies		24 584	2 235	19 429	2 235
Suppliers' debtor balances		1 052	-	-	-
Advances to suppliers		214	-	-	-
Other		1 240	-	2 367	-
<b>Related parties</b>		<b>11</b>	-	-	-
<b>Assets resulting from contracts</b>		<b>37 592</b>	<b>17 760</b>	<b>37 551</b>	<b>17 760</b>
Sales and services rendered not yet invoiced		13 094	-	13 094	-
Tariff deviation - pass through		17 123	-	18 361	-
Tariff deviation – core		6 318	17 760	5 967	17 760
Other accrued income		1 057	-	129	-
<b>Deferred charges</b>		<b>3 304</b>	<b>69</b>	<b>2 760</b>	<b>61</b>
Prepaid insurance		2 533	-	-	-
Other deferred charges		771	69	2 760	61
<b>Impairment on other receivables</b>	<b>8.3</b>	<b>(81)</b>	-	<b>(81)</b>	-

The caption Subsoil occupation levies amounting to €26 819 k refers to levies on subsoil occupation already paid to local authorities. According to the natural gas supply concession agreements between the Portuguese Government and the Group companies, and in accordance with the Resolution of the Council of Ministers No. 98/2008, dated 8 April, companies have the right to invoice the full amount of subsoil levies paid to the local authorities for the area under concession to commercialisation entities or to direct customers.

## 8.3. Impairment of trade and other receivables

Movement on Impairment of trade and other receivables for the six-month period ended 30 June 2023 are presented as follow:

	Initial Balance	Decrease	Ending balance
	<b>642</b>	<b>(105)</b>	<b>537</b>
Trade receivables	561	(105)	456
Other receivables	81	-	81



## 9 Cash and cash equivalents

For the periods ended 30 June 2023 and 31 December 2022, Cash and cash equivalents from the statement of cash flows are detailed as follows:

	Notes	June 2023	December 2022
		<b>104 462</b>	<b>87 523</b>
Cash, bank deposits and other treasury investments (Cash and cash equivalents from the statement of financial position)		104 492	87 523
Bank overdrafts	10	(30)	-

Unit: € k

## 10 Financial debt

Financial debt as at 30 June 2023 and 31 December 2022 were presented as follows:

	Notes	June 2023		December 2022	
		Current	Non-Current	Current	Non-Current
		<b>419 550</b>	<b>253 870</b>	<b>601 042</b>	<b>72 337</b>
<b>Bank loans</b>		<b>1 071</b>	<b>3 646</b>	<b>1 042</b>	<b>4 167</b>
Loans and commercial paper		1 042	3 646	1 042	4 167
Bank overdrafts	9	30	-	-	-
<b>Bonds and notes</b>		<b>418 478</b>	<b>250 224</b>	<b>600 000</b>	<b>68 171</b>
Origination Fees		(1 522)	224	-	(1 829)
Bonds and notes		420 000	250 000	600 000	70 000

Unit: € k

Financial debt, excluding origination fees and bank overdrafts as at 30 June 2023 presents the following expected repayment plan:

Maturity	Total	Loans	
		Current	Non-Current
	<b>674 688</b>	<b>421 042</b>	<b>253 646</b>
2023	420 521	420 521	-
2024	71 042	521	70 521
2025	1 042	-	1 042
2026 and following	182 084	-	182 084

Unit: € k



Financial debt variations for the six-month period ended 30 June 2023 are presented as follow:

	Initial balance	Refinancing	Principal amortisations	Bank overdrafts	Others	Ending Balance
<b>Financial debt</b>	<b>673 379</b>	<b>180 000</b>	<b>(180 521)</b>	<b>30</b>	<b>532</b>	<b>673 420</b>
<b>Bank loans</b>	<b>5 208</b>	<b>-</b>	<b>(521)</b>	<b>30</b>	<b>-</b>	<b>4 717</b>
Bank Loans	5 208	-	(521)	-	-	4 688
Other	-	-	-	30	-	30
<b>Bonds and notes</b>	<b>668 171</b>	<b>180 000</b>	<b>(180 000)</b>	<b>-</b>	<b>532</b>	<b>668 703</b>
Origination Fees	(1 829)	-	-	-	532	(1 297)
Bonds and notes	670 000	180 000	(180 000)	-	-	670 000

Unit: € k

During the first half of 2023, partial repayments of €521 k regarding the contracted loans were made.

In addition, in March 2023, the Company repurchased part of the € 180 million EMTN bond loan (LME exercise), by formalising a bond financing agreement with a banking syndicate, for a total disbursed amount of €180 million, with a maturity of 3 years, with a variable interest rate indexed to Euribor and a contractual spread. The remaining €420 million EMTN bond matures in September 2023.

On 16 June 2023, Floene published the Prospectus approved by the Central Bank of Ireland, and on 26 June 2023, it placed a €420 million 5-year bond issue on the international market. The refinancing operation was completed on 3 July 2023, with admission to trading on the regulated market of Euronext Dublin (Note 19).

## 11 Trade payables and Other payables

As at 30 June 2023 and 31 December 2022, Trade payables and Other payables were detailed as follow:

	June 2023		December 2022	
	Current	Non-Current	Current	Non-Current
<b>Trade payables</b>	<b>11 109</b>	<b>-</b>	<b>8 445</b>	<b>-</b>
<b>Other payables</b>	<b>43 563</b>	<b>191 750</b>	<b>47 381</b>	<b>190 144</b>
<b>State and other public entities</b>	<b>5 026</b>	<b>-</b>	<b>4 555</b>	<b>-</b>
VAT payables	3 110	-	3 564	-
"ISP" – Tax on oil products	178	-	166	-
Withholding income tax	775	-	367	-
Social security contributions	963	-	458	-
<b>Other creditors</b>	<b>7 803</b>	<b>-</b>	<b>10 522</b>	<b>-</b>
Tangible and intangible assets suppliers	7 786	-	10 380	-
Other	17	-	142	-
<b>Related parties</b>	<b>193</b>	<b>-</b>	<b>137</b>	<b>-</b>
Payable dividends	193	-	137	-
<b>Other accounts payables</b>	<b>5 463</b>	<b>-</b>	<b>2 306</b>	<b>-</b>
<b>Accrued costs</b>	<b>21 167</b>	<b>1 705</b>	<b>20 516</b>	<b>1 866</b>
External supplies and services	3 354	-	3 692	-
Staff remunerations to be paid	3 492	-	6 344	161
Interests	6 140	-	2.696	-
Tariff deviation - core	1 186	1 705	506	1 705
Tariff deviation - pass through	6 214	-	6 315	-
Other accrued costs	781	-	964	-
<b>Deferred income</b>	<b>3 910</b>	<b>190 045</b>	<b>9 345</b>	<b>188 278</b>
Government grants	3 778	190 045	9 210	188 278

Unit: € k





Other	132	-	135	-
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The increase in accrued costs - interests when compared to December 2022 is mainly due to the interest payment period of the Group's main financing line (the EMTN financing, formalised in 2016), which occurs in September of each year, as well as the increase in the Euribor index, which impacts variable rate financing.

## 12 Income tax

The companies that are part of Floene Group for more than 1 year and whose participation percentage is 75% or more, and as long as such participation gives more than 50% of the voting rights, are taxed in accordance with the special regime for the taxation of groups of companies ("RETGS"). With reference to 1 January 2021 the taxable net income of Floene Group is determined by Floene Energias, S.A. (previously was Galp Energia SGPS, S.A.). The average tax rate applied to companies based in Portugal was 25%.

As at 30 June 2023 and 31 December 2022, the amount of income tax payable are as follows:

	Unit: € k	
	Liabilities	
	June 2023	December 2022
	<b>(6 215)</b>	<b>(3 557)</b>
State and other public entities	(6 215)	(3 471)
Galp Energia, SGPS, S.A.	-	(86)

Income tax recognised in the condensed consolidated income statement for the six-month periods ended 30 June 2023 and 2022 are detailed as follows:

	Unit: € k			Unit: € k		
	June 2023			June 2022		
	Current tax	Deferred tax	Total	Current tax	Deferred tax	Total
<b>Income tax</b>	<b>6 261</b>	<b>(233)</b>	<b>6 027</b>	<b>9 025</b>	<b>(2 772)</b>	<b>6 253</b>
Current income tax	6 381	(233)	6 148	9 065	(2 772)	6 293
Adjustment of previous year's income tax estimate	(120)	-	(120)	(40)	-	(40)

As at 30 June 2023, the deferred tax assets and liabilities movement are presented as follows:

	Unit: € k		
	31 December 2022	Impact on the statements of income	30 June 2023
<b>Deferred tax assets</b>	<b>14 364</b>	<b>(173)</b>	<b>14 190</b>
Adjustments to tangible and intangible assets	9	6	15
Retirement benefits and other benefits	9 225	(109)	9 116
Tariff deviation	3 063	(101)	2 963
Temporarily non-deductible provisions	2 066	30	2 096
<b>Deferred tax liabilities</b>	<b>(18 755)</b>	<b>407</b>	<b>(18 348)</b>
Adjustments to tangible and intangible assets fair value	(9 489)	191	(9 297)
Tariff deviation	(8 442)	188	(8 254)
Others	(824)	27	(797)



### 13 Post-employment and other employee benefit liabilities

As at 30 June 2023 and 31 December 2022, the Floene Group Pension Fund assets, valued at fair value and classified at Level 1, are presented as follow, according to the report submitted by the respective management company:

	Unit: € k	
	June 2023	December 2022
<b>Fund assets</b>	<b>19 143</b>	<b>18 953</b>
Shares	4 634	4 313
Bonds	14 150	14 333
Liquidity	359	307

As at 30 June 2023 and 31 December 2022, the Group had recorded in liabilities the following amounts related to Post-employment and other employee benefits:

	Unit: € k	
	June 2023	December 2022
Liability at the end of the period	(46 166)	(47 130)
<b>Net liabilities</b>	<b>(46 166)</b>	<b>(47 130)</b>
<b>Liabilities</b>	<b>(65 308)</b>	<b>(66 083)</b>
Past services covered by the pension fund	(21 818)	(22 091)
Liabilities related with other benefits	(43 491)	(43 992)
<b>Fund assets</b>	<b>19 143</b>	<b>18 953</b>

As for the assumptions considered in the calculation of post-employment liabilities, there were no changes compared to 31 December 2022. For more details, please refer to the consolidated financial statements and notes attached with reference to 31 December 2022.

### 14 Provisions

During the six-month period ended 30 June 2023, Provisions presented the following movements:

	Unit: € k			
			June 2023	December 2022
	CESE I	Other provisions	Total	Total
<b>At the beginning of the period</b>	<b>76 640</b>	<b>4 429</b>	<b>81 069</b>	<b>69 256</b>
Increases	10 385	96	10 481	12 076
Decreases	(6 668)	-	(6 668)	-
Utilisation	13	-	13	(261)
<b>At the end of the period</b>	<b>80 369</b>	<b>4 525</b>	<b>84 895</b>	<b>81 069</b>

#### CESE

Since 2014, the Group has been subject to a special tax (Energy sector extraordinary contribution - "CESE"), created through article No. 228 of Law 83C/2013 of 31 December, and maintained in force in the State Budget Laws of all years since then, which states that companies from the energy sector with assets in certain activities are subject to a fee that is levied on the amount of eligible net assets. Due to the fact that the Group contests the application of this contribution, the Group has not proceeded with the respective settlement in due time



since 2014, having recorded the total amount of CESE in the Provisions caption and the expense was recognised in results in the respective years.

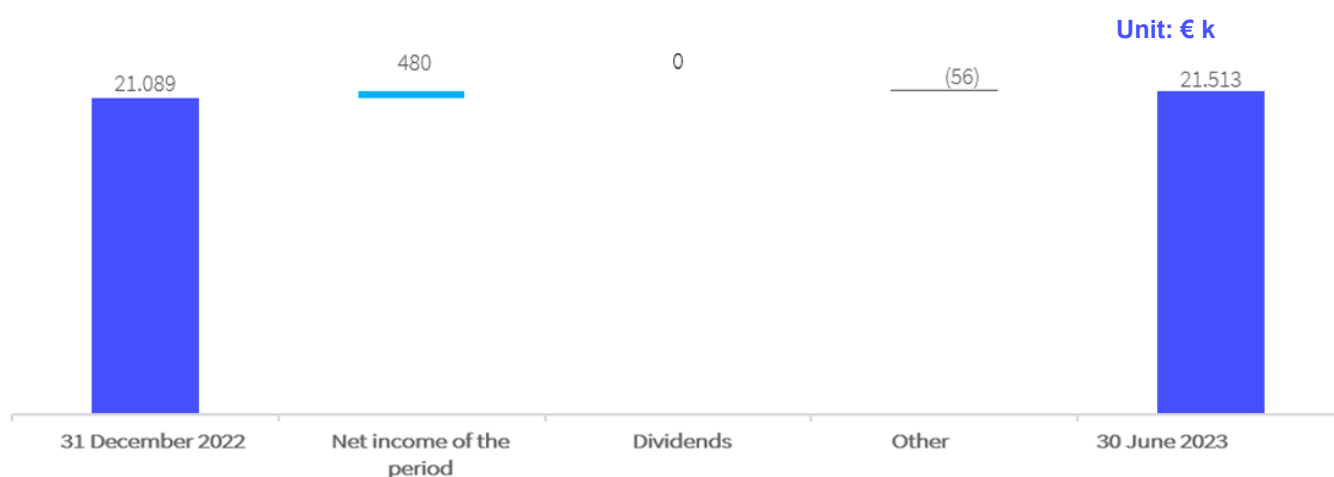
The decrease of CESE in the amount of €6 668 k is related to the favourable decisions related to the year 2018, rendered to during 2023 and final and unappealable, namely:

- a) On 16 March 2023 the judgment No. 101/2023 was issued by the Constitutional Court, regarding the claims to the application of CESE for 2018, favourable to Lisboagás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, S.A., deeming the unconstitutionality of this contribution for the mentioned year, with an impact is approximately €5 million, which was fully provisioned.
- b) On 28 March 2023 the Constitutional Court issued a Summary Decision No. 201/2023, regarding CESE for 2018, that was favourable to Paxgás - Sociedade Distribuidora de Gás Natural de Beja, S.A., with an impact of €54 k, which was fully provisioned.
- c) On 4 May 2023 the Southern Central Administrative Court issued a Jurisdictional Appeal (judgment) - Process No. 478/21.9 BEALM, regarding the 2018 CESE, favourable to Setgás - Sociedade de Distribuição de Natural gas, S.A., in the amount of €1.5 million, which was fully provisioned.

The CESE I increment is an annual recurrent increment which occurs by January of each year, with this contribution levied on some of the intangible assets allocated to the concessions. For more information, see the Financial Statements as at 31 December 2022.

## 15 Non-controlling interests

As at 30 June 2023, the changes in non-controlling interests during the six-month period and included in equity are as follows:



The other variations refer mainly to remeasurements with a pension fund.



## 16 Revenue and income

Revenue and income for the six-month period ended 30 June 2023 and 30 June 2022 are detailed as follows:

	Notes	June 2023	June 2022
		<b>106 366</b>	<b>97 304</b>
<b>Sales</b>		<b>2 896</b>	<b>1 820</b>
Goods		2 896	1 820
<b>Services rendered</b>		<b>79 472</b>	<b>75 294</b>
<b>Other operating income</b>		<b>22 331</b>	<b>20 163</b>
Revenue under the IFRIC 12	17	17 639	15 439
Others		4 692	4 725
<b>Financial income</b>	<b>18</b>	<b>1 668</b>	<b>27</b>

Unit: € k

## 17 Costs and expenses

Costs and expenses for the six-month period ended 30 June 2023 and 30 June 2022 are detailed as follows:

	Notes	June 2023	June 2022
		<b>82 567</b>	<b>73 605</b>
<b>Cost of sales</b>		<b>2 312</b>	<b>1 096</b>
Goods		2 312	1 096
<b>Supplies and external services</b>		<b>17 314</b>	<b>17 878</b>
Subcontracts – network use		2 417	4 819
IT services		3 859	3 081
Maintenance and repairs		1 567	1 344
Technical assistance and inspection services		1 361	1 367
Reading, billing and collecting services		868	890
Other		7 241	6 376
<b>Staff costs</b>		<b>10 704</b>	<b>9 799</b>
<b>Amortisation, depreciation and impairment losses on tangible and intangible assets and rights-of-use</b>	<b>4, 5, 6</b>	<b>24 467</b>	<b>24 014</b>
<b>Provisions</b>	<b>14</b>	<b>96</b>	<b>95</b>
<b>Impairment losses on accounts receivables</b>	<b>8</b>	<b>(105)</b>	<b>(52)</b>
<b>Other operating costs</b>		<b>17 760</b>	<b>15 696</b>
Costs under IFRIC 12	16	17 639	15 439
Donations		14	-
Other taxes		(4)	25
Other operating costs		110	232
<b>Financial expenses</b>	<b>18</b>	<b>10 019</b>	<b>5 079</b>

Unit: € k



## 18 Financial income and expenses

The detail of the financial income and expenses for the six-month period ended 30 June 2023 and 2022 are as follows:

	Notes	June 2023	June 2022
		(8 351)	(5 052)
<b>Financial income:</b>		<b>1 668</b>	<b>27</b>
Interest on bank deposits		678	27
Other		990	-
<b>Financial expenses:</b>		<b>(10 019)</b>	<b>(5 079)</b>
Interest on bank loans, bonds, overdrafts and other		(7 071)	(4 385)
Interest on lease liabilities	6	(166)	(169)
Other financial costs		(2 782)	(526)

Unit: € k

The increase in financial expenses compared to June 2022 is essentially due to new financing relating to the partial repurchase of the bond loan in the form of EMTN (Note 10).

## 19 Subsequent events

On 3 July the Company concluded the EMTN refinancing process, with the issuance of a €420 million 5-year bond loan, admitted to trading on the regulated market of Euronext Dublin, maturing in July 2028 and with a coupon of 4.875%, under the terms of the Prospectus published on 16 June. The new bond loan will enable the repayment of the bond loan contracted in 2016 on its maturity date (September 2023). For the purposes of the Transparency Directive and Market Abuse Regulation, and following this new issue of securities, Floene is now subject to the supervision of the CBI (Central Bank of Ireland) and to provide and disclose relevant information of in accordance with applicable reporting and transparency obligations in Ireland.

There were no additional subsequent events after 30 June 2023 with a material impact on the attached condensed financial statements.

## 20 Approval of the condensed financial statements

The condensed consolidated financial statements were approved by the Board of Directors on 26 July 2023.

## 21 Translation note

These condensed consolidated financial statements are a translation of the condensed consolidated financial statements originally issued in Portuguese in accordance with the International Financial Reporting Standards as adopted by the European Union, some of which may not conform to the generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version shall prevail.



## THE BOARD OF DIRECTORS:

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### President:

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Diogo da Silveira

### Members:

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Karl Klaus Liebel

---

Roxana Tataru

---

Ippei Kojima

---

Nuno Luís Mendes Holbech Bastos

---

Satoshi Kanomata

---

Gabriel Nuno Charrua de Sousa

---

Pedro Álvaro de Brito Gomes Doutel

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Miguel Faria

## THE ACCOUNTANT:

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Ana Maria Serafim de Brito Mousinho



**FLOENE**

**floene.pt**

**Floene Energias, S.A.**

Rua Tomás da Fonseca - Torre C - 1600-209 Lisboa  
N.P.C./M.C.R.C. 509 148 247 | Capital social 89 529 141 Euros



## ***Review Report on the Condensed Consolidated Financial Statements***

***(Free translation from the original in Portuguese)***

### ***Introduction***

We have reviewed the accompanying condensed consolidated financial statements of Floene Energias, S.A. (the Entity), which comprise the condensed consolidated statement of financial position as at June 30, 2023 (which shows total assets of Euros 1,355,779 thousand and total shareholder's equity of Euros 268,836 thousand, including a consolidated net income for the period of Euros 13,912 thousand), the condensed consolidated statement of income and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended, and the accompanying explanatory notes to these condensed consolidated financial statements.

### ***Management's responsibility***

The Management is responsible for the preparation of the condensed consolidated financial statements in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union, as well as to create and maintain appropriate systems of internal control to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express a conclusion on the accompanying condensed consolidated financial statements. We conducted our review in accordance with ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Those standards require that we conduct the review in order to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

A review of financial statements is a limited assurance engagement. The procedures performed mainly consist of making inquiries and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISAs). Accordingly, we do not express an opinion on these consolidated financial statements.

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**PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.**

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Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485



## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of Floene Energias, S.A. as at June 30, 2023 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

July 28, 2023

PricewaterhouseCoopers & Associados  
- Sociedade de Revisores Oficiais de Contas, Lda  
represented by:

Rita da Silva Gonçalves dos Santos, ROC no. 1681  
Registered with the Portuguese Securities Market Commission under no. 20161291