KPMG

Auditor's Report on Acciona Financiación Filiales, S.A. (Sociedad Unipersonal)

(Together with the annual accounts and directors' report of Acciona Financiación Filiales, S.A. (Sociedad Unipersonal) for the year ended 31 December 2023)

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

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

Independent Auditor's Report on the Annual Accounts

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

To the Sole Shareholder of Acciona Financiación Filiales, S.A. (Sociedad Unipersonal)

REPORT ON THE ANNUAL ACCOUNTS

Opinion

We have audited the annual accounts of Acciona Financiación Filiales, S.A. (Sociedad Unipersonal) (the "Company"), which comprise the balance sheet at 31 December 2023, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Recoverability of current and non-current loans and credits to Group companies and associates See notes 4.1 and 5.2 to the annual accounts	
Key audit matter	*How the matter was addressed in our audit*
The Company has extended loans and credits to related companies, which are recorded under "Long-term investments in Group companies & associates" and "Short-term investments in Group companies & associates" amounting to Euros 3,524 million and Euros 2,042 million, respectively. At each reporting date, management and the Directors assess whether there is objective evidence that these financial assets may be impaired. The aforementioned loans and credits extended to related companies are impaired when their carrying amount exceeds their recoverable amount, requiring an impairment loss to be recognised together with the corresponding valuation adjustment. Due to the significance for the Company of the loans and credits to Group companies and associates, and considering that in order to determine the recoverable amount it is necessary to estimate future cash flows using assumptions and estimates, which could give rise to significant differences with respect to the amounts recognised by the Company at the reporting date, we have considered this to be a key audit matter.	Our audit procedures included the following: - Evaluating the design and implementation of the key controls related to the process of assessing and identifying indications of impairment and, as the case may be, valuing the loans and credits extended to Group companies and associates. - Analysing the assessment and identifying the indications of impairment of the loans and credits to Group companies and associates identified by the Company. - Evaluating the reasonableness of the methodology and assumptions used by the Company when estimating the recoverable amount of the loans and credits granted to related companies, with the involvement of our valuation specialists. - Furthermore, we assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

Other Information: Directors' Report

Other information solely comprises the 2023 directors' report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the directors' report. Our responsibility for the directors' report, in accordance with the requirements of prevailing legislation regulating the audit of accounts, consists of assessing and reporting on the consistency of the directors' report with the annual accounts, based on knowledge of the Company obtained during the audit of the aforementioned annual accounts, and assessing and reporting on whether the content and presentation of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described in the preceding paragraph, the information contained in the directors' report is consistent with that disclosed in the annual accounts for 2023 and the content and presentation of the report are in accordance with applicable legislation.

Directors' Responsibility for the Annual Accounts

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

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

Auditor's Responsibilities for the Audit of the Annual Accounts

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

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

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

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

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

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Directors.
- Conclude on the appropriateness of the Company's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

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

From the matters communicated to the Directors of Acciona Financiación Filiales, S.A. (Sociedad Unipersonal), we determine those that were of most significance in the audit of the annual accounts of the current period and which are therefore the key audit matters.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional Report Pursuant to Article 36 of Audit Law 22/2015

The opinion expressed in this report is consistent with our additional report dated 22 March 2024, issued pursuant to article 36 of Audit Law 22/2015.

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Contract Period

We were appointed as auditor of the Company by the shareholders at the ordinary general meeting on 14 September 2023 for a period of one year, from the year ended 31 December 2022.

Previously, we had been appointed for a period of one year, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2017.

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

(Signed on original in Spanish)

Bernardo Rücker-Embden
On the Spanish Official Register of Auditors ("ROAC") with No. 18836

22 March 2024

ACCIONA FINANCIACIÓN FILIALES S.A.U.

ANNUAL ACCOUNTS

AND

DIRECTORS' REPORT

FOR FINANCIAL YEAR 2023

CLARA LOIS LOZANO

TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS

Nº. 10009

ACCIONA FINANCIACIÓN FILIALES S.A.U.
BALANCE SHEET AT 2023 YEAR-END
(millions of euros)

ASSETS	Notes	31/12/2023	31/12/2022
NON-CURRENT ASSETS		3,836	3,970
Long-term investments in Group companies & associates		3,826	3,893
Shareholding in Group companies and associates	5.2 & 12	302	302
Loans and credits to Group companies and associates	5.2 & 12	3,524	3,591
Long-term financial investments		10	77
Equity instruments	5.1	--	24
Long-term receivables	5.1	8	--
Derivatives	7.1.4	2	53
CURRENT ASSETS		2,124	1,201
Short-term investments in Group companies & associates		2,042	1,071
Loans and credits to Group companies and associates	5.2 & 12	2,042	1,071
Short-term financial investments		60	60
Equity instruments	5.3	--	10
Derivatives	7.1.4	6	4
Other financial assets	5.3	54	46
Cash and other cash equivalents		22	70
Cash and banks	5.4	22	70
TOTAL ASSETS		5,960	5,171

Notes 1 to 14 to the accompanying annual accounts are an integral part of the Balance Sheet at 31 December 2023.

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ACCIONA FINANCIACIÓN FILIALES S.A.U.
BALANCE SHEET AT 2023 YEAR-END
(millions of euros)

EQUITY AND LIABILITIES	Notes	31/12/2023	31/12/2022
EQUITY		858	803
EQUITY		845	753
Capital	6.1	82	82
Issue premium	6.1	329	329
Reserves		342	305
Legal and statutory	6.2	16	16
Other reserves	6.3	326	289
Year's profit / (loss)		152	37
Interim dividend	3	-60	--
VALUATION ADJUSTMENTS	6.4	13	50
NON-CURRENT LIABILITIES		3,031	3,205
Non-current payables		3,027	3,188
Other marketable securities	7.1.2	1,666	1,677
Bank borrowings	7.1.1	1,345	1,510
Derivatives	7.1.4	16	1
Deferred tax liabilities	9.2	4	17
CURRENT LIABILITIES		2,071	1,163
Short-term payables		1,588	717
Debentures & other marketable securities	7.2.2	982	530
Bank borrowings	7.2.1	546	186
Derivatives	7.2	--	1
Interim dividend payable		60	--
Short-term payables to Group companies and associates	7.2.3 & 12	482	446
Trade and other accounts payable		1	--
Other payables		1	--
TOTAL EQUITY AND LIABILITIES		5,960	5,171

Notes 1 to 14 to the accompanying annual accounts are an integral part of the Balance Sheet at 31 December 2023.

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ACCIONA FINANCIACIÓN FILIALES S.A.U.
INCOME STATEMENT FOR FINANCIAL YEAR ENDED
31 December 2023
(millions of euros)

	Notes	2023	2022
Revenue	11 & 12.1	297	152
Provision of services		--	12
Financial income from interest on credits to Group companies and associates		297	140
Income from investments in equity instruments	11		
Other operating expenses		-1	--
External services		-1	--
OPERATING PROFIT/(LOSS)		296	152
Financial income		40	1
From marketable securities and other financial instruments		40	1
Finance costs		-167	-70
For payables to Group Companies	12.1	-11	-2
For payables to third parties	6.4 & 7	-156	-68
Change in fair value of financial instruments	5.3	8	-6
Foreign exchange rate changes	10	17	-28
FINANCIAL PROFIT/(LOSS)		-102	-103
PROFIT/(LOSS) BEFORE TAX		194	49
Income tax expense	9.1	-42	-12
YEAR'S PROFIT/(LOSS)		152	37

Notes 1 to 14 to the accompanying annual accounts are an integral part of the Income Statement for financial year 2023.

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ACCIONA FINANCIACIÓN FILIALES S.A.U.
STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023
A) STATEMENT OF COMPREHENSIVE INCOME
(millions of euros)

	2023	2022
PROFIT/(LOSS) FOR THE YEAR (I)	152	37
Income and expense recognised directly in equity	--	--
- For cash flow hedges	17	67
- Tax effect	-4	-17
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)	13	50
- For cash flow hedges	-67	27
- Tax effect	17	-8
TOTAL TRANSFERS TO THE INCOME STATEMENT (III)	-50	19
TOTAL RECOGNISED INCOME AND EXPENSES (I+II+III)	115	106

Notes 1 to 14 to the accompanying annual accounts are an integral part of the Statement of Comprehensive Income for financial year 2023.

B) STATEMENT OF CHANGES IN TOTAL EQUITY
(millions of euros)

	Capital	Share premium	Reserves	Year's profit/(loss)	Valuation adjustments	Interim dividend	TOTAL
Balance at 31 December 2021	82	329	314	-9	-19	--	697
Total recognised income and expense	--	--	--	37	69	--	106
Transactions with shareholders	--	--	-9	9	--	--	--
- Application of results	--	--	-9	9	--	--	--
Balance at 31 December 2022	82	329	305	37	50	--	803
Total recognised income and expense	--	--	--	152	-37	--	115
Transactions with shareholders	--	--	37	-37	--	-60	-60
- Application of results	--	--	37	-37	--	--	--
- Other changes in equity	--	--	--	--	--	-60	--
Balance at 31 December 2023	82	329	342	152	13	-60	858

Notes 1 to 14 to the accompanying annual accounts are an integral part of the Comprehensive Statement of Changes in Equity for financial year 2023.

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ACCIONA FINANCIACIÓN FILIALES S.A.U.
STATEMENT OF CASH FLOWS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023
(millions of euros)

	Notes	Year 2023	Year 2022
CASH FLOWS FROM OPERATING ACTIVITIES		-698	-797
Profit / (loss) before tax		194	49
Adjustments for:		-156	-42
Other adjustments to profit (net)		-156	-42
Financial income	12.1	-297	-140
Finance costs		166	70
Foreign exchange rate changes		-17	28
Change in fair value of financial instruments		-8	6
Changes in working capital & non-current capital		-817	-867
Other cash flows from operating activities:		81	63
Interest paid	7	-146	-63
Interest received	5.2	260	127
Income tax recovered/(paid)	9	-33	-1
CASH FLOWS FROM INVESTMENT ACTIVITIES		--	--
CASH FLOWS FROM FINANCING ACTIVITIES		650	714
Proceeds and (payments) relating to financial liability instruments:		650	714
- Issue of debentures and other marketable securities	7.1.2 & 7.2.2	3,367	2,156
- Redemption of debentures and other marketable securities	7.1.2 & 7.2.2	-2,933	-2,428
- Issue of bank borrowings	7.1.1 & 7.2.1	933	1,014
- Repayment and amortisation of bank borrowings	7.1.1 & 7.2.1	-747	-32
- Issue of loans with Group companies and associates	7.2.3	84	575
- Repayment and amortisation of loans with Group companies and associates	7.2.3	-54	-571
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		-48	-83
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR		70	153
CASH & CASH EQUIVALENTS AT END OF YEAR		22	70
Cash on hand and at banks		22	70
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR		22	70

Notes 1 to 14 to the accompanying annual accounts are an integral part of the Statement of Cash Flows for financial year 2023.

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ACCIONA FINANCIACIÓN FILIALES S.A.U.
NOTES TO ANNUAL ACCOUNTS

1. Activity

Acciona Financiación Filiales S.A. (hereinafter the Company) was established in Madrid on 23 May 2014, pursuant to deed executed before Notary Public Manuel Rodríguez Marín. The registered office and tax address is located in Madrid (Madrid), Avenida de la Gran Vía de Hortaleza No. 3. The Company is registered under the Spanish Classification for Business Activities (CNAE) with code number 6499.

Based on its corporate purpose, the activity of the Company is the following:

- To manage, optimise and channel the monetary resources and take care of the cash needs of the Sole Shareholder ACCIONA. S.A. and of the companies of its group in accordance with the provisions of article 42 of the Code of Commerce.

- To manage and make collections and payments on account of all the companies referred to in the paragraph above.

The activities listed above may also be developed by the Company, in whole or in part, directly or indirectly, through the holding of shares and ownership interests in companies with the same or similar corporate purpose, both in Spain and abroad.

Any activities for the development of which the law establishes special or minimum capital requirements that are not met by the Company are excluded from the corporate purpose.

If, for the development of any activity as included in the corporate purpose, the law requires professional qualifications or administrative authorisation or registration on a Public Register, the activity in question may not be carried out unless the administrative requirements in question have been fulfilled and, if mandatory, such activity must be carried out only by the person that holds the required professional qualifications, and the corporate purpose will then be limited to brokering or coordination in respect of such provisions.

The Company is part of the Other Business Division of the Acciona Group, whose Parent is Acciona S.A., with registered office at Avenida de la Gran Vía de Hortaleza No 3, Madrid (Madrid). The Consolidated Annual Accounts of the Acciona Group for financial year 2023 were drawn up by the Directors of Acciona S.A. at the Board of Directors meeting held on 29 February 2024 and show profit attributable to the Parent of 542 millions of euros (2022: 441 millions of euros) and consolidated equity of 6,869 millions of euros (2022: 6,304 millions of euros).

As described in note 5.1, the Company has ownership interests in subsidiaries. As a result, the Company is the Parent of a Group of companies in accordance with current legislation. According to generally accepted accounting principles and standards, consolidated annual accounts must be presented in order to present a true and fair view of the Group's financial position, results of operations, changes in equity, and cash flows. The information relating to investments in group companies, associated and multi-group companies is presented in Appendix I. However, the Company does not present consolidated annual accounts because it only has ownership interests in subsidiaries which taken as a whole do not present a significant interest for a true and fair view.

The Sole Shareholder of the Company is ACCIONA S.A., so it is a sole-shareholder company to any and all effects provided for by the regulations for the time being in force.

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2. Bases of presentation of annual accounts

2.1 Financial reporting standards framework applicable to the Company

These annual accounts were prepared by the Board of Directors in accordance with the financial reporting standards framework applicable to the Company, which is as established in:

a) The Code of Commerce and any other mercantile legislation.

b) The General Accounting Plan approved by Royal Decree 1514/2007 of 16 November and Royal Decree 1/2021 of 12 January.

c) The mandatory standards approved by the Spanish Accounting and Accounts Audit Institute (ICAC) within the development of the General Accounting Plan and its supplementary regulations.

d) Any other Spanish accounting regulations as applicable.

2.2 True and fair view

The annual accounts for 2023 stated in millions of euros, the functional currency of the Company, were obtained from the accounting records of the Company and they are presented in accordance with the financial reporting standards framework applicable to the Company and specifically with the principles and criteria contained therein so as to show a true and fair view of the equity, financial position and results of the Company for financial year 2023. These annual accounts, as prepared by the Directors of the Company, will be submitted to the Sole Shareholder, for approval; and it is believed that they will be approved as they stand. In addition, the 2022 annual accounts were approved by the Sole Shareholder on 30 June 2023.

2.3 Comparison of information

The information contained in the Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flows and the Notes to the Annual Accounts refers to 2023, which is disclosed along with the information from 2022 for comparative purposes.

2.4 Non-mandatory accounting principles applied

Only mandatory accounting principles in force at the date these annual accounts were prepared have been applied. Furthermore, the Directors have prepared these annual accounts considering all the mandatory accounting principles and standards that have a material effect thereon. All mandatory accounting principles have been applied.

2.5 Key issues in relation to the measurement and estimation of uncertainty

For the preparation of these annual accounts, estimates were made by the Directors of the Company to measure some of the assets, liabilities, income, expenses and obligations appearing recorded therein. Basically, these estimates refer to:

- Assessment of losses due to impairment of financial assets (see Note 4.1).
- The fair value of certain financial instruments (see Note 4.1).

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Although these estimates were made on the basis of the best information available at the close of 2023, it may so happen that future events will make it necessary to change them (upwards or downwards) in the next few years.

2.6 Grouping of items

Certain items in the Balance Sheet, Income Statement, Statement of Changes in Equity and Statement of Cash Flows are grouped for ease of understanding; nevertheless, when the effect of doing so is material, the information is disclosed in the relevant notes to the annual accounts.

2.7 Functional and presentation currency

The annual accounts are presented in millions of euros, rounded to the nearest million, which is the Company's functional and presentation currency.

2.8 Correction of errors

In 2023 no significant changes took place in accounting criteria in respect of those applied in 2022.

When these annual accounts for 2023 were prepared, no material error was found that led to restatement of the amounts included in the annual accounts for financial year 2022.

3. Distribution of results

The proposed application of the results of financial year 2023 (compared to the proposal for 2022 which was approved by the Sole Shareholder on 30 June 2023) that the Board of Directors will submit to the Sole Shareholder for approval is the following (in euros):

DISTRIBUTION BASE	2023	2022
Gains and losses:	152,217,051.78	36,635,686.60
Application	2023	2022
To legal reserve		
To voluntary reserve	92,217,051.78	36,635,686.60
To dividends	60,000,000.00	--
Total	152,217,051.78	36,635,686.60

The Company's Joint Directors approved an interim dividend of 60 millions of euros payable during the first half of 2024 according to the minutes of its meeting held on 31 December 2023.

Pursuant to article 277 of the Capital Companies Act, the amounts to be distributed do not exceed the income obtained at 2023 year-end, net of the estimated corporate income tax payable.

As detailed below, the provisional accounting statement has been prepared in accordance with the legal requirements, which demonstrates that the Company has sufficient liquidity to distribute the aforementioned dividend.

Supporting accounting statement as at 31 December 2023	Euros
Results obtained from 01-01-2023 to 31-12-2023:	152,217,051.78
Distributable profit:	152,217,051.78

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Proposed interim dividend	60,000,000.00
Treasury situation as at 31 December 2023	
Funds available for distribution	
Treasury:	21,955,897.03
Forecast collections	88,531,141.02
Forecast payments	-30,135,986.04
Proposed interim dividend:	-60,000,000.00
Difference:	20,351,052.01

4. Recognition and measurement standards

The main recognition and measurement standards applied by the Company to prepare its annual accounts, in accordance with those established by the Spanish General Accounting Plan and related standards indicated in Note 2.1, were the following:

4.1. Financial instruments

Recognition and classification of financial instruments

The Company classifies financial instruments on initial recognition as a financial asset, financial liability, or equity instrument according to the substance of the contractual arrangement and the definitions of a financial asset, financial liability or equity instrument.

The Company recognises a financial instrument when it becomes a party to the contract or legal transaction according to the provisions of such a contract or legal transaction, either as the issuer or as the holder or acquirer of the instrument.

4.1.1. Financial assets

Classification:

The financial assets usually held by the Company are classified under the following categories:

a) Financial assets carried at amortised cost:

Financial assets at amortised cost are initially recognised at fair value, plus or minus transaction costs incurred, and are subsequently measured at amortised cost, using the effective interest method.

Financial assets at amortised cost are those arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or those which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

b) Financial assets carried at cost:

This category includes equity investments in Group companies and associates, as well as investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument or cannot be reliably estimated.

The Company measures investments included in this category at cost, which is the fair value of the consideration given or received, plus or minus directly attributable transaction costs, less any accumulated

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TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
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impairment losses. The initial valuation of equity instruments also includes the amount of pre-emptive subscription rights and similar rights acquired.

The Company measures participating loans provided at cost, which is the fair value of the consideration given, plus any directly attributable transaction costs, less any accumulated impairment losses. If the Company agrees to irrevocable fixed interest in addition to contingent interest, this fixed interest is accounted for as finance income on an accrual basis. Transaction costs are taken to the income statement on a straight-line basis over the life of the participating loan.

Group companies are those on which the Company has direct control, or indirect control through subsidiaries that hold control, as established in article 42 of the Code of Commerce, or when companies are controlled by any means by one or more individual or body corporate acting jointly or are managed on a unified bases through agreements or clauses in the Articles of Association.

Control means the power to govern a company's financial and operating policies in order to obtain profit from the company's activities, considering for these purposes the voting rights held by the Company or third parties that are exercisable or convertible at the end of the accounting period.

Associates are considered to be those on which the Company, directly or indirectly through subsidiaries, has significant influence. Significant influence is the power to participate in decisions on a company's financial and operating policies, without there being a control structure or joint control over the same. When evaluating the existence of significant influence, the potential voting rights that may be exercisable or convertible at the end of each accounting period are considered, as well as considering the potential voting rights held by the Company or by another company.

Jointly-controlled entities are those that are jointly managed by the Company or by one or more Group companies, including Parent entities or body corporates, and one or more third parties outside the group.

c) Financial assets at fair value through profit or loss:

The Company measures the financial assets at fair value through profit or loss initially at fair value. Transaction costs directly attributable to the purchase are recognised as an expense as those are incurred.

The initial fair value of a financial asset is usually the purchase price, unless this contains different elements other than the instrument, in which case the Company determines the fair value thereof. If the Company determines that the fair value of an instrument differs from the purchase price, the difference may be registered in the income statement, once the value has been obtained by reference to a quoted price in an active market for an identical asset or was obtained from a valuation technique using only observable inputs. In all other cases, the Company recognises the difference in the income statement, to the extent that it arises from a change in a factor that market participants would consider in pricing the asset.

Subsequent measurement:

a) Impairment of financial assets carried at amortised cost

The amount of the impairment loss on financial assets carried at amortised cost is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, excluding future credit losses that have not been incurred, discounted at the asset's original effective interest rate. The effective interest rate at the valuation date according to the contractual terms is used for floating rate financial assets. However, the Company uses the market value, provided that it is sufficiently reliable to be considered representative of the value that could be recovered.

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An impairment loss is recognised in the income statement and is reversible in subsequent periods if the decrease can be objectively related to an event occurring after its recognition. However, the reversal of the loss is limited to the amortised cost that the assets would have had if the impairment loss had not been recognised.

The Company directly reduces the carrying amount of a financial asset when it has no reasonable expectation of full or partial recovery.

b) Impairment of investments in group companies, associates, and jointly controlled entities and equity instruments carried at cost.

Impairment is calculated as the result of comparing the carrying amount of the investment with its recoverable value, understood as the present value of future cash flows from the investment or the fair value less costs to sell, whichever is the higher.

In previous financial years reversals of impairment have been recognised to the extent that there is an increase in the recoverable value, with the limit being the carrying amount that the investment would have if the value impairment had not been recognised.

The impairment loss or reversal is recognised in the income statement.

c) Subsequent measurement of financial assets at fair value through profit or loss

The Company recognises the variation of the value of the financial assets at fair value in the income statement. Changes in fair value include the component of interests and dividends. Fair value is not reduced by the transaction costs incurred in the possible sale or disposal of the assets by other means.

Write off of financial assets

The Company writes off financial assets when they mature or the rights over the related cash flows are transferred and the risks and benefits attached to their ownership have been substantially transferred.

Writing off a financial asset in its entirety implies recognising the results of the difference between the carrying amount and the sum of the consideration received, net of transaction costs, including the assets obtained or liabilities assumed, and any profit or loss deferred in equity is recognised in the income statement.

Otherwise, the Company does not write off financial assets, and recognises financial liabilities in an amount equivalent to the consideration received, in transfers of financial assets where the risks and benefits attached to their ownership are retained.

4.1.2. *Financial liabilities*

Financial liabilities carried at amortised cost:

Financial liabilities at amortised cost are initially recognised at fair value, plus or minus transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method.

Disposals and changes in financial liabilities

The Company writes off financial liabilities or part of them when the obligations contained therein expire, or when it is legally released from the main responsibility of the liability through a legal process or by the creditor.

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The exchange of debt instruments between the Company and the counterparty, or substantial modifications to the liabilities that had initially been recognised are accounted for as the cancellation of the original financial liability and the recognition of a new financial liability, whenever the instruments have substantially different terms.

The terms are considered to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the exchange is accounted for as an extinguishment of the original financial liability then any costs or fees incurred are recognised in the income statement as part of the profit or loss. Otherwise, the costs or fees adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability. In the latter case, a new effective interest rate is determined at the modification date, which matches the present value of the cash flows to be paid under the new conditions with the carrying amount of the financial liability on that date.

The Company recognises the difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to a third party and the consideration paid, including any non-cash assets transferred or liabilities assumed in profit or loss, with a charge or credit to the income statement. If the Company delivers non-monetary assets as debt payment, it recognises the difference between the fair value of the assets and their carrying amount as operating profit, and the difference between the value of the debt that is cancelled and the fair value of the assets is recognised as financial profit/(loss). If the Company delivers inventories, the corresponding sale transaction is recognised at fair value, and the change in inventories is recognised as the carrying amount.

4.1.3. Equity instruments

An equity instrument represents a residual investment in the Company's equity after all related liabilities are deducted.

Capital instruments issued by the Company are recognised in equity at the amount received, net of any cost for issue.

Derivative financial instruments

The Company uses derivative financial instruments to hedge the risks to which its activities, operations and future cash flows are exposed. These risks arise from fluctuations in interest rates and exchange rates. Within the framework of such operations, the Company engages cash flow hedge financial instruments. The Company does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the policies and guidelines established by the Company Management.

For these financial instruments to be classified as hedge accounting, they are initially designated as such by documenting the hedging relationship. In addition, the Company verifies initially and periodically throughout their life (at least at the close of every accounting period) that the hedge relationship is effective, that is, it can be prospectively expected that the changes in fair value or in the cash flows of the hedged item (attributable to the hedged risk) will be almost completely offset by those of the hedge instrument and that, retrospectively, the hedge results will have ranged from 80% to 125% in respect of the hedged item.

The Company discloses only cash flow hedges. For this type of hedges, the portion of gain or loss of the hedge instrument designated as effective hedge is temporarily recognised in equity, and it is reflected on the income statement in the same period in which the hedged element affects results, unless the hedge relates to a projected transaction that finishes with recognition of a non-financial asset or liability, in which case the amounts recorded in equity will be included in the cost of the asset or liability when it is acquired or assumed.

Hedge accounting ceases when the hedge instrument matures or is sold, has expired or has been exercised, or has stopped fulfilling the criteria for hedge accounting. Then, any accumulated profit or loss related to the hedge instrument recognised in equity is held in equity until the projected operation takes place. When the hedged operation is not expected to occur, the net accumulated profit or loss recognised in equity is transferred to the net results for the period.

4.2. *Income tax*

Profit tax expense or income comprises the portion that relates to current tax expense or income and the portion that relates to deferred tax expense or income.

Current tax is the amount that the Company pays as a result of the tax settlements for tax on profit for a given financial year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carry-forwards from previous financial years effectively applied in the current financial year, result in lower current tax.

Deferred tax expense or income relate to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences which are identified as the amounts that are expected to be payable or recoverable and which arise from the differences between the carrying amounts of assets and liabilities and their fiscal value, and the negative tax bases pending carry-forward and credits for tax deductions that have not been fiscally applied. These amounts are recorded by applying the tax rate at which they are expected to be recovered or settled, to the temporary difference or credit in question.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets, however, are only recognised to the extent that it is considered likely that the Company will have future tax gains against which the deferred tax assets can be applied, and this shall be understood as being in a period of no more than 10 years, unless evidenced otherwise.

Deferred tax assets and liabilities arising from operations directly charged against or credited in equity accounts are also entered in the accounts with a balancing entry in equity.

At the close of every accounting period, recognised deferred tax assets are reassessed and the appropriate adjustments are applied thereto to the extent that there are doubts as to their future recoverability. Similarly, deferred tax assets not recognised on the balance sheet are reassessed at the end of each accounting period and are recognised to the extent that they are likely to be recovered through future tax gains.

Acciona Financiación Filiales S.A. is allowed by the competent authorities to use the fiscal consolidation system for Corporate Tax, and it is part of the fiscal consolidation Group whose Parent is Acciona S.A., under Group number 30/96.

4.3. *Revenue and expenses*

The Company will recognise revenue in the ordinary course of business upon transfer of control of the services committed to customers. At that time, the Company will measure the revenue as the amount that reflects the consideration which it expects to be entitled to in exchange for such services.

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In order to apply this fundamental revenue recognition approach, the Company will follow a comprehensive process consisting of the following successive steps:

a) Identify the contract(s) with the customer.
b) Identify the obligation(s) to be fulfilled in the contract.
c) Determine the transaction price.
d) Allocate the transaction price to the obligations to be fulfilled.
e) Recognise revenue from ordinary activities as the Company fulfils a committed obligation.

Revenue from service commitments that are generally performed over time is recognised by reference to the stage of completion or progress towards complete fulfilment of the contractual obligations, provided that the Company has reliable information to measure the stage of completion.

When the company is unable to reasonably measure the extent to which the obligation has been fulfilled at a specified date (for example, in the early stages of a contract), but expects to recover the costs incurred to fulfil the obligation, revenue and the related consideration are recognised only up to the costs incurred by that date. For contractual obligations that are due at a specific point in time, revenue arising from their performance shall be recognised at that date.

When there are doubts regarding the collectability of the receivable previously recognised as revenue from sales or services, the impairment loss is recognised as an impairment expense rather than as a reduction in revenue.

As a financial company and as a holding company, dividends and accrued interest arising from financing granted to investees, as well as the profits obtained from providing services to subsidiaries, jointly controlled entities or associates, constitute the Net Revenue in the income statement.

Interest received from financial assets is recognised by applying the effective interest rate method and dividends are recognised when the shareholder's right to receive them has been declared. In any event, interest and dividends from financial assets as accrued after the time of acquisition are recognised as income on the income statement. If the distributed dividends are unequivocally from earnings generated before the acquisition date as amounts above the profits made by the subsidiary company since acquisition have been distributed, then they reduce the investment carrying amount.

4.4. Cash and other cash equivalents

Cash and other cash equivalents include cash on hand and bank deposits on demand. Other short-term, highly liquid investments are also included under this heading provided that they are readily convertible into specified amounts of cash and are subject to a negligible risk of change in value. Investments with maturities of less than three months from the acquisition date are also included under this heading.

4.5. Related-party transactions

The Company carries out all its transactions with related parties on an arm's length basis. Additionally, the prices of operations with related parties are adequately supported, so the Directors of the Company consider that there is no risk that might lead to significant liabilities in future.

Transactions between group companies, except for those related to mergers, spin-offs and non-cash contributions to businesses are recognised at the fair value of the consideration given or received. The difference between this value and the agreed amount is recorded in accordance with the underlying economic circumstances.

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4.6. *Equity elements of an environmental nature*

Assets used on a lasting basis in the Company's activity, the main purpose of which is to minimise environmental impact and protect and upgrade the environment, including the reduction or elimination of future pollution, are considered assets of an environmental nature.

Given its nature, the Company's activity does not have a significant environmental impact.

4.7. *Current and non-current items*

Current assets are those associated with the Company's ordinary course of operations, which is usually considered to be one year, and also other assets for which the due date, disposal or realisation is expected to occur in the short term after the close of the financial year, financial assets at fair value, and cash and cash equivalents. Any other assets are classified as non-current.

In the same way, current liabilities are those associated with the Company's ordinary course of operations and in general all liabilities for which the due date or cancellation will take place in the short term. Otherwise, liabilities are classified as non-current.

4.8. *Foreign currency transactions*

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the close of the financial year, the cash assets and liabilities denominated in foreign currencies are translated to euros by applying the prevailing exchange rate at the balance sheet date. Any profit or loss as shown is directly recognised in the income statement for the financial year in which they occur.

5. Financial Assets

Financial assets classified by class and category at year-end 2023 and 2022 are shown below (in millions of euros):

	Non-current financial investments				Total	
	Equity Instruments		Credits, derivatives, others			
	2023	2022	2023	2022	2023	2022
Investments in Group companies and associates	302	302	--	--	302	302
Financial assets carried at cost	302	302	--	--	302	302
Investments in Group companies and associates	--	--	3,524	3,591	3,524	3,591
Financial assets carried at amortised cost	--	--	3,524	3,591	3,524	3,591
Financial investments	--	24	8	--	8	24
Financial assets at fair value through profit or loss	--	24	8	--	8	24
Derivatives	--	--	2	53	2	53
Total financial assets	302	326	3,534	3,644	3,836	3,970

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	Current financial investments				Total	
	Equity Instruments		Credits, derivatives, others			
	2023	2022	2023	2022	2023	2022
Investments in Group companies and associates	--	--	2,042	1,071	2,042	1,071
Financial investments	--	--	54	46	54	46
Financial assets carried at amortised cost	--	--	2,096	1,117	2,096	1,117
Financial investments	--	10	6	4	6	14
Financial assets at fair value through profit or loss	--	10	6	4	6	14
Total financial assets	--	10	2,102	1,121	2,102	1,131

There are no significant differences between the carrying amount and the fair value of financial assets carried at amortised cost.

5.1. *Financial investments in equity instruments and other financial assets*

The movement in this caption on the balance sheet for 2023 and 2022 was the following (in millions of euros):

	2023		2022	
	Shareholding	Value	Shareholding	Value
Bestinver Infra, Venture Capital Fund	--	--	29,481,032	24
Equity instruments	--	--	--	24
Non-current receivables	--	8	--	--
Total		8		24

This investment in equity instruments indicated above was made in the Infra Venture Capital Fund in 2021, amounting to 31 millions of euros. The investment was carried out through the Group company Bestinver Gestión SGIIC S.A., and in 2022 a total of 1,250,605 shares were redeemed at their nominal value. The fund temporarily repaid 8 millions of euros which, at year-end 2022 were pending disbursement.

During 2023, additional shares amounting to 22 millions of euros were subscribed, and initially disbursed up to 74% (16 millions of euros). A further 9 millions of euros was subsequently disbursed. The fund also made redemptions of shares amounting to 4 millions of euros.

In December 2023, the Company wound up its position in this fund, recording a net impairment loss of 2 millions of euros under Change in fair value of financial instruments and an account receivable under Non-current receivables in the balance sheet of 2 millions of euros.

The movement in the fair value of this investment during 2022 was recognised on the income statement under Change in fair value of financial instruments for the positive amount of 3 millions of euros.

In addition, with the entry of new shareholders and as per Article 16.3 of the Fund's Management Regulations, the Company recognised compensation payments amounting to 1 millions of euros in 2022.

In 2023 the Company also formalised its stake in the capital of an economic interest grouping (EIG), making an initial contribution of 6 millions of euros and committing to contribute up to an additional 1 millions of euros, the purpose of which is to develop research and development (R&D) activities. Given the nature of this EIG, this contribution has been recorded under non-current receivables.

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5.2. *Long-term and short-term financial investments in Group companies and associates*

5.2.1. *Investments in Group companies and associates:*

The movement in this caption on the balance sheet for 2023 and 2022 was the following (in millions of euros):

	Balance at 31/12/2021	Balance at 31/12/2022	Balance at 31/12/2023
Investments in Group companies	302	302	302
Total	**302**	**302**	**302**

At 2023 and 2022 year-end, the Company had ownership interests in Acciona Financiación Filiales Chile Spa (hereinafter AFF Chile) and Acciona Financiación Filiales Australia Pty. Ltd. (hereinafter AFF Australia). Acciona Financiación Filiales S.A. is the sole shareholder of both companies.

There are no indications of impairment in the above-mentioned ownership interests.

Information on these subsidiaries is listed in Appendix I.

5.2.2. *Long-term and short-term loans and credits with Group companies and Associates*

All loans and receivables are accounted for at amortised cost and there are no material differences between the carrying amount and fair value of the loans and receivables.

The loans granted by the Company are remunerated at both fixed and floating rates (referenced to Euribor, CDOR or BBSW, depending on the currency) plus a market spread ranging between 2.50% and 3.15%. Fixed-rate loans in euros are remunerated at a fixed market rate between 2.18% and 9%.

As at 31 December 2023, the Company has reviewed the recoverability of the loans granted. As a result of this analysis, no additional impairments have been recorded, maintaining the provision for loans and advances to Group companies at 5 millions of euros (5 millions of euros at 31 December 2022).

LONG-TERM:

Details for financial year 2023 compared to 2022 were as follows (in millions of euros):

	2023	2022
Loans and credits to Group companies	1,673	1,336
Credits to Group companies (Cash-pooling)	1,851	2,255
Total	3,524	3,591

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At 31 December 2023 and 2022, the main long-term loans and credits with Group companies were the following (detailing the original currency and expressed in millions of euros):

	Currency	Balance at 31/12/2023	Balance at 31/12/2022
Acciona S.A.	EUR	905	574
Acciona Construcción S.A.	EUR	447	349
Acciona Agua S.A.	EUR	88	43
Scutum Logistic S.L.	EUR	72	16
Acciona Mobility Global S.A.	EUR	64	64
Acciona Mobility S.A.	EUR	63	63
Acciona Service S.L.	EUR	33	33
Corporación de Explotaciones y Servicios S.A.	EUR	1	1
Acciona Financiación Filiales Australia Pty	AUD	--	131
Acciona Construcción S.A.	AUD	--	55
Acciona Cultural Engineering S.A.	EUR	--	5
Bestinver S.A.	EUR	--	2
Total		1,673	1,336

In 2023, the Company granted Acciona S.A. a long-term loan of 286 millions of euros at a fixed rate that matures in 2026. A further loan of 243 millions of euros at a fixed rate and maturing in 2027 was granted in 2022. In both cases the purpose is to finance the loans granted by Acciona S.A. to its investee Nordex SE.

In addition, the Company granted another loan to its Parent company of 144 millions of euros at a fixed rate and maturing in 2028 to finance the capital increase in Tibest Cuatro S.A.

The Company also arranged several loans in 2023, which include:

- Acciona Agua S.A.: a fixed-rate loan of 64 millions of euros maturing in 2028.
- Scutum Logistic S.L.: a fixed-rate loan of 50 millions of euros maturing in 2026. This loan comprises advances delivered during 2022 amounting to 16 millions of euros.
- Scutum Logistic S.L.: a fixed-rate participating loan maturing in 2026 for up to 24 millions of euros. At the end of 2023, 22 millions of euros had been drawn down from this loan.
- Acciona Construcción S.A.: a group of loans amounting to 64 millions of euros, all of which are fixed-rate loans and mature in 2028.
- Acciona Construcción S.A.: a fixed-rate loan of up to 20 millions of euros that matures in 2029, of which 13 millions of euros had been drawn down at the end of 2023.
- Acciona Construcción S.A.: 49 millions of euros was drawn down from the long-term credit line of up to 237 millions of euros arranged in 2020.

The Australian dollar loan granted to Acciona Financiación Filiales Australia Pty was repaid in 2023.

Finally, as various loans were due to mature, 207 millions of euros were transferred to short term.

Of the total outstanding long-term loans to Group companies as at 31 December 2023, 39 millions of euros relate to participating loans (there was no amount for this concept as at 31 December 2022).

The loans detailed above mature between June 2025 and December 2028 and are remunerated at both fixed and floating rates (referenced to Euribor, CDOR or BBSW, depending on the currency) plus a market spread between 2.50% and 3.15%. Fixed-rate loans in euros are remunerated at a fixed market rate between 2.18% and 9%.

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SHORT-TERM:

Detail of this caption on the balance sheet for financial years 2023 and 2022 was as follows (in millions of euros):

	2023	2022
Credits to Group companies (Cash-pooling)	1,743	1,001
Interest with Group companies (cash pooling)	68	38
Loans and credits to Group companies	211	17
Interest from loans and other receivables	20	14
Derivatives with Group companies	--	1
Total	2,042	1,071

On 31 December 2023 and 2022, the main short-term loans and credits with Group companies were the following (detailing the original currency expressed in millions of euros).

	Currency	Balance at 31/12/2023	Balance at 31/12/2022
Acciona S.A.	EUR	99	--
Acciona Construcción S.A.	AUD	50	--
Acciona Construcción S.A.	EUR	30	--
Acciona Agua S.A.U.	EUR	21	16
Smart Living Properties S.A.	EUR	6	--
Acciona Cultural Engineering S.A.	EUR	5	1
Bestinver S.A.	EUR	2	2
Tictres S.A.	EUR	1	1
Corporación de Explotaciones y Servicios S.A.	EUR	1	1
Acciona Facility Services S.A.	EUR	--	1
Impairment	EUR	-5	-5
Total		210	17

With the exception of the loan granted to Smart Living Properties S.A. in the amount of 6 millions of euros, the remaining increases in short-term loans and receivables from Group companies arise from the reclassification of long-term loans and receivables as they are due to mature in 2024.

Of the total outstanding short-term loans to Group companies as at 31 December 2023, 1 millions of euros relate to participating loans (1 millions of euros as at 31 December 2022).

The loans detailed above are remunerated at both fixed and floating rates (referenced to Euribor, CDOR or BBSW, depending on the currency) plus a market spread between 2.50% and 3.15%. Fixed-rate loans in euros are remunerated at a fixed market rate between 2.18% and 9%.

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CASH-POOLING

With the purpose of optimising and managing the treasury of the companies that make up the Group whose Parent company is Acciona S.A., the Company has established a system of daily sweeping of current account balances to different Group subsidiaries. This system operates under the characteristics of the well-known financial cash-pool, paying back the various debit and credit balances swept at a market interest rate set every quarter. The minimum and maximum rates in force during 2023 were as follows:

	EUR		USD	
	min	max	min	max
Debit rates	5.31%	6.48%	7.60%	8.70%
Credit rates	2.18%	4.10%	4.28%	5.26%

The main outstanding short and long-term debit balances on 31 December 2023 and 2022 for this type of financing are the following (in millions of euros):

	EUR	USD	Balance at 31/12/2023	EUR	USD	Balance at 31/12/2022
Acciona S.A.	3,327	9	3,336	2,726	4	2,730
Acciona Inmobiliaria S.L.	97	--	97	273	--	273
Acciona Agua S.A.	49	--	49	96	--	96
Acciona Service S.L.	29	--	29	48	--	48
Corporación Acciona Infraestructuras S.L.	--	1	1	35	1	36
Acciona Forwarding S.A.	12	--	12	21	--	21
Acciona Construcción S.A.	57	--	57	20	--	20
Ingeniería Especializada Obra Civil e Industrial S.A.	--	1	1	4	7	11
Acciona Mobility S.A.	1	--	1	3	--	3
Acciona Cultural Engineering S.A.	--	--	--	1	--	1
Acciona Concesiones S.L.	--	1	1	--	--	--
Acciona Industrial S.A.U.	--	11	11	--	17	17
Total Cash-Pooling	3,572	23	3,595	3,227	29	3,256

On 31 December 2023, the Company has classified 1,851 millions of euros as non-current assets (2,255 millions of euros in 2022), on the grounds that the expected date of completion will be more than twelve months.

5.3. Other short-term financial assets and equity instruments

The balance of this heading at 31 December 2023 and 2022 corresponds to the following investments (in millions of euros):

	2023		2022	
	SHAREHOLDING	VALUE	SHAREHOLDING	VALUE
Bestinver Latin America SICAV	533,333	10	533,333	8
Bestinver Deuda Corporativa Investment Fund	200,007	3	200,007	3
Bestinver Norteamérica Investment Fund	2,018,714	36	2,018,714	30
Alfil Táctico Hedge Fund	482,442	5	482,442	5
Other financial assets		54		46
Investment in equity instruments			290,000	10
Total	--	54	--	56

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All these investments are made through the management companies Bestinver Gestión SGIIC, Bestinver Sociedad de Valores S.A. or Bestinver Pensiones EGFP S.A. All these companies belong to the Acciona S.A. Group.

The movement in the fair value of these short- and long-term investments was recognised on the income statement for 2023 under Change in fair value in financial instruments for a gain of 8 millions of euros (loss of 6 millions of euros at 31 December 2022). Of the above amount, the amount corresponding to the divestment of equity instruments amounted to a profit of 1 millions of euros.

5.4. *Cash and other cash equivalents*

Detail of the accounts in Cash and other cash equivalents at the close of 2023 compared to 2022 was as follows (in millions of euros):

	2023	2022
Treasury	22	70
Total	22	70

There are no restrictions as to the availability of these amounts.

5.5. *Information on the nature and risk level of financial instruments*

Liquidity risk

The Company manages an adequate level of cash and marketable securities and arranges credit facilities for a sufficient amount to support projected needs (see Note 7). On 31 December 2023 the Company had available additional financing that had not been drawn down for the amount of 1,175 millions of euros (1,207 millions of euros at 31 December 2022).

Ultimate responsibility for liquidity risk management lies with the Company's Group Economic and Financial Department, which prepares the appropriate framework to control the Group's liquidity requirements in the short, medium and long term. The Company manages liquidity risk by holding adequate reserves, appropriate banking services, having credit facilities and loans available, monitoring projected and actual cash flows on an on-going basis and pairing them against financial asset and liability maturity profiles.

Finally, in relation to this risk, it should be mentioned that the Company, seeking to diversify its financing sources, has a European Commercial Paper programme registered for the maximum amount of 1,500 millions of euros, to issue notes with maturity under one year, as well as a Euro Medium Term Note programme for the maximum amount of 3,000 millions of euros (see Notes 7.1.2 and 7.2.2).

Interest rate risk

Fluctuations in the interest rates to which the Group's financial assets and liabilities are referenced in its balance sheet affect both the Company's balance sheet and its statements of profit and loss and cash flows. The impact of these fluctuations is sometimes mitigated by arranging derivative hedging financial instruments (see Note 7.1.4). This risk is managed by the Group's Economic and Financial Department, with non-speculative hedge criteria being applied.

In order to be able to analyse the effect that a possible fluctuation in interest rates might have on the Company's accounts, a simulation was performed which assumed a 50-basis point increase and decrease in interest rates at 31 December 2023.

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This sensitivity analysis to upward or downward variations of 0.50% in the floating reference rates would lead to an increase or decrease in the theoretical financial result from interest expenses of 8 millions of euros at 31 December 2023 (2 millions of euros in 2022).

Credit risk

Credit risk is the risk that the counterparty to a contract does not meet its obligations, giving rise to a financial loss for the Company. The Company has adopted a policy of only negotiating with Group companies, so this risk is significantly reduced.

Foreign currency risk

Foreign currency risk arises from the appreciation or depreciation of the currencies in which the Group operates with respect to the euro, the currency in which financial results are presented. The Group has developed a process of growing internationalisation, which means it has increased exposure to foreign currency risk involving transactions in the currencies of the countries where it invests and operates. Foreign currency risk arises mainly from investments, debt, supplies and services denominated in currencies other than the euro and foreign currency collections and payments.

This risk is managed by the Group's Economic and Financial Department, with non-speculative hedge criteria being applied.

In order to mitigate foreign currency risk, the Acciona Group uses currency derivatives to cover significant future transactions and cash flows, within acceptable risk limits (see Note 7.1.4.).

6. Equity and capital and reserves

6.1. Share capital and issue premium

The Company's share capital is represented by 82,413,197 shares with a face value of one euro each, all fully subscribed and paid up. There is also a fully paid issue premium of 329 millions of euros. The issue premium may be distributed subject to compliance with the restrictions set out in prevailing mercantile regulations. The Company is not listed on the stock exchange.

On 31 December 2023 and 2022, Acciona S.A. held 100% of the shareholding, it being therefore the Sole Shareholder of the Company. Following the mercantile regulations, the Company has its form of sole-shareholder company registered with the Companies Register. All the shares carry the same political and economic rights.

The contracts subscribed and the balances and transactions held with the Sole Shareholder are detailed in Note 12.

6.2. Legal reserve

In accordance with the mercantile legislation, an amount equivalent to 10% of the year's profit must be applied to legal reserve until this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase the share capital. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The legal reserve is currently fully paid up.

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6.3. Other Reserves

The Company has unrestricted reserves under this heading from prior years' income.

6.4. Value adjustments

This heading includes the fair values net of taxes of derivatives held by the Company with financial institutions (see Note 7.1.4).

7. Financial liabilities

The following table shows the financial liabilities classified by class and category (in millions of euros) at the end of 2023 and 2022:

	2023		2022	
	Non-current	Current	Non-current	Current
Debentures and other marketable securities	1,666	982	1,677	530
Bank borrowings	1,345	546	1,510	186
Interim dividend payable	--	60	--	--
Payables to Group companies and associates	--	482	--	446
Trade and other accounts payable	--	1	--	--
Financial liabilities carried at amortised cost	3,011	2,071	3,187	1,162
Derivatives	--	--	--	1
Financial liabilities at fair value through profit or loss	--	--	--	1
Derivatives	16	--	1	--
Total financial liabilities	3,027	2,071	3,188	1,163

7.1. Non-current financial liabilities

The breakdown of non-current financial liabilities at the close of 2023 and 2022 was as follows (in millions of euros):

	Bank borrowings		Debentures and other marketable securities		Derivatives	
	2023	2022	2023	2022	2023	2022
Debits and other accounts payable	1,345	1,510	1,666	1,677	16	1

The detail of Bank Borrowings, in millions of euros, is as follows:

	Bank borrowings	
	2023	2022
Loans	1,347	1,514
Commitment fees	-2	-4
TOTAL	1,345	1,510

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7.1.1. *Long-term bank borrowings*

The changes in long-term bank borrowings at the end of 2023 and 2022 were as follows (in millions of euros):

	Balance at 31/12/2021	Additions	Transfers	Balance at 31/12/2022	Additions	Removals	Transfers	Balance at 31/12/2023
Bank borrowings	648	900	-38	1,510	839	-628	-376	1,345

At 31 December 2023 the Company holds non-current credit facilities with a limit totalling 1,210 millions of euros (1,292 millions of euros in 2022). At 2023 year-end, 446 millions of euros had been drawn down from the non-current credit facilities (495 millions of euros at 2022 year-end). Of this amount, 370 millions of euros were euro-denominated policies and 76 millions of euros relate to a multi-currency policy drawn down in Australian and US dollars.

Details of main facilities (nominal without commitment fees) in millions of euros at 31 December 2023:

	Currency	Limit	Amount drawn down	Due date
Syndicated Tranche B	EUR	600	300	May-28
Credit facility	EUR	110	--	Apr-25
Credit facility	EUR	200	70	May-25
Credit facility	EUR	75	--	Jun.-25
Credit facility	EUR	50	--	May-25
Credit facility	EUR	15	--	Jun.-25
Multi-currency policy	USD	80	29	Apr-25
Multi-currency policy	AUD		47	Apr-25
Total		1,130	446	Jan.-00

The breakdown of the nominal amounts in millions of euros as at 31 December 2022 was as follows:

	Currency	Limit	Amount drawn down	Due date
Syndicated Tranche B	EUR	600	--	May-27
Credit facility	EUR	200	200	May-25
Credit facility	EUR	200	200	Apr-25
Credit facility	EUR	95	95	Nov.-24
Credit facility	EUR	75	--	Jun.-24
Credit facility	EUR	50	--	Jul.-24
Credit facility	EUR	50	--	May-25
Credit facility	EUR	12	--	Jun.-24
Credit facility	EUR	10	--	Jun.-24
Total		1,292	495	

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Detail of main loans (nominal without Commitment fees) including amounts maturing in the short term (in millions of euros) at 31 December 2023:

Type	Currency	Type	Nominal	Amount drawn down	Long-term	Short-term	Initial amount	Due date
Syndicated Tranche A	EUR	Variable	200	200	200	--	May-21	May-26
Loan	EUR	Variable	100	100	100	--	Sep.-22	Sep.-25
Loan	EUR	Variable	85	85	85	--	Nov.-21	Nov.-26
Loan	EUR	Variable	75	75	75	--	Aug.-22	Aug.-25
Loan	EUR	Variable	75	75	75	--	Apr-23	Apr-26
Loan	EUR	Variable	67	67	67	--	Jul.-22	Aug.-29
Loan	EUR	Fixed	50	50	50	--	Jun.-21	Jun.-28
Loan	EUR	Variable	50	50	50	--	Jan.-23	Jan.-26
Loan	EUR	Fixed	40	40	40	--	Oct.-20	Oct.-26
Loan	EUR	Variable	40	40	40	--	Jul.-22	Jul.-25
Loan	EUR	Variable	30	30	30	--	Oct.-22	Oct.-25
Loan	EUR	Fixed	25	25	25	--	Nov.-21	Dec.-31
Loan	EUR	Variable	20	20	20	--	Apr-22	Jul.-25
Loan	EUR	Fixed	12	12	12	--	Jun.-21	Jun.-28
Loan	EUR	Variable	12	12	12	--	Mar.-23	Mar.-26
Loan	EUR	Variable	10	10	5	5	Mar.-22	Mar.-25
Loan	EUR	Fixed	8	8	8	--	Jun.-21	Jun.-28
Loan	EUR	Fixed	7	7	7	--	Jun.-21	Jun.-28
Total			906	906	901	5		

At 31 December 2022, the amount drawn down on long-term loans came to 1,029 millions of euros.

All loans accrue a fixed or floating market interest rate benchmarked to the Euribor, BBSW, LIBOR or SOFR plus a margin.

Detail at 31 December 2023 by maturity of the items included in Long-term bank borrowings was as follows (in thousand euros):

2025	2026	2027	2028	2029 onwards	Total
423	455	5	376	102	1,361

Detail at 31 December 2022 by maturity of the items included in Long-term bank borrowings and Derivatives was as follows (in millions of euros):

2024	2025	2026	2027	2028 onwards	Total
433	670	239	1	168	1,511

7.1.2. Debentures and other marketable securities

In order to diversify its sources of funding, in 2014 the Company entered into a Euro Medium Term Note (EMTN) programme, which is updated annually for successive 12-month periods. The programme is guaranteed by Acciona S.A. and is listed on the Irish stock exchange (Euronext Dublin). The latest renewal is dated 28 April 2023 and has a maximum amount of 3,000 millions of euros. In compliance with the applicable European regulations, the initial prospectus and its renewals and supplements are approved by the Central Bank of Ireland. The programme is rated BBB by the credit rating agency DBRS. The securities issued under this programme may: accrue fixed or variable interest, be issued in euros or in another currency and at par, below par or with a premium, and have different maturity dates for the principal and the interest.

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At 31 December 2023 the balances registered against this EMTN programme in the non-current debentures and other marketable securities accounts, net of transaction costs and considering interest accrued, amounted to 1,666 millions of euros (1,677 millions of euros in 2022). The fair value of the bonds (long and short term) at the end of 2023 amounts to 1,865 millions of euros.

The changes in this heading in 2023 and 2022 were as follows:

	Balance at 31/12/2021	Additions	Transfers	Balance at 31/12/2022	Additions	Removals	Transfers	Balance at 31/12/2023
Debentures and marketable securities (non-current)	1,541	371	-235	1,677	333	-34	-310	1,666

The details of bonds at 31 December 2023 by maturity was as follows (in millions of euros):

2025	2026	2027	2028	2029 onwards	Total
504	193	185	84	700	1,666

The details of bonds at 31 December 2022 by maturity was as follows (in millions of euros):

2024	2025	2026	2027	2028 onwards	Total
314	258	191	155	759	1,677

7.1.3. Other disclosures

In relation to the syndicated facilities and loans described in Note 7.1.1, it should be noted that the Company must meet certain financial ratios calculated over the consolidated accounts of the Acciona Group (mainly the Net Financial Indebtedness Ratio over EBITDA) and maintain a certain percentage of the recourse debt over the total for the Acciona Group. In addition, there are other non-financial obligations that restrict significant divestment of the obligated entities, the performance of structural changes that affect the Group's corporate or business structure, as well as its capacity for additional indebtedness or the granting of guarantees.

In relation to these syndicated loans and the rest of the financing subscribed by the Company for which it is stipulated that certain financial ratios must be met; it should be noted that at 31 December 2023 and 2022 the Company was not in default of its financial obligations or of any type of obligation that could lead to early termination of its financial commitments. Similarly, no default is expected for 2024. The Sole Shareholder, Acciona S.A., is the guarantor of all the loans and financial obligations undertaken by the Company.

In addition, in financial year 2022, there were no defaults or any other non-payments of principal, interest or repayments in respect of bank borrowings.

7.1.4. Hedging derivatives

The Company uses derivative financial instruments to hedge the risks to which its activities, operations and future cash flows are exposed. Within the framework of such operations, the Company engaged certain interest rate and exchange rate hedging financial instruments. Details of the derivatives outstanding at 2023 and 2022 year-end are presented below:

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Interest rate hedges

The hedges contracted by the Company at year-end 2023 and 2022 are detailed below (in millions of euros):

				Inefficiency recorded		Fair Value		Total	
Type	Notional amount	Currency	Maturity	2023	2022	2023	2022	2023	2022
Floating to fixed	504	EUR	Jan.-29	--	--	--	42	--	42
CCS	10,000	JPY	Mar.-31	-13	-6	8	11	-5	5
CCS	25	PLN	Apr-27	--	--	--	-1	--	-1
CCS	62	RON	Apr-25	--	--	--	--	--	--
CCS	80	PLN	Apr-26	1	--	1	1	2	1
CCS	10,000	JPY	May-27	-12	-5	5	8	-7	3
CCS	5,000	JPY	Feb.-34	-7	-3	3	5	-4	2
Total				-31	-14	17	66	-14	52

In 2023 the Company cancelled an interest rate hedge it had arranged in the first quarter of 2019 for the period from January 2024 to January 2029 to cover certain debts that the Company would draw down during that period. This cancellation resulting in income of 39 millions of euros recognised under Financial income in the income statement.

Cross-Currency Swaps (CCS) arranged by the Company hedge bond financings issued under the Company's EMTN programme (see Note 7.1.2.) in the currencies indicated in the table above (JPY, RON and PLN) and hedge both the exchange rate risk of these currencies against the euro and the interest rate change risk if the bond is issued at a floating rate.

The Company has complied with the requirements detailed in the recognition and measurement standards to classify the financial instruments detailed above as hedges. Specifically, said financial instruments were formally classified as such and it was verified that the hedge was effective.

Foreign currency hedges

The contracting of exchange rate derivatives is normally centralised with the Company as the Group's financial company. This company therefore arranges the derivatives that the subsidiaries need and transfers the risk to them through mirror contracts to the company that actually bears the risk. This transfer of risk results in a neutral position for the Company, which does not assume any impact on equity arising from these derivatives. No amounts are reflected in the balance sheet as bank borrowings at 31 December 2023 (1 millions of euros at 31 December 2022).

In addition, at 31 December 2023 there are exchange rate insurance hedging instruments whose hedged item is accrued, recorded on the balance sheet, and pending payment; i.e. the expected future cash flows hedged by the derivative affect the current year's profit or loss by accruing exchange rate differences. The Company recognises the fair value of these instruments in the income statement in such a way that the recognition of the hedged item and the derivative instrument correlate. Details of derivative instruments at 31 December 2023 and 2022 recognised in the income statement are as follows (in millions of euros):

			Effect of measurement at market value on profit/(loss)		Fair Value	
Type	Nominal	Maturity	2023	2022	2023	2022
EUR/AUD	99	Feb.-23	--	4	--	--
EUR/AUD	271	Jan.-24	6	--	--	--

7.2. *Current financial liabilities*

	Bank borrowings		Debentures and other marketable securities		Payables to Group companies and Creditors		Derivatives	
	2023	2022	2023	2022	2023	2022	2023	2022
Debits and other accounts payable	546	186	982	530	482	446	--	1

The detail of Bank Borrowings, in millions of euros, is as follows:

	Bank borrowings	
	2023	2022
Loans	469	65
Credit facilities	64	117
Interest	15	5
Availability fees	--	1
Commitment fees	-2	-2
TOTAL	546	186

7.2.1. *Current bank borrowings*

The movement in this caption on the balance sheet for 2023 and 2022 was the following (in millions of euros):

	Balance at 31/12/2021	Additions	Removals	Transfers	Balance at 31/12/2022	Additions	Removals	Transfers	Balance at 31/12/2023
Bank borrowings	61	139	-52	38	186	176	-192	376	**546**

At 31 December 2023 the Company holds current credit facilities with a limit totalling 555 millions of euros (589 millions of euros in 2022).

Breakdown of the main nominal amounts (without Commitment fees or interests) of short-term loans at 31 December 2023 (in millions of euros):

	Currency	Type	Limit	Amount drawn down
Loan	EUR	Variable	164	164
Loan	EUR	Fixed	100	100
Loan	EUR	Variable	50	50
Loan	EUR	Fixed	50	50
Loan	EUR	Fixed	35	35
Loan	EUR	Variable	25	25
Loan	EUR	Fixed	20	20
Loan	EUR	Fixed	10	10
Loan	EUR	Variable	10	10
Loan	EUR	Variable	5	5
Total			469	469

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Breakdown of the main nominal amounts (without Commitment fees or interests) of short-term loans at 31 December 2022 (in millions of euros):

	Currency	Type	Limit	Amount drawn down
Loan	EUR	Variable	30	30
Loan	EUR	Fixed	10	10
Loan	EUR	Variable	25	25
Total			65	65

Breakdown of the nominal amounts (without Commitment fees or interest) of short-term credit facilities at 31 December 2023 (in millions of euros):

	Currency	Type	Limit	Amount drawn down
Credit facility	EUR	Variable	95	--
Credit facility	EUR	Variable	75	--
Credit facility	EUR	Variable	75	--
Credit facility	USD	Variable	71	48
Credit facility	Multi-currency	Variable	50	--
Credit facility	EUR	Variable	25	--
Credit facility	EUR	Fixed	50	--
Credit facility	USD	Variable	18	--
Credit facility	EUR	Fixed	15	8
Credit facility	EUR	Variable	15	--
Credit facility	EUR	Variable	15	--
Credit facility	EUR	Variable	15	--
Credit facility	EUR	Variable	12	--
Credit facility	USD	Variable	9	8
Credit facility	AUD	Variable	9	--
Credit facility	Multi-currency	Variable	6	--
Total			555	64

At 31 December 2022, the limit on short-term facilities was 589 millions of euros, of which 117 millions of euros had been drawn down.

All the credit facilities accrue Euribor, BBSW, SOFR and LIBOR benchmarked market interest rates plus a margin.

The balances of loans with credit entities correspond to short-term loans and include the debts indicated in note 7.1.1 that mature in the short term.

The financial expense associated with this type of debt amounted to 88 millions of euros in 2023 (28 millions of euros in 2022).

7.2.2. Debentures and other marketable securities

The Euro Commercial Paper (ECP) Programme was set up on 17 January 2013 by Acciona S.A. and renewed as from 2015 with the guarantee of Acciona S.A. Through this programme, which is listed on Euronext Dublin (formerly the Irish Stock Exchange), promissory notes are issued on the euro market with maturities between 3 and 364 days.

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The programme has been renewed annually since 2015. On 28 April 2023 the current programme was renewed by maintaining the maximum amount at 1,500 millions of euros. In 2023, promissory notes were issued and amortised for 3,043 and 2,688 millions of euros, respectively, and the outstanding balance stood at 656 millions of euros at 31 December 2023 (282 millions of euros in 2022).

These amounts, together with balances of the EMTN programme due in 2023 are explained in Note 7.1.2, which amount to 310 millions of euros (235 millions of euros in 2022). The changes in these products in 2023 and 2022 were as follows:

	Balance at 31/12/2021	Additions	Removals	Transfers	Balance at 31/12/2022	Additions	Removals	Transfers	Balance at 31/12/2023
Current debentures and marketable securities	938	1,785	-2,428	235	530	3,108	-2,966	310	**982**

The finance costs associated with financing this kind of products were 67 millions of euros (39 millions of euros in 2022), and the interest payable on the bonds at the close of 2023 amounted to 15 millions of euros (14 millions of euros in 2022).

7.2.3. Short-term payables to Group companies, jointly-controlled entities and associates

The details of Payables to Group companies and associates at 31 December 2023 and 2022 were as follows (in millions of euros):

	2023	2022
Loans with Group companies (deposits)	39	27
Loans with Group companies (cash pooling)	282	265
Interest from loans and other payables	4	1
Current account for corporate income tax	11	2
Current account with Group companies	146	151
Total	482	446

There are no material differences between the carrying amount and the fair value.

Current accounts with Group companies

The balance recorded as the current account with Group companies mainly includes the debt payable to AFF Chile amounting to 160 million US dollars which equates to 146 millions of euros at 2023 year-end (151 millions of euros at 2022 year-end).

In addition, the balance owed to Acciona S.A. as Parent company of the tax group the Company forms part of is recorded under Current account for Corporate Income Tax (see note 4.2).

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Loans with Group companies (deposits)

The balances of the main short-term deposits made by Group companies at 2023 and 2022 year-end are as follows, in millions of euros:

	2023	2022
Acciona Agua S.A.	32	27
Acciona Nordex Green Hydrogen S.L.	7	--
Total	39	27

Loans with Group companies (cash pooling)

As indicated in Note 5.2, a daily cash-sweep system has been set up for current account balances to different Group subsidiaries. When these sweeps result in a liability for the Company, the treatment is similar to that of deposits, which are remunerated at market rates set on a quarterly basis.

At the close of 2023 and 2022, the main balances per company were as follows, in millions of euros:

	2023	2022
Acciona Industrial S.A.	107	90
Corporación Acciona Infraestructuras S.L.	67	--
Acciona Agua S.A.	31	68
Acciona Concesiones S.L.	25	80
Acciona Cultural Engineering S.A.	24	1
Acciona Construcción S.A.	13	17
Ingeniería Especializada Obra Civil e Industrial S.A.	11	--
Acciona Forwarding S.A.	4	9
Total	282	265

At 2023 year-end, the interest accrued but unpaid in this heading amounted to 4 millions of euros (1 millions of euros in 2022).

The loans with Group companies (cash-pooling and deposits) are remunerated at the rates detailed in note 4.2.2. in the Cash-Pooling section.

8. Information on deferred payments to suppliers

The table below details the information required by Final Provision Two of Act 31/2014, of 3 December, as prepared following application of Resolution dated 29 January 2016 by the Spanish Accounting and Audit Institute. This information refers only to Spain, where this regulation is applicable:

Average payment period, payments made, and payments outstanding at the balance sheet date	2023	2022
Average period of payment to suppliers (days)	20	13
Paid operations ratio (days)	21	13
Unpaid operations ratio (days)	18	11
Total payments made (millions of euros)	1	1

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The Average period of payment to suppliers refers to the time that elapses from delivery of goods or provision of services by a supplier to payment of the operation.

The Average period of payment to suppliers is calculated as the quotient whose numerator is the result of adding the paid operations ratio by the total amount of payments made to suppliers plus the operations outstanding ratio by the total amount of payments outstanding and whose denominator is the total amount of payments made and payments outstanding.

The Paid operations ratio is calculated as the quotient whose numerator is the sum of the products related to the amounts paid, by the number of payment days (calendar days elapsed as from the time when the period begins to run up to actual payment of the operation) and whose denominator is the total amount of payments made.

And the Unpaid operations ratio refers to the quotient whose numerator is the sum of the products related to the amounts outstanding, by the number of payment outstanding days (calendar days elapsed as from the time when the period begins to run up to the close of the annual accounts) and whose denominator is the total amount of payments outstanding.

In addition, the information required by Law 18/2022 of 28 September on the Creation and Growth of Companies regarding invoices paid in a period shorter than the maximum period set out in the regulations on late payment is detailed as follows:

Monetary volume and number of invoices paid in a period shorter than the maximum period in late payment regulations	2023
Monetary volume paid in less than 60 days (millions of euros)	1
Percentage of total monetary payments to suppliers	93%
Number of invoices paid in less than 60 days	288
Percentage of total paid invoices	92.01%

9. Tax matters

As indicated in Note 4.2., the Company pays income taxes as a subsidiary under the consolidated corporate income tax regime, whose Parent is Acciona S.A.

9.1. Reconciliation of accounting result, taxable base and corporate income tax expense

Reconciliation between the accounting result and the individual tax base for Corporate Income Tax as at 31 December 2023 was as follows (in millions of euros):

2023	Increases	Decreases	2023
Accounting profit/(loss) before tax	--	--	194
Permanent adjustments to tax base		-12	-12
Tax base			182

The negative permanent adjustments correspond to the integration of tax loss carryforwards from the EIG that the Company has a stake in (see note 5.1).

No adjustment was made to the tax base as at 31 December 2022:

2022	Increases	Decreases	2022
Accounting profit/(loss) before tax		--	49

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Permanent adjustments to tax base	
Tax base	49

Reconciliation between the accounting result and the expense for Corporate Income Tax for the year was as follows (in millions of euros):

	2023	2022
Accounting profit/(loss) before tax	194	49
Tax rate (25%)	**49**	**11**
Impact of permanent differences	-3	--
Deductions for the year and adjustment of Corporate Tax expense for	-4	1
Total recognised tax expense	42	12

The Corporate Tax receivable or payable to Acciona S.A, the company heading the tax group, amounted to 11 millions of euros in favour of Acciona S.A. at 31 December 2023 (2 millions of euros in favour of the Company at 2022 year-end).

During 2023, the Company made payments of corporate income tax on account to the head of the tax group which the Company forms part of amounting to 31 millions of euros.

9.2. Deferred tax assets and liabilities recognised in equity

Detail of the balance in this account for financial years 2023 and 2022 was as follows (in millions of euros):

Deductible temporary differences (Deferred Taxes)	2023	2022
Hedge derivative instruments	--	--
Total deferred tax assets	--	--
Hedge derivative instruments	4	17
Total deferred tax liabilities	4	17

9.3. Years open to review by the tax authorities

According to the legislation in force, taxes cannot be considered definitely settled until the tax forms filed have been examined by the tax authority or the four-year lapse period has elapsed.

The last four years are open to inspection regarding the tax applicable to the Company.

As tax legislation can be interpreted in different ways, the outcome of the tax audits that could be conducted by the tax authorities in the future for the years subject to verification might give rise to tax liabilities which cannot be objectively quantified at the present time. However, the Directors of the Company consider that such liabilities, if they were to arise, would not affect the annual accounts in a significant way.

Tax audits were initiated on 1 July 2021 mainly relating to Corporate Tax for the years 2013 to 2017, by notifying Acciona S.A. as the Parent company of the Tax Group.

On 11 July 2023, a contested tax assessment for corporate tax 2013-2017 was signed, resulting in a tax debt of 3 millions of euros (including late payment interest). In September 2023, the Technical Office issued a Settlement Agreement for an amount of 3 millions of euros. An economic-administrative claim was lodged before the Central Economic-Administrative Court on 3 November 2023 in response, and allegations have yet to be filed.

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The tax debt has been suspended by providing a guarantee which was accepted by the Large Taxpayer Central Office on 16 November 2023. The Parent company of the tax group has made adequate provisions for the tax loss carryforward and it does not have a material impact on the companies that make up the tax group.

10. Foreign currency

The details of the balances and transactions in foreign currency in financial years 2023 and 2022, measured at the closing exchange rate and average exchange rate, respectively, were the following (in millions of euros):

	2023			2022		
	USD	CAD	AUD	USD	CAD	AUD
Loans receivable Group	24	--	50	--	--	183
Cash and banks	--	--	--	--	--	1
Loans payable Group	-227	--	--	-27	--	--
Debts financial entities	-56	--	-77	-296	--	-50
Marketable securities	-82	--	--	--	--	--
Finance expenses Group	-4	--	--	-1	--	--
Finance expenses financial entities	-7	--	-3	-7	--	-1
Financial charges of marketable securities	-3	--	--	--	--	--
Financial income Group	3	--	5	2	1	7

Foreign exchange gains recognised in 2023 amounted to 17 millions of euros (losses of 28 millions of euros in 2022).

11. Income and expenses

Revenue

In financial year 2023 the Company basically developed activities relating to the centralisation of financing sources within the Acciona Group and activities typical of a holding company. This heading in the income statement relates to finance income associated with financing provided to companies of the Acciona Group to which the Company belongs (see Note 12.1).

During 2023 the Company has not recorded any income other than that related to the financial services rendered. By contrast, in 2022 the Company recorded income of 11 millions of euros from debt structuring services provided for a related company, and income of 1 millions of euros in commission for financial support in placing securities with another Group company.

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12. Related-party operations and balances

12.1. Related-party operations

Details for financial year 2023 compared to 2022 were as follows (in millions of euros):

2023	Acciona S.A.	Other Group Companies	Other Related Entities	Total
Income from interest	213	84	--	297
Interest expense	--	-11	--	-11

2022	Acciona S.A.	Other Group	Other Related Entities	Total
Income from interest	94	46	--	140
Interest expense	--	-2	--	-2
Services provided	--	1	11	12

The income and expenses above, both with the Sole Shareholder and with the remaining Acciona Group companies, originated in the financing granted by the Company, including the cash-pooling "sweeping" as explained in Notes 5.2 and 7.2.3. In particular, income with Acciona S.A. mainly comes from the cash-pooling contract and the long-term debt contracts.

Financial income from Group companies is recognised in the income statement under net revenue, as the Company acts as a holding company.

12.2. Related-party balances

The detail of the balances at the close of 2023 and 2022 were as follows (in millions of euros):

2023	Notes	Acciona S.A.	Other Group	Total
ASSETS				
Investments in Group companies	5.1	--	302	302
Non-current loans and credits to Group companies	5.2	905	768	1,673
Current loans and credits to Group companies	5.2	99	111	210
Current and non-current credits to Group companies (Cash-pooling)	5.2	3,336	259	3,595
Interest from loans and other receivables	5.2	61	27	88
TOTAL ASSET ITEMS		**4,401**	**1,467**	**5,868**
LIABILITIES				
Loans with Group companies (deposits)	7.2.3	--	39	39
Loans with Group companies (cash pooling)	7.2.3	--	282	282
Interest from loans and other payables	7.2.3	--	5	5
Current account for corporate income tax	7.2.3	11	--	11
Current account with Group companies	7.2.3	--	145	145
TOTAL LIABILITY ITEMS		**11**	**471**	**482**

2022	Notes	Acciona S.A.	Other Group	Total
ASSETS				
Investments in Group companies	5.1	--	302	302
Non-current loans and credits to Group companies	5.2	574	762	1,336
Current loans and credits to Group companies	5.2	--	17	17
Current and non-current credits to Group companies (Cash-	5.2	2,730	527	3,257
Derivatives with Group companies	5.2	--	1	1
Interest from loans and other receivables	5.2	34	17	51
TOTAL ASSET ITEMS		3,338	1,626	4,964
LIABILITIES				
Loans with Group companies (deposits)	7.2.3	--	27	27
Loans with Group companies (cash pooling)	7.2.3	--	265	265
Current account with Group companies	7.2.3	--	1	1
Current account for corporate income tax	7.2.3	2	--	2
Current account with Group companies	7.2.3	--	151	151
TOTAL LIABILITY ITEMS		2	444	446

The main balances detailed above relate to the financing provided and/or received by the Company in accordance with its corporate purpose as detailed in Notes 5.2, 7.1, and 7.2.3.

12.3. *Remuneration for Joint Directors and Senior Management*

No expenses were accrued for salaries, allowances, civil liability insurance premiums or any other type of remuneration for the Joint Directors in 2022.

The Company had no advances or credits granted or obligations undertaken in pension matters or regarding life insurance Premium payment, nor has it assumed any obligation as a guarantee on behalf of or in relation to former or current Directors.

In addition, the Company has no personnel, so there are no own personnel holding senior management functions. These functions are held by the Sole Shareholder (Acciona S.A.) corporate Management.

12.4. *Other information relating to Directors. Statement regarding conflicts of interest*

Pursuant to Article 229 of Royal Legislative Decree 1/2010, of 2 July, whereby the consolidated text of the Capital Companies Act was approved, at 31 December 2023 and 2022, according to the information available to the Company and notified by Directors and their related parties, they were not involved in any situations of conflict, whether direct or indirect, with the Company's interests.

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13. Other disclosures

13.1. Auditor's fees

In financial years 2023 and 2022, the fees for financial statement auditing services and other services provided by the auditor, KPMG Auditores S.L. or by companies belonging to the KPMG network have been the following (in thousand euros):

	Services provided by the main auditor	
	2023	2022
Auditing services	22	20
Other assurance services	17	6
Total Auditing and Related Services	39	26

The heading Other assurance services basically includes services for reports on agreed procedures related to compliance with covenants.

13.2. Environmental matters

The environmental regulations for the time being in force do not affect in any relevant manner the activities developed by the Company, so there are no liabilities, expenses, revenue, grants, assets, provisions or contingencies of an environmental nature that could be significant in relation to the equity, financial positions and results of the Company.

Therefore, these annual accounts do not include any specific figures or data in relation to environmental matters.

13.3. Guarantees undertaken with third parties, other contingent liabilities and commitments

At the close of financial years 2023 and 2022, the Company had no bonds granted by financial entities or any other obligations or contingent liabilities that should be disclosed in these notes.

14. Events after the reporting date

Acciona Financiación Filiales S.A. obtained a Samurai loan, i.e. a loan obtained in the Japanese market and funded mainly by Japanese regional banks, of JPY 45,000 million (approximately 281 millions of euros) on 2 February 2024. Reflecting the strategy of diversifying sources of finance, this was the first Samurai loan ever granted to a Spanish borrower and the first green Samurai loan granted to a European borrower.

Since the end of 2023 and up to the date these annual accounts were prepared, no significant events have occurred other than those indicated above that would result in a material change to the information contained in the notes to the annual accounts or which would have a material impact on the annual accounts.

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APPENDIX I. GROUP COMPANIES

The subsidiaries of Acciona Financiación Filiales S.A. considered as Group companies at 2023 and 2022 year-end are the following (amounts in millions of euros):

2023

NAME	LOCATION	DIVISION	AUDITED (*)	INVESTMENT	PROVISION	NCA	DIRECT	INDIRECT	SHAREHOLDING	SHARE CAPITAL	RESERVES	OPERATING PROFIT/(LOSS)	ATTRIBUTED PROFIT/(LOSS)	TRANSLATION DIFFERENCES
ACCIONA FINANCIACIÓN FILIALES CHILE S.P.A.	CHILE	OTHER BUSINESSES		126	--	126	100.00%	0.00%	100.00%	126	19	-1	-1	0
ACCIONA FINANCIACIÓN FILIALES AUSTRALIA PTY LTD.	AUSTRALIA	OTHER BUSINESSES	A	175	--	175	100.00%	0.00%	100.00%	175	26	9	6	-1
		TOTAL GROUP COMPANIES		301	--	301				301	45	9	6	-2

2022

NAME	LOCATION	DIVISION	AUDITED (*)	INVESTMENT	NCA	DIRECT	SHAREHOLDING	SHARE CAPITAL	RESERVES	OPERATING PROFIT/(LOSS)	ATTRIBUTED PROFIT/(LOSS)	TRANSLATION DIFFERENCES
ACCIONA FINANCIACIÓN FILIALES CHILE S.P.A.	CHILE	OTHER BUSINESSES		126	126	100.00%	100.00%	126	19	0	0	5
ACCIONA FINANCIACIÓN FILIALES AUSTRALIA PTY LTD.	AUSTRALIA	OTHER BUSINESSES	A	176	176	100.00%	100.00%	176	20	6	6	6
		TOTAL GROUP COMPANIES		302	302			302	40	5	5	11

(*) Companies whose annual accounts are audited by: (A) KPMG

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ACCIONA FINANCIACIÓN FILIALES S.A. (Sole Shareholder Company)
DIRECTORS' REPORT - FINANCIAL YEAR 2023

1. Business trend and situation of the Company

In 2023, the Company's turnover experienced extraordinary growth, almost doubling that of the previous year. This performance was mainly driven by the continued increase in market rates on loans granted and cash-pooling during the period.

The amounts of loans and cash-pooling granted by the Company were 18.81% higher than at the end of 2022. The amounts of loans and cash-pooling are as follows (in millions of euros):

	2023	2022	Change
Loans and credits to companies (without interest)	1,885	1,354	39.22%
Credits to Group companies (Cash-pooling)	3,593	3,256	10.35%
	5,478	4,610	18.83%

2. Events after the reporting date

Acciona Financiación Filiales S.A. obtained a Samurai loan, i.e. a loan obtained in the Japanese market and funded mainly by Japanese regional banks, of JPY 45,000 million (approximately 281 millions of euros) on 2 February 2024. Reflecting the strategy of diversifying sources of finance, this was the first Samurai loan ever granted to a Spanish borrower and the first green Samurai loan granted to a European borrower.

Since the end of 2023 and up to the date these annual accounts were prepared, no significant events have occurred other than those indicated above that would result in a material change to the information contained in the notes to the annual accounts or which would have a material impact on the annual accounts.

3. Foreseeable trend of the Company

The Company's forecast evolution for 2024 is to maintain similar levels of activity.

4. Treasury stock

The Company did not carry out any treasury stock operations in the course of the year. At the close of the year, the Company did not hold any treasury stock or shares in the Parent Company.

5. R&D expenses

The Company did not incur any R&D expenses.

6. Risk management policies

Liquidity risk

The Company manages the liquidity risk with prudence, keeping an adequate level of cash and marketable securities and arranging for credit facilities for a sufficient amount to support projected needs. At 31 December 2023 the Company had available additional financing that had not been drawn down for the amount of 1,174 millions of euros (1,207 millions of euros at 31 December 2022).

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Ultimate responsibility for liquidity risk management lies with the Company's Group Economic and Financial Department, which prepares the appropriate framework to control the Group's liquidity requirements in the short, medium and long term. The Company manages liquidity risk by holding adequate reserves, appropriate banking services, having credit facilities and loans available, monitoring projected and actual cash flows on an on-going basis and pairing them against financial asset and liability maturity profiles.

Finally, in relation to this risk, it should be mentioned that the Company, seeking to diversify its financing sources, has a European Commercial Paper programme registered for the maximum amount of 1,500 millions of euros, to issue notes with maturity under one year, as well as a Euro Medium Term Note programme for the maximum amount of 3,000 millions of euros (see Notes 7.1.2 and 7.1.4).

Interest rate risk

Fluctuations in the interest rates to which the Company's financial assets and liabilities are referenced in its balance sheet affect both the balance sheet and statements of profit and loss and cash flows. The impact of these fluctuations is sometimes mitigated by arranging derivative hedging financial instruments. This risk is managed by the Economic and Financial Department of the Group to which the Company belongs, with non-speculative hedge criteria being applied.

In order to be able to analyse the effect that a possible fluctuation in interest rates might have on the Company's accounts, a simulation was performed which assumed a 50-basis point increase and decrease in interest rates at 31 December 2023.

This sensitivity analysis to upward or downward variations of 0.50% in the floating reference rates would lead to an increase or decrease in the theoretical financial result from interest expenses of 8 millions of euros at 31 December 2023 (2 millions of euros at year-end 2022).

Credit risk

Credit risk is the risk that the counterparty to a contract does not meet its obligations, giving rise to a financial loss for the Company. The Company has adopted a policy of only negotiating with Group companies, so this risk is significantly reduced.

Foreign currency risk

Foreign currency risk arises from the appreciation or depreciation of the currencies in which the Group operates with respect to the euro, the currency in which financial results are presented. The Group has developed a process of growing internationalisation, which means it has increased exposure to foreign currency risk involving transactions in the currencies of the countries where it invests and operates. Foreign currency risk arises mainly from investments, debt, supplies and services denominated in currencies other than the euro and foreign currency collections and payments.

This risk is managed by the Group's Economic and Financial Department, with non-speculative hedge criteria being applied.

In order to mitigate foreign currency risk, the Acciona Group uses currency derivatives and exchange rate hedges to cover significant future transactions and cash flows, within acceptable risk limits.

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7. Information on deferred payments to suppliers

The table below details the information required by Final Provision Two of Act 31/2014, of 3 December, as prepared following application of Resolution dated 29 January 2016 by the Spanish Accounting and Audit Institute. This information refers only to Spain, where this regulation is applicable:

Average payment period, payments made, and payments outstanding at the balance sheet date	2023	2022
Average period of payment to suppliers (days)	20	13
Paid operations ratio (days)	21	13
Unpaid operations ratio (days)	18	11
Total payments made (millions of euros)	1	1

The Average period of payment to suppliers refers to the time that elapses from delivery of goods or provision of services by a supplier to payment of the operation.

The Average period of payment to suppliers is calculated as the quotient whose numerator is the result of adding the paid operations ratio by the total amount of payments made to suppliers plus the operations outstanding ratio by the total amount of payments outstanding and whose denominator is the total amount of payments made and payments outstanding.

The Paid operations ratio is calculated as the quotient whose numerator is the sum of the products related to the amounts paid, by the number of payment days (calendar days elapsed as from the time when the period begins to run up to actual payment of the operation) and whose denominator is the total amount of payments made.

And the Unpaid operations ratio refers to the quotient whose numerator is the sum of the products related to the amounts outstanding, by the number of payment outstanding days (calendar days elapsed as from the time when the period begins to run up to the close of the annual accounts) and whose denominator is the total amount of payments outstanding.

In addition, the information required by Law 18/2022 of 28 September on the Creation and Growth of Companies regarding invoices paid in a period shorter than the maximum period set out in the regulations on late payment is detailed as follows:

Monetary volume and number of invoices paid in a period shorter than the maximum period in late payment regulations	2023
Monetary volume paid in less than 60 days (millions of euros)	1
Percentage of total monetary payments to suppliers	93%
Number of invoices paid in less than 60 days	288
Percentage of total paid invoices	92.01%

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FORMAL NOTE added to state for the record that the Directors of ACCIONA FINANCIACIÓN FILIALES S.A. (Sole-Shareholder Company) are aware of the entire contents of ACCIONA FINANCIACIÓN FILIALES S.A.'s (Sole-Shareholder Company) Annual Accounts and the Directors' Report corresponding to the 2023 financial year, as submitted to the Directors and duly prepared by them on 21 March 2024, set forth on 42 sheets (including this one).

The Joint Directors

ACCIONA CORPORACIÓN S.A.	ACCIONA DESARROLLO CORPORATIVO S.A.
Represented by Ignacio Ferrán Huete	Represented by José Ángel Tejero Santos

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Clara Lois Lozano, Traductora-Intérprete Jurada de inglés número 10009, nombrada por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, certifica que la que sigue en 43 páginas es traducción fiel al inglés de un documento escrito en español. En caso de discrepancia o ambigüedad, prevalecerá lo indicado en el original.

En Madrid, a 11 de abril de 2024

Firmado:

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

Clara Lois Lozano, Sworn English Translator and Interpreter number 10009, authorized by the Spanish Ministry of Foreign Affairs, European Union and Cooperation, certifies that the succeeding, contained in 43 pages, is a truthful translation into English of a document written in Spanish. In case of any discrepancy or ambiguity, the original document shall prevail.

Madrid, on April 11th, 2024

Signed:

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
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