Auditor's Report on Acciona, S.A. and subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of Acciona, S.A. and subsidiaries for the year ended 31 December 2021)

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

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

Independent Auditor's Report on the Consolidated Annual Accounts

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

To the Shareholders of Acciona, S.A.

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of Acciona, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated balance sheet at 31 December 2021, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in total equity and consolidated statement of cash flows for the year then ended, and the consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

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

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

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

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

Key Audit Matters

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

Recognition of revenue from infrastructure construction contracts and estimation of margins See notes 4.2(O) and 27 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
A substantial portion of the Group's revenue derives from construction contracts, for which revenue is recognised using the percentage of completion method. This requires estimates of aspects such as the margin on each contract, the costs to be incurred and the probability of revenue being received in relation to amounts associated with customer claims, negotiations or disputes, as the case may be. The recognition of revenue and the profit/loss on these contracts therefore entails a high level of judgement by management and the Directors and an exhaustive control of the estimates made and any deviations that might arise over the contract term. The estimates take into account all costs and revenue directly associated with the contracts, including any additional costs not initially budgeted and any amounts to be recognised as revenue in relation to customer claims, negotiations or disputes. The Group recognises revenue related to amounts being claimed, negotiated or disputed with customers at the amount which it is considered highly probable will not be subject to significant change once the inherent uncertainty is resolved, either because customer approval has been obtained or because there are supporting technical and/or legal reports. Due to the uncertainty associated with these estimates and the fact that changes therein could lead to material differences in the revenue recorded, this has been considered a key audit matter.	Our audit procedures included the following: • We assessed the design and implementation of the key controls related to the process of recognising revenue using the percentage of completion method, and to the budget control process, for which we evaluated the methodology used in preparing the contract budgets and in monitoring the assumptions considered therein. • Based on certain quantitative and qualitative selection criteria, we obtained a sample of construction contracts, for which we evaluated the most significant and complex estimates used by the Group when recognising revenue, having obtained supporting documentation for such estimates and evidence of the judgements made by management and the Directors. • We performed a comparative analysis of the profit/loss on the contracts completed during the year with the budgeted profit/loss, including historical performance and the budget control performed by the Group, as part of our assessment of the reasonableness of the contract estimates made by management and the Directors. • We evaluated the judgement applied by management and the Directors and, in general, the reasonableness of completed work with progress billings pending which are being claimed, negotiated or disputed with customers, and have been recognised as revenue at the reporting date, as well as with respect to the recognition of variable consideration. In this respect, we assessed the status of customer negotiations for the main case files and verified the reasonableness and consistency of the documentation supporting such recognition,

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

Recognition of revenue from infrastructure construction contracts and estimation of margins See notes 4.2(O) and 27 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
	including, where applicable, the related technical and/or legal reports. • We assessed whether the provisions recognised at year end reasonably reflect the main liabilities and the level of risk of the contracts, assessing the judgement of management and the Directors in these estimates. Among other procedures, we analysed the key clauses of a selection of contracts, identifying relevant contractual mechanisms, to assess whether or not such clauses have been appropriately reflected in the amounts recognised in the consolidated annual accounts. • We assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

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

Recoverability of property, plant and equipment of the Energy division See notes 4.2 (F) and 5 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
At 31 December 2021 the carrying amount of the property, plant and equipment of the Group's Energy division totals Euros 7,465 million, mainly comprising wind farms and solar photovoltaic and hydroelectric power plants in various geographical locations under different regulatory scenarios. Impairment of Euros 623 million has been recognised at 31 December 2021. At each reporting date the Group assesses whether there are any indications of impairment or evidence of changes in the events or circumstances that gave rise to the impairment recognised, and also determines whether there are any regulatory or other changes that could alter the expected future cash flows. As a result of this assessment, the Group has estimated the recoverable amount of the assets in question and did not detect any differences compared to the carry amount recognised. The Group has calculated the recoverable amount by applying valuation techniques that require the exercising of judgement by management and the Directors, and the use of assumptions. Due to the high level of judgement and the uncertainty associated with these assessments and estimates, and the significance of the carrying amount of the Energy division's property, plant and equipment, their measurement has been considered a key audit matter.	Our audit procedures included the following: • We gained an understanding of the processes followed by the Group in identifying and evaluating indications of impairment and in estimating the recoverable amount of the Energy division's property, plant and equipment. In addition, we assessed the design and implementation of the Group's key controls over this process. • We evaluated the reasonableness of the methodology and assumptions used by the Group when estimating the recoverable amount, with the involvement of our valuation specialists. Moreover, we assessed the sensitivity of the recoverable amount to changes in the key assumptions, in order to determine their potential impact on the valuation. • We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the applicable financial reporting framework.

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

Valuation of the investment in Nordex SE

See notes 3.2 (f) and 10 to the consolidated annual accounts

Key audit matter	*How the matter was addressed in our audit*
The Group holds an investment in Nordex SE, an equity-accounted company listed on certain stock exchanges in Germany with a carrying amount of Euros 847 million at 31 December 2021 (Euros 747 million at 31 December 2020), for which indications of impairment have been identified. At 31 December 2021 the Group has estimated the recoverable amount of its investment in Nordex SE based on the estimated value in use, determined as the present value of the expected future cash flows from the investment, the result of which has not determined the need to recognise any provision for impairment of this investment. Determining the existence of indications of impairment and estimating the value in use of the Group's investment in Nordex SE involves a high level of judgement and complexity, encompassing, inter alia, financial projections that require assumptions to be made as regards macroeconomic trends, internal circumstances of the entity and of its competitors, discount and growth rates, and future business performance. Changes in the key assumptions considered by the Group in its valuation of Nordex SE could entail substantial modifications to the investee's value in use and, therefore, its carrying amount at year end. Due to the uncertainty and judgement associated with these estimates, as well as the significance of the carrying amount of the Group's investment in Nordex SE, we have considered the valuation a key audit matter.	Our audit procedures included the following: • We obtained an understanding of the processes followed by the Group in identifying indications of impairment and estimating the value in use, including tests of the design and implementation of the Group's key controls in relation to these processes. • We assessed the reasonableness of the methodology and assumptions used by the Group in estimating the recoverable amount of the investment in Nordex SE, in collaboration with our business valuation specialists. In this respect, we contrasted the information contained in the valuation model with the information published by Nordex SE and the estimated and forecast future performance of the industry in which Nordex SE operates, obtained from external information sources. We also evaluated the growth rates and discount rates that were used as a basis to calculate the recoverable amount, and the sensitivity of that recoverable amount to changes in the key assumptions, in order to determine their potential impact on the valuation. • Lastly, we assessed whether the disclosures in the consolidated annual accounts meet the requirements of the applicable financial reporting framework.

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

Other Information: Consolidated Directors' Report

Other information solely comprises the 2021 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

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

a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Directors Remuneration Report, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2021, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit and Sustainability Committee's Responsibilities for the Consolidated Annual Accounts

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

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

The Parent's Audit and Sustainability Committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated 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 consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

We also provide the Parent’s Audit and Sustainability Committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Audit and Sustainability Committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the 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

European Single Electronic Format

We have examined the digital files of Acciona, S.A. and its subsidiaries for 2021 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Parent will form part of the annual financial report.

The Directors of Acciona, S.A. are responsible for the presentation of the 2021 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the “ESEF Regulation”). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Directors Remuneration Report by means of a reference thereto in the consolidated directors’ report.

Our responsibility consists of examining the digital files prepared by the Directors of the Parent, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the consolidated annual accounts included in the aforementioned digital files fully corresponds to the consolidated annual accounts we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined fully correspond to the audited consolidated annual accounts, and these are presented and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Additional Report to the Audit and Sustainability Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's Audit and Sustainability Committee dated 24 February 2022.

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

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 30 June 2021 for a period of one year, beginning after the year ended 31 December 2020.

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)

Borja Guinea López

On the Spanish Official Register of Auditors ("ROAC") with No. 16210

24 February 2022

ACCIONA, S.A.

AND

SUBSIDIARIES
(Consolidated Group)

CONSOLIDATED

ANNUAL ACCOUNTS

AND

DIRECTORS' REPORT

2021

CONTENTS

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

APPENDICES

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET FOR THE FINANCIAL YEARS 2021 AND 2020 (Thousands of euros)

ASSETS	Notes	31.12.2021	31.12.2020(*)
Property, plant and equipment	5	8,065,565	7,428,975
Investment property	6	140,994	45,442
Right of use	7	527,587	496,832
Goodwill	8	248,759	230,445
Other intangible assets	9	452,563	398,940
Non-current financial assets	12	218,756	189,433
Investments accounted for using the equity method	10	1,324,602	1,226,986
Deferred tax assets	25	920,083	909,272
Other non-current assets	13	468,283	393,422
NON-CURRENT ASSETS		**12,367,192**	**11,319,747**
Inventories	14	1,210,344	1,229,836
Trade and other accounts receivable	16	2,731,486	2,252,206
Other current financial assets	12	218,201	212,512
Current income tax assets	25	89,719	78,209
Other current assets	25	364,368	248,759
Cash and cash equivalents	17	2,317,978	2,407,158
Non-current assets held for sale and discontinued operations	15	303,474	458,204
CURRENT ASSETS		**7,235,570**	**6,886,884**
TOTAL ASSETS		**19,602,762**	**18,206,631**

EQUITY AND LIABILITIES	Notes	31.12.2021	31.12.2020(*)
Share capital	18.a)	54,857	54,857
Retained earnings	18.b)	4,577,467	3,750,057
Treasury shares	18.c)	(18,290)	(22,049)
Translation differences	18.d)	(302,310)	(436,326)
Interim dividend		-	-
Equity attributable to equity holders of the Parent Company	**18**	**4,311,724**	**3,346,539**
Non-controlling interests	18.f)	1,245,607	364,848
EQUITY		**5,557,331**	**3,711,387**
Debentures and other marketable securities	20	2,363,553	886,098
Bank borrowings	20	2,072,818	3,985,234
Lease obligations	7	429,867	419,889
Deferred tax liabilities	25	812,793	646,137
Provisions	19	300,955	284,160
Other non-current liabilities	23	1,151,122	931,333
NON-CURRENT LIABILITIES		**7,131,108**	**7,152,851**
Debentures and other marketable securities	20	1,666,325	1,276,342
Bank borrowings	20	280,377	710,688
Lease obligations	7	67,582	74,260
Trade and other accounts payable	24	3,148,163	2,953,049
Provisions	28	316,750	307,527
Current income tax liabilities	25	40,718	26,323
Other current liabilities	23	1,131,578	1,611,437
Liabilities associated with non-current assets held for sale	15	262,830	382,767
CURRENT LIABILITIES		**6,914,323**	**7,342,393**
TOTAL EQUITY AND LIABILITIES		**19,602,762**	**18,206,631**

(*) Restated information

The accompanying Notes 1 to 37 and the appendices are an integral part of the 2021 consolidated annual accounts.

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEARS 2021 AND 2020 (Thousands of euros)

	Notes	31.12.2021	31.12.2020(*)
Revenue	27	8,104,304	6,481,972
Other revenue	27	563,181	788,906
Change in inventories of finished goods and work in progress	14	110,202	193,557
Cost of goods sold	28	(1,980,408)	(2,216,122)
Personnel expenses	28	(1,787,448)	(1,550,766)
Other operating expenses	28	(3,621,009)	(2,646,962)
Depreciation and amortisation charge and change in provisions	4,5,6,7,8,9,28	(714,137)	(678,133)
Impairment and profit/(loss) on disposals of non-current assets	28	67,246	179,927
Other gains or losses	28	(6,534)	(9,258)
Equity method profit/(loss) - analogous	10	94,098	82,241
OPERATING PROFIT		**829,495**	**625,362**
Financial income	30	54,635	36,852
Financial costs	30	(234,729)	(254,166)
Foreign exchange rate changes		9,898	14,422
Profit/(loss) from changes in value of financial instruments at fair value	28	(3,278)	15,264
Equity method profit/(loss) – non-analogous	10	(81,271)	79,258
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**574,750**	**516,992**
Income tax expense	25	(170,605)	(99,621)
YEAR'S PROFIT FROM CONTINUING OPERATIONS		**404,145**	**417,371**
Profit/(Loss) after tax from discontinued operations		-	-
YEAR'S PROFIT		**404,145**	**417,371**
Profit/(Loss) after tax from discontinued operations		-	-
Non-controlling interests	18	(72,097)	(30,319)
PROFIT ATTRIBUTABLE TO THE PARENT COMPANY		**332,048**	**387,052**
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (Euros)	**33**	**6.08**	**7.10**
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (Euros)	**33**	**6.08**	**7.10**
BASIC EARNINGS PER SHARE (Euros)	**33**	**6.08**	**7.10**
DILUTED EARNINGS PER SHARE (Euros)	**33**	**6.08**	**7.10**

(*) Restated information

The accompanying Notes 1 to 37 and the appendices are an integral part of the 2021 consolidated annual accounts.

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS 2021 AND 2020
(Thousands of euros)

	Notes	2021	2020*
A) CONSOLIDATED PROFIT FOR THE YEAR		**404,145**	**417,371**
1. Profit attributed to the Parent Company		332,048	387,052
2. Non-controlling interests		72,097	30,319
B) ITEMS THAT MAY NOT BE RECLASSIFIED TO THE INCOME STATEMENT		**650**	**(389)**
1. Revaluation/(Reversion of revaluation) of property, plant and equipment and intangible assets		-	-
2. Actuarial gains or losses and other adjustments	19	867	(519)
3. Tax effect		(217)	130
C) ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT		**281,184**	**(295,324)**
Income and expense recognised directly in equity		**235,134**	**(327,668)**
1. Revaluation of financial instruments:		(38)	(71)
a) Available-for-sale financial assets	18	-	-
b) Other income/(expenses)		(38)	(71)
2. Cash flow hedges	22	84,940	(52,061)
3. Translation differences		171,457	(288,569)
4. Other income and expenses recognised directly in equity		-	-
5. Tax effect		(21,225)	13,033
Transfers to the income statement		**46,050**	**32,344**
1. Revaluation of financial instruments:		-	-
a) Available-for-sale financial assets		-	-
b) Other income/(expenses)		-	-
2. Cash flow hedges	22	61,400	38,745
3. Translation differences		-	3,285
4. Other income and expenses recognised directly in equity		-	-
5. Tax effect		(15,350)	(9,686)
TOTAL RECOGNISED INCOME / (EXPENSE) (A+B+C)		**685,979**	**121,658**
a) Attributed to the Parent Company		578,280	125,650
b) Attributed to non-controlling interests		107,699	(3,992)

(*) Restated information

The accompanying Notes 1 to 37 and the appendices are an integral part of the 2021 consolidated annual accounts.

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY AT 31 DECEMBER 2021 (Thousands of euros)

	Equity attributable to the Parent Company							
	Shareholders' Equity							
	Share capital	Share premium, reserves and Interim dividend	Treasury shares	Year's profit attributed to the Parent Company	Other equity instruments	Valuation adjustments	Non-controlling interests	Total equity (Note 18)
Opening balance at 01/01/2021	**54,857**	**3,519,749**	**(22,049)**	**387,052**	**-**	**(593,070)**	**364,848**	**3,711,387**
Adjustments due to changes in accounting policies	-	-	-	-	-	-	-	-
Adjustments due to errors	-	-	-	-	-	-	-	-
Adjusted opening balance	**54,857**	**3,519,749**	**(22,049)**	**387,052**	**-**	**(593,070)**	**364,848**	**3,711,387**
Total recognised income/(expense)	**-**	**-**	**-**	**332,048**	**-**	**246,232**	**107,699**	**685,979**
Transactions with shareholders or owners	**-**	**383,594**	**(2,866)**	**-**	**-**	**-**	**773,393**	**1,154,121**
Capital increases/(reductions)	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
Dividends paid	-	(213,941)	-	-	-	-	(8,836)	(222,777)
Treasury share transactions (net)	-	1,840	(2,866)	-	-	-	-	(1,026)
Increases / (Decreases) due to business combinations	-	-	-	-	-	-	2,867	2,867
Other transactions with shareholders or owners	-	595,695	-	-	-	-	779,362	1,375,057
Other changes in equity	**-**	**386,604**	**6,625**	**(387,052)**	**-**	**-**	**(333)**	**5,844**
Share-based payments	-	6,249	6,625	-	-	-	-	12,874
Transfers between equity accounts	-	387,052	-	(387,052)	-	-	-	-
Other changes	-	(6,697)	-	-	-	-	(333)	(7,030)
Closing balance at 31.12.2021	**54,857**	**4,289,947**	**(18,290)**	**332,048**	**-**	**(346,838)**	**1,245,607**	**5,557,331**

The accompanying Notes 1 to 37 and the appendices are an integral part of the 2021 consolidated annual accounts.

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY AT 31 DECEMBER 2020 (Thousands of euros)

	Equity attributable to the Parent Company							
	Shareholders' Equity							
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Year's profit attributed to the Parent Company	Other equity instruments	Valuation adjustments	Non-controlling interests	Total equity (Note 18)
Opening balance at 01/01/2020	**54,857**	**3,374,965**	**(28,633)**	**351,678**	**-**	**(331,668)**	**219,490**	**3,640,689**
Adjustments due to changes in accounting policies	-	(64,862)	-	-	-	-	(266)	**(65,128)**
Adjustments due to errors	-	-	-	-	-	-	-	**-**
Adjusted opening balance	**54,857**	**3,310,103**	**(28,633)**	**351,678**	**-**	**(331,668)**	**219,224**	**3,575,561**
Total recognised income/(expense)	**-**	**-**	**-**	**387,052**	**-**	**(261,402)**	**(3,992)**	**121,658**
Transactions with shareholders or owners	**-**	**(145,465)**	**536**	**-**	**-**	**-**	**150,088**	**5,159**
Capital increases/(reductions)	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
Dividends paid	-	(105,599)	-	-	-	-	(10,290)	(115,889)
Treasury share transactions (net)	-	1,031	536	-	-	-	191,707	193,274
Increases / (Decreases) due to business combinations	-	-	-	-	-	-	(6)	(6)
Other transactions with shareholders or owners	-	(40,897)	-	-	-	-	(31,323)	(72,220)
Other changes in equity	**-**	**355,111**	**6,048**	**(351,678)**	**-**	**-**	**(472)**	**9,009**
Share-based payments	-	2,979	6,048	-	-	-	-	9,027
Transfers between equity accounts	-	351,678	-	(351,678)	-	-	-	-
Other changes	-	454	-	-	-	-	(472)	(18)
Closing balance at 31.12.2020	**54,857**	**3,519,749**	**(22,049)**	**387,052**	**-**	**(593,070)**	**364,848**	**3,711,387**

(*) Restated information

The accompanying Notes 1 to 37 and the appendices are an integral part of the 2021 consolidated annual accounts.

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ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020 (Thousands of euros)

	Notes	2021	2020 (*)
CASH FLOWS FROM OPERATING ACTIVITIES		**572,982**	**967,523**
Profit before tax from continuing operations		**574,750**	**516,992**
Adjustments for:		**716,820**	**393,585**
Depreciation and amortisation charges and change in provisions	5,6,7,8,9,14,28	715,417	554,013
Other adjustments to profit (net)	10,27,28,30	1,403	(160,428)
Changes in working capital		**(340,418)**	**193,345**
Other cash flows from operating activities:		**(378,170)**	**(136,399)**
Interest paid	30	(205,647)	(223,055)
Interest received	30	23,476	23,520
Dividends received	10	48,620	32,065
Income tax recovered/(paid)	25	(82,025)	(44,523)
Other amounts received/(paid) relating to operating activities	13,23	(162,594)	75,594
CASH FLOWS FROM INVESTMENT ACTIVITIES	**5,6,8,11**	**(1,086,440)**	**(511,302)**
Payments due to investment:		**(1,027,470)**	**(1,059,785)**
Group companies, associates and business units		(79,090)	(154,047)
Property, plant and equipment, intangible assets, investment property and financial investments	5,6,9,12	(948,380)	(905,738)
Proceeds from disposal:		**174,664**	**364,275**
Group companies, associates and business units		92,616	324,008
Property, plant and equipment, intangible assets, investment property and financial investments	5,6,9,12	82,048	40,267
Other cash flows from investment activities:		**(233,634)**	**184,208**
Other amounts received/(paid) relating to investment activities		(233,634)	184,208
CASH FLOWS FROM FINANCING ACTIVITIES		**383,632**	**(157,499)**
Proceeds and payments relating to equity instruments:	**18**	**(1,027)**	**-**
Purchases		(1,027)	-
Disposals		-	-
Proceeds and payments relating to financial liability instruments:	**20**	**(523,727)**	**98,215**
Proceeds from issues		4,107,016	2,279,596
Repayments and redemptions		(4,630,743)	(2,181,381)
Payments of principal on operating leases	**7**	**(89,986)**	**(81,242)**
Dividends and returns paid on other equity instruments	**18**	**(222,776)**	**(115,889)**
Other cash flows from financing activities		**1,221,148**	**(58,583)**
Other amounts received/(paid) relating to financing activities	12,23	1,221,148	(58,583)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**40,646**	**(40,179)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(89,180)**	**258,543**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	17	2,407,158	2,148,615
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	2,317,978	2,407,158
COMPONENTS OF CASH AND CASH EQUIVALENTS AT YEAR END			
Cash on hand and at banks	17	2,115,670	2,218,454
Other financial assets	17	202,308	188,704
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END		**2,317,978**	**2,407,158**

(*) Restated

The accompanying Notes 1 to 37 and the appendices are an integral part of the 2021 consolidated annual accounts.

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**NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS
OF ACCIONA, S.A. AND SUBSIDIARIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

1.- Group activities

Acciona, S.A. (the "Parent Company" or the "Company") and its subsidiaries form the Acciona Group ("Acciona" or the "Group"). Acciona, S.A. has its registered and head office at Avenida de Europa 18, Alcobendas (Madrid).

The Acciona Group companies operate in various industries, chief among them Energy and Infrastructure. A full breakdown of the Group's businesses is as follows:

- Energy. This business, which is instrumented through the majority shareholding in Corporación Acciona Energías Renovables, S.A. (CAER), encompasses the development, construction, operation and maintenance of renewable generation plants and sale of the energy produced. All of the power generated by Acciona Energía is renewable.

- Infrastructure comprises the following activities:
    - Construction: includes infrastructure projects, as well as turn-key (EPC) projects for power generation plants and other facilities.
    - Water: includes activities such as the construction of desalination plants, water and wastewater treatment plants, and management of the water cycle, an activity that spans the entire process from initial water collection and purification, including desalination, to waste water treatment and its return to the environment after use. The Group also operates service concessions across the whole water cycle.
    - Concessions: consists mainly of the operation of transport and hospital concessions.
    - Other infrastructure activities: comprise the delivery of Citizen Services and Healthcare Services.

- Other activities include fund management and stock broking services, real estate, manufacture of electric vehicles, motorbike sharing, investment in the associate Nordex SE (a manufacturer of wind turbines), museum interior design, and the provision of other services like facility management and airport handling.

Note 29 *Segment Reporting* provides detailed information on the assets, liabilities and operations involved in each of the business activities carried on by the Acciona Group. Certain activities formerly included in the Infrastructure division were reshuffled in 2021, and the Energy segment was reorganised as a result of the IPO launched by CAER (see Note 29).

Acciona, S.A.'s shares are listed on the continuous market of the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges operated by the Spanish Stock Exchange Interconnection System (SIBE).

2.- **Regulatory framework for the Energy Division**

Spain

Royal Decree-Law 9/2013 adopting urgent measures to guarantee the financial stability of the electricity system was published on 12 July 2013. The Royal Decree-Law made substantial changes in the applicable legal and economic framework and repealed other statutory instruments including Royal Decree 661/2007 of 25 May 2007 and Royal Decree 6/2009 of 30 April 2009 governing the remuneration framework supporting the renewable energy resources used at most of the generating plants owned by the Corporación Acciona Energías Renovables subgroup in Spain.

In accordance with this regulatory framework, generating facilities are entitled not only to remuneration in the form of revenues earned from the sale of power at market prices but also to specific remuneration comprising a term per unit of power installed (investment remuneration), covering, where appropriate, any investment costs for a standard facility that are not recoverable through electricity sales and an operating term (operating remuneration) covering, where applicable, the difference between operating costs and the revenue obtained from the participation of such standard facility in the market.

The specific remuneration receivable by each standard facility is calculated based on the following items over the regulatory lifetime of the asset concerned, assuming the efficient conduct of the activity by a well-managed company:

a) Standard revenues from the sale of the power generated valued at market production prices

b) Standard operating costs

c) Standard value of the initial investment (net present value or NPV)

The aim of these parameters is to cover the minimum level of costs necessary to level the playing field so as to enable renewable generating facilities to compete with other conventional technologies in the market and to obtain a reasonable return. This reasonable return should be similar, before tax, to the average market yield on ten-year Government Bonds after applying an appropriate differential. The first additional provision of Royal Decree-Law 9/2013 set the appropriate differential for the generating facilities covered by the financial premium system at 300 basis points, subject to review every six years. The reasonable return established on this basis for the first regulatory half period (2014-2019) was 7.398%.

The new Spanish Electricity Sector Act (Law 24/2013) published in December 2013 replaced the former Electricity Sector Act (Law 54/1997) and established a new legislative framework for the current situation of the industry, repealing the special generating regime and instead providing for specific remuneration and defining the criteria for the determination of the reasonable return for power plants.

Royal Decree 413/2014 of 6 June was published on 10 June 2014 to regulate electricity generating using renewable energy resources, co-generation and waste. This legislation was finally implemented by Ministerial Order IET 1045/2014 issued on 20 June 2014 and published in the Official Journal of the Spanish State (BOE) on 29 June 2014. This Order contains the final remuneration parameters applicable to all renewable energy facilities, whether already in existence or planned for the future.

The new system established defines the remuneration of assets applicable pursuant to Royal Decree-Law 9/2013 as from 14 July 2013.

In accordance with Royal Decree 413/2014, the remuneration parameters for standard generating facilities may be reviewed at the end of each six-year regulatory period, except for the regulatory useful life of assets and standard value of the initial investment (net present value or NPV). Meanwhile, revenue estimates from energy sales are reviewed at the end of each regulatory half period lasting three years in relation to the specific renewable facility remuneration scheme.

Once the initial NPV and other parameters mentioned in RD 413/2014 have been determined, the remuneration of investments is obtained applying the methodology described in Annex VII of the Royal Decree[1] for the calculation of the compensation receivable by a standard facility so that the cash flows receivable by the asset's owner, discounted at the applicable rate, equal the NPV at the start of the half period concerned.

Upper and lower limits are defined for this estimation in order to limit uncertainty with regard to the market price of power applied in the calculation of the remuneration parameters, which directly affects the remuneration obtained by a generating facility on sales of power. Where the annual average daily and intraday market price lies outside this range, a positive or negative balance is generated for the year, termed the market price deviation adjustment value, which is passed on through the NPV at the end of each regulatory half period.

Once a facility reaches the end of its regulatory useful life, it ceases to qualify for remuneration of the investment or operating remuneration. Meanwhile, facilities reaching the reasonable profit threshold within their regulatory useful life receive zero investment remuneration.

The reasonable return principle enshrined in Royal Decree 413/2014 establishes a minimum remuneration target or floor, and it therefore does not establish any obligation to reimburse the compensation received where the profits obtained by a facility's owner exceed the target return, except in two specific cases:

a) Where a standard facility reached the end of its regulatory life in the last half period; or
b) Where a facility ceases to qualify for the remuneration system before the end of its regulatory life.

In these cases, the maximum reimbursement would be equal to the balance of net negative adjustments generated during the half period in which either of the aforementioned two circumstances occurred. Negative deviation adjustments arising before the start of the preceding half period reduce the NPV of a facility, and they will therefore also reduce future compensation (or may even mean that no investment remuneration is payable where the NPV is zero) but they will not result in any obligation to reimburse amounts received.

In December 2016, the Spanish Ministry of Energy, Tourism and Digital Agenda forwarded to the CNMC its proposed Order updating remuneration parameters for renewables, cogeneration and waste generating facilities for the next regulatory half period, 2017-2019. This Proposal revised pool projections for the period downwards and included adjustment values for market price variations from

1 *Methodology applied to calculate the net present value of the asset and the adjustment coefficient applicable to the standard facilities associated with generating plant qualifying for specific remuneration in accordance with article 12.*

previous years, which are set off over the remaining useful life for facilities where appropriate. On 22 February 2017, Order ETU/130/2017 of 17 February was published, establishing the final remuneration parameters for standard facilities applicable to certain renewable, cogeneration and waste generating plants in the regulatory half-period that began on 1 January 2017.

The main new legislation in 2019 consisted of the approval of Spanish Royal Decree-Law 17/2019 of 22 November, which adopted urgent measures required to adapt the remuneration parameters applicable in the electricity system and addressed the discontinuation of operations by thermal power plants. The main points affecting the Corporación Acciona Energías Renovables subgroup were as follows:

a) The value of the reasonable return applicable to the specific remuneration system for the period 2020 - 2025 (inclusive) was updated (7.09%).
b) The owners of facilities with premium remuneration at the time of the 2013 cutback were allowed to maintain the rate of return set in the first regulatory period (7.398%) until 2031, waiving the right to continue or initiate new legal or arbitration proceedings against the regulation, as well as any possible compensation arising as a result.
c) The approval deadline for the Ministerial Order establishing the remuneration parameters was extended until 29 February 2020.

This new regulatory amendment allows the CAER subgroup to maintain the reasonable rate of return for the generating facilities in Spain covered by this remuneration system until 2031.

The first regulatory period ended on 31 December 2019. Meanwhile, Order TED/171/2020 was published on 28 February 2020, updating the standard facility remuneration parameters applicable to certain renewables, cogeneration and waste generating facilities in the next regulatory half period (2020-2022) with backdated effects commencing as of 1 January 2020.

Over the course of 2021, the Spanish government adopted a series of consecutive measures in an effort to mitigate the adverse effects of the surge in prices in the wholesale market in the last quarter of the year. Spanish Royal Decree-Law 17/2021 was published on 14 September 2021, establishing urgent measures to mitigate the impact of rising natural gas prices on the retail gas and electricity markets. RDL 17/2021 cut the remuneration of emission-free infra-marginal generating facilities, calculated as the differential between the mean natural gas price for the month concerned and a benchmark value of €20/MWh, applicable as of the entry into force of the statutory instrument. The cut excluded generating facilities located outside of mainland Spain, those included in any regulated remuneration framework (specific remuneration and the renewable energies financial regime or REER in the Spanish acronym), and facilities with net generating capacity of less than 10 MW. Certain consumer protection measures were also included.

Royal Decree-Law 23/2021 adopting urgent energy-related consumer protection measures and measures to ensure transparency in the wholesale electricity and natural gas markets came into force on 26 October 2021. In addition to extending and expanding consumer protection measures, this statutory instrument defines the scope of application of the mechanism established by the earlier RDL 17/2021 to cut over-remuneration of the electricity market due to the high price of natural gas. In accordance with, RDL 23/2021 the remuneration cut is not applicable to power generated under the terms of any forward contractual instrument setting a fixed price, provided that the contract was signed prior to the entry into force of RDL 17/2021, or thereafter if it covers a period of more than one year. For the purposes of supervision of the aforementioned business mechanisms, Royal Decree-

Law 23/2021 also establishes the information required to support the existence of such forward contracts and exclusion from the mechanism for the reduction in remuneration. This information must be submitted to the Spanish National Markets and Competition Commission (CNMC) on a monthly basis.

The impact of the new legislation passed in 2021 on the subgroup's facilities has been limited, insofar as practically all of the power subject to remuneration cut was already contracted in the forward markets before it came into force.

In addition to the aforementioned legislation, Law 15/2012 on tax measures for energy sustainability has applied to all electricity generating facilities in Spain, including those owned and operated by the CAER subgroup, since 2013. All of the Corporación Acciona Energías Renovables subgroup's electricity production facilities were subject to value added tax on electricity applied at a rate of 7% on revenues from sales of power. Law 15/2012 also established a levy on the use of continental waters for electricity generating. This levy was charged at a rate of 22% tax on the economic value of the power produced, with a 90% rebate for plants generating less than 50 MW and pumping stations.

Spanish Royal Decree-Law 10/2017 of 9 June was published in the BOE on 10 June 2017, adopting urgent measures to alleviate the impact of drought on certain river basins and amending the consolidated text of the Spanish Water Act approved by Royal Legislative Decree 1/2001 of July 20, which among other measures amended the levy for the use of continental waters for electricity generating established by Law 15/2012. The new levy, applicable as of 10 June 2017, taxes the economic value of the electricity produced at 25.5% with a 92% rebate for generating facilities with an output of less than 50 MW and a 90% rebate for pumping stations.

In 2021 the Spanish Supreme Court declared the nullity of certain provisions of Royal Decree 198/2015 issued pursuant to Law 15/2012, which retroactively extended the application of the levy on the use of continental waters to 2013 and 2014, at the same time ruling that settlements for the years from 2015 to 2020 were unlawful in those cases where there had been no prior review of the terms of administrative concessions for the use of water for hydroelectric generating. The Supreme Court's ruling further recognised the right of the operators affected to reimbursement of any amounts improperly paid plus arrears interest.

Royal Decree-Law 15/2018 of 5 October on urgent measures for energy transition and consumer protection was published in October 2018. This statutory instrument temporarily suspended Value Added Tax on electricity generating in the last quarter of 2018 and the first quarter of 2019, Which translated into a lower tax charge of around €22 million for the Corporación Acciona Energías Renovables subgroup. Eventually, the Spanish Ministry of Ecological Transition and Demographic Challenges published its Order TED/668/2020 in the Official Journal of the Spanish State on 22 July 2020. Among other matters, this Order established a reimbursement procedure for the amount of Value Added Tax on Electricity Generating (IPVEE in the Spanish acronym) and suspended applicable to facilities qualifying for specific remuneration by means of inclusion in the tax settlements filed in the last quarter of 2020 for each of the companies concerned. Accordingly, no outstanding amounts remain in respect of this item as of 31 December 2020.

Royal Decree-Law 29/2021 adopting urgent energy-related measures to foster electric mobility, self-consumption and the roll-out of renewables was approved on 21 December 2021. This Royal Decree-Law extends a series of tax measures established by RDL 12/2021 and RDL 17/2021 (basically comprising a reduced VAT rate of 10% and Electricity Duty of 0.5%, and discounts in the form of a

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social electricity rebate) until 30 April 2022, and it also temporarily suspends Value Added Tax on Electricity Generating between 1 July 2021 and 31 March 2022, applying the mechanisms originally established in relation to the earlier IPVEE suspension described above. This new suspension resulted in a reduction in the tax charge of €20.5 million for the subgroup in 2021, while the impact in 2022 will depend on sales revenues generated in the first three months of the year.

Practically all of the facilities owned and run by companies belonging to the Corporación Acciona Energías Renovables in the Spanish market operate freely in the market, selling energy to the pool through Acciona Green Energy Developments, S.L., a company belonging to the CAER subgroup whose sole business consists of intermediation.

The Resolution of the Spanish Secretary of State for Energy published on 18 December 2015 laid down the criteria applicable to participation in the provision of system adjustment services and approved certain test and operating procedures for implementation as per Royal Decree 413/2014 of 6 June regulating electricity generating activities using renewables, cogeneration and waste. This Resolution, applicable since 10 February 2016, allows renewable generating facilities to participate in the provision of system adjustment services and receive the related revenues, where considered eligible and provided that they pass the requisite qualifying tests established for each such service.

Since then, all of the renewable assets owned by Corporación Acciona Energías Renovables have participated in the technical restrictions market. Furthermore, the subgroup began to participate in the tertiary regulation and deviation management markets in 2016, with a total of 3,372 MW of wind power authorised by Red Eléctrica de España (REE).

CNMC Circular 4/2019 amending the remuneration methodology for the electricity system operator as well as the charges passed on to agents to finance said remuneration was published in November 2019. This new methodology reduced the subgroup's revenues by around €1.3 million per year.

Ministerial Order ETU/1133/2017 of November 21 amending Order IET/2013/2013 of 31 October, which regulates the competitive mechanism for the allocation of the interruptibility demand management service applicable in 2018, was published in the Official Journal of the Spanish State on 23 November 2017. This Order modifies the availability service, reducing the application period to the first half of 2018 and excluding all hydroelectric facilities from its scope. Meanwhile, Order TEC/1366/2018 of 20 December established the power access tolls for 2019 and partially repealed the regulations governing the availability service, which was finally abolished in 2019.

On 24 January 2020 the CNMC published Circular 3/2020, which established the calculation methodology for electricity transmission and distribution tolls and removed a generating toll of 0.5 €/MWh existing up to that time, resulting in estimated annual savings of approximately €6.5 million euros for the subgroup.

In the context of the public health emergency declared in response to the COVID-19 pandemic, Royal Decree-Law 11/2020 of 31 March published in April 2020 adopted additional urgent social and economic measures to address COVID-19 which authorised flexibility mechanisms applicable to the supply of electricity to SMEs and self-employed individuals. These measures had a very limited impact on the subgroup, which was mainly confined to the electricity selling activity due to the temporary suspension of some supply contracts and the temporary postponement of electricity bill payments.

Subsequently, Royal Decree-Law 23/2020 of 23 June, published in June 2020, approved energy-related and other measures to relaunch the economy following the COVID-19 pandemic. One of the most relevant points included in this statutory instrument is the boost it gives to renewable energies, laying the foundations for a new remuneration framework for future installed capacity based on competitive mechanisms, which will coexist with the current specific remuneration regime until it is eventually phased out at the end of the regulatory life of the installed MW entitled to specific remuneration.

The secondary regulations implementing Royal Decree-Law 23/2020 were approved in late 2020. Royal Decree 960/2020 regulating the legal and economic regime applicable to renewable energy resources used by generating facilities based on the long-term recognition of a price for energy was published in November 2020. Meanwhile, Ministerial Order TED/1161/2020 of 4 December regulated the first auction mechanism applicable to the economic regime for renewable energy resources and established an indicative auction schedule for the period 2020-2025. A minimum target of 3,000 MW was set for 2020.

The call for the first auction of awards under the economic regime for renewable energies pursuant to this Order and specific details of the process were included in the Resolution of the Spanish Secretary of State for Energy of 10 December 2020. This first auction was held on 26 January 2021 for a quota of 3,000 renewable MW, with minimum reservations of at least 1,000 MW for wind power and 1,000 MW for solar photovoltaics. The Corporación Acciona Energía Renovables subgroup presented projects for a nominal total of 329.5 MW consisting of 79.5 wind MW and 250 solar photovoltaic MW.

The Resolution of the Spanish Directorate-General for Energy and Mining Policy of 26 January 2021 was published in the Official Journal of the Spanish State on 28 January 2021. This Resolution decided the first auction held to make awards under the economic regime for renewable energies pursuant to Order TED/1161/2020 of 4 December, resulting in the award of 106.6 solar photovoltaic MW to various affiliates of the subgroup, which will be included by the CAER subgroup in its portfolio of projects for the construction and subsequent operation of generating facilities in the coming years.

The Resolution of the Spanish Secretary of State for Energy of 8 September 2021 containing the call for the second auction for awards under the economic regime for renewable energies pursuant to Ministerial Order TED/1161/2020, comprising a total of 3,300 MW, was published in the Official Journal of the Spanish State on 9 September 2021. The subgroup did not take part in this auction.

On 30 December 2021 a public consultation process was opened in relation to the proposed Resolution of the Secretary of State for Energy to call a third auction involving awards totalling 500 MW under the economic regime for renewable energies to be held on 6 April 2022.

In addition to the tax measures described above, Royal Decree-Law 29/2021 also established measures to foster self-consumption and the roll-out of electric vehicle charging stations. It is also important for the development of renewables projects, because it heads off the now imminent expiration of grid access and connection permits for a very significant volume of projects, many of them already mature, which have been set back by delays arising in different Administrations. To this end, RDL 29/2021 amends the provisions of RDL 23/2020 of 23 June regulating the administrative milestones that must be met to maintain access and connection permits, postponing the expiration of the applicable intermediate milestones by nine months, the closest in time being the requirement for

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the issue of a favourable Environmental Impact Declaration. This measure was accompanied by a one-month exit window for projects granted access permits before the entry into force of RDL 29/2021, allowing withdrawal with full recovery of the financial guarantees presented in the access and connection process.

Finally, the Spanish Government launched a public consultation process at the meeting of the Council of Ministers held on 1 June 2021 in relation to a draft Bill that would amend electricity market legislation to cushion the impact of the recent surge in electricity prices. This process has since taken shape in the form of a bill currently before the Spanish Parliament that would establishes measures governing the remuneration of CO_2 not emitted by the electricity market, among others, and is expected to be enacted in the second half of 2022.

The objective is to establish a regulatory mechanism to reduce the remuneration of non CO_2 emitting infra-marginal plants brought into service before 2003, which are currently paid at the recurrent market matching price, since said matching price is set for CO_2 emitting plants and therefore includes the cost of emission rights, which non CO_2 emitting infra-marginal plants do not incur. The reduction set is based on the differential between the mean price per equivalent ton of CO_2 for the month concerned and a benchmark value, set at €20.67 per ton of CO_2.

It is not possible at the date of preparation of these consolidated annual accounts to anticipate when and how this bill is likely to be approved. Based on its analysis of the potential effect of the bill on the recoverability of its assets using all information available at the date of these consolidated annual accounts and given the uncertainty currently surrounding its eventual approval and final form, the subgroup considers that there is no material evidence of impairment of its assets under present conditions. However, any future changes arising in the course of the parliamentary process and final approval of the bill could impact the subgroup's future business and therefore the recoverability of the assets affected.

United States

The Renewable Portfolio Standard (RPS) is a market policy freely established by some US states which requires that a minimum proportion of the electricity supply should come from renewable resources. The percentages vary from state to state, but in most cases they are between 20% and 30% of the power supply from 2020 to 2025. Implementation usually involves the use of Renewable Energy Credits (RECs), a system of tradeable certificates supporting the use of a renewable source per kWh of power. At the end of the year in question, electricity generating utilities must have sufficient certificates to cover their annual quota. Sanctions apply in the event of non-compliance.

Production Tax Credits (PTCs) award a tax deduction for power generated in the first 10 operating years, based on an amount per MWh adjusted annually based on the CPI (as regulated in the "Energy Policy Act").

In 2005, Congress approved a 30% ITC (Investment Tax Credit) initially applicable to solar energy projects, although it would later be expanded to take in other technologies in the *Bipartisan Budget Act* of 2018.

Legislation adopted in 2009 allowing power companies with access to the PTC regime to receive ITCs in exchange, or alternatively, to receive payment equal to 30% of their investment.

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These tax incentives have always been subject to annual renewal, with the associated uncertainty, but in December 2015 a long-term extension of the PTC and ITC schemes was approved for both wind and solar photovoltaic power, involving a gradual decrease in the incentive. In the case of wind generating, which had the option of choosing compensation through PTC or ITC, the PTC was to be reduced by 20% each year until 2020, ending with a 0% incentive, while the ITC was also progressively reduced on a similar basis until its elimination in 2020. In the case of solar PV energy, 30% of the ITC was maintained until 2020 (31 December 2019), whereafter it will be progressively reduced until it is finally fixed at 10% after 2022. The milestone determining these timeframes is the start of construction.

In May 2016 the Internal Revenue Service (IRS) clarified what it understands by the "start of construction" for wind projects, which may mean either the "beginning of physical work" or a "safe harbour" represented by a certain minimum expense (5%). This matter was confirmed in the implementation guidance issued by the IRS in June 2018.

The possibility of receiving PTC or ITC was extended to wind technology in 2020. Qualification for an even higher PTC value was permitted in 2020 ($15/MWh, representing 60% of the original amount) than in 2019 ($10/MWh or 40%), and a period of four years was once again allowed to commission the facility. Meanwhile, the ITC, which is eligible as an alternative to the PTC, would represent 18% of CAPEX for 2020 (40% of the 2016 value) instead of 12% in 2019 (60% of the 2016 value).

In order to help address construction delays caused by COVID-19, the IRS issued guidelines in 2020 allowing an additional year for construction projects begun in 2016 or 2017, thereby extending the deadline for commissioning from four to five years. Meanwhile, onshore and offshore wind projects will no longer be eligible for the PTC where construction commences after 2021.

At the tail end of his Administration, President Trump signed the *Consolidated Appropriations Act, 2021* on 27 December 2020, which extends the ITC and PTC schemes to 2021. For the wind business in general, the Act continues the programme under the conditions applicable for 2020 in 2021, while the gradual winding down of the ITC incentive, which started for 2020 projects, was extended to 2021 and 2022.

Another tax benefit also exists in the form of the facility owner's right to benefit from accelerated depreciation applicable to most capital assets (Modified Accelerated Cost Recovery - MACR), allowing an average tax depreciation period of five years. This benefit has no expiration date.

Further progress was made with the development of policies to promote the use of energy storage technologies in 2019. The FERC issued Order 841 in 2018, which requires that all Regional Transmission Operators (RTOs) and Independent System Operators (ISOs) make changes to market rules to include energy storage as a part of all services. It also requires market operators to consider the physical and technical characteristics specific to storage units in market operations.

This order was transposed to the different markets in 2019. In December 2018, meanwhile, the six RTOs and ISOs presented proposals for compliance, setting out a broad range of options. The states also began to set storage targets in their climate and energy laws, and laws were also passed at the federal level, such as the 2019 Act establishing a research programme, a demo programme and a technical assistance programme.

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On 22 April 2021, President Biden announced a raft of commitments to cut emissions by 50-52% of their 2005 levels throughout the economy by 2030; to ensure 100% emissions free power by 2035; and to achieve a net zero emissions economy at the latest by 2050. As part of its return to the Paris Accords, the United States has undertaken to implement a plan to achieve the objectives set in the Agreement. These commitments are enshrined in a Presidential Order signed in November 2021.

In the same month, President Biden presented his Build Back Better (BBB) economic plan, promising to inject more than half a trillion dollars into the US energy transition and offering to extend tax credits that would benefit both wind and solar generating, and energy storage. This measure would cut the cost of new wind farms entering service in 2030 by between 14% and 40% depending on the region, and the cost of large scale new solar farms by between 36% and 52%. Energy storage plants would also qualify independently for the ITC programme. The goal of the plan is to progress with the transition from fossil-based to clean energy, forging ahead with the goal of achieving a carbon free energy industry by 2035 and decisively boosting investment in innovation to foster clean energy and combat climate change. The BBB bill has been held up by the opposition of a Democrat senator, however, who has expressed concerns about its cost and its impact on the federal budget deficit and inflation.

In December 2021, the Environmental Protection Agency (EPA) revised US greenhouse gas emissions standards for passenger cars and light trucks applicable to models built in 2023-2026.

Mexico

Until December 2013, the generation, transmission, distribution and marketing of power was reserved exclusively to the Federal Government through the Federal Energy Commission (CFE). The only options for the sale of renewable energy were Independent Energy Production (electricity generating plants that sell their output directly to the FEC) or Self-Sufficiency Contracts (generating plants that sell their production to a load centre plant owning a percentage interest in the generating plant).

On 18 December 2013, a constitutional reform introducing significant changes in the Mexican energy model was adopted, opening up the market and allowing greater private participation. However, the new Mexican Electricity Industry Act published on 11 August 2014 makes a number of substantial changes in the electricity sector by reducing the role of the State in the industry, which is confined to operation of the system and to providing transmission and distribution services, imposing the legal separation of activities, creating a wholesale electricity market operated by the National Centre for Energy Control (CENACE), which will involve cost-based bids, and by establishing a system of obligations for generating companies to be covered by Clean Energy Certificates (CECs). In addition, auctions for Electricity Coverage Contracts will take place to ensure the power supply to Basic Services Users. Meanwhile, clean energy, power and CEC electricity coverage contracts are now assigned in Long-Term Auctions, although the Act envisages the continuity of existing contracts made under the previous legislation.

The first market bases were published in 2015, subject to review every 3 years. In January 2016, the Mexican Energy Secretary (SENER) published a resolution authorising operation to start in the short-term market in the different interconnected systems, and the National Centre for Energy Control commenced Day-Ahead Market (DAM) operations. To date, the DAM and the Real-Time Market (RTM) are still in the early stages of their operations, and the implementation of the hour-ahead market has not yet begun. Meanwhile, the Power Balancing Market was opened in February 2017,

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which determines the price that supports the previous year's capacity, volume and total amount. This is an annual ex-post market.

The first year in which CEC obligations applied was 2018, when certificates had to be delivered for up to 5% of the electricity sold. The CEC Requirements were published in March 2019 for the Obligation Periods 2020, 2021 and 2022 (7.4%, 10.9% and 13.9%, respectively), supplementing the requirement published in 2016 for 2019 (5.8%).

Three long-term auctions have been held to date, two in 2016 and one in 2017. The latter included a clearing house, potentially allowing the participation of suppliers other than the FEC. In 2018, CENACE announced the fourth long-term auction for the purchase and sale of energy, capacity and CECs, the first draft of which was published in March of that year. Meanwhile, the prequalification and registration of prospective buyers and the submission of prequalification applications for offers was completed in August 2018. With the inauguration of President Lopez Obrador in December 2018, however, it was announced that the auction would be suspended, and it was finally cancelled in January 2019.

Furthermore, the Executive announced that it would review contracts signed with private companies under previous auctions or other mechanisms and cancelled the development of key investments to improve the power transmission system at the national level. No new date has been set for an auction at the reporting date of these annual accounts.

The last National Electricity System Development Programme (PRODESEN) published by the Energy Secretary for the period 2019-2033 estimates that clean generating will account for 35% of total power by 2033.

A Decision was published on 28 October 2019 which amends the Guidelines establishing the criteria for the award of CECs to extend the possibility of issuing certificates to Federal Electricity Commission (CFE) power plants commissioned prior to the Legacy Power Plants (LEI), which would ultimately allow several facilities owned by the subgroup to benefit from this right. However, this legislation risked causing a glut of CECs in the market due to the increase in the number of qualifying facilities. Several generating concerns therefore rejected the measure and lobbied for repeal. As a result, the regulation was suspended pending a final ruling is published, which was expected at some time over the course of 2021.

Even so, the basic problem persisted, as the CFE could still generate certificates with its old power plants and therefore increase supply and reduce the demand for certificates, of which the CFE is the main consumer, exerting downward pressure on their price to almost zero. The measure affects both operational facilities and plants under development, as it substantially changes their revenue forecasts.

Using the COVID-19 crisis as an excuse, CENACE proposed a series of changes to enhance the reliability of the system on 29 April 2020, and a resolution was published suspending new clean energy projects tests indefinitely (without reference to other technologies). Furthermore, the priority of manageable plants (mainly using fossil fuels) over renewable generation was guaranteed on the grounds of technical failures affecting the electricity system.

On 15 May 2020, the National Energy Department (SENER) published its Reliability, Safety, Continuity and Quality Policy for the National Electricity System, which limited the market share of

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renewable generating companies, discouraging the development of renewables because they are "intermittent". The direct impact has been to delay 28 wind and photovoltaic plants planned for 2020 and 2021 in Mexico. The Supreme Court has issued an interim injunction suspending the Reliability Policy until a final decision is reached.

Similarly, at the end of May 2020, the Energy Regulatory Commission (CRE) increased the transmission rates, a measure provisionally suspended by a Federal Court, leaving open a legal strategy for companies to claim the return of transmission benefits. Finally, both measures (the Reliability Policy and changes in porting fees) were definitively challenged by Mexico's Economic Competition Commission (COFECE) and are now suspended. The sector is awaiting a final ruling.

The National Energy Department (SENER) and the Energy Regulatory Commission (CRE) have issued a series of regulatory instruments designed to provide for a more active role by the Federal Electricity Commission (CFE), prioritise CFE procedures and restrict access to national grids for intermittent renewable generating resources, among other matters. These regulatory changes have been challenged in the courts by interested parties, including private investors, non-profits and the public administration. While rulings have not yet been issued in the majority of cases, the courts have struck down some of the regulations at issue in various important decisions.

Proposals for a reform of the Mexican Electricity Industry Act were put forward on 9 March 2021 with the goal of strengthening the Federal Electricity Commission's position in the electricity market against private sector agents. The National Energy Department, the Energy Regulatory Commission and the National Centre for Energy Control (CENACE) will have a period of six months after the reform is approved to make the necessary changes to bring the regulatory framework for the electricity industry into line with the new legislation.

Only two days after the proposals were announced, however, the Mexican District Courts issued injunctions suspending the effects of any reform of the Electricity Industry Act. In the context of the applications for judicial review filed by various private companies, including Acciona's affiliates in Mexico, the interim measures adopted by the courts are intended to prevent any unfair competitive advantage or distortion of the market. Nevertheless, the interim measures do not mean that the reform of the Electricity Industry Act has been set aside, but merely that it will not take effect until the applications for judicial review have been resolved. The reform of the Electricity Industry Act will only be set aside in fact, if a supermajority of at least 8 to 11 of the judges sitting on the Mexican Supreme Court of Justice (SCJN) find that it is unconstitutional.

Mexico's President proposed the reform of articles 25, 27 and 28 of the Constitution to Congress on 30 September 2021, as follows:

i) The Federal Electricity Commission (CFE) will generate at least 54% of Mexico's power and the private sector up to 46%;
ii) The CRE and CNH will be subrogated to SENER;
iii) Generating and the power supply will be placed under the exclusive control of the State, but the CFE may purchase power from private generating concerns;
iv) Generating and self-supply permits will be cancelled;
v) Generating concerns operating under long-term auctions and "legitimate" self-supply facilities may sell power to the CFE on an exclusive basis, but they will no longer be permitted to market to private parties.

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Since the proposed changes are a constitutional reform package, there are no deadlines for approval and the purpose of the announcement is to allow examination and debate for as long as necessary. However, adoption of the reform will require the votes in favour of at least two thirds of the members of the Congress of the Union (Chamber of Deputies and Senators) and the votes in favour of 50% or more of state congresses. The reform is currently under examination by various committees of the Chamber of Deputies, which will arrange an open parliamentary consultation to hear expert points of view. No fixed schedule for adoption and publication of the reform exists as yet.

The Mexican government has created the National Emissions Register to record all emissions by the transport, electricity generating, housing, and oil and gas industries, other industries in general, agriculture, waste management and land use. This Register is needed to ensure compliance with the objectives of the Paris Accords (Agenda 2030). Mexico plans to achieve carbon neutrality in 2050 based on data for the year 2000. The country has undertaken to cut its greenhouse gas emissions by 22% and black carbon emissions by 51% by 2030. Accordingly, it has been agreed that 35% of Mexico's power will be generated using clean technologies by 2024.

Operation of the Emissions Trading System (on a test basis until 31 December 2022), which is designed to cut greenhouse gas emissions, will provide the country with a market instrument in this area, as required by the Mexican General Climate Change Act and the Paris Accords The system is based on the 'cap and trade' principle, which consists of capping the total emissions of one or more industries and requiring annual reductions.

The General Administrative Provisions were published in the Official Journal of the Mexican Federation on 31 December 2021, setting out the criteria applicable to efficiency, quality, reliability, continuity, safety and sustainability of the national electricity system in the Grid Code ("Grid Code 2.0"). This document makes a number of important changes and modifies the order of technologies restricted by the National Centre for Energy Control (CENACE) on reliability grounds, placing test power plants in the first place, followed by (intermittent) renewables with thermal generating in fourth place.

Chile

Chile amended Law 20.257 (Non-Conventional Renewable Energy Act) of 2008 through Law 20.698 (Law 20/25) in 2013 and established a renewables target equal to 20% of total power generated to be achieved by 2025. The electricity utilities must show that a percentage of the power drawn from the system comes from technologies of this type. The Act also imposes a penalty of 0.4 UTM (approximately USD 32) per unsupported MWh for breaches of this obligation, which will be increased to 0.6 UTM (approximately USD 48) per unsupported MWh for companies that again breach the obligation in the three years following the first infringement. Meanwhile, any companies injecting renewable power in excess of their obligation may transfer the surplus to other companies. However, no green certificates market has been established, although interested parties may make bilateral contracts and transfers are certified through authorised copies of such agreements.

To achieve the target set, Law 20/25 also introduced annual auctions based on Government demand forecasts for the next three years. The option to bid in differentiated blocks (Block A for the night, Block B during solar hours, and Block C for the remaining hours of the day) in these auctions facilitates the participation of renewables.

An Exempted Resolution published in April 2016 approved the preliminary tender report which established the regulated consumption values (in GWh-year) that should be put out to tender in the next few years. The volumes included a decrease in the energy demand forecast of approximately 10% between 2021 and 2041, which resulted in a significant reduction in the power auctioned that year (from an expected figure of 13,750 GWh to approximately 12,500 GWh).

The Chilean Government's objective for these auctions is to encourage power distribution companies to enter into long-term supply contracts extending over 20 years as from 2024, in order to meet demand from customers subject to price regulation. Four years on from 2017 (the year of the last auction held in Chile), a new reverse auction of power supply contracts was held in September 2021. All of the winning projects use renewable assets and power storage facilities. The weighted average auction price fell by 27% to USD 23.8/MWh from USD 32.5/MWh in the last auction, setting a new record low for Chile. Acciona was not awarded any projects in this auction.

The Chilean Transmission Act published in July 2016 established a new electrical power transmission system and created a single independent coordinating entity for the national electricity system. Work on the associated regulations began after the Transmission Law was approved.

In 2017, the regulation to implement a tax on CO_2 emissions was approved (Exempted Resolution 659), which requires all generating companies, including non-polluting operators, to make compensation payments.

The Ancillary Services Regulation and the Coordination and Operation of the National Electricity System Regulation were withdrawn from scrutiny by the comptroller in 2018, delaying the approval process. In January 2018, meanwhile, the Chilean Government announced that the country would not build new coal-fired power plants without carbon capture and started discussions to replace existing capacity with cleaner energy sources.

After the outbreak of rioting in October 2019 and the resulting economic and political impacts, the Chilean government approved a freeze on electricity prices through a *transitional mechanism to stabilise electricity prices for customers subject to tariff regulation* (Law No. 21.185 of 2/11/2019). This affects both public service distribution concession holders, who can now only pass on pre-determined prices to regulated customers, and the generating companies supplying them, who are subject to the application of an adjustment factor for a transitional period.

A proposal was made in 2021 to modify the calculation of sufficiency power and to amend the regulations establishing the methodologies, procedures and criteria applicable to determine transfers of power resulting from operational coordination as mentioned in article 72.1 of Chile's General Electricity Services Act. The main regulatory changes proposed comprise penalty identification of solar photovoltaic farms lacking storage facilities, action to foster storage using systems like batteries and pumping stations, and recognition of battery installations as renewable plant. This regulation is currently under review, but the process has been held up by the huge volume of comments and observations received.

The Chilean Congress examined the Electricity Portability Bill in 2021, a legislative initiative that would amend the General Electricity Services Act in order to include a new power marketing entity in the country's electricity market so as to foster competition. This entity would be allowed to purchase blocks of power from generating concerns and sell them on as sub-blocks to regulated customers at lower prices than offered by distribution companies. The new Act is expected to be

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approved and piloted in 2022. However, it will be necessary to adopt implementing regulations for this purpose. It is expected that the new marketing entity will be able to purchase and sell power in the regulated market sometime in 2022. Only unregulated customers are currently able to choose their power suppliers.

Australia

The Renewable Energy (Electricity) Act 2000 (Cth) was intended to foster renewable generating and created a scheme for renewable energy certification. The Renewable Energy Target (RET) established by the Government of Australia is designed to cut greenhouse gas emissions in the electricity industry and to foster renewable generating. The scheme requires electricity marketing companies to obtain renewable energy certificates, which can be created by renewable generating companies. It has two components, namely the "Large-scale Renewable Energy Target" and the "Small-scale Renewable Energy Target".

The Renewable Energy (Electricity) Amendment Bill 2015 approved in June 2015 stabilised the green certificates system, setting the Renewable Energy Target (RET) at 33,000 GWh in 2020 and eliminating the target reviews formerly carried out every two years (now to be performed every four years).

The RET scheme is designed to foster additional electricity generating from renewable sources to reduce greenhouse gas emissions in the electricity sector and it consists of two sub-schemes: the "Large-scale Renewable Energy Target" and the "Small-scale Renewable Energy Target". In the case of the Large-scale Renewable Energy Target, the regulator has reported that there are sufficient approved projects to meet and exceed the 2020 target of 33,000 GWh of additional renewable electricity. This target expired in 2020 but the 33,000 GWh threshold will remain in place until the plan ends in 2030 so that certificates can continue to be used. The Small-scale Renewable Energy Target scheme will also end in 2030.

In March 2017, the State of South Australia launched the SA Energy Plan, which mentions battery storage among fundable renewable technologies and aims to provide large-scale storage for renewable energy. In April of the same year, the Clean Energy Council published a recommendations report to eliminate regulatory barriers to storage and to improve the security of the network ("Policy and regulatory reforms to unlock the potential of energy storage in Australia"), and in August the Victoria Government announced a renewable energy auction of 650MW under the Victorian Renewable Energy Auction Scheme (VREAS) to achieve the Victorian Renewable Energy Target (VRET) of 40% of renewable energy by 2025.

In October 2017, the Australian government announced the National Energy Guarantee (NEG) scheme to replace the current CET after 2020. Key aspects of this scheme include i) the Reliability Guarantee (requiring electricity retailers to contract a certain amount of "dispatchable" coal, gas, hydroelectric or stored power, and (ii) and the Emissions Guarantee (requiring retailers to reach an emissions intensity level in their energy portfolio that supports Australia's commitment to reduce emissions by 26% by 2030). The Energy Security Board published a document on the design of the NEG which was presented at the Energy Council meeting in April 2018. Australia would later suspend the bill containing the NEG emissions reduction target.

Australia's transmission and distribution grids are monopolies, where revenues and prices are regulated by the Australian Energy Regulator (AER) in accordance with the National Electricity Law

(NEL) and the National Electricity Rules (NER). All electricity generating concerns have the right to connect to transmission and distribution grids under the terms and conditions established by the grid services provider. After connection to the transmission and distribution grids, however, there is no guarantee for generators that their power will be dispatched. Hence, power generated by operators in areas where the grid is weak or congested may not be dispatched due to system limitations or requirements.

The NER requires the Australian Energy Market Operator (AEMO) and the providers of transmission grid services to plan investments in the grid based on their analysis of investment time horizons. Some state governments have approved legislation allowing them to sidestep the national regulatory framework, resulting in the creation of "renewable energy zones" or REZs involving rapid, better coordinated investments in transmission. The REZs are also "renewable development zones", linking multiple renewable generating and energy storage companies together at the same locations and connecting them to the transmission grid. In October 2019, the Commonwealth government announced a "grid reliability fund" of AUD 1,000 million to be administered by the Clean Energy Finance Corporation (CEFC), which will provide investment for energy storage and grid infrastructure projects, and for grid stabilisation technologies.

Victoria's Labour Government, elected in November 2018, promised to increase the state's renewable target to 50% by 2030, based on the already legislated target of 40% by 2025. In the absence of a federal renewable target beyond 2020, investment will continue to be driven by states.

Other countries

The facilities owned by the affiliates of the Corporación Acciona Energías Renovables subgroup in other countries are governed by local legislation and regulatory arrangements, operating on a free-market basis where the law permits.

3.- Basis of presentation of the annual accounts and consolidation principles

3.1 Basis of presentation

The consolidated annual accounts of the Acciona Group for 2021 were prepared by the Directors of Acciona, S.A. at the meeting of the Board of Directors held on 24 February 2022, to provide a true and fair view of the Group's equity and consolidated financial position at 31 December 2021, and of the results of its operations, changes in the consolidated statement of comprehensive income, and changes in consolidated equity and consolidated cash flows in the year then ended.

These annual accounts were prepared in accordance with the applicable regulatory financial reporting framework and, in particular, with the principles and criteria contained in the International Financial Reporting Standards (IFRS) adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council. The main mandatory accounting principles and measurement criteria applied, the alternative treatments permitted by the relevant legislation in this respect, and the standards and interpretations issued but not yet in force at the date of formal preparation of these annual accounts are summarised in Note 4.

At 31 December 2021, there were no material changes in accounting estimates or accounting policies, nor corrections of errors except as described in Notes 4.2.O) 4.4. with regard to the change in the criteria applicable to the recognition of deviations due to energy market price adjustments in the regulated Spanish market following the publication of a document by the CNMV in October 2021 to clarify certain interpretations of revenue recognition criteria applicable to facilities subject to the specific remuneration regime.

These annual accounts were prepared on the basis of the accounting records kept by the Parent Company and by the other Group companies. These records include the figures relating to the joint ventures, groupings and consortia considered to be joint operations, in which the Group companies have interests, through the proportional integration system, that is, through the inclusion, based on the percentage ownership of the assets, liabilities and operations of these entities, after asset and liability balances are appropriately eliminated, as well as operations in the year.

The figures for the previous year are presented in these annual accounts for comparative purposes in addition to the figures for 2021. Figures are presented for each line of the consolidated balance sheet, consolidated income statement, consolidated statement of cash flows, consolidated statement of comprehensive income, consolidated statement of changes in total equity and the notes to the consolidated financial statements. The prior year's figures were obtained by consistently applying IFRS standards as adopted by the EU, taking into consideration the matters described in Note 4.4 below.

The Acciona Group's consolidated annual accounts for 2020 were approved by the shareholders at their Annual General Meeting held on 30 June 2021. The consolidated annual accounts of the Acciona Group for 2021 have not yet been approved by the shareholders at the Annual General Meeting. However, the Parent Company's Board of Directors considers that the annual accounts will be approved without material changes.

Unless otherwise indicated, these consolidated annual accounts are presented in thousands of euros. Foreign operations are accounted for in accordance with the policies described in Notes 3.2.g) and 4.2 Q).

3.2 Consolidation principles

a. Consolidation methods

The companies over which control is exercised within the meaning of IFRS 10 were fully consolidated. These companies are considered subsidiaries and they are listed in Appendix I. The consolidation method applied is explained in section d. of this note.

Entities managed jointly with third parties as a joint operation are proportionately consolidated when it may be concluded that a partner has direct rights and obligations proportional to its percentage share in assets and liabilities under the agreement. This is explained in section e. of this Note. The agreements that confer joint control by means of separate vehicles are listed in Appendix II.

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Finally, companies not included in the previous paragraphs are classified as joint ventures or associates where the Group exercises significant influence in their management, and they are measured by applying the equity method (Appendix III). This consolidation method is explained in section f. of this note.

b. Eliminations on consolidation

All material balances and effects of the transactions entered into by the subsidiaries with associates or jointly controlled entities, and with each other were eliminated in the consolidation process.

Gains on transactions with associates and jointly controlled entities are eliminated to the extent of the Group's percentage share in equity. Exceptionally, profits or losses arising on internal transactions with Group companies, jointly controlled entities, or associates in connection with certain concession-related activities were not eliminated, in accordance with the accounting standards applied.

c. Uniformity

The accounting policies of the subsidiaries have been adapted to the Group's accounting policies for transactions and other events which, being comparable, have occurred in similar circumstances. All material adjustments required to adapt the individual financial statements of subsidiaries to International Financial Reporting Standards and/or to make them compliant with the Group's accounting policies were considered in the consolidation process.

The individual financial statements of subsidiaries used in the consolidation process refer to the same reporting date and period as those of the Company.

d. Subsidiaries

Subsidiaries are defined as companies over which the Company has the capacity to exercise effective control. This capacity is generally reflected in the presence of three necessary elements, namely authority over the subsidiary, exposure to or the right to receive variable returns on the investment made, and the ability to use said authority to influence the amount of such returns.

The annual accounts of the subsidiaries are fully consolidated with those of the Company. Accordingly, all material balances and effects of transactions between consolidated companies were eliminated on consolidation.

When a subsidiary is acquired, its assets, liabilities and contingent liabilities are measured at fair value at the date of the acquisition of control, in accordance with IFRS 3, Business Combinations. Any excess in the cost of acquisition over the fair values of the identifiable net assets is recognised as goodwill. If the cost of acquisition is lower than the fair value of the identifiable net assets, the difference is credited to profit and loss at the acquisition date.

For subsidiaries acquired during the year, only the results generated from the date of acquisition are included in the consolidation. Similarly, for subsidiaries disposed of during the year, only the results generated up to the date of disposal are included in the consolidated income statement.

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Interests owned by non-controlling shareholders are stated in proportion to the fair values of assets and liabilities recognised.

The share of third parties in the equity of investees is presented in the Group's equity under "Non-Controlling Interests" on the consolidated balance sheet. Similarly, third-party interests in the profit or loss for the year is presented under "Non-Controlling Interests" in the consolidated income statement.

e. Joint operations

Joint arrangements are ventures in which the investee is managed by a Group company and one or more unrelated third parties, all of whom act jointly to manage the relevant activities and adopt strategic and management decisions with the unanimous consent of the parties.

Joint operations are defined as arrangements in which the investing company is deemed to hold direct rights and obligations equal to its percentage share in assets and liabilities under the joint arrangement.

The financial statements of joint operations are proportionately consolidated with those of the Company, and therefore, the aggregation of balances and subsequent eliminations are only applied in proportion to the Group's share in the assets and liabilities, and in the income and expenses of these operations, provided that they are considered to be carried out with third parties or with the other operator.

The assets and liabilities of joint operations are recognised in the consolidated balance sheet classified according to their specific nature. Similarly, the income and expenses from joint operations are disclosed in the consolidated income statement based on their nature.

Where the percentage share in a joint operation increases, the previous share held in its individual assets and liabilities is not revalued, provided the Group maintains joint control.

f. Associates and joint ventures

Investments in associates and joint ventures (joint arrangements conferring rights over the net assets of the arrangement) are recognised in the consolidated financial statements applying the equity method, i.e. at the Group's share in the net assets of the investee taking into account any dividends received and other equity eliminations.

The value of these investments on the consolidated balance sheet implicitly includes, where applicable, the goodwill arising on their acquisition.

When the Group's investment in associates results in losses and the net investment is reduced to zero, only the additional amount in respect of constructive obligations assumed by the Group in the subsidiaries, if any, is accounted for using the equity method and recognised under *Non-current provisions* in the consolidated balance sheet.

In order to disclose results uniformly, the Group's share in the profit or loss of associates is disclosed in the consolidated income statement before and after tax.

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The Group recognises the results of joint ventures and associates conducting activities that fall within the Group's corporate purpose and in which the Group has a high level of involvement under *Equity method profit/(loss)- analogous*, which is considered an integral part of operating profit or loss. The results of investments in joint ventures and associates which are more closely related to financial investments for the Group as they conduct activities unrelated to the Group's core business are recognised under operating profit or loss, specifically under *Equity method profit/(loss)- non-analogous.*

g. Translation differences

The assets and liabilities of Group companies with a functional currency other than the euro are translated to euros at the exchange rates prevailing on the balance sheet date as part of the consolidation process. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly. Capital and reserves are translated at historical exchange rates. Translation differences, if any, are classified as equity. Such translation differences are recognised as income or expenses in the year in which the investment is made or disposed of.

h. Changes in the scope of consolidation

Appendices I, II and III to the accompanying consolidated financial statements contain relevant information about the Acciona Group's subsidiaries, joint operations, associates and joint ventures, and Appendix IV shows the changes in scope of consolidation arising in the year.

Silence

In December 2020, Acciona Mobility Global, S.L. (a wholly-owned subsidiary of the Acciona Group), as the buyer, and the shareholders of Scutum Logistic, S.L., hereinafter "Silence" (Cayac Sport, S.L., Repsol Energy Ventures, S.A, Invierte Economía Sostenible, SICC, SME, S.A. Caixa Invierte Industria SCR, S.A., Radix Capital, Ltd, among others), as the sellers, completed the acquisition by the buyer of a 76.27% interest in the capital of Silence, instrumented through various share purchase agreements. This transaction was subject to waivers from various financial institutions and approval by the Spanish National Competition and Markets Commission (CNMC).

Silence was fully consolidated for the first time on 29 April 2021 after all pertinent authorisations had been obtained. The total acquisition price was €32,958 thousand and the remaining balance of €7,781 thousand outstanding at 31 December 2021 was recognised in the balance sheet under *Other current liabilities.* A detail of this business combination is as follows (expressed in thousands of euros):

Company	Cost of acquisition	Percentage interest acquired	Book value of 100% of the company	Purchase Price Allocation (PPA)	Goodwill
Scutum Logistic, S.L.	32,958	76.27%	8,266	9,484	17,170

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The fair value of the assets and liabilities of Scutum Logistic, S.L. at the date of the takeover was as follows (expressed in thousands of euros):

	29.04.2021
	Silence
Identifiable assets	
Other intangible assets	17,843
Property, plant and equipment	2,281
Right of use	7,326
Other non-current assets	569
Non-current assets	**28,019**
Current assets	**26,977**
Total identifiable assets	**54,996**
Identifiable liabilities	
Non-current liabilities	**26,324**
Current liabilities	**10,921**
Total identifiable liabilities	**37,245**
Net identifiable assets	**17,750**

In accordance with IFRS 3, an analysis of the fair value of the target company's assets and liabilities should be performed at the time of an acquisition for the purposes of purchase price allocation (PPA). At 31 December 2021 fair value allocations totalling €12,645 thousand were made to *Other intangible assets* in respect of technological developments, material distribution contracts and customer portfolio, together with an associated deferred tax liability of €3,161 thousand. The impact of amortisation on the intangible assets so allocated at 31 December 2021 was €1,220 thousand, which was recognised under the caption *Depreciation and amortisation charge and change in provisions* in the accompanying consolidated income statement.

Goodwill totalling €17,170 thousand was recognised in respect of the difference between the cost of acquisition and fair value of the net assets acquired. Protection of the environment and the fight against climate change are key planks of Acciona's business strategy, and in this context the investment made by the Group in Scutum represents a firm commitment to urban mobility and its electrification.

In accordance with applicable accounting regulations, the allocations made in respect of identifiable assets and liabilities are considered final after a period of 12 months.

CAER IPO

On 18 February 2021, the Board of Directors of Acciona, S.A. authorised its wholly-owned subsidiary Corporación Acciona Energías Renovables, S.A. (CAER, the energy division parent) to commence the process of launching an Initial Public Offering (IPO) of its shares and seeking a listing on the Spanish stock exchange. An Extraordinary General Meeting was held on 12 April, at which the shareholders approved the operation. On 7 June 2021, meanwhile, the Spanish National Securities Market Commission (CNMV) approved and filed CAER's register of shares.

The Acciona's Board of Directors then announced on 17 June 2021 that it had unanimously adopted the following resolutions in connection with the CAER IPO, as authorised by the shareholders at the Extraordinary General Meeting of the Company held on 12 April 2021:

- Disposal of a minimum of 49,387,588 and a maximum of 82,312,647 shares of CAER (representing 15-25% of issued capital) to qualified institutional investors in the framework of the IPO. This range could be subsequently increased by 10-15% of the number of shares initially included in the Offering to cover possible awards to investors holding greenshoe options.

- Indicative price band between €26.73 and €29.76 per share.

The CNMV approved and filed the IPO prospectus on 21 June 2021.

Finally, the key figures concerned in the operation were set on 29 June 2021, resulting in a price of €26.73 for each of the ordinary shares of Corporación Acciona Energías Renovables, S.A. offered, representing 15% of its issued share capital. Accordingly, CAER's initial stock market capitalisation was set at €8,800 million.

Also on 29 June 2021 Corporación Acciona Energías Renovables, S.A. and Acciona, S.A. entered into an *underwriting agreement* with a syndicate formed by 21 underwriters, whereunder the syndicate undertook to place a package of shares representing 15% of CAER's issued capital with institutional investors at a price of €26.73 per share or otherwise to acquire the shares themselves. The agreement also established a greenshoe option for the syndicate of underwriting banks to place an additional package of shares representing 2.25% of CAER's issued capital during the "stabilisation period". Following the stock market listing, a performance bonus consisting of the award of shares representing 0.026% of CAER issued capital was paid in kind to certain senior managers of the Group in recognition of their extraordinary contribution to the success of the IPO.

CAER's shares were finally listed on the official secondary markets of the Barcelona, Bilbao, Madrid and Valencia exchanges on 1 July and were cleared on 2 July 2021.

The coordinating financial institutions for the IPO notified the company on 15 July 2021 of their intention to execute the greenshoe option granted by Acciona, S.A. in its entirety on behalf of the underwriters, in accordance with the terms of the underwriting agreement, and proceeded to purchase 7,408,138 shares in CAER (2.25% of issued capital representing 15% of the initial offering of shares). The purchase price of €26.73 per share paid for these shares was the same as the price of the shares in the initial offering, and the transaction was settled on 20 July for a total of €198 million.

The proceeds recognised on the disposal and delivery of 17.25% of the shares of CAER (including the greenshoe percentage), net of incremental transaction costs and taxes, totalled €613 million, recognition in equity under *Other reserves*.

Veracruz

On 18 March 2021, the Group entered into an agreement, subject to certain conditions precedent, to acquire the concession to operate and maintain the entire water cycle infrastructure in the State of Veracruz (Mexico), together with the associated personnel and customer contracts. This contract

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commenced in 2016 and will end in 2046, and the total purchase price paid was €27.3 million (MXN 643.9 million).

The transaction was completed on 21 May 2021 when the Group took control, through its wholly-owned subsidiary Acciona Agua México, S. de R.L. de C.V., of a group controlled by the holding company Grupo Ambiental Proveracruz, S.A.P.I. de C.V. (the "Veracruz subgroup") for an adjusted price of €24.2 million (MXN 571 million), comprising €0.2 million (MXN 5 million) paid for the shares and €23.9 million (MXN 566 million) in respect of associated debt. The subgroup acquired also has a contingent long-term obligation to the sellers totalling €3.1 million (MXN 72.5 million).

Following the transaction described above, the Group acquired control of the Veracruz subgroup, which has been fully consolidated. A detail of this business combination is as follows (expressed in thousands of euros):

Company	Cost of acquisition	Percentage interest acquired	Book value of 100% of the company	Purchase Price Allocation (PPA)	Goodwill
Veracruz subgroup	24,195	100%	2,354	21,841	--

The fair value of the assets and liabilities of the Veracruz subgroup at the acquisition date was as follows (expressed in thousands of euros):

Veracruz subgroup	21.05.2021
Identifiable assets	
Other intangible assets	54,720
Property, plant and equipment	1,598
Other non-current assets	24
Deferred tax assets	1,484
Non-current assets	**57,826**
Current assets	**15,060**
Total provisional assets	**72,886**
Identifiable liabilities	
Provisions	476
Other non-current liabilities	27,279
Deferred tax liability	9,227
Non-current liabilities	**36,982**
Current liabilities	**11,709**
Total provisional liabilities	**48,691**
NET IDENTIFIABLE ASSETS	**24,195**

In accordance with IFRS 3, the Group analysed the fair value of the assets and liabilities of the subgroup acquired for the purposes of purchase price allocation (PPA).

As part of the PPA process, an asset was recognised in respect of the concession acquired from the Veracruz subgroup upon its acquisition, which was allocated a total value before taxes of €31.2

million (MXN 726.3 million). This amount was recognised under *Other intangible assets* in the consolidated balance sheet and will be amortised on the straight line basis until the end of the concession. The impact of amortisation on the intangible asset so allocated at 31 December 2021 was €0.7 million, which was recognised under *Depreciation and amortisation charge and change in provisions* in the accompanying consolidated income statement.

In accordance with applicable accounting regulations, the allocations made in respect of identifiable assets and liabilities are considered final after a period of 12 months.

The main assets and liabilities contributed by the Veracruz subgroup are identified in these notes to the consolidated annual accounts.

The Veracruz subgroup's functional currency is the Mexican peso (MXN).

Tolchén

On 9 July 2021, the Group completed the sale of 100% of the shares held in the Chilean company Tolchén Transmisión Spa for a total price of €30,101 thousand (USD 35,850 thousand) resulting in a gain of €5,118 thousand, which was recognised under *Gains on disposal of non-current assets* in the consolidated income statement.

Concession assets

On 29 November 2020 the Acciona Group entered into an agreement with Meridiam Infra Invest SLP, Meridiam Infrastructure Fund III SLP (hereinafter "Meridiam") and Bestinver, S.A. for the sale of its total investment in a portfolio of eight concession assets. The conditions precedent for the transfer of six of these concession assets had not been fulfilled at 31 December 2020, and they were therefore recognised under the caption *Non-current assets held for sale.*

The aforementioned conditions precedent were finally fulfilled in 2021, and as a consequence the following concession assets no longer form part of the consolidated Group:

Concession assets
Autovía de la Plata (Benavente – Zamora stretch)
Gran Hospital Can Misses and the hospital operator
Novo Hospital de Vigo and the hospital operator
Nuevo Hospital de Toledo and the hospital operator
Ampliación Facultad de Derecho (Barcelona)
Canal de Navarra

The Group derecognised held-for-sale assets and liabilities (see Note 15) in 2021, recognising gains €48,357 thousand under the caption *Gains on disposal of non-current assets* in the consolidated income statement (see Note 28).

There were no other material additions to or disposals from the consolidation perimeter in 2021 aside from those described in the preceding paragraphs.

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4.- Main accounting policies

4.1 Adoption of new standards and interpretations issued

Standards and interpretations applicable in this financial year

The following accounting standards, amendments and interpretations came into force in 2021 and were considered in the preparation of the accompanying consolidated annual accounts.

Standards, amendments and interpretations	Description	Mandatory in periods beginning on or after
Adopted by the EU		
Amendments of IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to interest rate benchmark reform (second phase)	1 January 2021
Amendment to IFRS 4 – Deferral of effective date of IFRS 9	Deferral of the effective date of IFRS 9 until 2023	1 January 2021
Amendment of IFRS 16 – Leases. Rent concessions	Amendment extending the application of the IFRS 16 practical expedient for COVID-19 rent concessions	1 April 2021

In the second phase of the interest rate benchmark reform project affecting IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, the IASB proposed certain practical expedients, clarifications and exceptions to ensure the best possible reflection of financial assets and liabilities, and lease liabilities in the financial statements published by companies following the reform of IBOR interest rates, and it has also amended certain requirements for hedging relationships to continue to qualify for hedge accounting so as to ensure that the benchmark interest rates on which the effective cash flows of hedging instruments and hedged items are based will not be affected by the uncertainties arising from the reform of interbank offered rates (IBOR). Phase 2 of this process had no impact on the Group at 31 December 2021.

The amendment of IFRS 16 Leases – Rent Concessions took effect on 1 June 2020 to simplify recognition of COVID-19 rent concessions. The amendment exempts lessees from the obligation to reassess lease agreements if rent is pardoned or rent payments deferred in 2020 are renegotiated subject to the conditions set out in the amended standard, so as to permit such concessions to be recognised as variable rental income. Given that lessors have continued to grant COVID-19 rent concessions of this kind, and since the effects of the pandemic have not yet entirely disappeared, the IASB has extended the period in which this practical expedient may be applied until 30 June 2022 (rather than 30 June 2021). As in the prior year, the impact on the Group was not material since the contracts most affected by the decrease in activity linked to the COVID-19 lockdowns did not meet the conditions envisaged, as the future cash flows from contracts or the agreed rental periods were modified and were eventually either cancelled or renegotiated.

The remaining standards were applied without significant impacts on either the reported figures or the presentation and breakdown of the information, either because they did not entail material changes, or because they refer to economic events that do not affect the Acciona Group.

Standards and interpretations issued but not yet in force

At 31 December 2021, the most significant standards and interpretations published by the IASB but that have not yet come into effect, either because the effective date is later than the date of the consolidated annual accounts or because they had not yet been adopted by the European Union, were as follows:

Standards, amendments and interpretations	Description	Mandatory in periods beginning on or after
Adopted by the EU		
Amendment of IFRS 3- Reference to the Conceptual Framework	IFRS 3 has been updated to align the definitions of assets and liabilities in a business combination with those contained in the conceptual framework. The amendment also includes certain clarifications relating to the recognition of contingent assets and liabilities.	1 January 2022
Amendment of IAS 16 - Proceeds before Intended Use	The amendment prohibits deduction of any proceeds from the sale of goods produced while an entity is preparing an item of property, plant and equipment for its intended use from the cost of the asset. Income obtained from the sale of any such samples and the related production costs should be recognised through the income statement.	1 January 2022
Amendment of IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract	The amendment explains that the direct cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.	1 January 2022
Improvements to IFRS Cycle 2018-2020	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	1 January 2022
IFRS 17 - Insurance Contracts incorporating amendments	Replaces IFRS 4, and incorporates the principles of recognition, measurement, presentation and disclosure of insurance contracts with the aim that the entity provides relevant and reliable financial information that enables users of the information to determine the effect that insurance contracts have on the financial statements.	1 January 2023
Not adopted by the EU		
Amendment of IAS 1 – Classification of Liabilities as Current or Non-current	Clarification of the presentation of liabilities as current or non-current	1 January 2023
Amendment of IAS 1 – Disclosure of Accounting Policies	Amendments providing guidance to help companies adequately decide the information regarding material accounting policies they should disclose in their financial statements.	1 January 2023
Amendment of IAS 8 – Definition of Accounting Estimates	Amendments and clarifications defining what is meant by a change in accounting estimates.	1 January 2023
Amendment of IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Clarification of how preparers should recognise deferred tax arising on transactions such as leases and decommissioning obligations	1 January 2023
Amendment of IFRS 17 - Insurance Contracts. Initial Application of IFRS 17 and IFRS 9 – Comparative Information	Amendment of the IFRS 17 transition requirements for insurers simultaneously applying IFRS 17 and IFRS 9 for the first time	1 January 2023

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The Group's Directors do not anticipate any significant impacts to arise as a result of the amendments summarised in the above table that have been published but are not yet in force, since they will be applied prospectively, amendments related to presentation and disclosure issues and/or matters that are not applicable or material to the Group's operations.

4.2 Measurement standards

The main measurement standards applied in the preparation of the Group's consolidated financial statements, in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union, were as follows:

A) Property, plant and equipment

Property, plant and equipment acquired for use in the production or supply of goods or services or for administrative purposes are stated in the consolidated balance sheet at the lower of acquisition or production cost less accumulated depreciation, or at the applicable recoverable amounts.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised. Acquisition cost includes professional fees and borrowing costs incurred during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use. The finance costs relating to specific funding used for the construction of these assets are capitalised in their entirety during the construction phase.

The acquisition cost of items of property, plant and equipment acquired before 31 December 2003 includes any asset revaluations permitted in the various countries concerned to adjust the value of the assets for the effects of inflation until that date.

Balance sheets in respect of assets retired due to modernisation or for any other reason are de-recognised from the related cost and accumulated depreciation accounts.

In-house work done by the Group on its own property, plant and equipment is recognised at accumulated cost, including external costs plus internal costs calculated on the basis of in-house consumption of warehouse materials and manufacturing costs incurred.

Upkeep and maintenance costs are charged to the consolidated income statement for the year in which they are incurred.

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Generally, depreciation is calculated using the straight-line method, on the basis of the acquisition cost of the assets less their residual value, while it is understood that the land on which buildings and other structures stand has an indefinite useful life and it is therefore not depreciated. The Group companies depreciate their property, plant and equipment over the years of estimated useful life applicable in each case. The annual depreciation rates applicable in 2021 were as follows:

Annual depreciation rates	
Buildings	2% - 10%
Special facilities:	
Wind farms	3.33%
Hydroelectric power plants	1% - 4%
Biomass plants	4%
Solar photovoltaic plants	3.33%
Remaining plant	5% - 33%
Machinery	5% - 40%
Furniture	5% - 20%
Computer hardware	13% - 30%
Transportation elements	10% - 32%
Other property, plant and equipment	6% - 33%

The consolidated companies recognise any losses due to impairment that might affect the carrying amounts of these assets with an equal balancing entry under *Impairment and profit/(loss)on disposal of non-current assets* in the consolidated income statement. The criteria applicable to the recognition of impairment losses on items of property, plant and equipment and, where appropriate, to subsequent recoveries are explained in section F) in this Note.

B) Investment property

Investment property in the accompanying consolidated balance sheet reflects the carrying amounts, net of accumulated depreciation and valuation adjustments, of land, buildings and other structures held either to earn rents or capital gains on their sale.

Investment property is stated at acquisition cost and for all purposes the Group applies the same policies as those used for property, plant and equipment of the same kind.

The Group determines the fair value of its investment property each year with the support of appraisals prepared by independent experts (see Note 6).

Investment property is depreciated on a straight-line basis over the years of estimated useful life of the assets, which constitutes the period over which the Group companies expect to use them. The average depreciation rate is as follows:

Annual depreciation rate	
Buildings held for rental	2% - 5%

C) Leases and right of use

A contract is deemed to contain a lease if there is a transfer of the right to manage the use of an identified asset for a period of time in exchange for a consideration.

Right of use identified in lease contracts

At the date the lease contract begins, a liability will be recorded for the future lease payments, including any highly probable extensions, and an asset to represent the right to use the underlying asset during the term of the lease.

The Group measures lease liabilities at the present value of the lease payments outstanding at the start date. The Group discounts lease payments at an appropriate incremental interest rate unless it can reliably determine the lessor's implicit interest rate.

Outstanding lease payments are comprised of fixed payments, less any receivable incentive, variable payments that depend on an index or rate (initially measured at the index or rate applicable at the start date), amounts expected to be paid for residual value guarantees, the exercise price of any purchase option that is highly likely to be exercised, and lease termination indemnity payments, provided that the lease term reflects this termination option. Variable payments that were not included in the initial measurement of the liability are recognised in profit or loss in the period in which they accrue.

Subsequent to initial recognition, the Group values the lease liability by increasing the amount by the accrued interest expense, decreasing it by the payments made, and re-estimating the carrying amount for lease modifications or to reflect updates to fixed payments.

A right of use is initially recognised at the present value of the lease liability, plus any lease payments made on or before the start date, less incentives received, initial direct costs incurred, and an estimate of decommissioning or restoration costs to be incurred. Assets are recognised under the caption *Right of use* and are classified according to the nature of the underlying asset.

Right-of-use assets are subsequently measured at cost, less accumulated amortisation and impairment losses (see section F). These assets are amortised on a straight-line basis over the life of the contract, except when the useful life of the asset is shorter or when it is estimated that a purchase option will be exercised on the asset, in which case the amortisation period is the same as the useful life of the asset.

The liability is revalued, generally as an adjustment to the right of use, whenever there are subsequent modifications to the contract, such as changes in the lease term, changes in future lease payments due to index rate updates as defined in the contract, changes in future payments, or changes in expectations with regard to the exercise of a purchase option, among others. In the event of changes that alter the lease term or substantial amendments to the scope of the lease, the liability under the contract is revalued considering an updated discount rate. The Group records re-estimates of the liability as an adjustment to the related right of use until it is reduced to zero. Any remainder is recognised in profit or loss.

There are two exceptions to the recognition of the lease asset and lease liability for which the expense is recognised in the income statement on an accrual basis:

- Low-value leases: These are immaterial leases, i.e. contracts for which the underlying asset value, if booked as new, would not be significant. The Group has set a benchmark value at €5,000 euros as the upper limit in this respect.

- Short-term leases: Contracts with an estimated rental term of less than 12 months.

Lessor's perspective

Lease contracts in which the Group acts as lessor are accounted for on the following basis:

Finance leases

In lease contracts where the lessor retains ownership of the asset but transfers substantially all the risks and rewards of the leased asset, the lessor must derecognise the asset subject to lease and recognise an account receivable for an amount equal to the net investment in the lease at the start date, considering the implicit interest rate in the contract.

A lessor will recognise finance income over the term of the lease on the basis of a pattern that reflects a constant rate of return on the lessor's net investment in the lease.

D) Goodwill

As part of the process of accounting for a business combination, the difference between the consideration paid plus the value allocated to non-controlling interests and the net carrying amount of the assets acquired and liabilities assumed measured at fair value are recognised as goodwill. Where applicable, any shortfall arising after measurement of the consideration paid, the value assigned to non-controlling interests and the identification and measurement of the net value of the assets acquired at fair value is recognised in profit or loss.

The assets and liabilities acquired are measured provisionally at the date on which control of the target entity is acquired, and the resulting value is reviewed no later than one year from the date of acquisition.

Goodwill is not amortised, but is tested for impairment each year, or earlier if there are signs of any potential loss of value affecting an asset. Goodwill is assigned by the Group at the acquisition date to each cash generating unit (CGE) or group of CGUs expected to benefit from the synergies arising from the business combination concerned. After initial recognition, goodwill is carried at cost less accumulated impairment losses.

Goodwill generated internally is not recognised as an asset. Goodwill is only recognised when it has been acquired for a consideration and therefore represents a payment made by the buyer in anticipation of future economic benefits from assets of the acquired company that are not individually and separately identifiable and/or recognisable.

Goodwill arising on the acquisition of companies with a functional currency other than the euro is translated to euros at the exchange rates prevailing at the date of the consolidated balance sheet.

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E) Other intangible assets

Intangible assets are recognised initially at acquisition or production cost and are subsequently measured at cost, less any accumulated amortisation and accumulated impairment losses, if applicable.

Intangible assets with finite useful lives are amortised over their useful lives using methods similar to those used to depreciate property, plant and equipment. The amortisation rates applied, which were determined on the basis of the average years of estimated useful life of the assets, are basically as follows:

Annual amortisation rate	
Development	20%
Administrative concessions	2% - 25%
Computer software	10% - 33%
Other intangible assets	10% - 33%

The consolidated companies recognise any impairment loss in the carrying amount of these assets with a charge to *Impairment and profit/(loss) on disposal of non-current assets* in the consolidated income statement. The criteria to recognise impairment losses on these assets and, where appropriate, any subsequent recoveries are described in section E) of this note.

Research and development

As a general rule, expenditure on research activities is recognised as an expense in the year in which it is incurred, except in development projects in which an identifiable asset is created, it is probable that the asset will generate future economic benefits, and the development cost of the asset can be reliably measured. The Group's development expenditure, basically related to the development of renewable energy generation projects, is only recognised as an asset if it is probable that it will generate future economic benefits and the development cost of the asset can be reliably measured.

Development expenditure is amortised on a straight-line basis over its useful life. Unless the aforementioned conditions for recognition as an asset are met, development expenditure is recognised as an expense in the year in which it is incurred.

Administrative concessions

Administrative concessions comprise concessions acquired by the Group for a consideration (in the case of concessions that can be transferred) or for the amount of the expenses incurred to directly obtain the concession from Government or from a public agency. Administrative concessions are amortised on a straight-line basis over the term of the concession. Appendix V details the duration (and, therefore, amortisation) of the main concessions.

Intangible assets in infrastructure projects

Since the adoption of IFRIC 12, the Acciona Group has included intangible assets associated with concessions in which the demand risk is borne by the operator under *Intangible Assets in Infrastructure Projects*. This type of concession-related activity consists mainly of investments in transport and water supply infrastructure operated by subsidiaries, jointly controlled entities or associates (concession operators). The main features of these activities are as follows:

- The concession infrastructure is owned by the grantor in most cases.

- The concession grantor, which may be a public or private sector entity, controls or regulates the service offered by the concession operator and the conditions under which it is to be provided.

- The infrastructure is operated by the concession operator as established in the concession tender specifications for an established concession term. At the end of this period, the assets are handed back to the concession grantor, and the concession operator has no right whatsoever over these assets.

- The concession operator receives revenue for the services provided either directly from the users or through the concession grantor.

The main significant accounting criteria applied by the Acciona Group in relation to these concession arrangements are as follows:

- Borrowing costs incurred during the construction period are capitalised but borrowing costs incurred subsequent to commissioning of concession assets are not capitalised.

- The concession infrastructure is depreciated on a straight-line basis over the concession term.

- Concession operators amortise concession assets so that the carrying amount of the investment made, including the obligations to restore the infrastructure or maintain it with a certain service capacity, is zero at the end of the concession term.

- In practically all of the Acciona Group's concessions, construction work was carried out by Group companies. The income and expenses related with infrastructure construction or upgrades are recognised at their gross amount (recognition of sales and the cost of sales in the consolidated financial statements of the Acciona Group), and the construction margin is recognised in the consolidated annual accounts. Where the Group does not carry out construction work itself, this is taken into account in the recognition of sales and the cost of sales. No adjustments were needed in 2021 for this reason.

Computer software

Acquisition and development costs incurred in relation to the basic computer systems used in the Group's management are recognised at acquisition cost with a charge to *Other intangible assets* in the consolidated balance sheet.

Computer system maintenance costs are recognised with a charge to the consolidated income statement for the year in which they are incurred.

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F) Impairment of non-current assets

At the closing date of each balance sheet, the Group reviews the carrying amounts of its property, plant and equipment, investment property, right of use, intangible assets and investments accounted for using the equity method to determine whether there is any indication that any assets may have sustained an impairment loss. If any evidence exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the smallest identifiable cash generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is written down to its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised on the asset (or cash generating unit) in previous years.

Goodwill is reviewed for impairment (i.e. a reduction of the recoverable amount to below the carrying amount of the asset) at least at the end of each reporting period, and any impairment is written down with a charge to *Impairment and profit/(loss) on disposals of non-current assets* in the consolidated income statement. Impairment losses recognised for goodwill do not reverse in a subsequent period.

Recoverable amount is the higher of fair value less costs to sell and value in use. The methodology used to estimate the recoverable amount varies depending on the type of asset in question. For these purposes, the Group considers three types of assets: investment property (assets held to earn rentals and inventories), goodwill in respect of companies, and assets of limited duration (primarily electricity generating assets and infrastructure concessions). The measurement of these assets is explained below.

Investment property (assets held to earn rentals and inventories)

The Group's real estate investments comprises properties earmarked for lease. The recoverable amount of these assets is the higher of fair value less costs to sell and value in use. The Group determines the recoverable amount of its investment properties based on fair value estimates at 31 December 2021 supported by appraisals prepared performed by the independent experts Savills Aguirre Newman Valoraciones y Tasaciones, S.A.U. (independent appraisal report issued on 11 February 2022).

These appraisals are carried out in accordance with the Appraisal and Valuation Standards issued by the Royal Institute of Chartered Surveyors (RICS) of Great Britain and the International Valuation Standards (IVS) issued by the International Valuation Standards Committee (IVSC).

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Assets of this type are measured by updating the rents at rates which vary depending on the type of property concerned and the specific characteristics of individual buildings. In proportion to their carrying amounts, the assets held to earn rentals may be classified as residential for rent (0.45%), offices (98.51%) and other property (1.04%) (shopping centres, car parks, etc.). The updated rates used for each type of property lie in the following ranges: office properties (7.25-9.50%) and other property (8-12%).

The method used to calculate the market value of investment properties consists of preparing ten-year forecasts for the income and expenses generated by each asset which are then discounted at the balance sheet date at market rates. The residual amount at the end of the tenth year is calculated applying a yield rate ("exit yield" or "cap rate") based on the forecasts for net income in the eleventh year. The market values thus obtained are analysed through calculation and analysis of the capitalisation of the yield implicit in these values. The forecasts are used to reflect the best estimate of future income and expenses on investment property assets. The percentage yield and the discount rate are defined based on market conditions.

The residual method was applied to calculate the fair value of land and developments in progress. This method consists of estimating the value of the final product based on comparison or applying the discounted cash flows approach, and deducting development costs from the value obtained. Development costs include the cost of developing land, construction, fees, levies and all necessary costs to complete a planned development. Revenues and costs are distributed over time according to the development and sale periods estimated by the appraiser. The discount rate used represents the annual average yield of the project without taking into account the external financing that an average developer would require for a development of the kind analysed. This discount rate is calculated by adding a risk premium (determined based on the assessment of development risk taking into account the type of property asset planned, its location, liquidity, the construction period and the investment required) to the free-risk interest rate. Where external financing is taken into account in the determination of cash flows, the risk premium is increased depending on the percentage of said financing (leverage) attributed to the project applying the usual interest rates in the mortgage market.

The comparative approach and discounted cash flow method were used to calculate the fair value of completed developments.

The carrying amount of investment property is adjusted at the end of each year through the provision for impairment, in order to adjust the carrying amount to the recoverable amount or net realisable value of each asset, wherever this value is found to be lower than the carrying amount, adjusting the provision with additions or reversals as appropriate.

Valuation adjustments for asset impairment, and reversals thereof when the circumstances giving rise to them are removed, are recognised as an expense or as income, respectively, through the income statement.

Based on the valuations made, impairment losses are recognised, where appropriate, under *Impairment and profit/(loss) on disposals of non-current assets* in the consolidated income statement in the case of Investment Property and Non-Current Assets (see Notes 6 and 28) and under *Changes in Inventories of Finished Goods and Work in Progress* and *Cost of goods sold* in the case of Inventories.

Company goodwill

The impairment tests carried out take into consideration the cash-generating units' overall capacity to generate future cash flows.

The Group prepares five-year forecasts of projected cash flows, including the best available estimates of income and expenses for the cash-generating units based on industry projections, past experience and future expectations.

A residual value is also calculated based on the normalised cash flows for the last year of the forecast, applying a perpetuity growth rate which will not under any circumstances exceed the growth rates for previous years or the estimated long-term rate for the market where the cash generating unit is located. The cash flow used to calculate residual value takes into account the replacement investments required for the continuity of the business in the future at the estimated growth rate.

The weighted average cost of capital (WACC) is used to discount cash flows, which will depend on the type of business and the market in which it is carried on. The average leverage during the projection period is taken into account in the calculation of WACC.

Other items calculated include: i) the effective cost of borrowings, which takes into account the tax shield generated based on the average tax rates in each country; and ii) the estimated cost of equity based on a risk-free interest rate, (generally benchmarked to the return on a ten-year government bond in each market), beta (which factors in leverage and the risk associated with the asset), and a market premium (estimated on the basis of historical yields in the capital markets). These variables are tested using recent studies of the premiums required at long term, comparable companies in the industry and the rates habitually used by investment banks.

The impairment tests carried out did not show any need for the recognition of impairments at 31 December 2021 (see Note 8).

Non-current project assets

This line item includes concession assets and projects with a limited duration and a contractual structure allowing the costs incurred in the project to be clearly determined (both in the initial investment stage and in the operating phase) and the related revenue to be reasonably projected over the life of the project (basically energy division property, plant and equipment). These assets are registered under property, plant and equipment (mainly generating facilities) and in other intangible assets under intangible concessions (IFRIC 12).

The value in use of assets of this nature is calculated by projecting expected cash flows until the end of an asset's life, and it is therefore assumed that there is no terminal value. This is possible because:

- These assets have a stable long-term output, allowing reliable long-term estimates to be made.
- There are extensive series of historical data from reliable external sources.
- The estimates of prices used by the Acciona Group for revenue determination in the energy division are based on a profound understanding of the market and on analyses of the parameters determining pool prices.
- Operating costs are known and display scant variability.

- A large part of them have been financed with long-term debt with known and constant terms and conditions, making it easily possible to forecast the necessary outflows of cash to cover debt service.

The projections include both known data (based on project contracts) and basic assumptions supported by specific studies prepared by experts or by historical data (on demand, production, etc.). Macroeconomic data such as inflation, interest rates, and so on are also projected using data obtained from independent specialist sources (e.g. Bloomberg).

The discounted cash flows used are obtained by the shareholder after debt service. Meanwhile, the discount rates applied to these cash flows are based on the cost of equity, and in each case they include the business risk and sovereign risk relating to the country where the undertaking is located.

The Acciona Group did not recognise any material amounts in the accompanying consolidated income statement in this respect at 31 December 2021 and 2020.

G) Non-current receivables and other non-current assets

Non-current receivables and other non-current assets comprise non-current trade receivables, mainly due from public authorities, and withholdings on trade receivables, mainly in the infrastructure division.

Since the Acciona Group adopted IFRIC 12, it has recognised financial assets associated with concessions in which the grantor guarantees the payment of a quantified or quantifiable amount in the concession agreement, thereby eliminating the operator's demand risk, under *Non-Current Receivables and Other Non-Current Assets*.

This type of concession-related activity consists mainly of investments in transport, water supply and hospital infrastructure operated by subsidiaries or jointly controlled entities. The main features of these activities are as follows:

- The concession infrastructure is owned by the grantor in most cases.

- The concession grantor, which may be a public or private sector entity, controls or regulates the service provided by the operator and the conditions under which it is to be provided.

- The infrastructure is operated by the concession operator as established in the concession tender specifications for an established concession term. At the end of this period, the assets are handed back to the concession grantor, and the operator has no further rights over them.

- The concession operator receives revenue for the services provided either directly from the users or through the concession grantor.

Significant accounting criteria applied by the Acciona Group in relation to these concession arrangements are as follows:

- The account receivable is recognised at amortised cost at the present value of the amount receivable from the grantor, applying the effective interest rate.

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- Borrowing costs are not capitalised, either during the construction phase or after the concession has started to operate.

- The Group recognises interest income earned on a financial asset, even during the construction phase, applying the effective interest rate. This income is recognised as revenue.

- In practically all of the Acciona Group's concessions, construction work was carried out by Group companies. The income and expenses related with infrastructure construction or upgrades are recognised at their gross amount (recognition of sales and the cost of sales in the consolidated financial statements of the Acciona Group), and the construction margin is recognised in the consolidated annual accounts. Where the Group does not carry out construction work itself, this is taken into account in the recognition of sales and the cost of sales.

- There is no amortisation charge since the arrangements constitute a financial asset.

- Annual billings are divided into a financial asset component recognised on the balance sheet (and therefore not recognised as sales) and a service component, which is recognised under operating income in accordance with IFRS 15.

H) Financial instrument disclosures

The qualitative and quantitative disclosures contained in the annual accounts with regard to financial instruments, and risk and capital management are described in the following notes:

- Financial asset and liability categories, including derivative financial instruments and accounting policies are detailed in Note 4.2 I).
- Classification of the fair value measurements of financial assets and derivative financial instruments consistent with the fair value hierarchy established in IFRS 7 are detailed in Note 4.2 I).
- Disclosure requirements (qualitative and quantitative information) regarding capital are detailed in Note 18 g).
- Risk management and accounting policies are detailed in Note 21.
- Derivative financial instruments and hedge accounting are detailed in Note 22.
- Transfers from equity to the profit or loss for the year in respect of settlements of hedging derivatives transactions are detailed in Note 30.

I) Financial instruments

Non-current and current financial assets excluding hedging derivatives

The financial assets held by the Group companies are classified in two broad categories based on the subsequent valuation method:

- Financial assets carried at amortised cost: assets that are expected to be held to obtain contractual cash flows in respect of principal and interest (if applicable). These items are measured at amortised cost, which is basically the initial market value, less repayments of principal, plus accrued interest receivable calculated using the effective interest method. The types of assets included in this category comprise:

  - Loans and receivables: claims generated by the Group companies for the supply of goods or services directly to a debtor. This category consists almost entirely of assets recognised under *Trade and other accounts receivable*.
  - Cash and cash equivalents: this item comprises cash in hand and demand deposits at banks. Cash equivalents are short-term investments maturing in under three months that are not subject to any relevant risk of a change in value.
  - Other financial assets: assets with fixed or quantifiable payments and fixed maturity. The Group has the intention and ability to hold these from the date of purchase to the date of maturity. This category includes mainly loans granted to companies consolidated using the equity method, short-term deposits, and deposits and guarantees.

The Group has established an impairment model based on the expected losses arising from defaults in the next 12 months or over the life of the financial instrument recognised, depending on the nature of the financial asset and the evolution of its associated credit risk from the initial recognition date. The model is applied considering the division, type of customer (public entity, large customers, etc.) as well as the historical experience of credit risk over the past five years. No significant amounts were recognised in the 2021 income statement in this respect.

- Financial assets recognised at fair value with changes in profit or loss: securities acquired that are not classified in other categories, almost all of which are equity instruments in other companies. They are measured as follows:

  - At cost when there is insufficient information to measure an asset reliably, or when there is a wide range of valuations and the associated derivative instruments must be settled by delivery of the instrument concerned. However, if the Group can reliably measure an asset or contract at a given moment, such asset or contract is recognised at fair value at that time and any gains or losses arising are recognised in profit or loss or in other comprehensive income if the instrument is designated at fair value through other comprehensive income.
  - At fair value when it can be reliably determined either through the market price or, in the absence thereof, based on the price established in recent transactions or the discounted present value of the future cash flows. Gains or losses arising from changes in fair value are recognised directly in the consolidated income statement.

No financial assets were reclassified between the categories defined in the foregoing paragraphs in 2021 or 2020.

Purchases and sales of financial assets are recognised using the trade date method.

Transfers of financial assets

The basic premise of the Group's business model is that financial assets are held to obtain contractual cash flows. However, this does not mean that it holds all instruments to maturity. Accordingly, the Group's business model is to hold financial assets in order to receive contractual cash flows even where such assets may be sold or may be expected to be sold in the future. The Group further understands that this condition is fulfilled in the case of sales due to increased credit risk in respect of financial assets. In all other cases, sales should not be significant either at the individual or aggregate level, whether they are frequent or infrequent.

The Group de-recognises financial assets when they expire, or when the rights to the cash flows from the financial asset and substantially all the risks and rewards of ownership are transferred in the case of firm sales, factoring of trade receivables where the company does not retain any credit or interest rate risk, sales of financial assets under a agreements to repurchase them at fair value, and the securitisation of financial assets in which the transferor does not retain any subordinated financing or extend any kind of guarantee or assume any other risk.

Bank borrowings and other debts except derivatives

Interest-bearing bank loans are recognised at the amount received, net of direct issue costs. Borrowing costs, including premiums payable on settlement or redemption, and direct issue costs are recognised in the income statement on the accrual basis using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. In subsequent periods, these obligations are measured at amortised cost using the effective interest method.

In specific cases where liabilities are the underlying of a fair value hedge, they are measured, exceptionally, at fair value for the portion of the hedged risk.

The Group writes off financial liabilities, or a part thereof, when the obligations they contain expire, or when it is legally released from the principal obligation inherent in the liability through a legal process or by the creditor.

The exchange of debt instruments between the Group and a counterparty, or substantial modifications to the liabilities initially recognised are accounted for by cancelling the original financial liability and recognising a new financial liability, whenever the instruments have substantially different terms.

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

If the exchange is accounted for by cancelling the original financial liability, then any costs or fees incurred are recognised as part of the profit or loss. Otherwise, the cash flows are discounted at the original effective interest rate and any difference with the previous carrying amount is recognised in profit or loss. In addition, the costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The Group 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, through the income statement.

In the case of the Group's US wind farms qualifying for tax credits (PTC or ITC) and accelerated tax depreciation (see Note 2), investment partners are incorporated through financing structures known as "Tax Equity Investments", which offer a share in the economic interest of the projects obtained from the use of the tax credits generated until a return is obtained on the investment made, which depends on the performance of the projects themselves. The investment thus held is treated by the Group as a debt with related entities and recognised under *Other payables*. Repayments are made in line with the realisation of the tax benefits, including a minor percentage of the annual free cash generated by the project. The expected maturity of these debts is associated with the tax credits obtained by the facility. In the case of the Group's US projects, all of which qualify for PTCs, expected maturity is 10 years.

As a general rule, no guarantees of any kind are extended by the development partner or the associated project to investment partners with respect to repayment of the debt or expected returns in structures of this kind. Accordingly, the investment partners' main recourse is limited to the cash flows generated by the project itself.

Derivative financial instruments and hedge accounting

Because of its activities, the Group is mainly exposed to the financial risks derived from fluctuations in foreign exchange rates and interest rates. The Group uses forward foreign exchange contracts and interest rate swaps to hedge these exposures. Electricity price and supply hedging transactions are also arranged. The Group does not use derivative financial instruments for speculative purposes.

The use of financial derivatives is governed by Group policies approved by the Board of Directors.

Accounting policies

Derivatives are recognised at fair value (see measurement bases below) at the consolidated balance sheet date under *Current or non-current financial assets* if positive and under *Current or non-current bank borrowings* if negative. Changes in the fair value of derivative financial instruments are recognised in the consolidated income statement as they arise. If the derivative has been designated as a hedge that is highly effective, it is recognised as follows:

- Fair value hedges: these hedges are arranged to fully or partially reduce the risk of fluctuations in the value of assets and liabilities (underlying) recognised on the consolidated balance sheet. The portion of the underlying for which the risk is hedged is measured at fair value, as is the related hedging instrument, and changes in the fair values of both items are recognised under the same heading in the consolidated income statement. At 31 December 2021, the Group had no fair value hedges.

- Cash flow hedges: these hedges are arranged to reduce the risk of potential changes in the cash flows associated with interest payments on non-current floating-rate financial liabilities and exchange rates. Changes in the fair value of derivatives are recognised, with respect to the effective portion of the hedge, in equity under *Reserves - Valuation adjustments*. The cumulative gain or loss recognised in this heading is transferred to the consolidated income statement to the extent of the impact on the consolidated income statement resulting from the risk hedged in respect of the underlying. The effect is netted off from the same heading of the consolidated income statement. Gains or losses in respect of the ineffective portion of hedges are recognised directly in the consolidated income statement.

Other derivative financial instruments

As part of their operations, the Group companies seek long-term energy sales contracts for all or part of the energy produced by their facilities in order to partially or fully mitigate the risks of fluctuations in sales at market prices. Depending on the regulatory framework in which the facilities operate, such contracts may involve the physical supply of energy (Power Purchase Agreements or PPAs), or they may be instrumented through financial derivatives in which the underlying is the market energy price with regular settlement of the difference between such market price and the contractually established production price.

In this case, the Group recognises the market value of the derivative provided that it cannot be demonstrated that it has been contracted in accordance with the energy sales strategy established for the facility. In addition, it is designated as a hedge or as a derivative with changes recognised through the income statement depending on the terms of the contract and the manner in which it is settled.

Group policy on hedging

At the inception of a hedge, the Group designates and formally documents the hedging relationship, and the objective and strategy involved. Hedges are only recognised when hedging relationship is formally documented and all effectiveness requirements are met, i.e. when it can be shown that an economic relationship exists between the hedged item and the hedging instrument, that the credit risk effect does not dominate changes in value arising from the economic relationship, and the hedge ratio ensures that the hedging relationship is in line with the amount of the hedged item and that there is no imbalance between the weightings of the hedged item and the hedging instrument which could render the hedge ineffective.

The Group does not hedge projected transactions but only firm financing commitments. Where the cash flows from projected transactions are hedged, the Group assesses whether such transactions were are highly likely and whether they are exposed to changes in cash flows that could ultimately affect the profit or loss for the year.

If a cash flow hedge covering a firm commitment or projected transaction results in the recognition of a non-financial asset or a non-financial liability, the associated gains or losses on the derivative previously recognised in equity are included in the initial measurement of such asset or liability when the asset or liability is recognised. For hedges that do not result in recognition of a non-financial asset or liability, amounts deferred in equity are recognised in the income statement in the period in which the hedged item affects profit or loss.

Compound financial instruments with multiple embedded derivatives

The Acciona Group does not have any compound financial instruments with embedded derivatives.

Measurement and adjustment for credit risk

The Group measures derivatives that are not traded on an organised market (OTC derivatives) by discounting the expected cash flows and using generally accepted option pricing models based on spot and futures market conditions at the closing date of every financial year. The fair value calculations for each type of financial instrument are as follows:

- Interest rate swaps are valued by discounting future settlements between fixed and floating interest rates to their present value, in line with implicit market rates obtained from long-term interest rate swap curves. Implicit volatility is used to calculate the fair values of caps and floors using option pricing models.

- Foreign currency hedging and option contracts are valued using the spot exchange rate, forward spots of the related currencies and, in the case of options, implicit volatility until maturity.

The technique applied to determine the adjustment for credit risk in the measurement of derivatives at the reporting date is based on a calculation through simulations of the total expected exposure (incorporating both the actual and potential exposure) adjusted in line with the probability of default over time and severity (potential loss) assigned to the Company and to each of the counterparties.

Specifically, the following formula was applied to calculate the adjustment for credit risk:

EAD * PD * LGD, where

- EAD means Exposure at Default at any given moment calculated by simulation of scenarios using market price curves.
- PD means Probability of Default, i.e. the likelihood that any counterparty might fail to perform its payment obligations at any given moment.
- LGD means Loss given Default with a severity = 1 - (recovery rate). This represents the percentage of losses that will ultimately arise if a counterparty defaults.

The total expected exposure to derivatives is obtained using observable market inputs, such as interest curves, exchange rates and volatilities depending on market conditions at the measurement date.

The inputs applied to calculate credit risk and counterparty risk (determination of the probability of default) are mainly based on the application of credit spreads for the Company or other comparable businesses currently traded on the market (CDS curves, IRR of debt issues). In the absence of credit spreads for the Company or other comparable businesses and in order to maximise the use of relevant observable variables, the listed benchmarks taken into account are those considered appropriate on a case-by-case basis (listed credit spread indices). Where credit information is available for counterparties, the credit spreads used are obtained from Credit Default Swaps (CDS) listed on the market.

In the case of fair value (adjustment of market value for bilateral credit risk), consideration is given to credit enhancements consisting of collateral and other guarantees to determine the severity rate applicable to each position. Severity is considered to be constant over time. If there are no credit enhancements in terms of collateral or guarantees, a standard market recovery rate is applied, which is 40% for senior unsecured debt of 40%. Nonetheless, this recovery rate would be between 68.45% and 88.40% for derivatives contracted under Project Finance structures, depending on the progress of the project concerned (construction or operation phase) and the geographical region where it is located (Western Europe, Eastern Europe, North America, Latin America, Oceania and Africa).

The fair value measurements made in respect of different derivative financial instruments, including the information used for the calculation of the credit risk adjustment for both the Company and its counterparty, are classified at level 2 in the fair value hierarchy established in IFRS 13, as the inputs are based on listed prices for similar instruments on active markets (not included in level 1), listed prices for identical or similar instruments traded on inactive markets, and techniques based on valuation models for which all the significant inputs are observable in the market or are corroborated by observable market data.

Although the Acciona Group has determined that most of the inputs used to evaluate derivatives are classified at level 2 in the fair value hierarchy, the credit risk adjustments use level 3 inputs such as credit assessments based on the Group's credit rating or comparable companies to assess the probability of insolvency for the company or its counterparty. The Group has assessed the relevance of the credit risk adjustments for the total valuation of the derivative financial instruments and has concluded that they are not material.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value, which does not differ substantially from their fair value.

Trade payables include unpaid balances due to suppliers which are handled through supply chain finance contracts entered into with banks. Meanwhile, the related payments are classified as transaction flows, since these transactions do not include either special collateral guarantees for the payments due or modifications that might change the commercial nature of the transactions.

J) Inventories

The Group companies measure their inventories as follows:

- In the construction activity, procurements, consisting basically of construction materials held on site at the construction projects in progress, are measured at acquisition cost. Semi-finished goods and work in progress to be included in the value of construction projects are recognised at production cost.

- In the real estate activity, land is measured at the lower of acquisition cost, plus urban development costs, if any, transaction costs related with purchases, borrowing costs incurred from the starting date of site development work until construction begins, and the estimated market value of the land. The capitalisation of borrowing costs is suspended if construction work is halted due to rescheduling or for any other reason.

- Completed real estate developments pending sale and developments in progress are valued at production cost, or at the cost of assignment in the case of property awarded under debt settlements, less the amount of impairment losses, if any. Cost also includes financial expenses incurred between the start of activities to prepare an asset for its intended use until the completion of works, whether charged by suppliers or related to loans or other specific or generic third-party financing, provided such expenses are directly attributable to production or construction. Commercial costs are charged to the income statement in the year in which they are incurred.

- The capitalised borrowing costs included in inventories totalled €1,454 thousand in 2021 (€2,219 thousand in 2020) (see Note 30).

- Other inventories are recognised generally at the lower of weighted average cost and net realisable value. These inventories may also occasionally be measured at FIFO cost.

The Group assesses the net realisable value of inventories at the end of each year based on independent appraisals prepared by Savills-Aguirre Newman (report issued on 11 February 2022), and CB Richard Ellis, S.A. (report issued on 14 January 2022), setting aside appropriate provisions for impairment where properties are found to be overvalued. These provisions are reversed when the circumstances requiring them are removed or when there is clear evidence of an increase in net realisable value due to any change in economic circumstances. The valuation methods used are detailed in subsection F) Impairment of non-current assets in this Note.

Revenue is recognised to capitalise borrowing costs directly attributable to the acquisition or construction of property developments, which are assets that necessarily require a substantial period of time to be readied for their intended use or for sale. Borrowing costs are added to the cost of such assets until such time as they may be substantially ready for use or sale, provided that the market value of an asset exceeds its accumulated cost. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Current/Non-current classification

In the accompanying consolidated balance sheet, assets and liabilities maturing within no more than twelve months are classified as current items and those maturing in more than twelve months are classified as non-current items. However, the companies in the real estate activity classify assets and liabilities based on their operating cycle, which is usually longer than one year. Current assets and liabilities recognised by this division with an estimated maturity of more than twelve months are as follows:

Thousands of euros	2021	2020
Inventories	676,850	715,565
Total current assets	**676,850**	**715,565**
Bank borrowings	321	542
Other current liabilities	34,029	46,409
Total current liabilities	**34,350**	**46,951**

Loans that mature in the short term but that may be rolled over at the Group's discretion under the terms of long-term credit facilities are classified as non-current liabilities.

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K) Treasury shares

At 31 December 2021, Acciona, S.A. held 206,199 treasury shares representing 0.3759% of share capital at that date. The acquisition cost of these shares was €18,290 thousand. The acquisition cost of the treasury shares and the gains or losses arising on transactions involving them are recognised directly in equity (see Note 18).

At 31 December 2020, Acciona, S.A. held 296,422 treasury shares representing 0.5404% of share capital at that date. The acquisition cost of these shares was €22,049 thousand.

L) Termination benefits

In accordance with prevailing legislation in Spain, Spanish and certain foreign companies are required to pay termination benefits to employees dismissed unfairly. The Group recognises provisions for termination benefits when there is an individual or collective agreement with the employees or a genuine expectation that such an agreement will be reached to permit an employee or employees unilaterally or by mutual agreement with the company to accept redundancy in exchange for a termination benefit. Where mutual agreement is required, a provision is only recorded in situations in which the Group agrees to consent to the termination of employees upon request. In all cases in which such provisions are recognised, the employees must have a reasonable expectation that early retirements will take place. In the case of involuntary redundancies, the Group will no longer be able to withdraw the benefits offered once it has informed the employees affected or the union representatives of the plan.

Termination benefits related to restructuring processes are recognised when the Group has a constructive obligation, i.e. when there is a detailed formal plan setting out the terms of such processes.

The Acciona Group companies do not currently have any employee termination plans that have not been appropriately provisioned in accordance with prevailing legislation.

M) Provisions

The Group's consolidated financial statements include all provisions covering present obligations at the reporting date arising from past events that could give rise to liabilities or losses for the Group companies, which are specific in terms of their nature but indeterminate as to their amount and/or timing. These provisions include all amounts set aside where it is considered more likely than not that the obligation will have to be settled.

Provisions are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the close of every accounting period, and they are applied to settle the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations are cancelled or reduced.

Litigation and/or claims in progress

Certain litigation and claims arising from the ordinary course of operations were in process against the consolidated companies at 31 December 2021 and 2020. Based on the opinion of the Group's legal advisers, the Directors consider that the outcomes of litigation and claims will not have a material effect on the consolidated financial statements for the years in which they are finally settled. Accordingly, it was not considered necessary to record any additional provisions in this respect.

Trade provisions

These provisions and allowances include costs that have not yet materialised. Provisions for construction project completion costs are set aside to cover expenses arising between the date on which project units are completed and the date of delivery to the customer.

Provision for pensions and similar obligations

The Acciona Group companies do generally not have any pension plans to supplement social security pensions. The appropriate provisions are recognised for termination of permanent site personnel, except for the group of employees mentioned below.

Certain Acciona Group companies have entered into or have been subrogated to collective agreements that establish specific benefits payable to employees covered by such agreements when they reach retirement age, provided they meet the relevant terms and conditions. Some of these collective agreements also provide for the payment of loyalty bonuses based on the length of an employee's service to the companies concerned. The impact of these obligations is not material.

The companies affected have various pension obligations towards their employees. These defined benefit obligations are formalised basically through pension plans, except as regards certain benefits in kind, mainly electricity supply commitments, which, due to their nature, have not been externalised and are covered by in-house provisions.

For the defined benefit plans, the companies recognise the expenditure relating to their obligations on an accrual basis over the working lives of employees based on appropriate actuarial studies prepared at the date of the consolidated balance sheet applying the projected unit credit method. The past service costs arising in respect of changes in benefits are recognised immediately in the consolidated income statement in line with the accrual of the benefits concerned.

The defined benefit plan obligations recognised represent the present value of the accrued benefits after deducting the fair value of the qualifying plan assets. Actuarial gains or losses arising on the measurement of both the plan liabilities and the plan assets are recognised directly in equity under *Reserves - Change due to actuarial gains or losses on pension schemes*.

For each of the plans, any positive difference between the actuarial liability for past services under each of the plans and the plan assets is recognised under *Provisions* in the consolidated balance sheet, and any negative difference is recognised as an asset under *Trade and other accounts receivable*, provided that such negative difference is recoverable by the Group, usually through a reduction in future contributions.

The impact of these plans on the consolidated income statement is not material (see Note 19).

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N) Grants

Government grants awarded to cover staff re-training costs are recognised as income once all of the attached conditions are fulfilled over the necessary periods to match them with the related costs.

Government grants related with property, plant and equipment and intangible assets are treated as deferred income and are classified under *Other non-current liabilities*. These amounts are taken to income over the expected useful lives of the assets concerned under the line *Other revenue*.

O) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the goods and services provided in the normal course of the business, net of discounts, VAT and other sales-related taxes.

Income and expenses are recognised on the accrual basis, i.e. when the actual flow of goods and services represented by income and expenses takes place, regardless when the associated cash or financial flows occur.

In accordance with IFRS 15, the Group identifies and separates the different commitments concerned in transfers of the goods or services referred to in a contract. This implies separate recognition of each of the obligations that can be individually identified within the same main contract.

The Group estimates the price of each of the contracts identified taking into consideration the initial contract price agreed, the amount of variable considerations, the time value of money (in cases that are considered to have a significant financing component), and non-cash considerations.

In cases where the price is variable or consists of unapproved claims, the amount is estimated following the approach that best predicts the consideration to which the Group will be entitled, applying either a probability-based expected value or the single most likely value. This consideration is only recognised to the extent that it is considered highly unlikely that there will be any material reversal of the revenue recognised once the associated uncertainty is resolved.

Specific revenue recognition criteria applicable to the business activities carried on by the Group are explained below:

Revenues from the construction activity

Revenue

Given the nature of this business, revenue is usually generated on long-term contracts in which the contractual starting and completion dates generally fall in different accounting periods. Hence, initial revenue and expense estimates may undergo changes that can affect the recognition of revenue, expenses and profits or losses.

The Group recognises construction revenue and expenses by reference to the stage of completion of the contract at the balance sheet, based either on an examination of the work completed, or on the percentage of costs incurred in relation to total estimated costs. In the former case, period production measured in terms of units completed, is recorded as revenue and costs are recognised on the accrual basis in relation related to finished units of work. In the latter case, revenue is recognised in the income statement based on progress estimated in terms of percentage costs (i.e. actual costs incurred versus the total estimated cost of the contract), applied to the likely total project revenues. The latter is commonly used in Anglosphere markets and where contracts do not specify unit prices.

In some cases (for example, in the early stages of a contract), the Group may not be able to reliably measure the fulfilment of a performance obligation, even though it fully expects to recover all costs incurred to perform the obligation. In such circumstances, the Group recognises revenue from ordinary activities only to the extent of the costs incurred until it can reliably measure fulfilment of the performance obligation.

Also, where it is considered that the estimated costs of a contract will exceed the revenue generated, the expected losses are provisioned with a charge to the consolidated income statement for the year in which they become known.

Ordinary revenue from the contract is recognised considering the initial contract price agreed with the customer and any contractual modifications or additional claims, to the extent that it is highly probable that revenue will be obtained from the same, that such revenue can be reliably measured, and that no material reversal is likely in the future.

It is considered that a contract has been modified when a change is made to the scope of the contract on the customer's instructions. A claim is considered to arise under a contract when the actions of the customer or third parties result in costs that were not included in the initial contract (e.g. delays, specification or design errors, etc.), and the contractor is entitled to compensation for the cost overruns incurred, either from the customer or from the third party responsible.

Such modifications and claims are included as contract revenue when the customer approves the associated work, either in writing, by verbal agreement or tacitly in line with usual business practices, i.e. when collection is considered to be highly probable and no material reversal of the revenue is likely in the future.

In cases where work has been approved but has yet to be assigned an associated price, or where the customer has yet to give approval, the Group considers that final approval is highly likely when negotiations are at an advanced stage or when technical and/or legal reports issued by independent experts support the work concerned. Amounts recognised as revenue in such cases are estimated according to the definition of "variable consideration" established in IFRS 15, i.e. using methods that provide the best prediction of the consideration so that the most likely amount is obtained (single most likely amount within a range of possible consideration amounts), according to all the available information (historical, current and expected) that can reasonably be obtained, and only to the extent that it is highly unlikely that a significant reversal in the amount of ordinary accumulated revenue recognised will occur when the uncertainty related to the variable consideration is resolved at a later date.

As explained above, construction contracts are subject to revenue and cost estimates that need to be reviewed by project managers as contracts progress. Any changes in estimates for revenue, expenses and final project results are examined by the different management tiers, and the verified and approved effects thereof are treated as changes in accounting estimates in the year in which they occur and in subsequent periods, in accordance with prevailing accounting standards.

Expenses

Project costs comprise both, amounts directly related to the main contract and any associated modifications or claims, as well as costs incurred in contracting activities, such as insurance, consultancy, design and technical assistance, among others.

Construction contract costs are recognised on the accrual basis, i.e. the costs related to work units completed and the total indirect contract costs attributable to said units are recognised as expenses.

Costs that relate to future contract activity such as insurance premiums, site installations, consultancy, design and other initial costs are initially recognised as assets in *Inventories*, provided they are considered necessary to fulfil the contract and will be recovered upon completion. These amounts are then taken to income based on the stage of completion of the contract.

Machinery removal and site installation dismantling costs, upkeep costs during the warranty period and any costs arising in the period between the completion of construction work and the date of final settlement are deferred and recognised over the life of the construction project, being treated as additional construction costs related both with the completed contract units and with future activity on the contract.

Depreciation of property, plant and equipment used in construction contracts is charged over the term of the contract where the estimated useful life of assets coincides with the duration of the project, so that they are fully depreciated upon completion. Where the useful life of machinery exceeds the term of a contract, depreciation charges are distributed among the different contracts where the assets are used based on technical criteria. In this case, assets are depreciated on the straight-line basis over the course of each contract.

Default interest due to late payment by the customer of certificates of work is recognised as financial income only when the amount can be reliably measured and collection is reasonably guaranteed.

The Group companies recognise the positive difference between the revenue recognised on a contract and the amount of certificates of work at the inception of the contract under *Trade and other accounts receivable – Production pending certification.* Amounts in respect of advance certifications received by way of advances received from customers and other similar are recorded in the account *Advances received on orders* under *Trade and other accounts payable.*

Revenues from the services activity

This activity includes a broad range of services, and the associated revenue is recognised by reference to the stage of completion of the transaction at the balance sheet date, provided its outcome can be reliably estimated.

The profit or loss recognised by the Group companies on the services provided each year is calculated as the difference between production (value at the sale price of the services provided during the period, as stipulated in the main contract entered into with each customer or in amendments or addenda thereto as approved by the customer, or value of services not yet approved but reasonably certain to be recovered) and costs incurred in the period.

Price reviews stipulated under the initial contract entered into with the customer are recognised as revenue on an accrual basis regardless whether they are approved by the customer on an annual basis, as they are considered to be contractual undertakings.

Revenue from energy sales

Revenues comprise sales of electricity made in both regulated and deregulated markets by the companies owning generating facilities, as well as sales made in the energy marketing business.

Sales of electricity and ancillary services by the generating business in regulated markets or under long-term energy supply contracts are made at pre-set prices. In projects selling power without these kinds of contracts, the energy sale price and the price of ancillary services varies over the duration of each project based on quoted market (pool) prices.

Energy sales and ancillary services are recorded as revenue when the power is delivered to the customer and all power supply performance obligations for the period are met. These revenues also include estimated amounts in respect of unbilled sales of the energy marketing business at the year end. In this regard, the Group acts as the principal in energy marketing contracts, while the Group trading company acts in the capacity of agent performing the role of market intermediary.

Where the Group acts as principal, sales and purchases of energy are recognised at the gross amount of the expected consideration, but when it acts as agent it recognises ordinary revenue in respect of any payments or fees it expects to receive for organising the supply of power to the third-party customer.

In accordance with Spanish Royal Decree 413/2014, renewable generating facilities in Spain are entitled not only to remuneration in the form of revenues earned from the sale of power at market prices but also to specific remuneration comprising a term per unit of power installed (investment remuneration), covering, where appropriate, any investment costs for a standard facility (SF) that are not recoverable through electricity sales and an operating term (operating remuneration) covering, where applicable, the difference between operating costs and the revenue obtained from the participation of the standard facility in the market. Royal Decree 413/2014 further provides for updates of certain remuneration parameters in each regulatory half period to be formulated by ministerial order. In this regard, Ministerial Order TED/171/2020 established the remuneration parameters applicable to the estimation of the above-mentioned incentives for the regulatory half period 2020-2022.

Royal Decree 413/2014 regulates the mechanism applicable when actual market prices in the different half periods making up the regulatory useful life of a generating asset are lower (positive adjustments) or higher (negative adjustments) than the prices estimated by the regulator at the start of each regulatory half period and forming the basis for the determination of the incentives receivable.

The Group modified its recognition criteria for the positive and negative differences arising from the adjustment of market prices in Spain adopted in the current regulatory framework (see Note 2) in 2021 in order to bring them into line with the document *Criterio para contabilizar el "Valor de los ajustes por desviaciones en el precio del mercado" (Vadjm), de acuerdo con el artículo 22 del real decreto 413/2014* ("Criteria for the Accounting Recognition of the 'Value of Adjustments for Market Price Deviations' (Vadjm) in accordance with article 22 of Royal Decree 413/2014") published by the CNMV on 22 October 2021. The criteria applied by the Group in accordance with this document are as follows:

- In general terms, the positive or negative market deviations arising within the meaning of RD 413/2014 are recognised in the consolidated balance sheet with a balancing entry in the income statement.

- Where the Group may consider, however, that it is highly likely that the market returns obtained will exceed the levels established in RD 413/2014 at any time over the residual regulatory lives of its assets based on its best estimate of the future trend in energy market prices, and therefore that the economic consequences of leaving the regulatory regime established would not be substantially worse than remaining, the general recognition criteria will not apply and an asset will only be recognised if any positive market deviations arise.

In accordance with the CNMV document, the Group recognises all positive or negative deviations under *Revenue* in the consolidated income statement for the year, except in the case of standard facilities (SFs) that are considered highly likely to obtain higher direct market returns than the return guaranteed by Spanish Royal Decree 413/2014 over their remaining regulated useful life.

This situation applies to SFs which Group management considers at the year end to be highly unlikely to qualify for investment remuneration in view of market price forecasts and the revised remuneration parameters for the next regulatory half period (because the associated NPV is zero). In such cases, the liability associated with the market price deviations adjustment is considered to be zero and, therefore, any negative differences existing hitherto are adjusted through the consolidated income statement in accordance with the mechanism for the recognition of a change in estimates established by IAS 8. At 31 December 2021 a total of €170 million was not recognised for this reason.

The market price forecasts prepared by the Group are based on year-end forward market prices obtained from the OMIP platform.

In the contrary case where variations in the future market price may produce a recovery in the value of any negative differences measured at zero as described in the preceding paragraphs, either because of the concomitant change in expectations affecting the NPV of the associated SF, or because it is expected that the investment remuneration will be receivable, the resulting change will likewise be recognised as a change in estimates in accordance with IAS 8.

The assets and liabilities produced adjustments for deviations in the net market prices arising until the latest review of remuneration parameters are reversed on a straight-line basis over the remaining regulatory life of the standard facility with which they are associated. Meanwhile, the net asset or liability formed over the course of the current regulatory half period will be reversed applying the same criteria as of the start of the next regulatory half period.

Any asset generated as a consequence of positive differences arising from the adjustment of market price deviations is recognised in the consolidated balance sheet under *Other non-current assets* or under *Trade and other accounts receivable* if the debt matures in the short term. Likewise, any liability generated as a consequence of negative differences arising from this mechanism are recognised under *Other non-current liabilities* or under *Trade and other accounts payable* if maturing in the short term.

Revenue from the real estate activity:

The Group companies recognise property sale revenue and costs on the date the property is delivered, since this is considered to be the time when the customer obtains control over the asset.

Accordingly, the Group companies recognise the provisions required to cover any contractual costs not yet incurred on an asset sold upon delivery of the property. Such provisions arise from a present obligation of the Group company concerned, where the amount can be reliably estimated and settlement will probably give rise to an outflow of resources for the company.

The Group recognises income from operating leases, net of incentives granted, as income on a straight-line basis over the lease term, unless another systematic basis of allocation is more representative because it more accurately reflects the pattern in which profit from the use of the asset decreases.

The initial direct costs of the lease are included in the carrying amount of the leased asset and are recognised as an expense over the lease term applying the same criteria as used for revenue recognition.

The Group recognises modifications of operating leases as a new lease from the effective date of the change, considering any prepayments or deferred payments in respect of the original lease as part of the lease payments under the new lease.

P) Income tax. Deferred tax assets and liabilities

Current tax is the amount of income tax payable or recoverable relating to the consolidated taxable profit or loss for the year. Current income tax assets or liabilities are measured at the amounts expected to be paid to or recovered from the tax authorities, applying tax regulations and rates prevailing or substantively prevailing at the closing date.

Deferred tax liabilities are amounts payable in the future for income taxes related to taxable temporary differences, while deferred tax assets are amounts recoverable on income taxes due to the existence of deductible temporary differences, tax loss carryforwards or deductions pending of application. For these purposes, temporary differences are defined as the difference between the carrying amount of assets and liabilities and their tax base.

Current and deferred income taxes are recognised in the income statement, except where arising in respect of any transaction or economic event recognised in equity during the year or in any other year, or recognised in respect of a business combination.

(i) Recognition of deferred tax liabilities

The Group recognises deferred tax liabilities in all cases except:

- where they arise from the initial recognition of goodwill or of assets or liabilities in a transaction that is not a business combination and does not affect either accounting profit or taxable income at the transaction date;
- amounts arising from differences related with investments in subsidiaries, associates and joint ventures, where the Group has the ability to control the timing of the reversal and it is not probable that the reversal will occur in the foreseeable future.

(ii) Recognition of deferred tax assets

The Group recognises deferred tax assets provided that:

- it is likely that there will be sufficient future taxable income to offset the amounts recognised, or where tax legislation provides for the possibility of future conversion of deferred tax assets into accounts receivable from the Public Administration. Deferred tax assets are not recognised. However, assets are not recognised where they arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and does not affect either accounting income or taxable income at the transaction date ;
- they relate to temporary differences arising in respect of investments in subsidiaries, associates and/or joint ventures, to the extent that such temporary differences will reverse in the foreseeable future and sufficient future taxable profits are expected to offset the differences.

The Group recognises the conversion of a deferred tax asset into a tax account receivable from the Public Administration when the amounts concerned falls due in accordance with prevailing tax legislation. To this end, a deferred tax asset is derecognised with a charge to the deferred income tax expense and the account receivable is recognised with a credit to current income tax.

Q) Foreign currency balances and transactions

Transactions in currencies other than the functional currency are recognised applying the exchange rates prevailing at the transaction date. Differences arising during the year between balances booked at the exchange rate prevailing at the transaction date and the exchange rate prevailing at the date of collection or payment are recorded as finance costs or finance income in the consolidated income statement.

In addition, balances denominated in currencies other than the functional currency receivable or payable at 31 December of each year are translated at the year-end exchange rates. Translation differences are recognised as finance costs or finance income in the consolidated income statement.

R) Environmental activities

In general, environmental activities are defined as operations carried out with the principal purpose of preventing, reducing or repairing damage to the environment.

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Investments relating to environmental activities are measured at acquisition cost and are capitalised as an addition to non-current assets in the year in which they are made.

Environmental protection and improvement expenses are charged to profit or loss in the year in which they are incurred, regardless when the resulting monetary or financial flows arise.

Provisions are made for probable or certain environmental liabilities, litigation in progress and compensation or obligations payable for indeterminate amounts that are not covered by the insurance policies arranged. The relevant allowances are set aside when the responsibility or obligation determining compensation or payment arises.

S) Discontinued operations and non-current assets and liabilities held for sale

The Group classifies property, plant and equipment, intangible assets, other non-current assets and amounts recognised under *Investments accounted for using the equity method* and disposal groups (groups of assets which will be disposed of together with all directly associated liabilities) as non-current assets held for sale, when an active programme has been initiated at the date of the consolidated balance sheet to effect their sale at reasonable prices and the sale is expected to be completed within twelve months.

The Group classifies business lines sold or otherwise disposed of as discontinued operations where the assets concerned meet the criteria for classification as held for sale, including, where applicable, other assets forming part of the same disposal plan as the business line or classified as held for sale as a result of acquired commitments. Companies acquired exclusively with a view to resale are also classified as discontinued operations.

These assets or disposal groups are measured at the lower of their carrying amount or fair value less costs to sell, and depreciation ceases from the moment they are classified as non-current assets held for sale. However, valuation adjustments are made at the date of the consolidated balance sheet, as required to ensure that the carrying amount does not exceed fair value less costs to sell.

Non-current assets held for sale and the components of disposal groups classified as held for sale are presented in the accompanying consolidated balance sheet under *Non-current assets held for sale and discontinued operations* and, in the case of liabilities, under *Liabilities held for sale and discontinued operations.*

The profit or loss after tax of discontinued operations is presented in the consolidated income statement as *Profit/(Loss) after tax from discontinued operations*.

There were no discontinued operations at 31 December 2021 and 2020.

T) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to the parent by the weighted average number of ordinary shares outstanding in the period, excluding the average number of shares of the parent held by the Group companies.

Diluted earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders, adjusted for the potential dilutive effect of unissued ordinary shares, by the weighted average number of ordinary shares outstanding in the period, adjusted for the weighted average ordinary shares that would have been issued if all potential ordinary shares had been converted into ordinary shares of the Company. For these purposes, it is assumed that the shares are converted at the beginning of the accounting period or at the date of issue of any potential ordinary shares over the course of the period.

U) Consolidated cash flow statement

The consolidated cash flow statement is prepared applying the indirect method, using the following terms with the meanings specified:

- Cash flows: inflows and outflows of cash and cash equivalents, which are taken to be changes in the value of highly liquid short-term investments.
- Operating activities: the main revenue-producing activities of the company and other activities that are not investing or financing activities. Based on the profit before tax from continuing operations and the adjustment made for *Depreciation and amortisation charges and change in provisions*, transfers of interest paid and received are separately recognised under *Other adjustments to profit (net)*, in addition to the transfer of gains or losses on disposal of assets included under investment activities and, lastly, adjustments made to the profit or loss of companies accounted for using the equity method and, in general, any results that do not generate cash flows.
- Investing activities: acquisition, sale or disposal in any other way of long-term assets or other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of equity and of borrowings that are not operating activities.

4.3 Accounting estimates and judgements

The information included in the financial statements is the responsibility of the Directors of the parent company.

Certain estimates were made by the Parent Company's Directors in the consolidated annual accounts for 2021 and 2020 in order to measure some of the assets, liabilities, income, expenses and obligations reported. These estimates, the results of which can be found in the applicable measurement standards, refer to:

- The measurement of assets showing evidence of impairment and goodwill so as to determine any impairment losses thereon
- Fair value measurement of assets acquired and liabilities assumed in business combinations
- Revenue recognition in the construction activity
- The assumptions used in the actuarial estimate of pension liabilities and obligations
- The useful life of property, plant and equipment, investment property and intangible assets
- The assumptions used to measure the fair value of financial instruments

- The likelihood and amount, where applicable, of unquantifiable and contingent liabilities.
- The future cost of decommissioning facilities and land restoration
- The future taxable income that the Group companies will declare to the tax authorities serving as the basis for the recognition of certain balances related with corporate income tax in the accompanying consolidated annual accounts, and the recoverability of the deferred tax assets recognised
- The incremental rate used in the valuation of lease contracts
- The estimation of net present value (NPV) and the investment remuneration receivable on each of the standard facilities (SFs) operated by the Group in Spain under the revised parameters established for the next regulatory half period

These estimates were made on the basis of the best information available at 31 December 2021 and 2020 in relation to the matters analysed. However, events may occur in the future that would make changes necessary. Any such changes in accounting estimates would be applied in accordance with IAS 8.

- **COVID-19**

Despite the COVID-19 pandemic, the Group was able to operate its different businesses with relative normality in 2021 and activity is generally very close to pre-Covid levels. However, certain disruptions persist, caused among other matters by government measures affecting personal mobility, which have seriously impacted certain businesses such as airport handling services. These difficulties have also affected the normal progress of certain construction contracts, leading to cost overruns, inefficiencies and delays meeting scheduled milestones. However, the extraordinary nature of such problems as cases of force majeure has meant that the Group has been able to renegotiate practically all of the contracts concerned or to claim compensation for all or part of the adverse impacts sustained from customers.

4.4 Changes in accounting estimates and policies, and correction of fundamental errors

- Changes in accounting estimates. The effect of any change in accounting estimates is recognised prospectively under the same income statement heading as used to recognise the expense or income measured applying the original estimate.
- Changes in accounting policies and correction of fundamental errors. The effects of changes and corrections of this kind are recognised as follows: if material, the cumulative effect at the beginning of the year is adjusted in reserves and the effect for the current year is recognised in the income statement. In these cases, the financial data for the comparative year presented together with the current year's figures are restated.

In October 2021, the Spanish National Securities Market Commission (CNMV) completed its review of the accounting practices used by energy industry issuers to recognise deviations in market prices and published an explanatory document, in which it concluded that harmonisation within the industry required the adoption of a policy that differed from the one hitherto applied by the Group.

In accordance with this policy, all positive or negative deviations must be recognised in the financial statements unless the reporting entity can show, based on its best estimates of the future trend in energy market prices, that it is highly likely that the market returns obtained will exceed the levels established in Royal Decree 413/2014, and therefore that the economic consequences of leaving the regulated remuneration regime would not be substantially worse than remaining.

The Group has adopted the policy published in 2021 and has restated the 2020 financial statements accordingly, as required by IAS 8. The impact of this restatement on the consolidated financial statements for 2020 was as follows (expressed in millions of euros):

Income statement	**31.12.2020**	**Restatement effect**	**31.12.2020 restated**
Revenue	6,472	10	6,482
Other operating expenses	(2,646)	(1)	(2,647)
Profit from operations	616	9	625
Profit before tax from continuing operations	508	9	517
Income tax expense	(97)	(2)	(100)
Year's profit from continuing operations	**411**	**7**	**417**
Earnings per share	**6.97**	**0.13**	**7.10**

Balance sheet	**31.12.2020**	**Restatement effect**	**31.12.2020 restated**
Non-current assets	11,399	(79)	11,320
Current assets	6,869	18	6,887
Total assets	**18,268**	**(61)**	**18,207**
Equity	3,770	(58)	3,711
Non-current liabilities	7,149	4	7,153
Current liabilities	7,349	(7)	7,342
Total equity and liabilities	**18,268**	**(61)**	**18,207**

Cash flow statement	**31.12.2020**	**Restatement effect**	**31.12.2020 restated**
Profit before tax from continuing operations	508	9	517
Change in current assets and liabilities	193	1	193
Change in non-current operating assets and liabilities	85	(10)	76

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5.- Property, plant and equipment

Changes in cost and accumulated depreciation in 2021 and 2020 were as follows (expressed in thousands of euros):

Property, plant and equipment	Land and buildings	Electricity generating facilities	Other plant and machinery	Advances and PPE under construction	Other PPE	Depreciation	Impairment	Total
Balance at 31.12.2019	**360,371**	**11,526,409**	**670,688**	**582,610**	**281,042**	**(5,499,907)**	**(800,773)**	**7,120,440**
Changes in the consolidation perimeter	(21,254)	--	144,119	(1,092)	14,348	(43,823)	2,600	94,898
Additions / Charge for the year	8,008	57,060	65,951	709,555	36,521	(396,859)	(2,330)	477,906
Retirements	(7,061)	(6)	(45,899)	(896)	(84,825)	106,310	92,276	59,899
Transfers	655	450,815	17,454	(468,319)	889	(2,465)	553	(418)
Other changes	(2,823)	(414,886)	(90,220)	(48,436)	(12,915)	156,841	88,689	(323,750)
Balance at 31.12.2020	**337,896**	**11,619,392**	**762,093**	**773,422**	**235,060**	**(5,679,903)**	**(618,985)**	**7,428,975**
Changes in the consolidation perimeter	42	(26,018)	4,840	7,190	1,621	(903)	--	(13,228)
Additions / Charge for the year	5,018	28,051	59,897	510,438	17,704	(418,474)	(2,396)	200,238
Retirements	(11,629)	(710)	(114,987)	(5,767)	(11,074)	98,978	5,211	(39,978)
Transfers	93,740	676,597	13,478	(582,293)	(1,992)	22,184	--	221,714
Other changes	1,861	321,399	10,690	46,257	5,964	(109,076)	(9,251)	267,844
Balance at 31.12.2021	**426,928**	**12,618,711**	**736,011**	**749,247**	**247,283**	**(6,087,194)**	**(625,421)**	**8,065,565**

Net balances at 31 December 2021 and 2020 break down as follows:

Property, plant and equipment	2021				2020			
	Cost	Depreci-ation	Impairment	Total	Cost	Depreci-ation	Impairment	Total
Land and buildings	426.928	(179.442)	(12.759)	234.727	337.896	(171.810)	(12.759)	153.327
Electricity generating facilities	12.618.711	(5.256.086)	(598.496)	6.764.129	11.619.391	(4.830.580)	(590.339)	6.198.472
Other plant	191.543	(122.817)	--	68.726	139.243	(122.456)	--	16.787
Machinery	544.463	(380.600)	--	163.868	622.85[illegible]	(418.455)	(4.924)	199.471
Advances and PPE under construction	749.247	--	(14.108)	735.139	773.422	--	(10.809)	762.613
Other PPE	247.283	(148.249)	(57)	98.977	235.060	(137.131)	(154)	97.775
Total	**14.778.180**	**(6.087.194)**	**(625.421)**	**8.065.565**	**13.732.427**	**(5.684.467)**	**(618.985)**	**7.428.975**

The main investments in progress in 2021 consisted of renewable energy projects under construction by the Group, which are reflected in *Additions* to *Advances and PPE under construction* and totalled approximately €430 million in respect of the Mortlake and Macintyre wind farm projects in Australia, San Carlos in Mexico, La Chalupa in the United States, and Celadas3 and Pedralejos in Spain, as well as the solar photovoltaic projects forming part of the Tenaska, High Point and Fort Bend project backlog in the United States, Malgarida I and II in Chile, and San Serván, Bolarque and Ayora in Spain. The volume of additions related to the energy division in 2020 was around €691 million, mainly related to wind projects in Mexico, the United States, Australia, Chile and Spain, as well as photovoltaic projects in Chile, the United States and Ukraine.

Additions to *Other plant and machinery* totalled €384 million, mainly in respect of tunnelling machinery, ancillary equipment and plant required for construction projects undertaken in Brazil, the Philippines, Spain and Canada.

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An amount of approximately €656 million was transferred from *Advances and PPE under construction* to *Electricity generating facilities* upon completion of the construction phase and commissioning of two photovoltaic plants in Chile (Malgarida I and II), two wind farms in the United States (Chalupa) and one wind farm in Mexico (San Carlos). Transfers of approximately €448 million were recognised in 2020 following the commissioning of solar photovoltaic plants in Chile, two wind farms in Chile and Mexico, and a transmission line in Chile.

A total of €170 million was also transferred from *Inventory property* to *Land* and *Property, plant and equipment under construction.* These amounts were related to the Mesena business campus in Madrid, which will become the Acciona Group's new headquarters when fitting out work is completed. This transfer was made after Group management decided against disposal of the property under a sale and lease back transaction (see Note 14).

The *Other activities division* recognised transfers totalling €55 million from *Other non-current financial assets* to *Plant* in respect of two cargo vessels and two passenger vessels, which were repossessed from the Armas Group under a debt settlement agreement (see Note 12).

Transfers from *Other intangible assets* consist mainly of expectant rights over plant associated with the San Carlos wind farm for a net total of €17 million.

The sale and lease back of construction machinery in Australia was recognised under *Plant and machinery* for a net total of around €31 million. The Group retained rights of use over most of these assets under the lease back agreement made. The net proceeds of €1.9 million generated on this transaction were recognised in the consolidated income statement under *Gains on disposal of non-current assets in the consolidated income statement* and a total of €28 million was transferred to *Right of use* (see Note 7).

Reclassifications amounting to €4.4 million were also made to *Property, plant and equipment* from *Right of use* in respect of assets acquired on the exercise of purchase options at the end of the lease term.

Retirements were recognised on the sale of two plots of land owned by the infrastructure division in Australia (see Note 7).

Changes in the consolidation perimeter in 2021 resulted in the retirement of the Tolchén transmission line in Chile for a net total of €27 million, and additions to plant and machinery on the acquisition of Scutum (see Note 3.2.h). The main changes in 2020 were the acquisition of the Acciona CEI Holdings Pty Ltd subgroup for 123 million euros and the sale of the Bodegas Palacio subgroup for a net amount of €17 million.

Other changes in 2021 comprise basically the effect of period translation differences due to appreciation of the US, Canadian and Australian dollar against the euro in 2021, resulting in a gain of €271 million (loss of €324 million in 2020), which arose mainly in respect of wind farms located in the United States, Chile and Mexico, whose financial statements are consolidated in US dollars, as well as wind farms located in Canada and Australia.

In accordance with its internal procedures, the Group tracks the yield trends of its main assets throughout the financial year, assessing fulfilment of or deviations from the main assumptions and estimates underlying the impairment tests carried out, as well as relevant regulatory, economic and technological changes arising in the markets where the assets operate in order to ensure that adequate provisions are set aside for impairments identified in the period.

The carrying amount of property, plant and equipment owned by the Group's Energy division at 31 December 2021 was €7,465 million, mainly in respect of wind farms, solar parks and hydroelectric generating facilities located in different geographical regions with diverse regulatory environments. The Group recognised impairments totalling €623 million at 31 December 2021, mainly in respect of assets held internationally (United States, Poland and Italy) and in Spain, in the latter case as a consequence of regulatory changes arising in 2012 and 2013. The only relevant issues to arise in this regard in 2021 are described below.

The Group carried out tests to seek evidence of any additional impairment or other matters that might indicate a need to update the impairment tests performed on the assets of the Energy division. In this context, the division updated impairment tests associated with hydroelectric generating assets located in Spain in view of the regulatory changes explained in Note 2 above. Specifically this action was taken in response, on the one hand, to the ruling handed down by the Spanish Supreme Court in connection with the appeal filed by various subsidiaries of the Group against the amended Spanish Water Act, which regulates the use of continental waters in electricity generating, and on the other to the proposed bill to change the regulation of the electricity market so as to cap the recent surge in electricity prices. The updated impairment tests carried out by the Group had no impact on the consolidated income statement for the year ended 31 December 2021.

The calculation of value in use was carried out by projecting expected cash flows until the end of the useful lives of all cash generating units (CGUs) without considering the terminal value of the assets. The CGU established for this calculation is, in general terms, the company that owns the operating facility or facilities concerned which, according to the analyses performed, represents the minimum unit whose cash inflows and outflows are identifiable and independent of cash flows shared with other facilities based on the analyses performed.

The main assumptions used in the calculation of cash flows were:

- Production associated with each facility was based on Group management's best estimates of long-term resources at each site, adjusted by the historical deviations occurring each year

- Management's estimates of long-term energy sales price curves are based on the average annual prices quoted in each market. In the case of very long-term forecasts referring to years for which there is no quotation or the quotation is not liquid (and is therefore not representative), the evolution of the price curve is calculated based on variations in the quoted prices of gas and other inputs. These prices are adjusted each year for the difference historically arising between average market prices and the prices actually obtained by each facility (deviations, penalties, etc.).

- The operating costs of each facility were based on management's best estimates and experience considering existing contracts and expected increases due to inflation. In no case were synergies or future cost savings potentially arising a result of future or planned actions considered. Cost estimates were made on a basis consistent with the recent past and assuming the current condition of assets.

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The discount rate applied to asset flows was 6% for all of the facilities examined.

The Group also carried out a sensitivity analysis based on reasonable variations in the results of the impairment tests and the following assumptions:

Assumption	Swing	Impact (thousands of euros)
Discount rate	0.50%	(18,790)
	-0.50%	20,299
Price curve	2.50%	30,759
	-2.50%	(24,724)
CPI	0.50%	23,348
	-0.50%	(23,154)

Based on the results of the sensitivity analysis:

- A variation in discount rates of +0.5% would require an increase of €18,790 thousand in the provision, while a variation of -0.5%, would be reduce it by €20,299 thousand.

- Likewise, upward and downward variations of 2.5% in pool rates would reduce the provision by €30,759 thousand or increase it by €24,724 thousand, respectively.

- Finally, upward and downward variations of 50 basis points in the long-term inflation rate (CPI) applicable to asset operating and maintenance costs would result in an increase of €23,348 thousand the provision or would reduce it by €23,254 thousand.

The variations estimated in each of these sensitivity analyses were calculated based on historic data.

The Group updated its impairment tests of wind and solar photovoltaic generating facilities in 2020 after the useful lives of these assets was extended from 25 to 30 years, resulting in the reversal of impairment recognised on wind generating assets located in Spain by €87 million. This change was recorded in the consolidated income statement under *Impairment and profit/(loss) on disposal of non-current assets*.

In 2021 and 2020 the Group companies capitalised finance costs totalling €5.8 and €12 million respectively in property, plant and equipment (see Note 28).

Fully depreciated property, plant and equipment in use amounted to €442 million at 31 December 2021 and €404 million at 31 December 2020. Most of these assets continue in use.

At 31 December 2020, the Group companies had commitments to purchase property, plant and equipment totalling €1,211 million, mainly related with energy division projects for the construction of wind and photovoltaic facilities the United States, Australia and Spain. Commitments amounted to €168 million at 31 December 2020.

The Group has arranged insurance policies to cover the possible risks to which its property, plant and equipment are exposed and any possible claims that might be filed against it in connection with its business activities. These policies are considered to provide adequate cover for the related risks.

The net carrying amount of property, plant and equipment pledged as collateral guarantees for energy division project finance debts at 31 December 2021 was €973 million (€1,088 million in 2020).

The Group has mortgaged land and buildings with a net carrying amount of €20 million (€21 million in 2020) to secure credit facilities extended by banks.

6.- Investment property

The Group's investment property consists basically of properties held for lease.

Changes in 2021 and 2020 were as follows:

Investment property	Thousands of euros			
	Cost	Depreciation	Impairment	Total
Balance at 31.12.2019	**96,191**	**(26,431)**	**(20,236)**	**49,524**
Additions	17,092	(1,809)	(275)	15,008
Disposals	(50,143)	23,956	7,097	(19,090)
Balance at 31.12.2020	**63,140**	**(4,284)**	**(13,414)**	**45,442**
Additions	1,239	(1,195)	(7)	37
Disposals	(18,612)	3,851	7,713	(7,048)
Transfers	101,960	240	--	102,200
Translation differences	337	26	--	363
Balance at 31.12.2021	**148,064**	**(1,362)**	**(5,708)**	**140,994**

The main changes in 2021 were:

-Sales of mainly residential property and a hotel located in Spain for a total of €7,509 thousand.

-Two office properties currently under construction in Madrid were transferred from *Inventories* to *Investment property* for a total of €113,174 thousand due to a change in use.

-An asset located in Granada was transferred from *Investment property* to *Inventories* for a gross amount of €10,018 thousand.

The main changes in 2020 were:

-The sale of student residences located in Spain for a net amount of €13,102 thousand.

-Sales of mainly residential property and a hotel located in Spain for a net amount of €5,581 thousand.

-Acquisition of land in Granada to build a future student residence for €9,427 thousand.

-Purchase of an office building in Mexico for €7,245 thousand.

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The fair value of investment property at 31 December 2021, estimated on the basis of valuations made by independent appraisers (see Note 4.2.F), was €168,248 thousand (€49,918 thousand at 31 December 2020). The increase in fair value in 2021 compared to 2020 was due mainly to the transfer to investment property of office buildings with an appraised value of €139,978 thousand at 31 December 2021. The main reductions in the balance arose on the sale of various investment properties with a fair value of €8,549 thousand and the transfer to inventories of an asset in Granada valued at €9,427 thousand.

Considering these impacts, the appraised value of assets in 2020 compared to 2021 would be €33,270 thousand (appraised value for 2019 compared to 2020 of €32,329 thousand).

Investment property under construction amounted to €41,844 thousand at 31 December 2021, and firm commitments existed in connection with the termination of work in progress for a total of €22,440 thousand.

The Group earned rental income of €4,044 thousand from investment properties let under operating leases in 2021 (€5,429 thousand in 2020). Direct operating expenses arising from investment property in the period amounted to €3,015thousand (€4,150 thousand in 2020), recognised under *Other operating expenses* in the accompanying consolidated income statement.

At 31 December 2021 and 2020, the Group had mortgaged a part of its investment property with a net carrying amount of €401 thousand and €1,113 thousand, respectively, to secure various loans and credit facilities granted to the Group. The decrease in this amount was mainly due to the sale of residential property assets.

The cost, depreciation, and provisions for properties held to earn rentals assigned to the real estate division of the Acciona Group at 31 December 2021 and 2020 were as follows:

Location	2021			2020		
	Cost	Depreciation	Provisions	Cost	Depreciation	Provisions
Madrid	117,941	(1,028)	--	5,078	(1,095)	--
East Coast	50	(3)	(18)	162	(7)	(67)
Andalusia	17	(17)	--	13,675	(3,437)	(5,326)
Catalonia	11,841	(4,491)	(960)	15,370	(4,365)	(2,770)
Other regions	21,004	(6,230)	(4,869)	21,344	(5,849)	(5,391)
International	7,569	(274)	--	7,245	--	--
Total	**158,422**	**(12,043)**	**(5,847)**	**62,874**	**(14,753)**	**(13,554)**

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7.- <u>Leases</u>

7.1 Right of use assets

Changes in cost and accumulated depreciation in 2021 were as follows (expressed in thousands of euros) were as follow:

Right of use	Land and natural resources	Buildings	Plant	Machinery and vehicles	Other RoU	Depreciation	Impairment	Total
Balance at 31.12.2019	**217,435**	**66,180**	**97,785**	**132,471**	**1,498**	**(106,411)**	**--**	**408,958**
Additions / Charge for the year	107,495	40,741	2,836	62,130	408	(97,944)	--	115,666
Retirements	(4,758)	(9,064)	(74)	(29,856)	(7)	32,088	--	(11,671)
Transfers	999	(584)	(17)	106	(634)	11	--	(119)
Changes in the consolidation perimeter	--	(3,818)	6,157	(7,162)	--	332	--	(4,490)
Other changes	(5,460)	(1,554)	(5,965)	(3,158)	(47)	4,673	--	(11,511)
Balance at 31.12.2020	**315,711**	**91,901**	**100,722**	**154,531**	**1,218**	**(167,251)**	**--**	**496,832**
Additions / Charge for the year	28,304	21,707	1,998	46,031	7	(105,356)	--	(7,309)
Retirements	(2,992)	(3,010)	(1,359)	(13,426)	(64)	10,784	--	(10,067)
Transfers	--	6,060	(6,468)	22,651	--	2,108	--	24,351
Changes in the consolidation perimeter	--	7,249	8	69	--	--	--	7,326
Other changes	11,351	1,889	5,950	3,824	(33)	(6,527)	--	16,454
Balance at 31.12.2021	**352,374**	**125,796**	**100,851**	**213,680**	**1,128**	**(266,242)**	**--**	**527,587**

The main leases recognised in this caption in which the Group acts as lessee consist of the lease of land at the site of electricity generating facilities, a solar plant, offices, and construction machinery used mainly by the infrastructure division.

Significant *Additions* to *Land and natural resources* were recognised in 2021, related mainly with leases of land at the site of electricity generating facilities under new rental contracts associated with wind farms and photovoltaic plants located principally in Portugal, Chile and Mexico, as well as reassessments of existing contracts due to CPI-based rent increases. Additions in 2020 were related with land leases at the site of electricity generating facilities and photovoltaic plants located in the United States, Chile and Mexico, as well as reassessments of existing contracts due to CPI-based rent updates and extensions of lease terms in line with the useful life of the wind farms and photovoltaic plants sited on the leased land.

The *Buildings* caption reflects *Additions* of €21 million in respect of office and industrial properties in Norway and Spain, CPI-based increases and extensions of the lease terms of certain office properties in Spain. Additions in 2020 comprises lease contracts for properties associated with a management services agreement with the Qatari health system for a total of €18 million.

The main change under the heading *Machinery* was the *Transfer* of rights of use for a total of €28.7 million acquired under a sale and leaseback transaction carried out in Australia in relation to certain specialised construction machinery (see Note 5). *Additions* of €15 million were also recognized in respect of construction machinery used in construction projects in progress in the Philippines, New Zealand and Canada.

Disposals in 2021 mainly consisted of fully depreciated assets at the end of the lease commitment period and early cancellations of leases associated primarily with the infrastructure division.

Transfers to *Property, plant and equipment* were recognised for a total of €4 million upon the execution of purchase options at the end of the related lease terms (see Note 5).

Changes in the consolidation perimeter comprised rights of use in respect of office and industrial properties leased by Scutum for a total of approximately €7 million. These assets are used in the manufacture of electric motorbikes (see Note 3.2.h)). *Changes in the consolidation perimeter* in the prior year arose as a result of the addition of lease contracts entered into by the CEI subgroup, acquired in September 2020, and derecognition of leases held by the Bodegas Palacio 1984 subgroup sold in late 2020.

The Group recognised interest expenses of €28 million and depreciation charges totalling to €105 million associated with lease contracts in the consolidated income statement in 2021 (€30 and €98 million, respectively, in 2020).

The net carrying amounts of rights of use classified according to the nature of the underlying assets at 31 December 2021 and 2020 (expressed in thousands of euros):

Right of use	2021				2020			
	Cost	Depreciation	Impairment	Total	Cost	Depreciation	Impairment	Total
Land and natural resources	352,374	(46,290)	--	306,084	315,711	(29,444)	--	286,267
Buildings	125,796	(72,196)	--	53,600	91,901	(38,366)	--	53,535
Technical installations	100,851	(35,277)	--	65,574	100,722	(27,192)	--	73,530
Machinery	140,459	(78,105)	--	62,354	97,846	(52,182)	--	45,664
Transportation elements	73,221	(33,435)	--	39,786	56,685	(19,348)	--	37,337
Other RoU	1,128	(939)	--	189	1,218	(719)	--	499
Total	**793,829**	**(266,242)**	--	**527,587**	**664,083**	**(167,251)**	--	**496,832**

7.2 Non-current and current lease obligations

The balance of liabilities associated with lease contracts at 31 December 2021 and 2020 was as follows (expressed in thousands of euros)

	2021			2020		
	Current	Non-Current	Total	Current	Non-Current	Total
Lease obligations	67,582	429,867	**497,449**	74,260	419,889	**494,149**
Obligations under finance leases (Note 20)	16,348	39,129	**55,477**	10,544	18,422	**28,966**
Total lease obligations	**83,930**	**468,996**	**552,926**	**84,804**	**438,311**	**523,115**

The Group does not have any lease contracts containing significant residual value guarantees.

At the date of preparation of these annual accounts, the Group had no lease contracts that represented significant commitments and were due to enter into force after 31 December 2021.

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The Group's *Lease obligations* at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

	Minimum lease payments	
Amounts payable under lease obligations	**2021**	**2020**
Less than one year	89,930	102,272
Between one and five years	216,634	212,754
More than five years	552,750	545,946
Total lease payables	**859,314**	**860,972**
Less future finance charges	361,865	366,823
Present value of lease obligations	**497,449**	**494,149**
Less amount due for settlement within twelve months (current lease obligations)	67,582	74,260
Amount due for settlement after twelve months	**429,867**	**419,889**

A breakdown of the maturities of commitments classified as "*Obligations under finance leases*" is provided in Note 20 to these annual accounts.

8.- Goodwill

Changes in the goodwill carried in the accompanying consolidated balance sheet in 2020 were as follows (expressed in thousands of euros):

	Balance at 31.12.19	Additions	Impairment	Change in the consolidation perimeter	Other changes	Balance at 31.12.20
Geotech Holding Subgroup	105,340	--	--	--	656	105,996
Acciona Facility Services Subgroup	53,490	--	--	--	(214)	53,276
Acciona Agua Subgroup	27,976	--	--	--	--	27,976
Bestinver Subgroup	22,304	--	--	--	(2,812)	19,492
Andes Airport Service	14,502	--	--	--	(560)	13,942
Acciona Cultural Engineering Subgroup	9,431	--	--	--	--	9,431
Other	360	--	--	--	(28)	332
Total	**233,403**	**--**	**--**	**--**	**(2,958)**	**230,445**

Changes in the goodwill carried in the accompanying consolidated balance sheet in 2021 were as follows (expressed in thousands of euros):

	Balance at 31.12.20	Additions	Impairment	Change in the consolidation perimeter	Other changes	Balance at 31.12.21
Geotech Holding Subgroup	105,996	--	--	--	1,907	107,903
Acciona Facility Services Subgroup	53,276	--	--	--	172	53,448
Acciona Agua Subgroup	27,976	--	--	--	--	27,976
Bestinver Subgroup	19,492	--	--	--	(728)	18,764
Scutum Logistic, S.L. (Silence)	--	17,170	--	--	--	17,170
Andes Airport Service, S.A.	13,942	--	--	--	(209)	13,733
Acciona Cultural Engineering Subgroup	9,431	--	--	--	--	9,431
Others	332	--	--	--	1	333
Total	**230,445**	**17,170**	**--**	**--**	**1,144**	**248,759**

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As explained in Note 3.2.h, the acquisition of Silence (Scutum Logistic, S.L.) was completed on 29 April 2021, resulting in provisional recognition of goodwill totalling €26,653 thousand. Following the purchase price allocation (PPA) process, meanwhile, the difference of €17,170 thousand existing between the cost of acquisition and fair value of the net assets identified was recognised under *Goodwill*.

No matters were observed at the reporting date, 31 December 2021, in relation to the goodwill recognised in 2021, which might indicate that the hypotheses and assumptions considered at the time of the PPA have changed significantly.

Translation differences resulting in exchange gains were recognised at 31 December 2021 for a total amount of €1.7 million, basically in respect of changes in the Australian dollar and Chilean peso exchange rates.

The update of impairment tests carried out on the different subgroups applying the method described in Note 3.2 F) did not show any need to recognise impairments.

The growth rates employed by the Group to extrapolate cash flow projections beyond the five-year period covered by forecasts were 2% for the Geotech Holding Subgroup, 1.5% for the Agua, Services and Andes Airport Services, S.A. Subgroups, 1.5% for the Acciona Producciones y Diseño Subgroup, and 1.4% for the Bestinver Subgroup.

The WACC rates after tax applied were 8.4% for the Geotech Holding Subgroup, 4.08% for the Agua Subgroup, 4.92% for the Services Subgroup, 9.03% for Andes Airport Services, S.A., 8.57% for the Acciona Producciones y Diseño Subgroup, and 12.2% for the Bestinver Subgroup.

Sensitivity analyses were carried out for the subgroups, particularly in relation to the operating margin, discount rate and perpetuity growth rate, in order to obtain assurance that possible changes in the estimates would not have an impact on the possible recovery of the goodwill recognised. Based on the results of these tests, a decrease of 75 basis points in the growth rate applied, increases of up to 40 basis points in the discount rate, and a decrease of 150 basis points in the net operating margin would not change the results of the impairment tests considering these assumptions together. Accordingly, no goodwill impairments were recognised. The variations estimated in each of these sensitivity analyses were calculated based on historic data.

9.- Other intangible assets

Changes in 2021 and 2020 were as follows (expressed in thousands of euros):

Other intangible assets	Development	Administrative concessions	Computer software	Advances	Others	Depreciation	Impairment	Total
Balance at 31.12.2019	**56,050**	**894,500**	**72,839**	**18,774**	**33,686**	**(533,100)**	**(9,489)**	**533.260**
Changes in the consolidation perimeter	(87)	(276,549)	(1,777)	(397)	43,025	138,127	-	(97.658)
Additions / Charge for the year	2,303	10,815	11,349	5,211	4,180	(61,729)	(1,121)	(28.992)
Retirements	(30,389)	(6,269)	(2,518)	(2)	-	32,180	3,420	(3.578)
Transfers	22	1,716	4,820	(6,808)	5,923	2,417	-	8.090
Other changes	(37)	(15,291)	(904)	-	882	2,262	906	(12.183)
Balance at 31.12.2020	**27,862**	**608,922**	**83,809**	**16,778**	**87,696**	**(419,843)**	**(6,285)**	**398.940**
Changes in the consolidation perimeter	14,786	76,789	1,278	623	5,436	(9,209)	(17)	89.686
Additions / Charge for the year	4,944	3,950	16,342	9,341	2,308	(61,958)	(118)	(25.191)
Retirements	(11,333)	(1,861)	(825)	(72)	(121)	13,733	950	471
Transfers	735	(22,708)	1,930	(1,437)	2,239	-	-	(19.241)
Other changes	81	11,618	(70)	-	451	(4,440)	259	7.899
Balance at 31.12.2021	**37,075**	**676,710**	**102,464**	**25,233**	**98,009**	**(481,717)**	**(5,211)**	**452.563**

Net balances at 31 December 2021 and 2020 were as follows:

Other intangible assets	2021				2020			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Development	37,075	(14,329)	--	22,746	27,862	(20,772)	--	7,090
Administrative concessions	676,710	(332,307)	(5,211)	339,192	608,922	(297,708)	(6,285)	304,929
Computer software	102,464	(62,446)	--	40,018	83,809	(53,641)	--	30.168
Advances	25,233	--	--	25,233	16,778	--	--	16,778
Other intangible assets	98,009	(72,635)	--	25,374	87,697	(47,722)	--	39,975
Total	**939,491**	**(481,717)**	**(5,211)**	**452,563**	**825,068**	**(419,843)**	**(6,285)**	**398,940**

Concessions mainly comprise concession assets where the risk of recovery is assumed by the Group as operator. This line also includes the cost of the administrative concessions and the levies paid by the Acciona Agua Subgroup for concessions related to the integral water cycle.

In the context of the ongoing process of digitalisation and investment in new technologies, investments of €16 million (€11 million in 2020) were made in software applications for use in innovation processes, enhanced process integration and technological development, and to adapt and align systems with legal, accounting and tax requirements in the different geographic regions where the Group is present.

Retirements recognised by the Group in 2021 were related primarily with capitalised development costs, which have since been fully amortised.

Transfers to property, plant and equipment were made for a total of €19 million in 2020, the most notable being the transfer of expectant rights amounting to €17 million in respect of the San Carlos wind farm in Mexico.

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Changes in the consolidation perimeter relate to intangible assets identified in the business combination resulting from the Group's acquisition of control of the Veracruz subgroup, basically consisting of the concession asset recognised. This subgroup is responsible for the operation and maintenance of integrated water cycle infrastructure in Veracruz (Mexico). Other intangible assets owned by Silence (Scutum Logistic, S.L.), one of Spain's leading manufacturers of electric motorbikes, were also recognised (see Note 3.2.h).

Significant changes in the consolidation perimeter were also recognised in 2020 in respect of Concessions following the transfer of operating concession contracts, which are treated as intangible assets in accordance with IFRIC 12, resulting in derecognition of a net amount of €138 million in respect of the operating concession for the Consuegra - Tomelloso stretch of the highway owned by Autovía de los Viñedos, S.A.U. (see Note 3.2.h).

Other changes in 2021 included the effect of translation differences, resulting in gains of €8 million mainly related to the appreciation of the US dollar (exchange losses of €12 million in 2020).

Concessions at 31 December 2021 and 2020 were as follows:

Concessions	2021				2020			
	Cost	Depreciation	Impairment	Total	Cost	Depreciation	Impairment	Total
Administrative concessions	320,770	(144,705)	(5,211)	170,854	271,884	(131,698)	(6,284)	133,902
Service concessions (IFRIC 12)	355,940	(187,602)	-	168,338	337,039	(166,010)	(1)	171,028
Total	**676,710**	**(332,307)**	**(5,211)**	**339,192**	**608,923**	**(297,708)**	**(6,285)**	**304,930**

Details of the main concessions are provided in Appendix V. The main service concession arrangements recognised under the intangible model (IFRIC 12) at 31 December 2021 and 2020 were as follows:

Administrative concessions	2021				2020			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
S.C. A2 Tramo 2, S.A.	148,615	(98,957)	--	49,658	148,607	(89,029)	--	59,578
Consorcio Eolico Chiripa, S.A. (USD)	101,274	(39,927)	--	61,347	92,159	(31,719)	--	60,440

No impairments were found in 2021, or material losses not covered by existing provisions at 31 December 2021.

At 31 December 2021 the Group companies had commitments totalling €5 million to acquire intangible assets for infrastructure division concession projects. Commitments amounted to €7 million at 31 December 2020.

Fully amortised intangible assets in use amounted to €67 million at 31 December 2021 and €61 million at 31 December 2020.

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10.- Investments in associates and joint arrangements accounted for using the equity method

Changes in this heading of the accompanying consolidated balance sheet in 2020 were as follows (expressed in thousands of euros):

Direct and indirect investments	Balance at 31.12.2019	Share in profit/(loss) before tax	Dividends	Tax effect	Changes in the consolidation perimeter and contributions	Other changes	Balance at 31.12.2020
Direct investments of the Parent Company							
Nordex SE	640,392	79,258	--	6,150	13,151	7,698	746,649
Subtotal, direct investment	**640,392**	**79,258**	**--**	**6,150**	**13,151**	**7,698**	**746,649**
Indirect investments of the Parent							
Indirect investments of the Acciona Energy Subgroup	228,066	33,127	(3,063)	(10,772)	4,226	(15,102)	236,482
Indirect investments of the Ceatesalas Subgroup	86,843	24,651	(5,065)	(5,975)	--	7,722	108,176
Indirect investments of the Acciona Construcción Subgroup	25,511	5,933	(2,925)	(1,118)	8,411	(34,334)	1,477
Indirect investments of the Acciona Concesiones Subgroup	39,448	10,815	(1,382)	(2,316)	17,655	(27,335)	36,886
Indirect investments of the Acciona Agua Subgroup	91,218	19,111	(14,099)	(3,771)	9,732	(16,455)	85,736
Indirect investments of the Acciona Inmobiliaria Subgroup	4,781	31	(77)	(175)	6,272	(290)	10,541
Other	261	398	--	(447)	--	827	1,039
Subtotal, indirect investment	**476,128**	**94,066**	**(26,611)**	**(24,574)**	**46,296**	**(84,967)**	**480,337**
Total	**1,116,520**	**173,324**	**(26,611)**	**(18,424)**	**59,447**	**(77,269)**	**1,226,986**

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Changes in this heading of the accompanying consolidated balance sheet in 2021 were as follows (expressed in thousands of euros):

Direct and indirect investments	Balance at 31.12.2020	Share in profit/(loss) before tax	Dividends	Tax effect	Changes in the consolidation perimeter and contributions	Other changes	Balance at 31.12.2021
Direct investments of the Parent Company							
Nordex SE	746,649	(81,271)	--	11,227	196,580	(26,339)	846,846
Subtotal, direct investment	**746,649**	**(81,271)**	**--**	**11,227**	**196,580**	**(26,339)**	**846,846**
Indirect investments of the Parent							
Indirect investments of the Acciona Energy Subgroup	236,482	33,361	(7,252)	(7,230)	(17,282)	12,445	250,523
Indirect investments of the Ceatesalas Subgroup	108,176	29,608	(24,227)	(7,454)	--	(57,393)	48,710
Indirect investments of the Acciona Construcción Subgroup	1,478	3,479	(2,674)	(938)	(122)	2,555	3,776
Indirect investments of the Acciona Concesiones Subgroup	36,886	23,946	(3,924)	(6,948)	10,363	(2,259)	58,065
Indirect investments of the Acciona Agua Subgroup	85,736	17,666	(8,572)	(3,892)	4,345	6,136	101,420
Indirect investments of the Acciona Inmobiliaria Subgroup	10,541	(616)	(45)	(10)	3,754	(34)	13,590
Other	1,038	982	--	(256)	(130)	38	1,672
Subtotal, indirect investment	**480,338**	**108,426**	**(46,694)**	**(26,729)**	**926**	**(38,511)**	**477,756**
Total	**1,226,986**	**27,155**	**(46,694)**	**(15,501)**	**197,506**	**(64,850)**	**1,324,602**

The Acciona Group's investments in associates are detailed in Appendix III to these Notes.

Where the Group's investments in associates consolidated using the equity method are reduced to zero and constructive obligations may exist above the amount of the contributions made, the resulting losses or decreases in equity are recognised under *Non-current provisions* in the consolidated balance sheet (see Note 19).

On 30 June 2021 Nordex, SE, increased capital by issuing new shares. The capital increase was affected by means of contributions in cash and in kind. Nordex, S.E. issued 42,672,276 new ordinary shares at a subscription price of €13.70 per share, thereby increasing capital by a total of €584.6 million, equal to 36.36% of issued capital prior to the increase. Acciona S.A. exercised all of the subscription rights conferred by its 33.63% interest in the share capital of Nordex SE, contributing with credit rights under the shareholder loan agreement previously granted for a total of €196.6 million to subscribe 14,350,686 new shares. The Acciona Group continues to hold a 33.63% interest in Nordex SE following the capital increase.

On 1 December 2020 Nordex SE carried out an accelerated capital increase of 10% for international qualified investors through a *book building* process excluding preferential subscription rights. A total of 10,668,068 shares were issued at a price of €18.90 per share. Acciona, S.A. subscribed 5.76% of this capital increase, less than its previous ownership interest, disbursing a total of €11.6 million. As a result of this dilution, the shareholding in Nordex SE decreased from 36.41% to 33.63%.

The change in the Concessions activity in 2020 was mainly the result of capital contributions totalling €22 million made to the associate company holding the concession contract for the construction, operation and maintenance of Line 6 of the São Paulo Metro.

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The heading *Changes in the consolidation perimeter and contributions* also includes additional contributions and reimbursements of capital contributed to companies in which the Group already held investments. These movements did not result in any changes in the percentage interests held.

Other changes reflects variations due to derivatives, translation differences, and the effect of reclassifying loss-making investments accounted for using the equity method as constructive obligations.

At 31 December 2021 *Other changes* comprised mainly a negative balance of €50 million recognised in respect of the change in the value of derivatives (see Note 22). A negative balance of €2.3 million was recognised in this respect at 31 December 2020 .

In 2020, this heading reflected primarily the effect of the classification of the Group's shareholdings in divers operating concessions under *Non-current assets held for sale* in the consolidated balance sheet, amounting to €42 million (see Note 15).

After updating the impairment tests carried out on energy assets, impairments totalling €19 million recognised in respect of companies accounted for using the equity method were reversed. This amount was recognised under *Income from associated companies - analogous* in the consolidated income statement together with a positive effect of €12 million due to the diminution in depreciation charges.

In line with its normal policy of prudence and ongoing tracking of its investments, the Group decided in 2021 to update impairment tests relating to Nordex SE, which is listed on the Frankfurt and other German stock exchanges, at 31 December 2021, applying the principal assumptions used in the model to the latest public information released by Nordex, SE and industry forecasts published by specialist external sources.

The impairment test resulted in value in use equal to €1,148 million, which is more than the carrying amount of the investment. While the market price of the shares was below their carrying amount at the close of 2021, the Acciona Group considered this a temporary situation that did not reflect any impairment of the intrinsic value of the business or of the company's medium to long-term financial performance, and would not compromise Acciona's strategy of generating returns from the materialisation of synergies resulting from the expansion of its position in the wind generating value chain.

The methodology used to calculate value in use, which is described in Note 4.2.f, employed the discounted cash flows approach calculated at a rate (WACC) established in view of the inherent risks in the company's business and the different markets where it operates. For the discount a cash flow projection covering a five-year period (2022-2026) was calculated and terminal value representing the value of cash flows as of the sixth year, which was determined based on estimates of normalised cash flows.

These forecasts were estimated based on the most recent information published by the company, which anticipated the sharp increases in logistics costs and raw materials seen in 2021, mitigated by the foreseeable stabilisation of raw materials markets as of 2022 and the capacity of the business to pass on higher costs in new orders. Changes were also made to assumptions regarding sales of wind turbines, which were adjusted taking into consideration the latest estimated published by Nordex in connection with the fulfilment of strategic objectives for 2022 and the forecasts contained in the industry report utilised in prior years' impairment tests, which reflect the expected average annual growth for the wind power industry in the coming years.

The growth in sales for the normalised period, which served as the basis for the calculation of terminal value ("g" parameter), was estimated at 1.5% growth, despite the industry outlook, which would support faster growth due to increasing adoption of renewables investment policies worldwide to replace conventional energy sources. Given the uncertainty in such long projections periods, however, it was considered that 1.5% was a reasonable growth rate.

The cash flows were discounted applying an after-tax WACC rate of 7.6%.

In order to support the consistency and reasonableness of the impairment test, sensitivity analyses were carried out applying changes that might reasonably be expected in the main hypothesis. A variation of +/- 50 basis points in WACC would produce an additional negative impact of €83 million or a positive impact of €98 million on the estimated value in use, and a variation of +/- 50 basis points in sales growth for the normalised period ("g") would result in an additional positive impact of €89 million or a negative impact of €75 million.

The following table shows the assets, liabilities, revenue and profit or loss of the associates accounted for using the equity method in 2021, in proportion to the percentage interests held in their share capital (figures for loss-making associates recognised on the liability side of the consolidated balance sheet are disclosed in Note 19):

	Energy	Infrastructure	Other Activities	Total for 2021
Assets				
Non-current assets	715,783	394,828	1,043,018	2,153,629
Current assets	186,274	656,499	865,489	1,708,262
Total assets	**902,057**	**1,051,327**	**1,908,507**	**3,861,891**
Liabilities				
Equity	299,235	164,828	860,539	1,324,602
Non-current liabilities	493,549	527,011	243,939	1,264,499
Current liabilities	109,273	359,488	804,028	1,272,789
Total equity and liabilities	**902,057**	**1,051,327**	**1,908,506**	**3,861,890**
Profit/(Loss)				
Revenue	340,672	1,337,002	1,606,989	3,284,663
Profit/(loss) before tax from continuing operations	62,969	46,066	(81,880)	27,155
Profit/(loss) before tax	**62,969**	**46,066**	**(81,880)**	**27,155**

None of the associates were individually significant for the Group at 31 December 2021 except Nordex, SE (33.63%). Key figures relating to this investment based on the latest available information are as follows (expressed in thousands of euros):

Nordex SE

Key financial information referring to this investee is as follows (expressed in millions of euros):

	Nordex (*)
Assets	
Non-current assets	1,573
Current assets	2,690
Total assets	**4,264**
Equity and liabilities	
Shareholders' Equity	1,436
Valuation adjustments	(218)
Equity	*1,217*
Non-current liabilities	692
Current liabilities	2,354
Total equity and liabilities	**4,264**

(*) Latest periodic information published by Nordex, SE in the Frankfurt stock exchange as at 30 September 2021.

A reconciliation of the consolidated profit/(loss) of the investee is as follows (expressed in millions of euros):

	Nordex		
Profit/(Loss)	**Revenue**	**Profit/(loss) before tax from continuing operations**	**Profit/(loss) after tax**
Financial statements of the investee (*)	3,956	(108)	(104)
% interest held (*)		33.63%	
Attributed result	1,330	(36)	(35)
Adjustments (**)	--	(45)	(35)
Equity method profit/(loss) – non-analogous	--	(81)	(70)

(*) Latest periodic information published by Nordex, SE in the Frankfurt stock exchange at 30 September 2021, consolidated using the equity method at 33.63%.
(**) Harmonisation adjustments and estimated result for the fourth quarter of 2021.

11.- Interests in joint operations

The Acciona Group's interests in joint operations are disclosed in Appendix II to these Notes to the consolidated annual accounts. The principal investments reflected in the consolidated annual accounts at 31 December 2021 and 2020 were as follows:

	2021		2020	
	Companies	**Joint operations**	**Companies**	**Joint operations**
Revenue	14,773	2,050,376	6,091	1,717,899
Gross profit/(loss) from operations	2,349	171,673	1,916	101,490
Profit/(loss) from operations	719	126,895	808	60,004
Non-current assets	19,843	142,034	12,162	155,287
Current assets	42,298	2,136,690	33,514	2,071,000
Non-current liabilities	8,894	505,121	1,909	360,552
Current liabilities	23,003	1,128,917	19,126	1,015,342

There are no shareholdings in joint operations that are material for the Group.

12.- Other non-current and current financial assets

A breakdown of the amounts included under this heading of the Group's consolidated balance sheet at 31 December 2021 and 2020, presented by type and category for measurement purposes, is as follows:

Thousands of euros					
31.12.2021					
Financial Assets: Type / Category	Financial Assets recognised at fair value with changes in profit or loss	Financial Assets at fair value with changes in the consolidated statement of recognised income and expense	Financial Assets carried at amortised cost:	Hedging Derivatives	Total
Equity instruments	50,646	1,889	--	--	52,535
Debt securities	--	--	--	--	--
Derivatives	--	--	--	17	17
Other financial assets	--	--	166,204	--	166,204
Long-term / Non-current	**50,646**	**1,889**	**166,204**	**17**	**218,756**
Equity instruments	2,708	--	--	--	2,708
Other loans and receivables	--	--	106,661	--	106,661
Derivatives	--	--	--	5,971	5,971
Other financial assets	--	--	102,861	--	102,861
Short-term / Current	**2,708**	**--**	**209,522**	**5,971**	**218,201**
Total	**53,354**	**1,889**	**375,726**	**5,988**	**436,957**

Thousands of euros					
31.12.2020					
Financial Assets: Type / Category	Financial Assets recognised at fair value with changes in profit or loss	Financial assets at fair value with changes in the consolidated statement of recognised income and expense	Financial Assets carried at amortised cost:	Hedging Derivatives	Total
Equity instruments	11,587	2,407	--	--	13,994
Debt securities	--	--	--	--	--
Derivatives	--	--	--	--	--
Other financial assets	--	--	175,439	--	175,439
Long-term / Non-current	**11,587**	**2,407**	**175,439**	**--**	**189,433**
Equity instruments	2,298	--	--	--	2,298
Other loans and receivables	--	--	96,284	--	96,284
Derivatives	--	--	--	25,929	25,929
Other financial assets	--	--	88,001	--	88,001
Short-term / Current	**2,298**	**--**	**184,285**	**25,929**	**212,512**
Total	**13,885**	**2,407**	**359,724**	**25,929**	**401,945**

Other non-current and current financial assets comprise mainly loans granted to equity-accounted companies.

The main change in *Other non-current financial assets* consisted of a shareholder loan of €232 million made to the equity-accounted company Nordex SE, maturing on 30 April 2025. This loan was granted to refinance a the debt payable by Nordex SE under a *Schuldscheindarlehen*, which matured in April 2021. The Acciona Group subsequently cancelled the €196.6 million loan by way of an in-kind contribution made in the framework of the capital increase carried out in July 2021 in order to maintain its current 33.63% interest in the investee.

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This caption also included a loan made by the affiliate Acciona Logística, S.A. to Naviera del Roque, S.L. in connection with the sale of the Transmediterránea subgroup formalised in 2018. This loan, which was secured by ship mortgages on certain vessels, matured in June 2022. At 31 December 2021, Acciona Logística, S.A. and Naviera del Roque, S.L. agreed to settle the loan via the transfer of four vessels worth a total of €55 million (see Note 5).

Other non-current and current financial assets also include deposits and guarantees granted by the Group, notably to the Acciona Green Energy, S.A. group to allow it to operate in the daily and forward electricity markets.

The line *Other loans and receivables* reflects occasional investments and short-term deposits as well as funds allocated by the energy division and the concession business to debt service reserve accounts in accordance with the terms of the project finance agreements in force to ensure due performance of upcoming debt repayments.

No material impairment losses arose in respect of non-current and financial assets in 2021.

13.- Other non-current assets

Other non-current assets at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

	31.12.2021	31.12.2020
Non-current trade receivables	414,296	295,167
Non-current prepayments and accrued income receivable	23,533	69,059
Concessions under the non-current financial asset model	30,455	29,197
Total non-current receivables and other non-current assets	**468,283**	**393,422**

Non-current trade receivables comprise amounts recognised at amortised cost due from customers and other trade receivables generated in the course of operations maturing in more than one year, as well as amounts withheld by way of guarantee, as is customary in the construction business.

The Acciona Group has filed claim, through its subsidiary ATLL Concessionària de la Generalitat de Catalunya, S.A. (in liquidation), against the Regional Government of Catalonia in connection with the cancellation of the Ter-Llobregat water supply concession contract ordered by the High Court of Justice of Catalonia in a judgment that was subsequently upheld by the Spanish Supreme Court. The Group received a Provisional Final Settlement (PFS) of this claim amounting €53.8 million euros in 2019, which very significantly lower than the sum claimed by the Company (see Note 19) and, in the Group's opinion, only confirmed that the dispute would not be resolved without judicial review. In this context, as of 31 December 2019, the Group made an adjustment for the amount of the claim recognised in *Non-current trade receivables* based on the compensation due in accordance with the contractual clauses regulating cancellation of the concession, and in view of the Group's consistent position, based on the terms of the concession contract and reports issued by independent experts, that it is highly unlikely that the subsidiary will eventually incur any material loss in this regard. Accordingly, the amount of the claim was transferred to *Non-current trade receivables*, since settlement of the balance due was now expected in a period of more than twelve months, except for the amount of the PFS which was not transferred from current assets.

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In 2020 the Group received a Final Settlement (FS) of the contract from the Catalan Regional Government awarding the sum of €56.9 million instead of €53.8 million as established in the aforementioned PFS. At 31 December 2021 the Acciona Group reclassified the outstanding amount of the FS (€34 million) from *Other current assets* to *Other non-current assets*, having exhausted all available administrative avenues, which was included in the balance claimed in the judicial proceedings in progress (see Note 19).

The *Energy* division recognises the fair value of energy derivatives in different countries through *Other non-current and current assets.* The principal amount in this regard relates to Spain, where the fair value of hedging derivatives acquired by the Group's energy trading affiliate totals €115,116 thousand comprising forward energy purchases under contracts for differences arranged to eliminate the price risk related with fixed price energy supply agreements.

Non-current prepayments and accrued income receivable included a balance of €52,591 thousand at 31 December 2020, reflecting the value recognised at amortised cost in respect of two non-financial derivatives contracts hedging long-term energy prices arranged in 2015 and 2018 by two subsidiaries in the United States. These contracts were made to hedge the sale price of a certain amount of energy for respective terms of 13 and 12 years. The Group capitalised the difference between these transactions and the estimated fair value ("Day-one profit and losses"), which was recognised on the straight line basis through *Profit/(loss) from changes in value of financial instruments at fair value* in the consolidated income statement.

C*oncessions under the non-current financial asset model* includes the balance receivable beyond one year on concessions treated as financial assets in accordance with IFRIC 12, given the existence of an unconditional right to compensation for the investment made to date. The current portion of this unconditional right was recognised in *Trade and other receivables* on the basis of the amounts expected to be received from the grantors of the concessions under the different economic and financial plans. The balance reclassified to short term was €4,515 thousand at 31 December 2021 and €5,369 thousand at 31 December 2020. The principal project in the concessions activity is the operation of a hospital in Mexico by Hospital de León Bajío, S.A. de C.V. The balance in this respect is €30,405 thousand (€28,757 thousand at 31 December 2020).

At 31 December 2021 and 2020, the Group companies had no commitments to acquire concession assets under the financial asset model for any significant amount.

14.- Inventories

At 31 December 2021 and 2020 the Group's inventories were as follows (expressed in thousands of euros):

Real Estate inventories	2021	2020
Raw materials, other procurements and trade inventories	--	40
Land and plots	927,824	819,292
Property developments in progress	204,136	374,916
Finished property developments	20,202	20,201
Advances paid	5,433	21,313
Impairment	(314,552)	(336,834)
Total real estate inventories	**843,043**	**898,928**
Other inventories	**2021**	**2020**
Raw materials, other procurements and trade inventories	263,407	209,598
Work in progress and semi-finished goods	9,707	6,829
Finished goods	1,533	--
Assets acquired in settlement of loans	12,969	13,770
Land and plots	17,832	3,894
Advances paid	96,744	126,316
Impairment	(34,890)	(29,499)
Total other inventories	**367,301**	**330,908**
Total inventories	**1,210,344**	**1,229,836**

The most significant additions in 2021 reflect acquisitions of land in Spain and Poland for a total of €179 million euros. In addition, a net amount of €76 million was transferred from land to work in process at the start of construction work. Translation differences resulting in exchange gains of €4 million were recognised at 31 December 2021, mainly in respect of changes in the exchange rates for the Mexican peso.

The Group has continued its intense activity in the development business, increasing the value of developments in progress by €167 million and of land by €27 million.

In 2021, the Group capitalised financial expenses totalling €1 million in the cost of inventories (€2 million in 2020).

In addition, a balance of €128 million net of work in progress was transferred to finished property developments upon the completion of construction work, and developments have been sold for a net amount of €128 million.

Two office buildings in Madrid were transferred from *Property developments in progress* to *Investment property* for a total of €113 million due to a change in use, and to *Property, plant and equipment* for €170 million (see Notes 5 and 6).

An asset located in Granada was transferred from *Investment property* to *Inventories* for a gross amount of €10 million.

In 2021 the Group reversed an amount of €3 million from provisions for impairment set aside in respect of certain inventory properties, as their recoverable amount was more than their carrying amount according to valuations prepared by independent appraisers not related to the Acciona Group at 31 December 2021.

Based on the appraisals issued by Savills Aguirre Newman and CB Richard Ellis, the estimated value of the Group's inventory property is €965 million. These valuations took into account property market distortions and uncertainties, and the Group's current real estate business strategies in relation to the realisation of assets and liquidity.

At 31 December 2021 and 2020 the net carrying amounts of mortgaged inventories were €516 million and €526 million, respectively, mostly related to property developments completed in 2021 and 2020. The decrease was mainly due to the sale of assets.

At 31 December 2021, the Group had a firm commitment to purchase a plot of land in Portugal for €14 million and divers commitments to purchase land in Spain for €4.4 million and in Poland for €2 million, subject to certain conditions precedent.

Commitments to sell property developments to customers totalled €451 million at 31 December 2021 (€230 million at 31 December 2020). An amount of €66 million out of the balance at 31 December 2021 was instrumented in notes and bills receivable recognised with a balancing entry under *Current trade and other payables* on the liability side of the accompanying consolidated balance sheet. These instruments will be held until delivery of the properties (€29 million at 31 December 2020).

15.- Assets and liabilities held for sale

Non-current assets held for sale reflected in the accompanying consolidated balance sheet at 31 December 2021 and 2020 were as follows:

	Balance at 31.12.2021	Balance at 31.12.2020
Infrastructure division assets (Concession assets)	--	47,864
Infrastructure division assets (Restructure Investment Notes)	303,474	300,238
Other activities division assets (Bestinver)	--	110,101
Total non-current assets held for sale	**303,474**	**458,203**

The main assets by division at 31 December 2021 and 2020 prior to their classification as held for sale is as follows:

Balance at 31.12.2021	Infrastructure Division	Other Activities Division
Non-current receivables and other non-current assets	303,474	--
Assets held for sale	**303,474**	--

Balance at 31.12.2020	Infrastructure Division	Other Activities Division
Investments accounted for using the equity method	41,722	--
Non-current receivables and other non-current assets	300,094	--
Trade and other receivables	1,990	--
Other current financial assets	--	110,101
Cash and cash equivalents	4,296	--
Assets held for sale	**348,102**	**110,101**

The main liabilities associated with non-current assets held for sale (*Liabilities held for sale*) in the accompanying consolidated balance sheet at 31 December 2021 and 2020 were as follows:

	Balance at 31.12.2021	Balance at 31.12.2020
Infrastructure division liabilities (Concession assets)	--	9,734
Infrastructure division liabilities (Restructure Investment Notes)	262,830	262,896
Other activities division liabilities (Bestinver)	--	110,136
Total non-current liabilities held for sale	**262,830**	**382,766**

The main liabilities by division at 31 December 2021 and 2020 prior to their classification as held for sale is as follows:

Balance at 31.12.2021	Infrastructure Division	Other Activities Division
Other non-current liabilities	1,113	--
Current bank borrowings	261,687	--
Trade and other payables	30	--
Liabilities held for sale	**262,830**	**--**

Balance at 31.12.2020	Infrastructure Division	Other Activities Division
Non-Current bank borrowings	261,040	--
Other non-current liabilities	8,292	--
Trade and other payables	3,253	--
Other current liabilities	45	110,136
Liabilities held for sale	**272,630**	**110,136**

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The cumulative income and expenses recognised directly in equity at 31 December 2021 and 2020 in relation to assets classified as held for sale were as follows (expressed in thousands of euros):

	Balance at 31.12.2021 Infrastructure Division	**Balance at 31.12.2020 Infrastructure Division**
Translation differences	(55)	(5)
Valuation adjustments	--	(35.004)
Total recognised income and expenses	**(55)**	**(35.009)**

As part of its strategy to rotate assets that have reached an appropriate level of maturity, the Group entered into an agreement on 29 November 2020 to sell its interests in eight concession assets, subject to certain conditions precedent. At 31 December 2021, the conditions for recognition of the transfer had been met and the assets concerned were retired (see Note 3.2.h).

In addition, "Restructure Investment Notes" ("RINs") were classified under *Non-current assets and liabilities held for sale* at 31 December 2021. The carrying amount of these long-term receivables was €303 million prior to their classification as held for sale together with the associated liabilities. The Acciona Group has held the RINs through one of its Australian subsidiaries since 2019, following the compensation agreements reached with Transport for New South Wales, a customer, in the framework of the design and construction contract for a tramway in the Australian city of Sydney. The Group's Management has entered into negotiations with potential buyers and considers that the sale is highly likely to go ahead at a reasonable price based on market value in the short term.

Lastly, as parent of the Bestinver Subgroup, which includes the affiliate Bestinver Gestión, S.A., SGIIC, Bestinver, S.A. entered into a share purchase agreement in April 2020 with Atlanta Renewables, S.A.R.L. to acquire a 5% shareholding in Acciona Energía Internacional, S.A. for a price of €68 million. Meanwhile, Bestinver Gestión set up the Bestinver Infra, FCR venture capital fund in 2020 to offer its customers a new investment product focused on high quality, sustainable global infrastructure assets. Bestinver, S.A. purchased this shareholding solely in order to transfer it to the fund when it had acquired sufficient assets, which occurred in the first six months of 2021.

The shareholding acquired by Bestinver in Autovía de los Viñedos and Hospital del Norte was also classified under the heading *Non-current assets and liabilities held for sale* together with directly associated liabilities for the reasons described in the preceding paragraph. The shares were transferred to Bestinver Infra, FCR in June 2021.

16.- Trade and other accounts receivable

Trade and other receivables at 31 December 2021 and 2020 were as follows:

	2021	2020
Trade receivables	1,396,776	1,128,299
Doubtful trade receivables	53,742	35,721
Work pending certification	1,054,439	838,651
Trade receivables for sales and services	**2,504,957**	**2,002,671**
Receivable from associates	73,649	49,293
Sundry accounts receivable	429,875	448,090
Current concessions under the financial asset model (Note 13)	4,515	5,369
Provisions	(281,510)	(253,217)
Total trade and other receivables	**2,731,486**	**2,252,206**
Current and non-current advances from customers (Note 23)	(1,007,550)	(1,011,516)
Total net balance at 31 December	**1,723,936**	**1,240,690**

These financial assets are valued at amortised cost.

Advances by division break down as follows:

Advances by business	2021	2020
Energy	(2,586)	(2,829)
Infrastructure	(934,809)	(970,613)
Other Activities	(70,155)	(38,074)
Total net balance at 31 December	**(1,007,550)**	**(1,011,516)**

The breakdown by division of trade and other receivables, net of customer advances, is as follows:

	2021	2020
Energy	533,141	427,420
Infrastructure	1,312,053	988,942
Other Activities	270,093	375,762
Intergroup transactions	(391,351)	(551,434)
Total net balance at 31 December	**1,723,936**	**1,240,690**

The breakdown for the construction activity is as follows:

	2021	2020
Certified production receivable	497,874	508,495
Production pending certification (contracts assets)	834,766	738,866
Sundry accounts receivable	474,171	330,011
Provisions	(206,247)	(191,858)
Total construction business receivables	**1,600,564**	**1,385,514**
Advances from customers (contract liabilities)	(791,718)	(852,842)
Total net balance at 31 December	**808,846**	**532,672**

A breakdown of the net balance of construction activity receivables by customer type is as follows:

	2021	2020
Central government	23,644	39,464
Regional governments	31,955	25,175
Local authorities	25,445	7,870
Other	66,791	70,414
Public sector subtotal	147,835	142,923
Private sector subtotal	164,978	141,387
Total Spanish customers	**312,813**	**284,310**
Total foreign customers	**1,287,751**	**1,101,204**

Ageing of trade receivables was as follows:

	2021	2020
Up to 3 months from invoice date	1,066,487	706,480
Between 3 and 6 months from the invoice date	35,746	32,059
More than 6 months from the invoice date	294,543	389,760
Total	**1,396,776**	**1,128,299**
Unprovided invoices past due by more than 3 months	**123,546**	**96,166**

Changes in the provision for impairment of trade receivables at 31 December 2021 and 2020 were as follows:

	2021	2020
Opening balance	**(253,217)**	**(253,923)**
Increase in provisions for impairment of receivables	(21,861)	(15,897)
Unrecoverable receivables written off	10,015	4,653
Provisions released	1,450	3,604
Transfers to non-current assets held for sale	--	--
Reclassifications and other minor adjustments	(17,897)	8,346
Closing balance	**(281,510)**	**(253,217)**

17.- <u>Cash and cash equivalents</u>

Cash and cash equivalents at 31 December 2021 and 2020 were as follows:

	2021	2020
Cash	2,115,670	2,218,454
Deposits and other	202,308	188,704
Total cash and cash equivalents	**2,317,978**	**2,407,158**

This heading includes mainly cash, bank deposits and risk-free deposits with initial maturity of three months or less held by the Group.

Cash and cash equivalents earned interest at market rates in 2021 and 2020.

18.- Equity

a) Subscribed and registered share capital

The parent company's share capital is represented by 54,856,653 fully paid-up ordinary shares with a face value of 1 euro each, represented by book entries. All the parent company's shares confer the same rights and all are listed on the stock exchange.

Based on the notices received by the Company, the owners of significant direct and indirect equity interests at 31 December 2021 and 2020 were as follows:

	31.12.2021	31.12.2020
Tussen de Grachten, B.V.	29.02%	29.02%
Wit Europesse Investering, B.V.	26.10%	26.10%
Invesco, LTD	--	1.04%

b) Share premium, reserves and translation differences

A detail of the share premium, reserves and translation differences reflected in the consolidated statement of changes in equity is as follows:

	2021	2020
Share premium	**170,110**	**170,110**
Legal reserve	11,452	11,452
Redeemed capital reserve	12,857	12,857
Statutory reserve	759,479	733,464
Capitalisation reserve, Spanish Law 27/2014	15,652	7,716
Voluntary reserves	3,243,995	2,583,095
Consolidated reserves (Note 18.d)	31,874	(155,689)
Subtotal, reserves	**4,075,309**	**3,192,895**
Translation differences (Note 18.d)	**(302,310)**	**(436,326)**
Total	**3,943,109**	**2,926,679**

The balance of €170,110 thousand on the *Share Premium* account at 31 December 2021 and 2020 arose as a result of the capital increases carried out with share premiums on various dates in the past. The consolidated text of the Spanish Corporate Enterprises Act expressly allows use of the balance on the share premium account to increase share capital and does not establish any specific restrictions as to the use of said balance.

The legal reserve, to which transfers must be made until the balance is equal to 20% of share capital, can be used to increase capital provided that the remaining balance is not less than 10% of share capital after the increase. Otherwise, the legal reserve can only be used to offset losses, provided that sufficient other reserves are not available for this purpose, until the balance exceeds 20% of share capital.

Companies are also required to set aside a capitalisation reserve in accordance with article 25 of the Spanish Corporate Income Tax Act (Law 27/2014 of 27 November). Appropriations to this reserve are restricted for the following five years, whereafter they become freely distributable.

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c) Treasury shares

Changes in treasury shares in 2021 and 2020 were as follows:

	2021		2020	
	Number of shares	Cost	Number of shares	Cost
Opening balance	**296,422**	**22,049**	**398,641**	**28,633**
Additions	1,555,373	217,587	1,797,781	174,343
Retirements	(1,549,009)	(214,721)	(1,811,840)	(174,879)
Liquidity contract movements	**6,364**	**2,866**	**(14,059)**	**(536)**
Other additions	--	--	--	--
Other retirements	(96,587)	(6,625)	(88,160)	(6,048)
Other movements	**(96,587)**	**(6,625)**	**(88,160)**	**(6,048)**
Closing balance	**206,199**	**18,290**	**296,422**	**22,049**

On 2 July 2015 Acciona, S.A. subscribed a liquidity contract with Bestinver Sociedad de Valores, S.A. for the management of its treasury stock. Trading in the Company's shares by Bestinver within the framework of this contract is transacted entirely on the Spanish stock exchanges in order to ensure liquidity and the stability of the share price. Acciona, S.A. cancelled the contract on 10 July 2017 and immediately entered into a new liquidity contract under the terms established in Circular 1/2017 issued by the Spanish National Securities Market Commission (CNMV) in order to ensure its acceptance as being in line with market practice. The cash accounts and securities accounts that were associated with the former liquidity contract, which amounted to 44,328 shares and €3,539,114.85, were used to allocate cash and securities to the new liquidity contract. In this connection, the cash sum was adjusted to align with the share price of the stock allocated to the new contract in accordance with the limits established in the new CNMV Circular, which were set at 44,328 shares and €3,340 thousand.

Gains totalling €1,840 thousand were recognised in reserves in 2021 as a result of treasury share transactions carried out under the liquidity agreement (€1,031 thousand in 2020).

A total of 96,587 shares were retired in 2021 under the Share Awards Plan and the Variable Remuneration Replacement Plan for senior executives of the Company, resulting in the recognition of gains totalling €6,249 thousand in reserves (79,485 shares and recognition in reserves of gains totalling €2,594 thousand in 2020).

Also, a total of 8,675 shares were awarded to Executive Directors of the Company on 10 December 2020 under the Performance Shares Plan, resulting in the recognition of gains totalling €385 thousand in reserves.

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d) Reserves in consolidated companies and translation differences

A detail by business line of the consolidation reserves (including valuation adjustments) contributed by subsidiaries, associates and joint operations at 31 December 2021 and 2020 is as follows (expressed in thousands of euros):

	2021		2020	
Line of business	**Consolidated Reserves**	**Translation Differences**	**Consolidated Reserves (*)**	**Translation Differences**
Energy	(180,603)	16,983	(314,041)	(95,912)
Infrastructure	(183,370)	(210,079)	(266,719)	(248,669)
Other Activities	447,560	(109,214)	474,444	(91,745)
Consolidation adjustments	(51,713)	--	(49,373)	--
Total	**31,874**	**(302,310)**	**(155,689)**	**(436,326)**

The amounts reflected above under the headings *Consolidated Reserves* and *Translation Differences* for 2020 include comparative reclassifications arising as a result of changes in the configuration of the business segments (see Note 29). These amounts were also restated as a result of the change in accounting policy applicable to adjustments arising from deviations in energy market prices (see Note 4.4).

In addition to the parent, the following Group companies were also listed on divers stock exchanges at 31 December 2021:

Company	Type of company	Stock Exchange	Average share price for the last quarter	Year-end share price
Corporación Acciona Energías Renovables, S.A.	Subsidiary	Spain	EUR 30.29	EUR 32.58
Mostostal Warszawa, S.A.	Subsidiary	Warsaw	PLN 6.79	PLN 6.46
Nordex SE	Associate	Frankfurt	EUR 14.77	EUR 13.91

e) Valuation adjustments

- Financial assets at fair value with changes in the consolidated statement of recognised income and expense

This heading, included under *Retained Earnings* in the consolidated balance sheet, reflects the amount, net of tax effects, of changes in the fair value of assets classified at fair value with changes in the consolidated statement of recognised income and expense.

Changes in 2021 and 2020 were as follows:

	2021	2020
Balance at 1 January	**(106)**	**(53)**
Increases in value in the year	--	--
Decreases in value in the year	(28)	(53)
Transfers to profit or loss	--	--
Balance at 31 December	**(134)**	**(106)**

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- Cash flow hedges

This heading, included under *Retained Earnings* in the consolidated balance, sheet reflects the amount, net of tax effects, of changes in the fair value of financial derivatives designated as cash flow hedges (see Note 22).

Changes in the balance in 2021 and 2020 were as follows:

	2021	2020
Balance at 1 January	**(153,101)**	**(144,947)**
• Valuation adjustments in the year	68,987	(36,984)
Gross	91,982	(49,312)
Tax effect	(22,995)	12,328
• Transfers to profit/(loss) for the year	42,719	28,830
Gross	56,959	38,441
Tax effect	(14,240)	(9,611)
Balance at 31 December	**(41,395)**	**(153,101)**

f) <u>Non-controlling interests</u>

The balance of non-controlling interests recognised in the accompanying consolidated balance sheet reflects the carrying amount of non-controlling interests in the subsidiaries. The share of non-controlling interests in the profit or loss for the year is stated in the accompanying consolidated income statement.

Changes in 2020 were as follows (expressed in thousands of euros):

Line of business	Balance at 01/01/20	Changes the consolidation perimeter and contributions/repayments of capital	Dividends	Valuation adjustments and other changes	Profit for the year	Balance at 31/12/20
Energy	192,915	182,403	(8,316)	(32,300)	25,166	359,868
Infrastructure	20,073	(19,597)	(592)	(6,337)	4,004	(2,449)
Other Activities	6,236	1,425	(1,382)	1	1,149	7,429
Total non-controlling interests	**219,224**	**164,231**	**(10,290)**	**(38,636)**	**30,319**	**364,848**

Changes in 2021 were as follows (expressed in thousands of euros):

Line of business	Balance at 01/01/21	Changes in the consolidation perimeter and contributions/repayments of capital	Dividends	Valuation adjustments and other changes	Profit for the year	Balance at 31/12/21
Energy	359,868	778,264	(7,473)	34,763	66,336	1,231,758
Infrastructure	(2,449)	2,943	--	(677)	4,066	3,883
Other Activities	7,429	1,022	(1,363)	1,183	1,695	9,966
Total non-controlling interests	**364,848**	**782,229**	**(8,836)**	**35,269**	**72,097**	**1,245,607**

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As explained in Note 3.2.h, the Group placed 17.25% of the shares issued in the IPO carried out by Corporación Acciona Energías Renovables, S.A. (CAER) with institutional investors and recognised €806 million under *Non-controlling interests* in the consolidated balance sheet in respect of the carrying amount of the interests held by CAER's new shareholders. This amount is presented under the heading *Changes in the consolidation perimeter and contributions/repayments of capital* in the above chart. This heading also includes returns of capital contributions paid by Acciona Energía Internacional to AXA, which holds 20% of its shares, for a total of €30 million.

Finally, the acquisition of 76.27% of Silence (Scutum Logistic, S.L.) by Acciona Mobility Global resulted in an increase of €1.9 million in non-controlling interests, which was recognised under *Changes in scope of consolidation and contributions/repayments of capital* for the other activities division.

In the prior year, acquisition of 8.33% of the share capital of Acciona Energía Internacional by Acciona Energía resulted in a decrease of €15 million in *non-controlling interests*. In the context of this transaction, the subordinated debt of Acciona Energía Internacional with its shareholders was capitalised, resulting in the reclassification of €192 million from *Other non-current and current liabilities* to *Non-controlling interests*. Both effects are shown under *Changes in the consolidation perimeter and contributions/repayments of capital*. This heading also included a decrease in *non-controlling interests* resulting from the acquisition of the remaining 12% of ATLL Concesionaria de la Generalitat de Catalunya, S.A. (in liquidation).

At 31 December 2021 and 2020, the column heading *Valuation adjustments and other changes* shows movements due to changes in the value of financial derivatives and translation differences arising mainly in respect of US dollar balances.

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Summary financial information regarding subgroups and subsidiaries representing a material portion of the Group's total assets, liabilities and transactions in which no single shareholder holds a controlling is as follows:

31.12.2021	Acciona Energía Subgroup	Acciona Energía Internacional Subgroup	Mostostal Warszawa, S.A.	Acciona Geotech Holding Pty Ltd
% Non-controlling interests	17.28%	25.00%	37.87%	17.60%
ASSETS				
NON-CURRENT ASSETS	8,910,521	2,429,129	37,147	42,080
CURRENT ASSETS	1,743,027	267,690	178,203	431,012
Total assets	**10,653,548**	**2,696,819**	**215,350**	**473,092**
EQUITY AND LIABILITIES				
EQUITY	5,354,382	1,018,716	16,700	(20,273)
Attributed equity	4,975,683	869,855	11,812	(20,273)
Valuation adjustments and translation differences	24,546	(35,871)	(11,204)	(282)
Remaining attributed equity	4,951,137	905,726	23,016	(19,991)
Non-controlling interests	378,699	148,861	4,888	-
NON-CURRENT LIABILITIES	3,524,565	1,477,512	35,385	80,108
CURRENT LIABILITIES	1,774,601	200,591	163,265	413,257
Total liabilities	**10,653,548**	**2,696,819**	**215,350**	**473,092**
PROFIT/(LOSS)*				
Revenue	2,472,456	442,827	284,095	574,344
Operating profit/(loss)	695,212	211,391	10,523	(52,892)
Profit/(loss) before tax	562,353	139,091	8,040	(55,584)
Profit/(loss) after tax	392,735	81,423	5,507	(38,424)
Profit/(loss) attributed to non-controlling interests	(29,697)	(6,598)	(2,140)	-
Profit/(loss) attributed to the parent company	363,038	74,826	3,367	(38,424)

(*) The profit attributed to non-controlling interests in the Acciona Energy subgroup refers to earnings generated since the IPO.

In 2021 the Corporación Acciona Energías Renovables, S.A. (CAER) subgroup generated a cash inflow of €865,972 thousand on its operating activities, a cash outflow of €707,497 thousand on investing activities and an outflow of €7,802 thousand on financing activities.

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31.12.2020	Acciona Energía Internacional Subgroup (*)	Mostostal Warszawa, S.A.	Acciona Geotech Holding Pty Ltd
% Non-controlling interests	25.00%	37.87%	17.60%
ASSETS			
NON-CURRENT ASSETS	2,434,860	38,119	26,747
CURRENT ASSETS	272,591	187,393	300,879
Total assets	**2,707,451**	**225,512**	**327,626**
EQUITY AND LIABILITIES			
EQUITY	1,043,165	11,365	16,226
Attributed equity	914,160	8,337	16,226
Valuation adjustments and translation differences	(41,737)	(11,312)	(1,416)
Remaining attributed equity	955,897	19,649	17,642
Non-controlling interests	129,005	3,028	-
NON-CURRENT LIABILITIES	1,206,351	36,712	19,643
CURRENT LIABILITIES	457,935	177,436	291,757
Total liabilities	**2,707,451**	**225,513**	**327,626**
PROFIT/(LOSS)*			
Revenue	419,268	306,435	549,260
Operating profit/(loss)	206,024	7,564	8,264
Profit/(loss) before tax	91,306	6,129	7,665
Profit/(loss) after tax	58,672	4,751	5,248
Profit/(loss) attributed to non-controlling interests	(4,954)	(682)	-
Profit/(loss) attributed to the parent company	53,718	4,069	5,248

(*) Non-controlling interests in Acciona Energía Internacional, S.A. accounted for 33.33% of capital until 31 December 2020, the percentage utilised to attribute profit for the year.

g) Management of share capital

The Group manages share capital to safeguard its capacity to continue operating as a going concern, so as to ensure that it continues to generate returns for shareholders and to benefit other stakeholders, while maintaining an optimal financial and equity structure to reduce the cost of capital. This policy combines value creation for the shareholder with access to financial markets at a competitive cost in order to cover both debt refinancing and to finance investment needs that are not covered by the funds generated by the business.

In order to maintain and fine tune the capital structure, the Group may vary the amount of the dividends paid to the shareholders, return capital, issue new shares or sell assets to reduce indebtedness.

In line with other groups operating in the same industries as the Acciona Group, the capital structure is controlled on the basis of the leverage ratio, which is calculated dividing net financial debt by equity. Net financial debt is calculated as the sum of current and non-current financial debt, excluding debts relating to held-for-sale assets, less current financial assets and cash and cash equivalents.

The leverage ratio at 31 December 2021 and 2020 was as follows:

Leverage	2021	2020
Net financial debt:	**4,344**	**4,733**
Non-current interest-bearing borrowings	4,436	4,871
Current interest-bearing borrowings	1,947	1,987
Non-current lease obligations	430	420
Current lease obligations	68	74
Current financial assets, cash and cash equivalents	(2,536)	(2,620)
Equity:	**5,557**	**3,711**
of the Parent Company	4,312	3,347
of non-controlling interests	1,246	365
Leverage	**78%**	**128%**

h) Restriction on distributions by subsidiaries

Certain Group companies have entered into financing agreements including obligatory clauses relating to the distribution of profits to the shareholders. Specifically, these clauses require compliance with the senior debt coverage ratios established by these contracts.

19.- Provisions and litigation

Changes in the liabilities recognised under *Non-current provisions* in the consolidated balance sheets for 2021 and 2020 were as follows:

	31.12.2021	31.12.2020
Opening balance	**284,160**	**399,836**
Additions and allowances	23,973	82,485
Retirements	(7,613)	(46,025)
Transfers	4,494	(171,894)
Other changes	(4,059)	19,758
Final balance	**300,955**	**284,160**

The main changes in 2021 comprised the increase in the provision for decommissioning to update the estimated future decommissioning cost of international wind farms for which the amount was set aside, and allowances made to the provision for obligations with employees and the provision for repairs. *Transfers* refer to reclassifications from *Current provisions* set aside for litigation in progress, the resolution of which is now expected to take more than twelve months. Meanwhile, *Other changes* reflect primarily the negative effect of translation differences on the decommissioning provision and the positive effect on provisions for constructive obligations.

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The Acciona Group operates in a range businesses and in diverse countries, each with its own specific industry regulations. In the normal course of its business, the Group is exposed to litigation related to these business activities, principally arising from tax claims, claims related to defects in construction projects, and disputes concerning services provided. Part of these risks are covered by insurance policies (civil liability, construction defects, etc.) while appropriate provisions are made for the other risks identified. The nature and amount of the main provisions are detailed below.

a) Constructive obligations: Provisions are recognised for the constructive obligations of subsidiaries accounted for using the equity method when the Group's investments in associates have been reduced to zero. The provision at 31 December 2021 amounted to €30 million euros (€46 million at 31 December 2020). A detail of these provisions by division, in proportion to the Group's percentage interests in the capital, assets, liabilities, revenue and profit/(loss) of subsidiaries:

	Energy	Infrastructure	Other Activities	Total 2021
Assets				
Non-current assets	5,442	520,006	376	525,824
Current assets	122	197,323	438	197,883
Total assets	**5,564**	**717,329**	**814**	**723,707**
Equity and liabilities				
Equity	5,025	(28,918)	(211)	(24,104)
Non-current liabilities	537	562,524	592	563,653
Current liabilities	2	183,722	433	184,157
Total equity and liabilities	**5,564**	**717,328**	**814**	**723,706**
Profit/(Loss)				
Revenue	--	30,285	--	30,285
Profit/(loss) before tax	**(31)**	**(14,297)**	**--**	**(14,328)**

The provision for constructive obligations at 31 December 2020 included an amount of €3 million set aside for Concesionaria Puente del Ebro, S.A., a company which had filed for voluntary insolvency in Zaragoza Commercial Court no. 2 on 4 November 2014. However, the proposed arrangement was not approved and the company went into liquidation. The Regional Government of Aragon subsequently initiated a process to terminate the concession contract in 2018. In June 2020, the Regional Minister for Planning, Mobility and Housing issued an Order terminating the Public Works Concession contract for administrative purposes, among other matters, and in July 2020 the Insolvency Administrator, the regional Technical Secretary General and the Director General of Roads (Regional Government of Aragon) signed the formal acceptance certificate in connection with the procedure for termination of the "Public Works Concession for the design, construction, operation, maintenance and upkeep of the Villafranca-El Burgo de Ebro (ARA -A1) motorway". At 31 December 2020, the Acciona Group was still waiting for the Court to issue its final ruling on the insolvency proceedings, which were classified as fortuitous.

Zaragoza Commercial Court No. 2 issued its Concluding Decision in Fortuitous Insolvency Proceeding 426/2014 on 1 December 2021, which ordered that Concesionaria Puente del Ebro, S.A. be wound up. This Decision was duly published both by the Companies Registry and in the Official Journal of the Spanish State (BOE Court Orders Noticeboard) on 10 December 2021.

b) Repairs: These provisions are set aside to cover the cost of repairs agreed with the grantor under concessions operated by the infrastructure division. Allowances are made systematically each year with a charge to profit and loss. The provision for repairs totalled €20 million at 31 December 2021 and €19 million at 31 December 2020.

c) Pensions and similar obligations: These provisions relate to pensions and similar obligations arising mainly from the acquisition of assets from Endesa in 2009, which are detailed and quantified below, as well as obligations under the remuneration plans explained in Note 36, and obligations arising in respect of length-of-service entitlements payable to employees in certain other countries where the Acciona Group operates (e.g. Australia). The provision for pensions totalled €23 million at 31 December 2021 and €12 million at 31 December 2020.

d) Onerous contracts: This provision is set aside mainly in relation to onerous works and service contracts where it is estimated that losses will be incurred. The Group provides for expected losses on these contracts with a charge to the income statement, when it is determined that the unavoidable cost of performing the obligations under a contract are likely to exceed the expected revenue. This heading also includes liabilities assumed by the Group with third parties in relation to the sale of companies. The provision at 31 December 2021 amounted to €24 million euros (€30 million at 31 December 2020).

e) Decommissioning: These provisions relate mainly to electricity generating facilities in the international energy division and are made when the Group concludes, based on its analyses of contractual terms and conditions, that there is an obligation to dismantle and decommission plant. The provision at 31 December 2021 was €168 million euros (€155 million at 31 December 2020).

f) Litigation: These provisions relate to legal proceedings in progress in connection with claims brought against the Group in various jurisdictions for different reasons. At 31 December 2021, the Group had set aside provisions of €26 million for litigation (€13 million at 31 December 2020), all of which relate to the infrastructure division and are intended to cover the risk of various construction defect claims. The main change in 2021 was mainly due to the transfer of a provision for litigation that is not now expected to be resolved until more than twelve months have passed.

The Group's Directors consider in view of the current situation of proceedings that litigation will not result in any outflow of economic benefits in the short term, subject to the uncertainty inherent in any estimates of this kind.

These provisions are recognised on the basis of best estimates of the risks and uncertainties, inevitably surrounding most of the events and circumstances concerned in the litigation. This uncertainty was measured on a prudent basis, meaning that a cautious approach was taken to the use of judgement, where necessary, while ensuring that the annual accounts present a true and fair view in any event.

Group Management considers that no significant additional liabilities will occur that are not provided for in the consolidated annual accounts at 31 December 2021.

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With regard to the current legal situation of the "Ter-Llobregat" water supply management agreement, the Spanish Supreme Court turned the appeals filed by Acciona Agua, S.A. and the Regional Government of Catalonia on 20 February 2018, as well as the separate motions filed by Aguas de Barcelona, S.A., thereby upholding the judgement handed down by the High Justice Court of Catalonia on 22 July 2015 and annulling the award of the concession by the regional administration on grounds solely attributable to the same.

On 1 April 2019, the Catalan Regional Government proposed a provisional final settlement offering to pay compensation of €53.8 million to ATLL Concessionària de la Generalitat de Catalunya, S.A. (in liquidation) (ATT).

The Catalan Regional Government eventually proposed a final settlement proposal on 13 March 2020, in which it offered to pay compensation of €56.9 million to ATLL, an amount that is very significantly below the quantum claimed by the company. This amount was partially settled by the regional administration on 31 December 2021, leaving a sum of €25.6 million outstanding.

Notwithstanding the dispute between the operator and the Regional Government of Catalonia over the calculation of the final settlement, the former has repeatedly demanded that the Regional Government settle the amount proposed in full and has now all available exhausted administrative procedures to enforce its outstanding claims. In these circumstances, the operator proceeded in 2021 to expand the claim originally filed in the High Court of Justice of Catalonia in 2020 (as described in the next paragraph) to include the outstanding amount of the final settlement proposed by the Catalan Regional Government.

The concession operator opposed the proposed settlement, in short, because the High Court of Justice of Catalonia had declared the contract null and void rather than simply terminated in its Decision of 19 November 2018. Based on expert reports prepared by external advisors, the Company has quantified the amount arising under clause 9.12 of the concession contract at €301 million euros, and the damages incurred at €795 million. In this regard, the Company filed suit in the judicial review division of the High Court of Justice of Catalonia on 18 November 2020 against the Resolution of the Regional Minister of Territory and Sustainability approving the final settlement of the contract. This litigation included a claim of €1,064 million, plus default interest.

The parent's company Directors consider that the final outcome of the proceedings described above will not result in any outflow of resources for the Group or any loss of assets.

Finally, Acciona, S.A. appears as a defendant together with Acciona Construcción, S.A. and the other shareholders of its investee Infraestructuras y Radiales S.A. (IRASA, the sole shareholder of Autopista del Henares S.A.C.E., operator of the R-2 toll motorway concession in the Autonomous Community of Madrid), in an action brought by divers investment funds claiming to be the current holders of IRASA's bank debt, who have demanded the payment of €567 million (approximately €142 million from the Acciona Group) as compensation for alleged breaches of shareholder undertakings. This claim has been answered and the case will be heard under the ordinary civil procedure in 2022. The Group does not consider it likely that any liability will arise from this litigation and, therefore, no provision has been recognised.

Provision for pensions and similar obligations

The Group includes provisions for pensions and similar obligations, contracted mainly as a consequence of the acquisition of assets and/or companies from the Endesa Group in 2009, under *Non-current provisions* in the accompanying consolidated balance sheet.

A sample of 83 employees was considered for measurement purposes in 2021 (83 employees in 2020), 32 of whom have already taken early retirement or are retired (28 retirees at 31 December 2020). Not all of these employees are in the same situation or qualify for the same benefits. The main characteristics of these provisions are as follows:

i) Defined benefits pension plan with salary growth indexed to inflation. This plan is treated strictly as a defined benefits scheme. The assumptions used to calculate the actuarial liability in respect of the uninsured defined benefit obligations at 31 December 2021 and 2020 were as follows:

	2021	2020
Interest rate	1.06%	0.67%
Mortality tables	PERPM/F2020	PERPM/F2000
Expected return on plan assets	1.06%	0.67%
Salary growth	1.00%	1.00%

Changes in the actuarial liabilities related with defined benefit obligations at 31 December 2021 and 2020 were as follows:

	2021	2020
Initial actuarial liability	**2,567**	**2,773**
Cost incurred in the year	68	73
Financial costs	19	33
Benefits paid in the year	-	(145)
Actuarial gains and losses	(88)	(167)
Final actuarial liability	**2,566**	**2,567**

Changes in actuarial assets related with defined benefit obligations at 31 December 2021 and 2020 were as follows:

	2021	2020
Initial actuarial assets	**1,488**	**1,706**
Return for the period	10	20
Contributions made in the year	296	264
Actuarial gains and losses	86	(502)
Final actuarial assets	**1,880**	**1,488**

The total final actuarial assets and liabilities at 31 December 2021 and 2020 were related in their entirety full to defined benefit obligations in Spain.

The amount recognised in the consolidated income statement in respect of defined benefit pension obligations in the year ended 31 December 2021 was €76 thousand (€86 thousand in 2020), reflecting the cost incurred in the period, as well as returns and finance cost on the assets and liabilities associated with these employee benefits.

ii) Obligations to provide certain employee social benefits during retirement, mainly in respect of the supply of electricity. These obligations were not externalised and are covered by in-house provisions totalling €1,892 thousand at 31 December 2021 (€2,564 thousand at 31 December 2020).

The actuarial changes recognised in respect of these obligations generated a gain of €693 thousand in 2021 (loss of €176 thousand in 2020).

These liabilities were entirely related with past redundancy plans implemented by Group companies in Spain. The Plan covers employees with at least 10 years' recognised seniority.

The impact of these plans on the consolidated income statement is not material.

20.- Financial debt

a) Bank borrowings

At 31 December 2021 and 2020, recourse and non-recourse bank borrowings, in the latter case consisting of debt that is not secured against corporate guarantees so that recourse is limited to the debtor's cash flows and assets, were as follows (expressed in thousands of euros):

	2021		2020	
	Current	Non-Current	Current	Non-Current
Non-recourse bank borrowings	**116,904**	**537,492**	**117,587**	**636,537**
Mortgage loans to finance non-current assets	1,718	2,690	2,950	3,866
Mortgage loans tied to property developments	1,187	--	224	--
Project finance	83,432	491,950	98,094	601,655
Obligations under finance leases	16,348	39,129	10,544	18,422
Other debts with limited recourse	14,219	3,724	5,776	12,594
Recourse bank borrowings	**163,473**	**1,535,326**	**593,101**	**3,348,697**
Discounted notes and bills not yet due	--	--	--	--
Other bank loans and overdrafts	163,473	1,535,326	593,101	3,348,697
Total bank borrowings	**280,377**	**2,072,818**	**710,688**	**3,985,234**

All financial liabilities concerned in this note comprise financial instruments measured at amortised cost except financial derivatives, which are disclosed in Note 22 and are measured at fair value.

Interest on the Group's loans and overdrafts in 2021 and 2020 was benchmarked mainly to EURIBOR for borrowings denominated in euros, although a portion of the Group's borrowings were also tied to other indices such as LIBOR for borrowings in US dollars, CDOR for borrowings in Canadian dollars, TIIE for borrowings in Mexican pesos, WIBOR for borrowings in Polish zloty, BBSY for borrowings in Australian dollars and JIBAR for financing in South African rand, the main benchmark rates used by the Group outside the euro zone. As a consequence of the IBOR reform process, the Group has begun to contract borrowings at risk-free benchmark rates (RFR), including SOFR for US dollars, €STER for euros and SONIA for pounds sterling. A significant part of the Group's borrowings are hedged by financial derivatives to mitigate the effects of volatility in the interest rates paid by the Acciona Group (see Note 22).

The Acciona Group invests through its subsidiaries and associates in transport infrastructure, energy assets, water supply infrastructure and hospitals, among other activities. The resulting assets are funded through "Project finance" arrangements and are operated by subsidiaries, joint operations and associates.

These financing structures used for projects capable of providing the lender banks with sufficient assurances with regard to the repayment of the borrowings arranged. Accordingly, each project is normally executed through a special purpose vehicle through which the related assets are financed, on the one hand, using funds contributed by the developers, which are limited to a predetermined amount and, on the other, out of long-term borrowings arranged with third parties, which is generally the larger portion of the total funding. Debt service on these loans or credits is backed by the future cash flows expected on the projects financed, and by collateral guarantees on assets and financial claims.

In 2021, the net decrease of €124 million reflected under *Current and non-current project finance* relates basically to scheduled repayments on loans of this kind, the positive effects of translation differences in the period, which amounted to €6 million, arising mostly from projects undertaken in US dollars, and to the cancellation of four project finance arrangements for a total of €53 million, which have been refinanced out of corporate debt.

The main change in recourse borrowings in 2021 is reflected under *Other bank loans and overdrafts* and consists of a net diminution of €2,243 million resulting from the debt reorganization carried out in connection with the IPO carried out by Corporación Acciona Energías Renovables, S.A., as explained in the following paragraphs, and the increase in debt issues in the capital markets under the EMTN programme (see Note 20 b)).

In the context of the preparatory actions adopted prior to the IPO, the affiliate Acciona Energía Financiación Filiales, S.A. (a wholly-owned affiliate of Corporación Acciona Energías Renovables, S.A.) entered into facility agreement for a total of €2,500 million with a syndicate of banks in May 2021, which was guaranteed by the parent, Corporación Acciona Energías Renovables, S.A. The facility is divided into three parts: tranche A for a maximum amount of €1,000 million, tranche B for a maximum amount of €1,000 million, and tranche C for a maximum amount of €500 million. Tranches A and B are structured as term loans with a drawdown period, so that any prepayments made will no longer be available for future utilisation (loan format). Both of these tranches mature on 26 May 2024. Tranche C, however, is structured as a credit facility, i.e. the amounts repaid may be utilised again until the end of the drawdown period, which is the same as the term of the facility, maturing 26 May 2026. The balance utilised on the loan at 31 December 2021 was €550 million.

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The affiliate Acciona Financiación de Filiales, S.A. also entered into a new loan agreement with a syndicate of banks in May 2021 for a total of €800 million, once again secured by the affiliate's parent, in this case Acciona, S.A. The loan was split into two parts: tranche A for a maximum amount of €200 million, structured as a term loan with drawdown period, and tranche B for maximum of €600 million, structured as a credit facility. Both tranches mature on 26 May 2024. The balance utilised on the loan at 31 December 2021 was €200 million.

Both of these loans were subject to a series of conditions precedent at the time they were arranged, chief among them being the successful conclusion of the IPO launched by Corporación Acciona Energías Renovables, S.A. As an additional condition of both loans, the borrower in each case was required to apply the utilisations made in the first place to repay a series of existing funding instruments consisting of bank and intragroup borrowings arranged by Acciona Financiación de Filiales, S.A. including syndicated loans, bilateral loans and credit facilities.

The purpose of these syndicated loans was to prepare the necessary financial structure of both companies before the stock market listing of the renewable energy subgroup. In the case of Corporación Acciona Energías Renovables, S.A., the syndicated loan provided the necessary resources to ensure its financial independence as a new listed company by repaying the debts of the subgroup's affiliates with Acciona Financiación de Filiales, S.A. As a consequence, Acciona Energía Financiación de Filiales, S.A. drew down a balance of around €1,560 million on the syndicated facility described above on 8 July 2021, after fulfilment of the conditions precedent and cancelled substantially all of the subgroup's debt with Acciona Financiación de Filiales, S.A.

At 31 December 2021, the Group companies had unused financing available for utilisation amounting to €2,901 million under working capital facilities. Group management considers that the amount of these facilities and ordinary cash generation, as well as the realisation of current assets, will sufficiently cover all current obligations.

As explained in Note 4.2.I), IFRS 13 requires modification of the techniques applied by the Acciona Group to measure the fair value of derivative instruments, in order to include the adjustment for bilateral credit risk so as to reflect both own and counterparty risk in the fair value of derivatives.

The credit risk adjustment resulted in a diminution of €2,564 thousand in the fair value of liability derivatives at 31 December 2021, which the subsidiaries concerned recognised by decreasing the amount of bank debt by €1,131 thousand and the amount of derivative financial assets by €11 thousand, and an increment of €1,422 thousand in the carrying amount of investments accounted for using the equity method without considering the tax effect. The net effect of taxes and other external amounts produced by this change in valuation adjustments for cash flow hedges was positive, amounting to €1,730 thousand.

At 31 December 2021 and 2020, neither Acciona, S.A. nor any of its significant subsidiaries were in breach of any financial or other obligations that might trigger an event of default leading to the termination of borrowings.

There were no defaults or other breaches of the terms of bank borrowings affecting principal, interest or repayments.

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Borrowings by the real estate activity are classified as current liabilities in view of the production cycle of the inventory properties they are used to finance, even though some of these liabilities fall due in over twelve months.

A breakdown of bank borrowings by contractual maturity (excluding the value of cash flow hedging instruments) at 31 December 2021 is as follows (expressed in thousands of euros):

2022	2023	2024	2025	2026	2027	Subsequent years	Total
245	232	1,036	128	361	49	245	2,296

Obligations under finance leases

The Group's obligations under finance leases at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

	Minimum lease payments	
Finance leases payables	**2021**	**2020**
Less than one year	18,984	10,881
Between one and two years	15,585	10,756
Between two and five years	13,433	8,272
More than five years	21,681	247
Total lease payables	**69,683**	**30,156**
Less future finance charges	14,206	1,191
Present value of lease obligations	**55,477**	**28,965**
Less amount due for settlement within 12 months (current liability)	16,348	10,544
Amount due for settlement after twelve months	**39,129**	**18,422**

The main finance lease entered into with banks in 2021 was arranged in Australia to acquire specialised construction machinery for an amount of €28 million (see Note 7). It is the Group's policy to lease certain of facilities and equipment under finance leases. The average lease term is between two and five years. The average effective interest rate in the year ended 31 December 2021 was equal to the market rate. Interest rates are set at the lease contract date. All leases have fixed payments and no arrangements have been entered into to make contingent lease payments.

b) Debentures, bonds and marketable securities

Recourse and non-recourse debentures bonds and marketable securities, in the latter case consisting of debt that is not secured by corporate guarantees so that recourse is limited to the debtor's cash flows and assets, at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

	Thousands of euros	
	2021	**2020**
Non-recourse debentures, bonds and marketable securities	196,070	192,527
Recourse debentures, bonds and marketable securities	3,833,808	1,969,912
Debentures, bonds and marketable securities	**4,029,878**	**2,162,439**

Changes in these current and non-current liabilities in the consolidated balance sheet at 31 December 2021 and 2020 were as follows:

	Thousands of euros	
	2021	**2020**
Opening balance	**2,162,439**	**1,750,705**
Issues	5,026,829	2,281,581
Repayments	(3,187,830)	(1,854,432)
Other changes	28,439	(15,415)
Closing balance	**4,029,878**	**2,162,439**

The main change in *Issues* in 2021 consisted of the issue of EMTNs and ECPs (promissory notes) totalling €541 million and €565 million, respectively, under the Euro Medium Term Notes (EMTN) and Euro Commercial Paper (ECP) programmes described below. The *Repayments* line includes the amortisation at maturity of promissory notes and EMTNs totalling €222 million and €2,952 million, respectively.

Other changes comprised mainly translation differences arising in respect of two bond issues denominated in currencies other than the euro.

The maturities of these obligations in 2021 and thereafter is as follows (expressed in thousands of euros):

2022	2023	2024	2025	2026	2027	Subsequent years	Total
1,652	246	290	144	209	682	802	4,025

The main issues of debentures, bonds and marketable securities at 31 December 2021 were as follows:

- Bond issue rated BBB according to Standard & Poors and BBB- by Fitch, carried out by the Mexican subsidiaries CE Oaxaca Dos, S.R.L. de C.V. and CE Oaxaca Cuatro, S.R.L. de C.V. on 10 August 2012 for a total of USD 298.7 million. The purpose of this issue was to finance the development, construction and operation of two 102 MW wind power projects for the Mexican Federal Electricity Commission (FEC). The issue bears interest at a rate 7.25% per annum, payable every six months on 30 June and 31 December until 31 December 2031. Amortisation of the debt began on 31 December 2012 and payments will continue every six months six months until final redemption on 31 December 2031. The non-current balance recognised in respect of this bond issue at 31 December 2021 was €183.1 million and the current balance was €13 million.

- Euro Commercial Paper (ECP) Programme launched in 2013 and renewed annually since then, most recently on 27 April 2021. Acciona Financiación Filiales, S.A. is the issuer of the Programme, which is guaranteed by Acciona, S.A. The maximum amount of the Programme is €1.000 million euros. The balance recognised under current debentures and bonds in respect of this programme was €836 million at 31 December 2021.

In 2020 the Group launched a new Euro Commercial Paper (ECP) Programme underwritten directly by Acciona, S.A. as issuer for a maximum amount of €1.000 million euros. This programme was set up with the aim of broadening the investor base and meeting the eligibility criteria established by the Euro system for asset purchases (specifically purchases of commercial paper) under the "Pandemic

Emergency Purchase Programme" (PEPP) announced by the European Central Bank in March 2020. The balance recognised under current debentures and bonds in respect of this programme was €203 million at 31 December 2021. Both programmes are listed in Euronext Dublin (formerly the Irish Stock Exchange) and are used to issue notes with maturities of between 3 and 364 days in the euro market.

- Issue of ordinary bearer debentures through a private placement carried out by Acciona, S.A. in April 2014 for a total of €62.7 million euros, maturing in 2024 and with a fixed coupon of 5.55% payable annually. The non-current balance of these bearer debentures, net of transaction costs and interest accruals, was €62 million at 31 December 2021, and the current balance was €2.3 million. The fair value of the debenture issue at 31 December 2021 was €68.92 million.

- Euro Medium Term Note (EMTN) Programme initially launched in 2014 and renewed annually since then. This Programme is underwritten by Acciona Financiación Filiales, S.A., and it is guaranteed by Acciona, S.A. It was last renewed for a maximum of €2.000 million on 29 April 2020. In accordance with applicable European regulations, the initial prospectus and subsequent renewal prospectuses and supplements are approved by the Central Bank of Ireland. The outstanding issues bear annual interest at rates ranging from 0% to 4.25%. The securities issued under this programme may accrue fixed or variable interest, may be issued in euros or in any other currency, at or below par, or with a premium, and may have different maturity dates for principal and interest.

The balance of the EMTN Programme recognised in non-current obligations and bonds, net of transaction costs and interest accruals, was €1,541 million at 31 December 2021, and the current balance was €102 million. The fair value of the notes at 31 December 2021 was €1,638 million.

Since the IPO carried out by Corporación Acciona Energías Renovables, S.A., its affiliate Acciona Energía Financiación de Filiales, S.A. has arranged the following programmes:

- Euro Medium Term Note (EMTN) Programme of 20 July 2021. This programme is guaranteed by the parent company, Corporación Acciona Energías Renovables, S.A., and the maximum amount is €3.000 million. It is rated BBB- by Fitch and BBB (high) by DBRS, resulting in a programme update effected by means of a supplement dated 10 September 2021. As explained above, the initial prospectus, renewals and supplements are approved by the Central Bank of Ireland. The securities issued under this programme may accrue fixed or variable interest, may be issued in euros or in any other currency, at or below par, or with a premium, and may have different maturity dates for principal and interest.

  Bonds totalling €500 million were issued under this programme on 7 October 2021. The annual coupon was set at 0.375%. The issue is structured under an advanced green financing framework, which is fully aligned with the European Union's taxonomy of sustainable activities and the requirements of the EU green bond standard.

  The balance recognised in respect of these bonds at 31 December 2021, net of transaction costs and accrued interest payable, was €496.8 million, all of which was included in the consolidated balance sheet under non-current liabilities.

- Euro Commercial Paper (ECP) Programme launched on 20 July 2021. A supplement was added as following the issue of credit ratings by Fitch and DBRS. This Programme for a maximum issue of €2.000 million was approved by the Central Bank of Ireland, is guaranteed by Corporación Acciona Energías Renovables, S.A. and has an initial term of one year until July 2022. Maturity of the promissory notes issued under the programme may not exceed 364 days. The notes may bear fixed or variable interest, may be issued in euros or in any other currency, at, below par, or with a premium.

The total balance recognised in respect of these notes at 31 December 2021, net of transaction costs and accrued interest payable, was €509.1 million, all of which was included in the consolidated balance sheet under current liabilities.

There were no issues convertible into shares at 31 December 2020, or issues granting rights or privileges that might, in the event of a contingency, make them convertible into shares of the Parent Company or of any of the Group companies.

c) Other debt-related information

At 31 December 2021, the average interest rate on debt, including both bank borrowings and the debt issued in the form of debentures and other negotiable securities, was 2.43%.

The percentage of debt that was not exposed to interest rate volatility was 54.48% at 31 December 2021.

Debt issues in currencies other than the euro at 31 December 2021 (main foreign currencies in which the Acciona Group operates) were as follows:

	Financial debt	
Currency	**2021**	**2020**
US dollar	459,010	407,720
Australian dollar	30,080	401,440
South African rand	183,083	200,298
Polish zloty	12,556	16,923
Canadian dollar	53,178	59,080
Indian rupee	45,024	46,386
Other	50,623	42,607
Total	**833,554**	**1,174,453**

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A reconciliation of the carrying amounts of financial debt, differentiating changes that generate cash flow from those that do not, is as follows:

Balance at 31.12.19	**7,262,363**
Cash inflows	2,279,596
Cash outflows	(2,181,381)
Transfers to held-for-sale liabilities	(260,323)
Change in value of derivatives	(12,109)
Change in scope of consolidation	(178,544)
Translation differences and other	(51,241)
Balance at 31.12.20	**6,858,361**
Cash inflows	4,107,016
Cash outflows	(4,630,743)
Transfers to held-for-sale liabilities	--
Change in value of derivatives	(37,836)
Cancellation of derivatives	16,062
Change in scope of consolidation	17,729
Translation differences and other	52,485
Balance at 31.12.21	**6,383,074**

21.- <u>Risk management</u>

The geographical and business diversification of the Acciona Group exposes it to certain risks, which are managed applying the corporate Risk Management System. This is designed to identify events that could potentially affect the organisation, to manage risks by establishing appropriate internal control and operational procedures to keep the likelihood of occurrence and impact of such events within the applicable tolerance levels, and to provide reasonable assurance in relation to strategic business objectives.

Corporate policy in this area integrates risk management with Acciona's strategy and establishes the framework and principles of the Risk Management System.

The risk management policy addresses all risks associated with the different businesses carried on by Acciona in all geographical regions.

<u>Interest rate risk</u>

Interest rate fluctuations can affect future cash flows related with assets and liabilities contracted at floating rates.

The risk of changes in interest rates is a key factor affecting the funding of infrastructure projects, in the concession contracts entered into by the concessions and water activities, in the construction of wind farms and generating facilities by the energy division, and in other projects where interest rate fluctuations can significantly impact the returns. This risk is managed by means of hedges instrumented using financial derivatives, mainly interest rate swaps (IRS).

Appropriate hedging transactions are contracted to mitigate these risks and ensure that projects generate the expected returns based on the Finance Department's projections of interest rates trends and the hedging needs associated with each project. The level of debt hedged in each project depends on the type of project in question and the country where the investment is made.

The benchmark interest rate for the borrowings arranged by the Acciona Group companies is mainly Euribor for transactions denominated in euros, Libor for transactions denominated in US dollars, CDOR for transactions denominated in Canadian dollars, and BBSY for transactions denominated in Australian dollars. Borrowings arranged for projects in Latin America are normally benchmarked to the normal indices used in local banking practice, or to LIBOR rate if the projects in question are financed in US dollars. As a general rule, each project is financed in the currency in which the future asset will generate cash flows (natural hedging of the exchange rate risk).

Sensitivity testing of interest rate derivatives and debt

The financial instruments exposed to interest rate risk comprise basically borrowings arranged at floating interest rates and derivative financial instruments.

A simulation was performed to analyse the effects that possible fluctuations in interest rates could have on the Group's financial statements, assuming a +100 basis point increase and a -25 basis point swing in the interest rates applicable to floating-rate debt at 31 December 2021.

Based on this analysis, an upward change of 1% in floating interest rates (basically Euribor and Libor) would increase the interest expense by €28,961 thousand, while a downward change of 0.25% would decrease the expense by €7,240 thousand, without considering the impact on derivatives.

The analysis of sensitivity to upward or downward swings in the long-term interest rate curve in relation to the fair value of the interest rate derivatives contracted by the Group for use in cash flow hedges at 31 December 2021 showed the following impacts before tax from a 1% increase or a 0.25% decrease in the interest rate curve:

Sensitivity +1%	(+) Decrease in net debt due to derivatives	(+) Increase in net investment in associates	(+) Decrease in other valuation adjustments
Group companies	52,851	--	52,851
Associates (*)	--	29,134	29,134
Total +1% sensitivity impact	**52,851**	**29,134**	**81,986**

(*) Based on the percentage interests held

Sensitivity -0,25%	(-) Increase in net debt due to derivatives	(-) Decrease in net investment in associates	(-) Increase in other valuation adjustments
Group companies	6,160	--	6,160
Associates (*)	--	7,639	7,639
Total -0.25% sensitivity impact	**6,160**	**7,639**	**13,799**

(*) Based on the percentage interests held

Foreign exchange risk

The significant internationalisation of the Group's businesses exposes it to foreign currency risk inherent in transactions in the currencies of the countries where it invests and operates.

This risk is managed by the Group's General Business, Finance and Sustainability Department applying non-speculative hedging criteria.

Foreign currency risks relate basically to the following transactions:

- Foreign currency debts contracted by Group companies and associates
- Amounts payable in foreign currencies for procurements, goods and services
- Amounts receivable in foreign currencies
- Investments made in foreign companies

Wherever possible, the Acciona Group uses natural hedges, contracting borrowings in the currency in which the related asset is denominated. Where this is not possible, the Acciona Group contracts currency derivatives (mainly foreign currency hedges) to cover future transactions involving future cash flows, within acceptable risk limits.

The net assets resulting from net investments in foreign companies whose functional currency is not the euro are also exposed to foreign currency risk related with the translation of their financial statements in the consolidation process.

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A breakdown of the current and non-current assets and liabilities, and equity at 31 December 2021 denominated in the main currencies in which the Acciona Group operates is as follows (expressed in thousands of euros):

Currency	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Net assets	Sensitivity (10%)
Australian dollar (AUD)	1,100,313	1,355,299	238,091	1,134,143	1,083,378	108,338
Canadian dollar (CAD)	214,553	284,190	72,727	237,741	188,275	18,828
Chilean peso (CLP)	103,135	191,952	48,076	153,341	93,670	9,367
Brazilian real (BRL)	93,309	150,808	1,968	108,262	133,887	13,389
Mexican peso (MXN)	278,118	308,318	131,855	117,985	336,596	33,660
Zloty (PLN)	153,707	248,562	89,813	155,040	157,416	15,742
US dollar (USD)	3,951,917	564,679	1,359,956	570,682	2,585,958	258,596
S. African rand (ZAR)	190,350	63,308	204,153	17,377	32,128	3,213

The last column of the above table shows the estimated negative impact on the Group's equity of a 10% revaluation in the euro exchange rate with respect to the eight main currencies in which the Group operates and holds investments.

Sensitivity testing of exchange rate insurance derivatives relating to commercial transactions

The Group holds exchange rate insurance derivatives to hedge future payments to suppliers in currencies other than the functional currency.

In order to analyse the effect that possible fluctuations in exchange rates could have on the Group's exchange rate insurance derivatives, a simulation was performed which assumed a 0.05% increase or decrease in exchange rates at 31 December 2021 on the amount of hedged foreign currency transactions.

The analysis of sensitivity to upward or downward swings in the long-term exchange rate curve in relation to the fair value of exchange rate derivatives contracted by the Group for use in cash flow hedges at 31 December 2021 showed the following impacts before tax from a 0.05% increase or decrease in the interest rate curve:

Sensitivity +0.05%	(+) Decrease in net debt due to derivatives	(+) Increase in net investment in associates	(+) Decrease in other valuation adjustments	(+) Increase in profit for the year
Group companies	27,926	--	3,799	24,127
Associates (*)	--	58	58	--
Total +0.05% sensitivity impact	**27,926**	**58**	**3,857**	**24,127**

(*) Based on the percentage interests held

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Sensitivity -0.05%	(-) Increase in net debt due to derivatives	(-) Decrease in net investment in associates	(-) Increase in other valuation adjustments	(-) Decrease in profit for the year
Group companies	30,938	--	4,198	26,740
Associates (*)	--	64	64	--
Total -0,05% sensitivity impact	**30,938**	**64**	**4,262**	**26,740**

(*) Based on the percentage interests held

Credit risk

Credit risk refers to the likelihood of default by the counterparty to a contract on its obligations, resulting in financial losses. The Group maintains a policy of trading and contracting only with solvent third parties, seeking sufficient guarantees to mitigate the risk of losses in the event of default. Furthermore, the Group only contracts with entities with a similar or higher investment rating as its own, and it actively seeks information on its counterparties through independent rating agencies, other public sources of financial intelligence and from its relations with its own customers.

Trade bills and receivables relate to a large number of customers spread across a broad range of industries and geographical regions. Credit relations with customers and solvency are assessed on an on-going basis, and credit insurance is arranged where necessary.

Default risk, which affects fundamentally the infrastructure division, is assessed before entering into contracts with public and private customers. Assessment includes both a solvency study and oversight of contractual conditions from the standpoint of financial and guarantees. Due settlement of receivables is tracked on an ongoing basis over the whole course of projects and any necessary adjustments are made applying financial criteria.

The Group is not materially exposed to credit risk with any of its customers or with classes of similar customers. Credit risk is not significantly concentrated.

Exposure to credit and liquidity risk in respect of derivative instruments with a positive fair value is limited in the Acciona Group, because cash is only placed and derivatives arranged with eminently solvent counterparties displaying high credit ratings, and no single counterparty concentrates a material level of the total credit risk.

The definition of fair value of a liability established by IFRS 13 is based on the concept of transfer to a market participant, confirming that own credit risk must be considered to measure the fair value of liabilities. Accordingly, Acciona adds a bilateral credit risk adjustment in order to reflect both its own risk and the counterparty risk in the fair value of derivatives.

Liquidity risk

The Acciona Group manages liquidity risk prudently, ensuring that it holds sufficient cash and marketable securities (see Note 17) and arranging appropriate overdraft facilities to cater for all projected needs. As mentioned in Note 20 above, the Group companies had unused financing totalling €2,901,393 thousand available for drawing under working capital facilities at 31 December 2021. The average term of these facilities is 3.21 years.

Ultimate responsibility for liquidity risk management lies with the General Business, Finance and Sustainability Department, which has established an appropriate framework to control the Group's short, medium and long-term liquidity needs. The Group manages liquidity risk by holding adequate reserves, seeking appropriate banking services and ensuring the availability of loans and credit facilities, tracking projected and actual cash flows on an ongoing basis and matching them with financial asset and liability maturity profiles.

In relation to this risk, the Acciona Group has registered two European Commercial Paper programmes as part of its effort to diversify its funding sources, allowing it to issue commercial paper with a term of less than one year up to a maximum aggregate amount of €3,000 million, as well as Euro Medium Term Notes programme for a maximum of €2,000 million euros (see Note 20).

Business risk vs. budget deviations

The Group has an overarching system of financial and budget controls specifically adapted to the activities of each business, which provides managers with the relevant information and procedures to control potential risks and adopt the most appropriate management decisions. The business and financial information generated by each division is periodically contrasted with forecast figures and indicators for business volumes, returns, cash flows and other relevant parameters are assessed. The appropriate corrective measures are taken, where necessary.

Price risk

Price risk in the Spanish electricity market is regulated by Royal Decree-Law 9/2013 adopting urgent measures to guarantee the financial stability of the electricity system, which was published on 12 July 2013. The Royal Decree-Law, which entered into force on 13 July 2021, repealed other statutory instruments including Royal Decree 661/2007 of 25 May 2007 governing the remuneration framework supporting the renewable energy resources used at most of the generating plants owned by the Corporación Acciona Energías Renovables subgroup in Spain. The new remuneration methodology established by Royal Decree 413/2014 regulating electricity generating using renewable energy resources, co-generation and waste.

In accordance with this methodology, certain generating facilities are entitled not only to remuneration in the form of revenues earned from the sale of power at market prices but also to specific remuneration comprising a term per unit of power installed (investment remuneration), covering, where appropriate, any investment costs for a standard facility that are not recoverable through electricity sales in the market, and an operating term (operating remuneration) covering, where applicable, the difference between operating costs and the revenue obtained from the participation of such standard facility in the market. The investment and the operating terms of this remuneration are subject to review at the end of every regulatory half period (three years), taking into consideration the revenue earned by standard facilities on energy sales at market prices in order to include any upward or downward variations outside the bands established in RD 413/2014 in the calculation of specific remuneration. At the end of the regulatory period (six years), all the parameters of the model will be subject to review except for the useful life and investment value of facilities. The new remuneration parameters for the second regulatory period were published in the first quarter of 2020 and will apply in the period 2020-2025, inclusive.

Investment and operating remuneration are set in such a way as to ensure that eligible facilities obtain a reasonable return over their useful lives. In accordance with Spanish Royal Decree-Law 9/2013, the reasonable return for the first regulatory period (2014-2019) would be based on the average market yield of ten-year Spanish government bonds applying an appropriate spread, which was set at 300 basis points (rate of return of 7.398%), subject to review every six years. On 22 November 2019, however, a new Royal Decree-Law was published, adopting urgent measures required to adapt the remuneration parameters applicable in the electricity system and addressed the discontinuation of operations by thermal power plants. This Royal Decree-Law updated the value of the reasonable return applicable to the specific remuneration system for the period 2020-2025 (inclusive) to 7.09%. In order to ensure the stability of the remuneration framework for generating facilities entitled to premium remuneration before the entry into force of Royal Decree-Law 9/2013, meanwhile, these facilities were allowed the option to maintain the rate of return set for the first regulatory period (7.398%) until 2031 (two regulatory periods), subject to a waiver of the right to continue or initiate new legal or arbitration proceedings, or to accept any resulting compensation.

Based on the prevailing regulatory framework, then, a significant part of the Group's renewables assets, particularly wind farms commissioned before 2004 and numerous mini hydropower stations, are no longer entitled to receive any remuneration in addition to market prices and are therefore exposed to changes in the market price of electricity.

The second half of 2021 saw an extraordinary surge in energy prices driven primarily by soaring international gas prices, which have impacted electricity markets both in Spain and beyond. As a consequence, the Group's facilities will face a sharp reduction in the investment remuneration factor in the coming regulatory half periods and some of them, notably wind farms commissioned between 2004 and 2007 will no longer receive any income of this nature in the next half period (2022 to 2024).

Some 56.6% of the total power produced by the Group in the Spanish electricity market is subject to regulated remuneration, while the remainder earn revenues at market prices.

With regard to price risk in the other electricity markets where the Corporación Acciona Energías Renovables Group operates, 54.1% of production is subject to long-term purchase price agreements (PPAs) with third parties, 17.3% is subject to regulated or *feed-in tariff* structures, and the remainder (around 28.6%) is sold on the free market at unrestricted prices. Almost all of the PPAs entered into by the Group are settled by means of physical deliveries of power, and they are made or maintained in line with power purchasing, sale and demand requirements established on the basis of Group strategy. Hence, these contracts are not measured at fair value (see Note 4.2.I). The Group measures PPAs that are not settled by means of physical delivery at fair value with changes in consolidated profit or loss, or with changes in equity where hedge accounting applies (see Note 22).

Risks associated with climate change and energy transition

Climate risks are managed applying a special corporate procedure, which identifies, measures, prioritises and reports risks associated with climate change to the Group's executive management, where they could affect its operating facilities. This process ensures that policies are drawn up and actions taken based on tolerance thresholds in line with the Group's objectives over different time horizons.

Short-term (1 year), medium-term (5 years) and long-term (10 years) scenarios have been prepared in line with the science based targets (SBTs) published by the Acciona Group.

The Group identifies climate-related risks and opportunities applying the following tools:

- Physical risks: The Group has created a digital model of climate change scenarios, which is used to track historical climate variables and project future scenarios based on risking temperatures and different time horizons at all of its facilities, in line with the recommendations contained in recent reports of the "*Intergovernmental Panel on Climate Change*" (IPCC).

- Transition risks: A balanced scorecard is used to track production, financial, emissions and power consumption variables. This tool also refers to climate policy and the carbon markets in each region, offering a key information resource to anticipate situations related, in particular, with medium to long-run physical events and short-medium run transition impacts. In order to avoid medium-long run transition scenarios, activities are identified according to the European ESG taxonomy. The identification process applied utilises additional tools that have not yet been included in the digital model, e.g. searches for legal requirements, an area in which the experience of the teams charged with evaluating different scenarios is indispensable.

The risk management process is carried out annually, beginning with the formation of a group of experts at the level of each business. Using the aforementioned tools, each business unit prepares a battery of risk scenarios affecting all of the Group's facilities, CGUs and/or activities (and/or those of the entire value chain) based on their geographical exposure and/or vulnerability. The commonly used climate scenarios to identify cases of transition risk involve forecast temperature increases of between 1.5 and 2°C, or increases of at least 3°C in cases of physical risk (RCP 6 to RCP 8.5).

Having defined each scenario, the risk is assessed in terms of the probability of occurrence and the likely economic and reputational consequences. The variables considered determine the eventual level of risk inherent in each of the scenarios modelled. Where the risk of occurrence is found to be high, each assessment group prepares specific reports for the Group's decision-making bodies, setting out mitigation options and the estimated costs associated with the scenario concerned. Thirty-six key risk events were described for eleven business lines in 2021.

In the final stage of the procedure, the climate risk scenarios are integrated with the Group's general risk management framework. Based on the analyses carried out, the Acciona Group's business strategy is low impact in terms of risk exposure but high impact in terms of opportunities.

The most significant physical climate change risks identified are the possibility of falling hydropower revenues due to declining rainfall in Spain (considered a high probability in the medium term) and a drop in the power output of wind farms caused by a reduction in the availability of the resource (low medium-term probability). A transition risk has also been identified in Oceania in relation with the regulatory drive to tax emissions produced by diesel-powered heavy machinery (moderate probability in the medium term). None of the risks identified would have a material impact on the Group's financial performance.

The Acciona Group considered the impact of climate change as one of its key assumptions in relation to accounting estimates and use of judgements in the process of preparing the consolidated annual accounts as at and for the year ended 31 December 2021. No impairments of property, plant and equipment or intangible assets, changes in the measurement of financial instruments or additional obligations arose as a result, however.

22.- Derivative financial instruments

The derivative financial instruments contracted and outstanding at 31 December 2021 and 2020 were recognised at market value in the accompanying consolidated balance sheet, as follows:

Thousands of euros		31.12.2021			
Type of derivative	Hierarchy	Assets (Notes 12 and 13)		Liabilities (Note 23)	
		Current	Non-Current	Current	Non-Current
Interest rate hedges	Level 2	5,647	--	1,420	47,576
Exchange rate hedges	Level 2	324	17	27,066	46
Energy price hedges	Level 2	--	123,742	--	36,083
Other energy derivatives	Level 2	--	39,729	--	--
Total derivatives		**5,971**	**163,488**	**28,486**	**83,705**

Thousands of euros		31.12.2020			
Type of derivative	Hierarchy	Assets (Notes 9 and 10)		Liabilities (Note 23)	
		Current	Non-Current	Current	Non-Current
Interest rate hedges	Level 2	--	--	3,071	97,342
Exchange rate hedges	Level 2	25,929	--	13,196	335
Energy price hedges	Level 2	1,174	4,116	--	--
Other energy derivatives	Level 2	--	62,412	--	29,292
Total derivatives		**27,103**	**66,528**	**16,267**	**126,969**

Energy price hedges

As part of their operations, the Group companies seek long-term energy sales contracts for all or part of the energy produced by their facilities in order to partially or fully mitigate the risks of fluctuations in sales at market prices. Depending on the regulatory framework in which the facilities operate, such contracts may involve the physical supply of energy (Power Purchase Agreements or PPAs), or they may be instrumented through financial derivatives in which the underlying is the market energy price with regular settlement of the difference between such market price and the contractually established production price.

The Group recognises the market value of the derivative provided that it cannot be demonstrated that it has been contracted in accordance with the energy sales strategy established for the facility. In addition, it is designated as a hedge or as a derivative with changes recognised through the income statement depending on the terms of the contract and the manner in which it is settled.

In order to eliminate the risk of fluctuations in the price applicable to electricity generated by exposed assets in Spain (see Note 21), the Group arranges short-term energy sales price hedges in the forward markets (OMIP, MEFF, EEX and others), which consist of financial contracts for differences, basically forwards and swaps, in accordance with its applicable policies and in line with Group management's expectations of the likely trend in Spanish electricity prices.

The Group also contracts derivative energy purchases to hedge the risk of price fluctuations affecting fixed-price contracts with electricity marketing customers.

Three affiliates of the Group located in Australia and one in Poland have entered into contracts allowing them to set the forward price of electricity sales for a set number of MWh.

All of these contracts are marked to market and any changes in fair value are recognised as valuation adjustments in equity.

Electricity derivatives	2021				2020		
(Thousands of euros)	Notional amount	Other non-current liabilities	Other non-current assets	Investments in associates (*)	Notional amount	Other non-current liabilities	Other non-current assets
Energy derivatives – hedging instruments	279,835	36,020	123,742	(57,635)	143,742	--	5,290

(*) *Amount attributed to investments in associates, net of taxes*

The positive and negative impacts of Energy derivatives on reserves, profit and loss and non-controlling interest at 31 December 2021 were: positive impact of €12,209 thousand on reserves (€2,485 thousand at 31 December 2020), net positive impact of €321 thousand on consolidated profit and loss (€826 thousand in the year ended 31 December 2020), and negative impact of €2,670 on non-controlling interests (€769 thousand at 31 December 2020). All of these amounts were balanced by an entry of €123,742 thousand under *Non-current trade receivables* (see Note 13), €36,020 thousand in *Payables for non-financial derivatives* (Note 23), and a reduction of €57,635 thousand in the value of equity-accounted companies (€4,116 thousand in *Non-current trade receivables* and €1,174 thousand in *Current receivables* at 31 December 2020) (see Note 13).

Interest rate hedges

The Acciona Group regularly arranges interest rate derivatives, which are designated as hedges. These instruments are used to hedge possible changes in cash flows due to interest payments on long-term floating rate financial liabilities.

The derivative financial instruments contracted and outstanding at 31 December 2021 and 2020 were recognised at market value under assets or liabilities in the accompanying consolidated balance sheet depending on fair value in each case and the consolidation method applied, as follows:

	2021				2020			
(Thousands of euros)	Notional amount	Financial liabilities	Financial Assets (Note 12)	Investments in associates (*)	Notional amount	Financial liabilities	Investments in held-for-sale associates (Note 15)(*)	Investments in associates (*)
				Cash flow hedges				
Interest rate swap	1,085,699	48,996	5,647	(15,078)	3,087,671	100,413	(35,004)	(35,004)
Total	**1,085,699**	**48,996**	**5,647**	**(15,078)**	**3,087,671**	**100,413**	**(35,004)**	**(35,004)**

(*) Amount attributed to investments in associates, net of taxes

Interest rate swaps are the main derivative instruments used by the Group to fix or limit fluctuations in the floating rates applicable to hedged borrowings. These financial derivatives are contracted mainly to hedge cash flows on the debt arranged to finance wind farms and photovoltaic facilities in the energy division, and infrastructure concession projects, as well as corporate debt financing working capital needs and projects.

The interest rate swaps held by the Group are mainly benchmarked to EURIBOR. At 31 December 2021, the fixed interest rates on EURIBOR benchmarked financial derivative instruments ranged from 0.02% to 5.06%, and at 31 December 2020 from -0.22% to 5.06%.

The amounts recognised by the Group are based on market values of similar instruments at the balance sheet date. Substantially all interest rate swaps are designated and effective cash flow hedges. Accordingly, fair value is deferred and recognised in equity.

The periods in which these cash flow hedges are expected to impact the income statement are as follows (expressed in thousands of euros):

	Future settlements				
	Less than 1 month	**1 - 3 months**	**3 months - 1 year**	**1 -5 years**	**More than 5 years**
Group companies	101	782	10,349	33,049	2,915
Associates (*)	1,555	754	6,327	8,743	16,260

(*) The investment in associates is based on the percentage interests held by the Group without considering the tax effect.

Changes in the fair value of these instruments are recognised directly in equity (see Note 18.e)). The net deferred tax asset arising on recognition of these instruments was €11,283 thousand at 31 December 2021 and €27,025 thousand at 31 December 2020. These amounts were recognised in equity lines (see Note 25).

The methods and criteria applied by the Group to measure fair value are described in Note 4.2.I.

The notional amounts of the liabilities hedged by interest rate derivatives were as follows:

	2021	**2020**
Group companies	461,985	2,412,358
Associates (*)	623,714	488,463
Held-for-sale associates (*)	--	186,849
Total notional amount	**1,085,699**	**3,087,671**

(*) Based on the percentage interests held

The notional amounts of the contracts entered into do not reflect the risk assumed by the Group but merely represent the basis for derivative settlement calculations. Changes in the notional amounts of the financial instruments contracted for the coming years are as follows:

	Change in notional amounts					
	2022	2023	2024	2025	2026	2027
Group companies	808,545	778,459	1,248,656	1,208,056	1,182,679	1,071,815
Associates (*)	577,399	490,742	563,573	271,526	130,616	121,508

(*) Based on the percentage interests held

Exchange rate hedges

The Group uses currency derivatives to hedge significant future transactions and cash flows. Exchange rate insurance contracts were used to hedge a portion of purchases and payments to suppliers in 2021 and 2020, mainly in euros, US dollars and Australian dollars.

The derivative financial instruments contracted and outstanding at 31 December 2021 and 2020 were recognised at market value under assets or liabilities in the accompanying consolidated balance sheet depending on fair value in each case, as follows:

	2021				2020			
(Thousands of euros)	Notional amount	Financial liabilities	Financial assets (Note 12)	Investments in associates (*)	Notional amount	Financial liabilities	Financial assets (Note 12)	Investments in associates (*)
				Cash flow hedges				
Exchange rate insurance	81,297	4,795	(17)	(29)	116,872	7,342	468	(172)
Total	**81,297**	**4,795**	**(17)**	**(29)**	**116,872**	**7,342**	**468**	**(172)**

(*) Amount attributed to investments in associates, net of taxes

The transactions outstanding at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

	2021			
	Currency	Final maturity	Amount contracted	Market value effect
Foreign currency purchase	EUR/AUD	15/06/2022	17.685	(1.035)
Foreign currency purchase	EUR/GBP	14/10/2022	21,085	(2,492)
Foreign currency purchase	EUR/USD	27/03/2023	11,530	(634)
Foreign currency purchase	USD/AUD	15/06/2022	10,952	(138)
Foreign currency purchase	EUR/AUD	03/07/2023	16,536	(493)
Foreign currency purchase	USD/AUD	23/08/2022	576	(3)
Foreign currency purchase	AUD/EUR	30/08/2024	1,579	17
Total Group companies			**79,944**	**(4,777)**
Foreign currency purchase	EUR/AUD	30/12/2022	728	(23)
Foreign currency purchase	USD/AUD	30/12/2022	217	(6)
Foreign currency purchase	CHF/AUD	30/12/2022	408	1
Total associates (*)			**1,353**	**(29)**

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(*) Based on the percentage interests held

2020				
	Currency	**Final maturity**	**Amount contracted**	**Market value effect**
Foreign currency purchase	EUR/AUD	15/11/2021	33,482	(2,226)
Foreign currency purchase	EUR/GBP	14/10/2022	44,709	(2,319)
Foreign currency purchase	EUR/USD	22/07/2021	7,158	468
Foreign currency purchase	JPY/AUD	30/04/2021	42	(3)
Foreign currency purchase	USD/AUD	01/02/2023	25,165	(2,794)
Total Group companies			**110,556**	**(6,874)**
Foreign currency purchase	CHF/AUD	30/12/2022	1,803	(67)
Foreign currency purchase	EUR/AUD	30/12/2022	3,553	(73)
Foreign currency purchase	USD/AUD	30/12/2022	960	(32)
Total associates (*)			**6,316**	**(172)**

(*) Based on the percentage interests held

The market values of foreign currency hedges at 31 December 2021 consisted mainly of the instalment terms of exchange rate insurance contracted to hedge payments to suppliers related with construction projects for waste-to-energy plants in Australia and the United Kingdom, and a desalination plant in Qatar, as well as purchases of road building machinery to be used in the construction of a highway in Australia.

The amounts recognised by the Group are based on market values of similar instruments at the balance sheet date. Substantially all foreign currency transactions are designated and effective cash flow hedges. Accordingly, fair value is deferred and recognised in equity.

The periods in which these cash flow hedges are expected to impact the income statement are as follows (expressed in thousands of euros):

	Future settlements				
	Less than 1 month	**1 - 3 months**	**3 months - 1 year**	**1 -5 years**	**More than 5 years**
Group companies	537	2,000	2,205	29	--
Associates (*)	3	10	28	--	--

(*) Based on the percentage interests held

Changes in the notional amounts of the financial instruments contracted for the coming years are as follows:

	Change in notional amounts					
	2022	**2023**	**2024**	**2025**	**2026**	**2027**
Group companies	1,579	--	--	--	--	--

(*) Based on the percentage interests held

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Equity impact of hedging instruments

A summary of the impact in equity of the measurement of derivative instruments at 31 December 2021 is as follows:

Thousands of euros	31.12.2021
Financial liability due to interest rate hedges	48,996
Financial asset due to interest rate hedges	(5,647)
Negative equity impact due to interest rate hedge contracted by associates, tax net	15,078
Negative equity impact due to interest rate hedge contracted by associates classified as held for sale, tax net (Note 15)	--
Net deferred tax receivable on interest rate hedges	(11,283)
Impact on frozen reserves	9,085
Inefficiency amount of hedges recognised in profit and loss for the year	(585)
Other, mainly due to non-controlling interests in interest rate hedging transactions	(7,132)
Adjustment due to changes in value of interest rate hedging transactions	**48,512**
Adjustment due to changes in value of exchange rate hedging transactions (net of non-controlling interests and tax)	**3,479**
Adjustment due to changes in value of energy contracts (net of non-controlling interests and tax)	**(12,209)**
Other	**1,612**
Total debit balance of valuation adjustments at 31 December (Note 18)	**41,395**

Other derivative financial instruments with effects in the income statement

Exchange rate insurance

The hedged item under certain exchange rate hedges has accrued and is recognised as outstanding on the balance sheet. Accordingly, the expected future cash flows hedged by the derivatives in question affect the current year's profit or loss as a result of exchange differences. Where hedged items have been recognised, the Group stops recognising impacts of the hedge in reserves and takes any changes in the fair value of hedged items to profit or loss, so as to match the impact of the hedged item with the derivative instrument.

The derivative financial instruments contracted and outstanding at 31 December 2021 and 2020 were recognised at market value under assets or liabilities in the accompanying consolidated balance sheet depending on the fair value of the derivative with changes in profit and loss in each case, as follows:

	2021			2020		
(Thousands of euros)	Notional amount	Financial liabilities	Financial assets (Note 12)	Notional amount	Financial liabilities	Financial assets (Note 12)
Derivative instruments with effects in profit and loss						
Exchange rate insurance	537,469	22,318	(324)	911,989	6,189	25,461
Total	**537,469**	**22,318**	**(324)**	**911,989**	**6,189**	**25,461**

The transactions outstanding at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

2021				
	Currency	Final maturity	Amount contracted	Effect of measurement at market
	(Thousands of euros)			
Foreign currency purchase	EUR/AUD	17/03/2022	119,166	2,053
Foreign currency purchase	EUR/USD	05/04/2022	332,868	20,101
Foreign currency purchase	USD/EUR	24/01/2022	70,769	163
Foreign currency purchase	NOK/EUR	18/02/2022	14,666	(324)
Total Group companies			**537,469**	**21,993**

2020				
	Currency	Final maturity	Amount contracted	Effect of measurement at market
	(Thousands of euros)			
Foreign currency purchase	EUR/AUD	12/01/2021	180,549	(4,405)
Foreign currency purchase	EUR/USD	24/03/2021	582,979	25,461
Foreign currency purchase	USD/EUR	04/01/2021	148,461	(1,784)
Total Group companies			**911,989**	**19,272**

These derivatives were contracted to hedge the exchange rates applicable to foreign currency loan repayments.

The periods in which these cash flow hedges are expected to impact the income statement are as follows (expressed in thousands of euros):

	Future settlements				
	Less than 1 month	1 - 3 months	3 months - 1 year	1 -5 years	More than 5 years
Group companies	163	15,372	6,459	--	--

Energy price derivatives

Certain long-term energy sales contracts for differences entered into in Chile and the United States do not qualify for hedge accounting due to their contractual and settlement terms. The Group measures these contracts at the year end and recognises any changes in value arising through the income statement under *Profit/(loss) from changes in value of financial instruments at fair value.*

If the value of these contracts when made, as measured by the Group, is more or less than zero, an asset or liability is recognised, unless the long-term energy prices and other assumptions on which the measurement was based are not fully observable in an active and sufficiently liquid market (see Note 13).

Electricity derivatives	2021			2020		
(Thousands of euros)	Notional amount	Other non-current liabilities	Other non-current assets	Notional amount	Other non-current liabilities	Other non-current assets
Energy derivatives through profit and loss	290,463	63	39,729	295,105	29,292	62,412

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Changes in value resulted in the recognised of a loss of €16,882 thousand under *Profit/(loss) from changes in value of financial instruments at fair value* in the consolidated income statement for 2021 (income of €23,586 thousand in 2020).

23.- Other non-current and current liabilities

Other non-current and current liabilities at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

Other liabilities	Non-current		Current	
	2021	2020	2021	2020
Grants	93,252	91,311	--	--
Other deferred income	28,898	61,770	--	--
Salaries payable	--	--	154,461	121,729
Loans from non-controlling interests	8,549	5,806	386	605
Other payables	1,020,423	772,446	976,732	1,489,103
Total	**1,151,122**	**931,333**	**1,131,578**	**1,611,437**

Other deferred income at 31 December 2020 included an amount in respect of the initial value of a non-financial derivative product contracted by a Chilean subsidiary of the energy division for the supply of power to a customer at an inflation-indexed fixed price for 13.5 years to a customer commencing in 2017. This balance was presented net of the value of the associated derivative product at 31 December 2021.

The main infrastructure division balances included under *Non-current other payables* at 31 December 2021 comprised a government loan of €61 million granted as part of the financing of Concesionaria A-2 Tramo 2, S.A.U., and an amount of €69 million (€67 million in 2020) in respect of the non-current part of withholdings applied to trade balances payable to construction activity suppliers and subcontractors by way of guarantee for the performance of their contractual undertakings. This heading also includes advances received from customers amounting to €243 million (€173 million in 2020), which will be deducted from the amount of future certificates payable in periods of more than one year in international construction projects.

In 2019 the Group entered into an agreement with a third party to assign future financial awards arising from lawsuits and claims for a fixed price of €213 million, of which €170 million were related to the claim filed in respect of ATLL Concessionària de la Generalitat de Catalunya, S.A (in liquidation) (see Note 13), and a contingent price based on the amount finally received upon the resolution of the litigation included in the agreement. As mentioned above, the compensation of €53.8 million already awarded by the Regional Government of Catalonia to ATLL Concessionària de la Generalitat de Catalunya, S.A. (in liquidation), did not form part of the awards assigned.

As explained in Note 19, the concession operator filed suit in the High Court of Justice of Catalonia in November 2020 against the settlement of the contract decided by the Catalan Regional Government. This dispute is not expected to be settled until more than twelve months have passed. The concession operator will only be liable to repay the amount received from the aforementioned third party once the legal proceedings in progress have been resolved, and the sum due will in all cases be limited to the actual proceeds of awards. Accordingly, this amount was classified under *Non-current other payables* in the consolidated balance sheet.

In the energy division, *Non-current other payables* at 31 December 2021 reflect financial contributions of €211 million (€199 million at 31 December 2020) made by non-controlling interests in Group projects and facilities, basically comprising three wind farms in the United States, through the Tax Equity Investor structure. These loans bear annual interest at a rate equal to the contractual target return.

The balance also includes an amount of €36 million (€29 million in 2019) relating to the fair value of two non-financial commodities derivatives arranged by subsidiaries of the Group for the future supply of a specified volume of power. These contracts are marked to market.

As explained in Note 4.2 O), *Non-current other payables* also includes the cumulative liability arising from market price deviations affecting generating renewable assets, which totalled €128.8 million (€4.2 million at 31 December 2020).

The decrease in the balance of *Current other payables* is mainly due to movements in accounts payable to suppliers of property, plant and equipment, mainly in the energy division, in respect of ongoing investments outstanding at 31 December 2020 in respect of wind farms under construction in the United States, Mexico, Australia and Chile, and solar photovoltaic plants in Chile.

This balance was also reduced at 31 December 2021 compared to the prior year due to the final cancellation of the current obligations recognised in respect of the settlement of a legal dispute with a supplier, which affected various Group companies mostly belonging to the energy division.

Grants comprise mainly amounts awarded for the construction of wind farms in the United States. Changes in 2021 and 2020 were as follows:

	Grants
Balance at 31.12.2019	**104,599**
Additions	848
Recognised in *Other revenue*	(5,030)
Other	(9,106)
Balance at 31.12.2020	**91,311**
Additions	7
Recognised in *Other revenue*	(5,058)
Other	6,992
Balance at 31.12.2021	**93,252**

There were no significant changes in 2021 or 2020. The line heading *Other* reflects mainly exchange gains arising from the appreciation of the US dollar against the euro.

24.- <u>Trade and other accounts payable</u>

The balance of *Trade and other accounts payable* was €3,184 million at 31 December 2021 (€2,953 million at 31 December 2020). The increase reflets basically the costs incurred as a consequence of rising energy prices and balances due to suppliers associated with construction work in progress in the infrastructure division.

Current balances in respect of advances from customers and work certified in advance recognised at 31 December 2021 and 2020 totalled €764 and €838 million, respectively, mainly in the infrastructure division (see Note 16).

Average payment period to suppliers

The information required by the second Final Provision of Spanish Law 31/2014, of 3 December, prepared in accordance with the Resolution of 29 January 2016 of the Spanish Institute of Accounting and Audit (ICAC), which refers only to Spain where this legislation is applicable, is as follows:

Average payment period and payments made and outstanding at the reporting date in Spain	2021	2020
	Days	Days
Average payment period to suppliers	28	36
Settled transactions ratio	27	37
Outstanding transactions ratio	34	33
(Thousands of euros)	Amount	Amount
Total payments made	3,526,995	2,261,346
Total payments outstanding	**635,333**	**516,941**

The *Average payment period to suppliers* is the period of time between the delivery of goods or provision of services by a supplier and payment of the transaction.

The *average payment period to suppliers* is calculated by adding the product of settled transactions multiplied by total payments made and the product of outstanding transactions payable multiplied by total outstanding payments, and dividing the result by the total payments made plus outstanding payments.

The settled transactions ratio is calculated as the sum of amounts paid multiplied by the number of payment days (i.e. calendar days elapsed between inception and payment of transaction), divided by the total amount of payments made.

The outstanding transactions ratio is calculated as the sum of amounts outstanding multiplied by the number of pending payment days (i.e. calendar days elapsed between inception of the payment period and the reporting date), divided by the total amount of outstanding payments.

25.- Tax Matters

Tax consolidation

In accordance with prevailing Spanish tax legislation, consolidated tax groups may be formed by a parent and subsidiaries meeting the requisite regulatory conditions. Acciona, S.A. has been the parent of a tax group in Spain under this special tax regime since 2009. In addition to the Spanish tax group, the Group files consolidated tax returns in Australia (tax group formed by all divisions operating in the country) and in Germany (handling business). Various companies belonging to the energy division also form tax groups in the United States and Portugal.

The other Acciona Group companies file separate tax returns in accordance with the applicable state or regional tax laws, or with tax legislation prevailing in each jurisdiction.

With effect from 1 January 2008, several Group companies have filed VAT returns under the special regime for corporate VAT groups provided for in Chapter IX, Title IX of the Spanish Value Added Tax Act (Law 37/1992, of 28 December). The parent of the VAT Group is Acciona, S.A. Also, various energy division undertakings file consolidated VAT returns under the local laws applicable in the Navarre Region. Outside Spain, various infrastructure division companies in the United Kingdom file consolidated VAT returns, as do energy and infrastructure division companies in Australia and infrastructure division companies in the United Arab Emirates and Saudi Arabia.

Years open to tax inspection

On 10 March 2012 the Central Major Taxpayers Office of the Spanish Internal Revenue Administration (AEAT) commenced an audit of Corporate Income Tax returns filed by Acciona, S.A., as the parent, and the subsidiaries of the Corporate Tax Group for the fiscal years from 2007 to 2009. Meanwhile, the 2008 and 2009 Value Added Tax returns filed by the Corporate VAT Group and certain other taxes declared in the same years by the companies forming the tax group were also audited, in addition to the review of the tax group's corporate income tax returns for 2007-2009.

The inspectorate queried the fulfilment of the conditions required, in particular with regard to the status of beneficial owner, to apply for an exemption in respect of the payment of dividends to a non-resident shareholder, leading to contested additional tax assessments. On 3 and 17 July 2014 the Company appealed against these tax assessments in Spain's Central Tax Tribunal. The Company reached an agreement with the shareholder in receipt of the dividends on 29 May 2015, whereby it would proceed to pay the disputed amount and settle the tax debt upon receiving payment from the shareholder. When the appeals filed in the tax jurisdiction were turned down, the Company proceeded to file an application for judicial review in the National High Court, which has ruled partially in its favour although these judgements have been appealed by the State Attorney in the Spanish Supreme Court. The Company has prepared its answer to the aforesaid appeals but has yet to receive any notification from the Supreme Court.

The other tax audits concluded on 12 June 2014 with the signing of uncontested corporate income tax assessments for 2007-2009, which did not result in any additional tax liability, uncontested VAT assessments (without fines), or contested assessments in respect of personal income tax withholdings relating to severance paid in 2008-2011. The most significant additional assessments were raised in respect of Acciona Construcción and were appealed in the Central Tax Tribunal and then in judicial review proceedings in the Spanish National High Court, which set aside the fines imposed but upheld the tax demands. These tax assessments became the final the Supreme Court turned down an appeal and a motion to vacate the proceedings. Additional tax assessments of €413 thousand raised against Acciona, S.A. and Acciona Inmobiliaria have been appealed in the National High Court, as follows: (i) the National High Court has partially upheld the petitions of Acciona, S.A. and Acciona Inmobiliaria, S.L. (by setting aside fines), but these judgements have been appealed in the Supreme Court (applications filed on 11 November 2021 and 21 December 2021), and (ii) the National High Court partially upheld the petitions of Acciona Agua, S.A. (by setting aside fines) in a judgement that became final on 23 December 2020. All of the assessments appealed have been duly provided for. In the case of Acciona Agua, S.A., a judgement was issued on 23 December 2020 which partially upheld the appeal by setting aside fines and confirming the settlement.

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On 10 January 2013, Guadalaviar Consorcio Eólico, S.A. was notified of the inception of corporate income tax and value added tax inspection proceedings for fiscal years 2008 and 2009. This audit examined the value of wind power rights transferred in 2009. The inspection proceedings concluded with a contested additional tax assessment. The company received the proposed settlement from the Technical Office of the Central Major Taxpayers Office on 23 December 2013 and appealed in Spain's Central Tax Tribunal on 13 January 2014, which issued its ruling partially upholding the application filed and setting aside the formal settlement by default issued by the tax administration, returning the proceedings to the inspection phase.

On 27 August 2017, the Technical Office of the AEAT Department of Tax and Customs Control issued a notice of compliance with the Central Tax Tribunal's order to return proceedings to the inspection phase and announced a new settlement agreement. On 22 September 2017, an appeal was filed against the aforementioned settlement agreement in the Central Tax Tribunal, seeking its automatic suspension without security for the debt. Pleadings were filed on 5 April 2018. The Central Tax Tribunal issued a ruling on 20 October 2020, partially upholding the application and reducing the tax settlement in respect of the assessments raised. The ruling rejected the main arguments presented, but it did order that the proceedings be reversed and that the Technical Office should issue an evaluation report. An application for judicial review was filed against this ruling in the Spanish National High Court on 14 December 2020, and pleadings were submitted formalising the appeal on 4 May 2021.

The petition for suspension of the contested measure also sought a full waiver of guarantee, and an application for judicial review was filed in the National High Court on 6 October 2014 against the Central Tax Tribunal's ruling turning down the initial request. The National High Court dismissed the petition for suspension on 19 November 2014. The company appealed in the Spanish Supreme Court on 2 February 2015, and on 28 January 2016 a judgement was issued upholding the appealed filed. Accordingly, the National High Court suspended enforcement of the tax debt. When a new settlement establishing the tax debt was issued in compliance with the ruling issued by the Central Tax Tribunal, the company again petitioned for suspension of enforcement of the debt and a full waiver of guarantee. On 25 June 2019, the Central Tax Tribunal turned down the petition for suspension and the waiver of guarantees. An application for judicial review was filed against this decision in the National High Court, and separate suspension proceedings were opened. The National High Court has since ordered the suspension sought, accepting as guarantee the wind rights pertaining to zones 10 and 12 of the Valencia Region wind power plan.

Notification of enforcement of the Central Tax Tribunal's ruling of 20 October 2020 was received on 19 June 2021, resulting in an "enforcement appeal" seeking a suspension filed on 20 July 2021 pursuant to article 241.ter of the Spanish General Taxation Act. The estimated amount of the tax regularisation and default interest was €7,211 thousand, which was provided for at 31 December 2021 with a charge to *Other non-current liabilities.*

On 21 May 2015, the Central Major Taxpayers Office notified the commencement of inspection proceedings in respect of corporate income tax returns filed by Acciona, S.A., as the parent of the tax group, and divers subsidiaries in fiscal years 2010-2012. The audit concluded in conformity with the corporate income tax declared by the tax group and uncontested value added tax assessments without fines issued under similar terms to previous proceedings. As a consequence of the adjustments made by the inspectorate and the diminution in the balance of pending deductions from tax payable, however, an application was submitted on 28 June 2017 to rectify the self-settlements filed from 2013 to 2015, and limited-scope inspection proceedings were initiated on 18 March 2018. These proceedings concluded in conformity on 3 December 2018, resulting in tax rebates totalling €2,330 thousand including default interest.

On 22 June 2021 the Central Major Taxpayers Office inspectorate notified Acciona, S.A., as the parent company of the tax group, of the inception of a general audit of corporate income tax for the years 2013-2017 and of VAT for all months of the second half of 2017, as well as personal income tax, non-resident income tax and investment capital income tax withholdings for the same period.

In a letter of 7 December 2021, meanwhile, the Central Major Taxpayers Office notified Acciona Green Energy Developments, S.L. of the start of a general audit of corporate income tax for the years 2013-2017, as well as value added tax, personal income tax, investment capital income tax, property tax and non-resident income tax withholdings for the period from December 2017 until December 2019.

On 25 May 2015 Corporación Acciona Hidráulica, S.L. filed an application for judicial review directly against Royal Decree 198/2015 of 23 March implementing article 112.bis of the amended Spanish Water Act enacted by article 29 of Law 15/2012 of 27 December regulating the "water levy" applicable to the use of continental water for electricity generating in intracommunity demarcations (Royal Decree 198/2015), and indirectly against the aforesaid art. 112.bis of the amended Spanish Water Act.

The applicant was notified on 27 April 2021 of the judgement of the Spanish Supreme Court partially upholding the appeal and annulling the second transitional provision and the first additional provision of the aforementioned Royal Decree 198/2015 having found the same to be unlawful, but turning down the remaining petitions made.

The Royal Decree appealed, which entered into force on 24 March 2015, established the obligation to file self-settlements of the levy for the years 2013 and 2014. In this regard, the second transitional provision referred to the applicability of the levy to 2013 and 2014, prior to approval of the Royal Decree challenged. Meanwhile, the first additional provision provided for a review of the administrative concessions awarded in order to bring them into line with article 112.bis of the amended Spanish Water Act.

The Supreme Court's ruling had a twofold effect:

- By setting aside the second transitional provision of Royal Decree 198/2015 (as radically retroactive and *ultra vires*), it required the return of the amounts paid in respect of the water levy for 2013 and 2014.

- By setting aside the first additional provision (as *ultra vires*), it required the return of the amounts paid in 2015 and thereafter, as the concessions concerned had not been reviewed and amended to include the water levy among the applicable contractual terms and conditions. Furthermore, the settlement of the levy in future years would be unlawful unless and until the terms and conditions of concession agreements were appropriately amended.

This ruling therefore entailed the right to the return and repayment of the levies paid to the Spanish water authorities from 2013 to the present.

In addition, Corporación Acciona Hidráulica, S.L., Acciona Generación Renovable, S.A., Acciona Saltos de Agua, S.L., Saltos del Nansa, S.A. Hidroeléctrica del Serrado, S.L. and Saltos y Centrales took legal action on 18 March 2019 to seek rectification of the water levy self-settlements filed for the years from 2013 until 2018 on the grounds that Royal Decree 198/2015 was unconstitutional in Spain and unlawful in the European Union. In accordance with the ruling eventually handed down in this matter, the Spanish Treasury proceeded to reimburse the levy settled by the aforementioned companies over the period 2013-2020 in December 2021 and January 2022, together with default interest, although certain amounts remain outstanding in this respect. The total reimbursed at 31 January 2022 was €89,943 thousand.

At 31 December 2021, corporate income tax and the main other taxes declared by Acciona, S.A. for all unprescribed and unaudited years remain open to inspection by the Spanish tax authorities, as well as the principal taxes applicable to the companies forming part of its consolidated tax group. In general, the other Spanish consolidated companies have the main taxes applicable in last four years open for inspection by the tax authorities. Foreign entities on the other hand are in most cases subject to tax prescription periods of four to five years in the majority of the countries where the Group operates.

Given the different possible interpretations of Spanish tax legislation, eventual future inspections of the years open to review by the tax authorities could result in additional tax liabilities, the amount of which cannot be objectively quantified. However, the likelihood that significant other tax liabilities would materialise in addition to the amounts already recognised is remote, and the directors of Acciona, S.A. understand that any liabilities that might arise would not have a significant impact on the equity of the Acciona Group.

Tax receivables and payables

Tax receivables and payables at 31 December 2021 and 2020 were as follows:

	2021		2020	
	Non-Current	**Current**	**Non-Current**	**Current**
Receivable				
Corporate Income Tax	--	89,719	--	78,208
Deferred tax assets	920,083	--	909,272	--
VAT and other indirect taxes	--	251,475	--	198,218
Other	--	107,405	--	11,489
Total	**920,083**	**448,598**	**909,272**	**287,915**
Payable				
Corporate Income Tax	--	40,718	--	26,323
Deferred tax liabilities	812,793	--	646,137	--
VAT and other indirect taxes	--	178,452	--	112,383
Personal Income Tax withholdings	--	30,441	--	39,062
Social Security payables	--	26,083	--	25,125
Other local taxes	--	30,006	--	35,892
Other	--	4,215	--	5,390
Total	**812,793**	**309,915**	**646,137**	**244,176**

Other local taxes payable include the Value Added Tax on Electricity Generating and the levy for the use of continental waters for hydroelectric generating. These taxes were established by Spanish Law 15/2012 of 27 December and took effect on 1 January 2013.

Reconciliation of accounting profit and taxable income

A reconciliation of accounting profit and the income tax expense for the years ended 31 December 2021 and 2020 is as follows:

	2021	2020
Consolidated profit before tax	574,750	516,992
Profit/(loss) before tax from discontinued operations	--	--
Permanent differences	(202,465)	(179,936)
Adjusted accounting income	372,285	337,057
Tax rate adjusted expense	88,481	93,140
Deductions	(2,436)	(16,001)
Unrecognised tax credits	39,373	33,917
Income tax expense for the year	125,417	111,056
Change in tax rate	--	--
Unrecognised tax loss carry-forwards offset	(5,822)	(1,044)
Effect of prior years' tax and other adjustments	51,009	(10,391)
Tax expense on the income statement	**170,605**	**99,621**
Tax expense from discontinued operations	--	--

Permanent differences comprise income and expenditure that are not eligible for inclusion in taxable income in accordance with applicable tax legislation. This line also reflects amounts eliminated in the consolidation process but which are nonetheless fully effective within the scope of the individual tax returns of each Group entity, including in particular those that do not file consolidated tax returns as part of any Acciona, S.A. consolidated tax group.

Significant negative permanent differences for the year include translation differences of €144.3 million due to the dollarisation of companies, the inclusion of losses totalling €85 million incurred on the liquidation of affiliates and winding down of branches abroad, a 95% exemption for profits recognised in the individual companies holding concession assets transferred in 2021, which amounted to €79.2 million, and €35.9 million in respect of the application of the capitalisation reserve. The main positive permanent differences in 2021 arose from inflation adjustments in Mexican and Chilean companies for a total €76.2 million and €32.6 million in respect of non-deductible provisions for risks and charges.

The principal permanent difference in the prior year was the reversal of impairment booked in respect of the investment in Nordex for €145 million, which was not deductible in prior years and was therefore not subject to taxation in 2020. An adjustment was also made in respect of the gain of €78.7 million arising from the transfer of the ownership interests held in two concession assets (see Note 3.2.h), which was not taxable. The most significant positive permanent difference, amounting to €44 million, consisted of inflation adjustments in companies taxed in Mexico and Chile.

The line *Tax rate adjusted expense* reflects the result of applying the different tax rates applicable to adjusted accounting income in each of the jurisdictions where the Group operates.

Unrecognised tax credits reflect the impact of tax credits not recognised in respect of losses incurred by certain subsidiaries.

The line *Effect of prior years' tax and other adjustments* mainly reflects the recalculation of tax credits in Canada and inflation-related restatements of tax credits recognised in Chile and Mexico.

Taxes recognised in equity

Aside from tax on profits recognised in the consolidated income statement, the Group also recognised the following amounts in consolidated equity in 2021 and 2020:

	2021	2020
Fair value of financial instruments	(36,585)	3,329
Financial assets with changes in equity	10	18
Actuarial gains and losses	(217)	130
Total	**(36,792)**	**3,477**

Deferred tax

Certain temporary differences arose in 2021 and 2020 under tax legislation prevailing in the countries where the consolidated companies are located, which affect the quantification of the related income tax expense.

Deferred taxes arose in 2021 and 2020 as a result of the following:

Deferred tax assets arising from	2021	2020
Tax loss carry-forwards pending offset	399,035	410,140
Deductions pending application	133,385	132,735
Derivative financial instruments	83,282	28,973
Provisions for assets	15,229	18,582
Pass-through taxation (JVs)	11,350	17,706
Other	277,802	301,137
Total deferred tax assets	**920,083**	**909,272**

Deferred tax liabilities arising from	2021	2020
Revaluation of financial assets	80	12
Allocation of first-time consolidation differences to assets	128,732	128,893
Derivative financial instruments	105,055	9,717
Pass-through taxation (JVs)	20,283	371
Other	558,642	507,144
Total deferred tax liabilities	**812,793**	**646,137**

Deferred tax assets and liabilities presented net for accounting purposes at 31 December 2021 and 2020 were as follows:

Assets	2021
Other	63,354
Pass-through tax advances (JVs)	3,347
Deferred tax assets	**66,701**

Liabilities	2021
Other	35,517
Pass-through taxation (JVs)	31,184
Deferred tax liabilities	**66,701**

Tax loss carry-forwards generated by subsidiaries before joining the Tax Group of which Acciona, S.A. is the parent amounted to €24.2 million at 31 December 2021. Of this amount, €19.2 million comprised tax loss carry-forwards not capitalised in the consolidated balance sheet because it was not certain that sufficient future profits would be generated, or because the applicable tax regulations establish limits and conditions for offset.

Certain subsidiaries in Mexico, the United States, Australia, Chile, South Africa and Brazil recognised tax credits for loss carry-forwards pending offset. Unrecognised taxable income, mainly generated in the US, Canada, Chile and Mexico, totals €1.313 million.

The tax group has included offsets of loss carry-forwards in the calculation of corporate income tax for 2021, resulting in a remaining deferred tax asset of €71 million.

At 31 December 2021 the maturities of tax credits recognised in respect of loss carry-forwards available to be offset were as follows (expressed in thousands of euros):

	Amount	Prescription or maturity
Acciona, S.A. Tax Group	71,001	Unlimited
Spanish companies outside the Tax Group	12,039	Unlimited
International, limited	95	2022
International, limited	9	2023
International, limited	1,070	2024
International, limited	21,434	2025
International, limited	41,123	2026
International, limited	14,680	2027
International, limited	21,547	2028
International, limited	5,459	2029
International, limited	16,474	2030
International, limited	12,589	2031
International, limited	408	2032
International, limited	6,153	2033
International, limited	40	2034
International, limited	4,648	2035
International, limited	3,705	2036
International, limited	4,434	2037
International, limited	648	2038
International, limited	3,065	2039
International, limited	2,494	2040
International, unlimited	155,920	Unlimited
Total	**399,035**	

The Spanish Corporate Income Tax Act (Law 27/2014 of 27 November), which entered into force on 1 January 2015, allowed tax loss carry-forwards to be offset for an unlimited period.

The Spanish Corporate Income Tax Act, effective as of 1 January 2015, also removed the limited offset period for double-taxation deductions, including amounts pending application from previous years, and established an unlimited offset period (article 39 of Law 27/2014) while extending the general period allowed to offset other deductions to 15 years, except in the case of R&D+I deductions, for which the period was extended to 18 years.

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Unused tax credits total €133,385 thousand and were generated mainly by the tax Group of which Acciona, S.A. is the parent. The main unused tax credits at 31 December 2021 comprised €7,496 thousand for international double taxation relief, €82,623 thousand for R&D&I activities, €23,145 thousand for reinvestment of extraordinary income, and €11,888 thousand for donations, events of special interest and non-deductible amortisation in 2013 and 2014.

The offset periods for unused tax deductions and credits carried in the consolidated balance sheet of the Acciona Group at 31 December 2021 were as follows (in thousand euros):

	Amount	Maturity
Acciona, S.A. Tax Group	2,322	2025
Acciona, S.A. Tax Group	18,704	2026
Acciona, S.A. Tax Group	6,885	2027
Acciona, S.A. Tax Group	9,554	2028
Acciona, S.A. Tax Group	18,983	2029
Acciona, S.A. Tax Group	11,531	2030
Acciona, S.A. Tax Group	10,719	2031
Acciona, S.A. Tax Group	8,615	2032
Acciona, S.A. Tax Group	5,333	2033
Acciona, S.A. Tax Group	5,738	2034
Acciona, S.A. Tax Group	5,568	2035
Acciona, S.A. Tax Group	4,255	2036
Acciona, S.A. Tax Group	3,562	2037
Acciona, S.A. Tax Group	3,920	2038
Acciona, S.A. Tax Group	1,968	2039
Acciona, S.A. Tax Group	7,495	Unlimited
Spanish companies outside the Tax Group	8,088	Unlimited
Non-resident companies	145	Unlimited
Total	**133,385**	

There were no material unused tax credits that had not been recognised at 31 December 2021.

The Acciona Group expects to recover the tax loss carry-forwards and tax credits recognised through the ordinary activities of its companies without any risk of equity loss. The estimated recovery periods for tax credits applicable based on the business plans applicable in the main countries where the Group operates are as follows:

	Amount	Maximum recovery period
Loss carry-forwards, Acciona, S.A. Tax Group (Spain)	71,001	3 years
Tax deductions and credits, Acciona, S.A. Tax Group (Spain)	125,152	7 years
Loss carry-forwards, AENA Tax Group (USA)	25,006	9 years
Loss carry-forwards, Mexico	133,891	8 years
Loss carry-forwards, Australia	62,062	8 years
Loss carry-forwards, Chile	53,364	6 years
Loss carry-forwards, South Africa	19,006	5 years

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Most of the deferred tax assets included under *Other* were related to provisions for liabilities, risks, doubtful receivables, and other non-deductible items amounting to €169,591 thousand, to adjustments for non-deductible accounting amortisation of 30% applicable to Spanish companies on a temporary basis in 2013 and 2014, reversible as of 2015, the remaining balance of which is €10,681 thousand at 31 December 2021, and to harmonisation adjustments and eliminations of intra-Group margins applied in the consolidation process, which are reversed in line with the depreciation of the assets concerned. This heading also includes adjustments to the tax base due to specific regulations applicable in other countries where certain expenses are not deductible until they are paid, are not deductible on an accrual basis (Mexico, Australia and the United States), or are deductible in line with billings rather than progress-based accrual (Chile).

Other deferred tax liabilities comprise mainly tax adjustments for accelerated depreciation as permitted by the Eleventh Additional Provision included in the Consolidated Text of the Spanish Corporate Enterprises Act (Royal Legislative Decree 4/2004) by Law 4/2008. The accumulated amount of this adjustment outstanding at 31 December 2021 for the Spanish Tax Group companies was €61,764 thousand. This line also includes the effects of accelerated depreciation for tax purposes in Mexico (€162 million), the United States (€80 million), Chile (€59 million), South Africa (€42 million), Canada (€11 million), Poland (€2 million), and India (€9 million), as well as adjustments related with specific regulations in countries like Mexico, where accounting income is not recognised for tax purposes until invoiced or collected instead of applying the accrual convention or percentage progress. Income deferrals applied by several Australian companies also appear under this line, as well as the taxable income recognised at the end of projects rather than on a percentage of completion basis.

Reporting obligations

Current corporate income tax legislation in Spain provides tax incentives to encourage certain investments. The tax Group companies have availed themselves of these benefits.

The Company did not carry out any of the transactions mentioned in article 86 of the Spanish Corporate Income Tax Act (Law 27/2014), which are subject to the special regime for mergers, spin-offs, asset contributions or securities swaps, in 2021.

The disclosures required by article 86.3 of the Consolidated Spanish Corporate Income Tax Act (Law 27/2014) in relation to transactions carried out in prior years is provided in the accompanying notes to the individual annual accounts subsequently approved by the companies concerned.

In 2008, 2009, 2010, 2011 and 2012 various tax group companies applied deductions for impairment losses on ownership interests held in Group companies, jointly-controlled entities and associates, in accordance with article 12.3 of Spanish Royal Legislative Decree 4/2004 approving the amended Spanish Corporate Income Tax Act),[2] as regulated in Temporary Provision Sixteen of Law 27/2014.

With effect from 1 January 2013, Spanish Law 16/2013 of 29 October, repealed article 12.3 of the Consolidated Corporate Income Tax Act regulating the deduction of impairment losses on such equity interests and established a transitional system for the inclusion of pending losses in the tax base at 31 December 2012.

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2 Twenty-Fourth Transitional Provision of Law 27/2014

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Royal Decree Law 3/2016 of 2 December adopting measures to consolidate public finances and other urgent social measures provided for mandatory minimum reversion of deductible of investment impairments within a maximum period of five years, effective from 2016.

The notes to the individual annual accounts of the companies concerned include the disclosures required by applicable tax legislation with regard to the difference in the equity of investees recognised in the year, the amounts included in the tax base and other pending amounts.

26.- Guarantee commitments with third parties

The Group had issued third-party guarantees to customers, government agencies and financial institutions for a total of €5,217,023 thousand at 31 December 2021 and €5,537,988 thousand at 31 December 2020. The decrease was mainly due to the sale of eight concession assets, resulting in recovery of the associated guarantees by the Group (see Note 3.2 h)).

The purpose of most of the guarantees provided was to guarantee due completion of works contracted by the infrastructure division.

The Group companies understand that any liabilities that could arise from these guarantees would not be significant.

27.- Revenue

A breakdown of the Group's revenues is as follows, based on the nature of goods produced and services provided (see also Note 29 *Segment reporting*), and on the levels of investment required, margins and risk profiles established in the business model:

2021	Business Model				Total revenue
	Long-Term Asset Operation	Service Business	Greenfield Developments Business	Corporate and other	
Energy	**1,705,742**	**7,982**	**947,448**	**(188,716)**	**2,472,456**
Construction	--	59,209	3,543,985	22,835	3,626,030
Concessions	52,736	--	--	363	53,098
Water	149,422	198,245	696,809	7,812	1,052,287
Other Infrastructure Activities	--	163,797	--	1,075	164,872
Consolidation adjustments	--	--	--	(25,958)	(25,958)
Infrastructure	**202,158**	**421,251**	**4,240,794**	**6,126**	**4,870,328**
Bestinver	--	127,934	--	--	127,934
Real Estate	--	--	189,629	--	189,629
Services	--	606,933	--	--	606,933
Other	29,191	10,366	60,298	31,045	130,901
Other activities	**29,191**	**745,233**	**249,928**	**31,045**	**1,055,397**
Consolidation adjustments	--	--	--	(293,877)	(293,877)
Total Acciona	**1,937,092**	**1,174,465**	**5,438,169**	**(445,422)**	**8,104,304**

2020	Business Model				Total revenue
	Long-Term Asset Operation	Service Business	Greenfield Developments Business	Corporate and other	
Energy	**1,353,561**	**--**	**975,737**	**(560,611)**	**1,768,687**
Construction	--	57,680	2,687,112	30,982	2,775,774
Administrative concessions	96,369	--	--	2,083	98,452
Water	118,809	180,666	676,889	52	976,416
Other Infrastructure Activities	--	144,333	--	950	145,283
Consolidation adjustments	--	--	--	(67,868)	(67,868)
Infrastructure	**215,178**	**382,679**	**3,364,001**	**(33,801)**	**3,928,057**
Bestinver	--	114,078	--	--	114,078
Real Estate	--	--	201,012	--	201,012
Services	--	575,772	--	--	575,772
Other	--	7,537	35,839	18,333	61,709
Other activities	**--**	**697,387**	**236,851**	**18,333**	**952,571**
Consolidation adjustments	--	--	--	(167,343)	(167,343)
Total Acciona	**1,568,739**	**1,080,066**	**4,576,589**	**(743,422)**	**6,481,972**

The Group's different business models are described below, according to the nature, timing, and uncertainty of revenues:

- **Long-Term Asset Operation**

  This business comprises the Group's portfolio of renewable energy generating assets, as well as its portfolio of concessions for civil, transport, and water infrastructure. It is a capital-intensive business, where most of the investment is made at the beginning of the useful life of assets, and a high operating margin is needed to obtain a return on investments and to compensate for operating and maintenance costs. Revenue is characterised by a low level of risk given that it is mostly regulated or comes from long-term contracts with solvent counterparties, while revenue sources are highly diversified. Revenue is recognised at the same time as energy is generated, or the service is provided, as applicable. In the case of generating assets, the portfolio's high level of diversification in terms of facilities, technologies and geographical areas means that production is at the same time very stable and highly predictable.

- **Service Business**

  This category includes the group's service businesses, including operation and maintenance of infrastructure and other related services within the service business activity, as well as financial services (asset management). It is a medium-risk, non-capital intensive business. In the case of infrastructure services, revenue is generated from long-term operation and maintenance contracts lasting from 5 to 15 years. Revenue is recognised in line with provision of the service. Financial services generate high margin given the specialisation and added value by the business, and despite the exposure to market volatility they command a high degree of customer loyalty. Revenue from mediation and consultancy services is recognised in line with the provision of service.

- **Greenfield Developments Business**

  This business encompasses civil engineering (construction of railways, roads, bridges, hydraulic works, etc.), construction of residential and non-residential buildings, construction of industrial and water treatment facilities (involving high technology input) for the most part under turnkey or engineering, procurement and construction (EPC) contracts, and the development and construction of renewable generating assets. The main purpose of this activity is the creation of new and complex infrastructures, for both public and private customers, and for the company's own portfolio. The low capital intensity of the business allows lower margins in comparison with other Group businesses, which require higher levels of investment. The revenue horizon depends on the level of the contract portfolio, which is usually between 18 and 24 months. Because work generally involves the creation or transformation of an asset under the customer's control, revenue is recognised using the percentage completion approach. The business also encompasses real estate development activities (residential and office properties), revenue from which is recognised when each property is delivered to the customer, with a generation period of around 36 months, which includes project design, licensing, execution, etc.

- **Corporate and other**

  This category consists mainly of revenue eliminations between different segments upon consolidation, as well as revenue from some residual businesses.

A breakdown of the Group companies' total revenues by geographical area is as follows (expressed in thousands of euros):

	Spain	European Union	OECD	Other countries	Total
2021					
Energy	1,501,840	217,971	644,610	108,035	2,472,456
Infrastructure	1,109,334	376,894	2,204,645	1,179,454	4,870,328
Other activities	825,702	74,970	96,986	102,236	1,099,894
Intercompany transactions	(303,178)	(4,735)	(29,321)	(1,142)	(338,375)
Total 2021 production	**3,133,699**	**665,101**	**2,916,921**	**1,388,583**	**8,104,304**
2020					
Energy	1,001,696	155,296	513,531	98,163	1,768,686
Infrastructure	1,083,255	383,362	1,430,055	1,031,389	3,928,062
Other activities	755,663	62,196	110,385	74,922	1,003,166
Intercompany transactions	(157,970)	(10,402)	(48,605)	(960)	(217,936)
Total 2020 production	**2,682,645**	**590,453**	**2,005,367**	**1,203,514**	**6,481,979**

Concessions

At 31 December 2021, the Acciona Group's main service concession contracts are in the concessions and water businesses. Revenues earned by each class of concession agreement, including those falling within the scope of IFRIC 12, amounted to €53 million (service concessions) and €98 million (water). The main concessions are detailed in Appendix V.

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Since adopting IFRIC 12 the Acciona Group has recognised financial assets associated with concessions in which the grantor guarantees the payment of a quantified or quantifiable amount in the concession agreement, thereby eliminating the operator's demand risk, under non-current receivables and other non-current assets, as explained in Note 4.2.H), .

In the case of concession assets, the Group recognises interest income earned at the effective interest rate of the related financial asset, even during the construction phase. This interest income, is recognised under *Revenue*, totalled €4,804 thousand in the year ended 31 December 2021 and €17,350 thousand in 2020.

Construction

The Group earns substantially all its construction revenue in its capacity as primary contractor.

Infrastructure construction revenue by type of project was as follows:

	2021	2020
Civil engineering	2,896,683	2,003,620
Residential building	97,881	92,689
Non-residential building	273,474	335,259
Other construction activities	186,804	103,879
Ancillary construction activities	59,209	57,681
Engineering	111,979	182,646
Total construction revenue	**3,626,030**	**2,775,774**

Infrastructure construction revenue by type of customer was as follows:

	2021	2020
Central government	130,351	152,061
Regional governments	77,049	58,276
Local authorities	22,624	26,681
Autonomous entities and state-owned corporations	157,103	171,821
Public sector	387,127	408,839
Private sector	326,511	271,623
Total Spanish customers	**713,638**	**680,462**
Total international customers	**2,912,392**	**2,095,312**
Total construction revenue	**3,626,030**	**2,775,774**

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The geographical distribution of the infrastructure construction order book at 31 December 2021 and 2020 was as follows:

2021	Spain	International
Civil engineering	978,155	8,609,194
Residential building	135,481	64,304
Non-residential building	378,477	694,768
Other construction activities	49,384	1,087
Ancillary construction activities	51,094	179,033
Industrial activity	36,792	872,126
Other activities	37,367	--
Total construction orders	**1,666,750**	**10,420,512**

2020	Spain	International
Civil engineering	855,295	7,650,491
Residential building	231,273	56,391
Non-residential building	249,102	701,611
Other construction activities	42,359	14,234
Ancillary construction activities	56,717	188,933
Industrial activity	138,868	568,569
Other activities	42,672	21
Total construction orders	**1,616,286**	**9,180,250**

Other revenue

Other revenue recognised in the accompanying consolidated income statement in the year ended 31 December 2021 totalled €563 million (€789 million in 2020), mainly in respect of work carried out by the Group for its own property, plant and equipment, mostly comprising wind projects in Mexico, the United States, Australia and Spain, and solar photovoltaic projects in the United States, Chile and Spain.

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28.- Expenses

The Group's expenses were as follows:

	2021	2020
Cost of goods sold	1,980,408	2,216,122
Personnel expenses	1,787,448	1,550,766
Wages, salaries and similar amounts	1,521,664	1,294,167
Social security costs	235,421	233,472
Other personnel expenses	30,362	23,127
Other operating expenses	3,523,951	2,514,789
Taxes other than income tax	77,827	121,558
Other current operating expenses	19,231	10,615
Subtotal	**7,388,864**	**6,413,851**
Change in provisions	127,555	121,456
Depreciation and amortisation charge	586,582	556,677
Total	**8,103 ,000**	**7,091,984**

Employees

The average headcount in 2021 and 2020 was as follows:

	2021	2020	Change
Executives and managers	2,714	2,133	582
Qualified line personnel	7,449	7,321	128
Clerical and support staff	1,423	1,588	(165)
Other employees	30,078	27,313	2,765
Total average headcount	**41,664**	**38,355**	**3,309**

The headcount by gender in 2021 and 2020 was as follows:

	2021			2020		
	Men	Women	Total	Men	Women	Total
Executives and managers	2,123	591	2,714	1,709	424	2,133
Qualified line personnel	5,036	2,413	7,449	5,093	2,228	7,321
Clerical and support staff	439	984	1,423	602	986	1,588
Other employees	22,690	7,388	30,078	20,283	7,029	27,313
Total average headcount	**30,288**	**11,376**	**41,664**	**27,687**	**10,667**	**38,355**

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The Group's headcount by segment was as follows:

	2021	2020	Change
Energy	1,762	1,543	220
Infrastructure	19,914	17,260	2,654
Other activities	19,988	19,552	436
Total average headcount	**41,664**	**38,355**	**3,309**

The segment headcount by gender in 2021 and 2020 was as follows:

	2021			2020		
	Men	Women	Total	Men	Women	Total
Energy	1.262	501	1.762	1.116	427	1.543
Infrastructure	16.610	3.304	19.914	14.445	2.815	17.260
Other activities	12.417	7.572	19.988	12.126	7.426	19.552
Total average headcount	**30.288**	**11.376**	**41.664**	**27.687**	**10.667**	**38.355**

The parent company employed 206 staff in 2021 (233 in 2020), and the rest were employed by the Group's subsidiaries.

The consolidated Group companies had an average of 995 direct and indirect employees with a disability level of 33% or over employed in 2021 (995 in 2020). Royal Legislative Decree 1/2013 of 29 November approving the amended Spanish Disabled Persons Rights and Social Integration Act establishes a minimum quota of 2% for the recruitment of disabled persons in companies with more than 50 employees. An average 3.96% of employees in Spain were hired under disability contracts in 2021 (3.97% in 2020).

<u>Lease expenses</u>

At 31 December 2021, the expense recognised under *Other operating expenses – Leases* in the accompanying consolidated income statement totalled €108 million (€70 million in 2020).

The variable rents incurred in 2021 amounted to €27 million (€15 million in 2020). A breakdown by division of the fixed and variable operating lease rents incurred by the Group in the years ended 31 December 2021 and 2020 is as follows:

2021

Division (Thousands of euros)	[a] Fixed rents	[b] Variable rents	Key variable rent parameters	% [c]=[b]/[a]
Energy	45,691	16,275	MWh	36%
Infrastructure	46,883	10,323	Machine hours	22%
Other activities	23,141	--	N/A	0%
TOTAL	**115,715**	**26,598**		

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2020

Division (Thousands of euros)	[a] Fixed rents	[b] Variable rents	Key variable rent parameters	% [c]=[b]/[a]
Energy	45,019	9,032	MWh	20%
Infrastructure	55,731	5,486	Machine hours	10%
Other activities	6,749	--	N/A	0%
TOTAL	**107,499**	**14,518**		

The energy division enters into land lease contracts with variable rents subject to MWh produced or the amount invoiced by the technical facility, which allows a logical correlation to be established between the income generated by the energy facility and one of its main operating costs. Estimations of future variable rent flows are conditional on the evolution of technical conditions such as corrective maintenance and downtimes, and meteorological conditions such as hours' sunshine or wind affecting energy production in the countries where the Acciona Group operates.

Variable rents in the infrastructure division are associated with machinery rentals charged on the basis of machine hours. These rents are non-recurring. The existence of variable rents makes it possible to align the costs incurred with works completion deadlines and resource consumption, so that there is a natural mechanism that adjusts costs to the level of production in the event of construction delays. The estimated future cash flows from variable rents are conditional upon the evolution of the division's works portfolio and the type of projects awarded to the Group, which in turn determine the kinds of machinery and resources that will be required to undertake the work. Hence, it is not possible to estimate these cash flows reliably.

The amount of low value, short-term lease contracts applying the exceptions to IFRS 16 described in note 4.2.C) was €81 million (€55 million in 2020).

Change in provisions

A detail of the changes in provisions reflected in the consolidated income statement is as follows:

	2021	2020
Changes in provisions for irrecoverable receivables	20,412	12,293
Changes in provisions for inventories	5,811	2,111
Other provisions	101,332	107,052
Total	**127,555**	**121,456**

Other provisions at 31 December 2021 and 2020 included the provision for asset replacements and major repairs in concessions recognised under the intangible model, as well as the provision for litigation. This heading also includes the impact of provisions for the completion of construction work and provisions for onerous contracts. In particular, an allowance was made to cover the risk of early termination of a contract for the construction of a water treatment plant in Canada.

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Impairment and profit/(loss) on disposals of non-current assets

The impairments and profit/(loss) on disposals of non-current assets recognised in the consolidated income statements for 2021 and 2020 were as follows:

	2021	2020
Profits on disposal of non-current assets	68,088	87,724
Impairment of other assets (Notes 4 and 5)	(842)	92,203
Total	**67,246**	**179,927**

The amount reflected under *Profits on disposal of non-current assets* in the year ended 31 December 2021 was obtained primarily on the agreement entered into by the Acciona Group with Meridiam for the sale of its ownership interests in a portfolio of concession assets (see Note 3.2.h), which resulted in the recognition of a gain of €48 million.

A gain of €79 million was obtained in the year ended 31 December 2020 on the transfer of effective control of the companies holding the concession operating contracts for Autovía de los Viñedos, S.A.U., Acciona Servicios Concesionales, S.L. and Sociedad Concesionaria Hospital del Norte, S.A., which were 100% owned by the Group. This amount was recognised under *Profits on disposals of non-current assets*.

A gain of €17.3 million was also recognised in 2020 on the transfer of the 100% ownership interest held by the Group in Acciona Campus España, S.A., the main Group company conducting the rental property activity relating to student residences located in Spain.

Other gains or losses

The amount recognised under *Other gains or losses* in the year ended 31 December 2021 was an expense of €3.9 million resulting from an adverse arbitration award.

Profit/(loss) from changes in value of financial instruments at fair value

Changes in the fair value of financial instruments at 31 December 2021 were related mainly with the fair value of long-term energy sales contracts entered into by Group subsidiaries in the United States, Australia and Chile to supply specific amounts of energy at a fixed price. Inefficiency income of €585 thousand was also recognised on cash flow hedges and €321 thousand on energy price hedges (see Note 22).

29.- Segment reporting

Segment reporting is based on the nature of the goods and services produced by the Group. The Acciona Group's business model rests on the twin pillars of energy and infrastructure, which support product and service proposals focused on the solutions required to meet the challenges facing modern society at all times under the guiding principle of sustainable development.

The Group also has other lines of business, which are grouped under *Other Activities*. These comprise mainly fund management and financial intermediation services, the real estate business, manufacture of electric vehicles, motorbike sharing ("motosharing") services and the provision of other services like facility management and airport handling.

Each of the segments constitutes a standalone business with its own management and reporting structure to evaluate the attainment of objectives. The information reported to the Acciona Group's corporate management department for the purposes of segment performance assessments and resource allocation is structured according to segmentation criteria.

Costs incurred by the corporate unit are distributed among the different divisions on a pro rata basis using an internal cost distribution system. Inter-segment sales are made at market prices.

As explained in Note 3.2 h), the shares of Corporación Acciona Energías Renovables, S.A. (CAER) were listed on the Barcelona, Bilbao, Madrid and Valencia stock exchanges on 1 July 2021. In accordance with Chapter VII – *Issuer Reporting Requirements* of Spanish Royal Legislative Decree 4/2015 of 23 October approving the amended Spanish Securities Market Act, CAER is required to publish period financial information. The Group has modified and adapted the scope and contents of the energy segment to facilitate understanding of the profits or losses, and transactions contributed by CAER to the consolidated profit and loss, and financial situation of the Acciona Group as a whole, and to align the new listed company's contribution with the performance of its management bodies. Following the changes made in 2021, the energy segment is now formed solely by the contribution of the CAER subgroup and the allocation of financial costs associated with the corporate debt necessary to finance this investment. As a consequence, the results of the *Energy segment* differ from the profit or loss and financial situation of CAER only as regards the income statement captions *Financial income/costs* and *Income tax expense,* and the balance sheet captions *Other assets* and *Consolidated equity*. The main items excluded from the *Energy segment* therefore comprise the profit or loss generated by Nordex, which now forms part of the *Other activities segment*, and consolidation adjustments unrelated with the scope of consolidation of the CAER subgroup, which are now included under *Intragroup transactions.*

The structure of the *Infrastructure segment* has also been modified in line with a business strategy focused on the construction, operation and maintenance of sustainable infrastructure, water treatment and urban services. As a consequence, the mobility, facility services, and handling and forwarding businesses no longer form part of the infrastructure segment, because their activities are not fully aligned with the segment business strategy. These businesses are now included in the other activities segment.

For ease of comparison, the segmented information reported in 2020 has been restated to take into account the changes described in the above paragraphs.

For ease of understanding of the different segments' results and in line with the management approach taken by the Acciona Group Directors in relation to segment reporting, certain amounts in respect of *Corporate transactions* are presented in an additional column in the following chart so as to facilitate comprehension of the ordinary course of the business. Where these effects are material to the Group's results, however, their impact on each segment is disclosed.

Finally, the information is also presented in terms of the geographical areas in which the operations take place.

Segment reporting and the effects of corporate transactions as at and for the years ended 31 December 2021 and 2020 are as follows:

Balance at 31.12.21	Segments				Corporate transactions	Total Group
	Energy	Infra-structure	Other activities	Intragroup Transactions		
ASSETS						
Property, plant and equipment, intangible assets and investment property	7,601,248	568,931	541,387	(52,444)	--	8,659,122
Right of use	366,406	115,309	45,871	1	--	527,587
Goodwill	--	136,212	112,547	--	--	248,759
Non-current financial assets	41,953	44,127	132,676	--	--	218,756
Equity accounted investments	302,049	164,829	860,540	(2,816)	--	1,324,602
Other assets	598,864	510,274	264,662	14,566	--	1,388,366
Non-current assets	**8,910,520**	**1,539,682**	**1,957,684**	**(40,694)**	**--**	**12,367,192**
Inventories	125,165	218,870	879,160	(12,851)	--	1,210,344
Trade and other receivables	535,728	2,246,860	340,248	(391,350)	--	2,731,486
Other current financial assets	172,169	32,801	13,231	--	--	218,201
Other assets	264,707	111,997	77,383	--	--	454,087
Cash and cash equivalents	625,242	1,249,524	443,212	--	--	2,317,978
Non-current assets classified as held for sale	--	303,474	--	--	--	303,474
Current assets	**1,723,011**	**4,163,526**	**1,753,235**	**(404,202)**	**--**	**7,235,571**
Total assets	**10,633,531**	**5,703,208**	**3,710,919**	**(444,896)**	**--**	**19,602,763**
EQUITY AND LIABILITIES						
Consolidated equity	**5,334,371**	**859,720**	**(586,466)**	**(50,294)**	**--**	**5,557,332**
Financial debt	1,768,957	457,436	2,209,978	--	--	4,436,371
Other liabilities	1,755,817	816,737	125,436	(3,253)	--	2,694,737
Non-current liabilities	**3,524,774**	**1,274,173**	**2,335,414**	**(3,253)**	**--**	**7,131,108**
Financial debt	610,080	83,367	1,253,255	--	--	1,946,702
Trade and other payables	442,671	2,538,046	358,217	(123,189)	--	3,215,745
Other liabilities	721,637	685,072	350,499	(268,162)	--	1,489,046
Liabilities directly associated with non-current assets classified as held for sale	--	262,830	--	--	--	262,830
Current liabilities	**1,774,388**	**3,569,315**	**1,961,971**	**(391,351)**	**--**	**6,914,322**
Total equity and liabilities	**10,633,533**	**5,703,208**	**3,710,919**	**(444,898)**	**--**	**19,602,764**

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Balance at 31.12.21	Segments				Corporate transactions	Total Group
	Energy	Infra-structure	Other activities	Intragroup Transactions		
Total revenue	**2,472,456**	**4,870,328**	**1,099,894**	**(338,374)**	**--**	**8,104,304**
Revenue	2,448,850	4,836,195	984,049	(164,789)	--	8,104,304
Revenue to other segments	23,606	34,134	115,845	(173,585)	--	--
Other operating income/(expenses)	(1,448,848)	(4,579,022)	(1,024,143)	336,533	--	(6,715,482)
Equity method profit/(loss) - analogous	62,690	31,768	(609)	249	--	94,098
Gross profit/(loss) from operations	**1,086,298**	**323,074**	**75,142**	**(1,592)**	**--**	**1,482,920**
Allowances	(381,223)	(289,926)	(46,211)	3,224	--	(714,137)
Impairment and profit/(loss) on disposal of fixed assets	(1,061)	56,783	11,524	--	--	67,246
Other gains or losses	(8,802)	(4,236)	(2,365)	8,870	--	(6,534)
Profit/(loss) from operations	**695,212**	**85,694**	**38,089**	**10,501**	**--**	**829,495**
Financial profit/(loss)	(143,537)	(16,960)	(9,700)	--	--	(170,196)
Profit/(loss) from changes in value	(15,976)	14,645	(1,946)	--	--	(3,278)
Equity method profit/(loss) – non-analogous	--	--	(81,271)	--	--	(81,271)
Profit/(loss) before tax	**535,700**	**83,379**	**(54,829)**	**10,501**	**--**	**574,750**
Corporate income tax expense	(159,014)	(24,750)	16,275	(3,117)	--	(170,605)
Consolidated profit/(loss) for the year	**376,686**	**58,630**	**(38,553)**	**7,385**	**--**	**404,145**
Profit/(loss) after tax of discontinued operations	--	--	--	--	--	--
Profit/(loss) for the year	**376,686**	**58,630**	**(38,553)**	**7,385**	**--**	**404,145**
Non-controlling interests	(64,244)	(4,067)	(1,677)	(2,109)	--	(72,097)
Profit/(loss) attributable to the parent company	**312,441**	**54,563**	**(40,230)**	**5,275**	**--**	**332,048**

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Balance at 31.12.20	Segments				Corporate transactions	Total Group
	Energy	Infra-structure	Other activities	Intragroup Transactions		
ASSETS						
Property, plant and equipment, intangible assets and investment property	7,169,758	588,294	170,973	(55,669)	--	7,873,356
Right of use	352,494	91,336	53,002	--	--	496,832
Goodwill	--	134,303	96,142	--	--	230,445
Non-current financial assets	26,633	40,873	118,904	3,023	--	189,433
Equity accounted investments	347,661	125,051	757,276	(3,002)	--	1,226,986
Other assets	491,062	503,510	292,705	15,418	--	1,302,695
Non-current assets	**8,387,608**	**1,483,367**	**1,489,002**	**(40,230)**	**--**	**11,319,747**
Inventories	109,392	213,854	915,950	(9,361)	--	1,229,836
Trade and other receivables	430,249	1,959,554	413,836	(551,433)	--	2,252,206
Other current financial assets	111,447	68,046	33,019	--	--	212,512
Other assets	404,492	187,734	(260,502)	(4,756)	--	326,968
Cash and cash equivalents	210,430	2,285,323	(85,573)	(3,022)	--	2,407,158
Non-current assets classified as held for sale	--	348,103	110,101	--	--	458,204
Current assets	**1,266,010**	**5,062,614**	**1,126,831**	**(568,572)**	**--**	**6,886,884**
Total assets	**9,653,618**	**6,545,981**	**2,615,833**	**(608,802)**	**--**	**18,206,631**
EQUITY AND LIABILITIES						
Consolidated equity	**3,041,540**	**768,620**	**(43,824)**	**(54,949)**	**--**	**3,711,387**
Financial debt	3,562,458	1,379,076	(70,202)	--	--	4,871,332
Other liabilities	1,464,843	710,588	108,508	(2,420)	--	2,281,519
Non-current liabilities	**5,027,301**	**2,089,664**	**38,306**	**(2,420)**	**--**	**7,152,851**
Financial debt	203,250	69,896	1,713,884	--	--	1,987,030
Trade and other payables	368,868	2,526,059	377,759	(245,377)	--	3,027,309
Other liabilities	1,012,657	819,114	419,572	(306,057)	--	1,945,286
Liabilities directly associated with non-current assets classified as held for sale	--	272,631	110,136	--	--	382,767
Current liabilities	**1,584,775**	**3,687,700**	**2,621,351**	**(551,434)**	**--**	**7,342,393**
Total equity and liabilities	**9,653,616**	**6,545,986**	**2,615,833**	**(608,803)**	**--**	**18,206,631**

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Balance at 31.12.20	Segments				Corporate transactions	Total Group
	Energy	Infra-structure	Other activities	Intragroup Transactions		
Total revenue	**1,768,687**	**3,928,057**	**1,003,164**	**(217,936)**	**--**	**6,481,972**
Revenue	1,756,798	3,880,395	922,439	(77,660)	--	6,481,972
Revenue to other segments	11,889	47,662	80,725	(140,276)	--	--
Other operating income/(expenses)	(957,772)	(3,738,664)	(952,438)	217,487	--	(5,431,388)
Equity method profit/(loss) - analogous	57,390	24,564	37	249	--	82,241
Gross profit/(loss) from operations	**868,304**	**213,958**	**50,763**	**(200)**	**--**	**1,132,825**
Allowances	(408,579)	(222,590)	(50,191)	3,227	--	(678,133)
Impairment and profit/(loss) on disposal of fixed assets	83,533	88,737	7,656	--	--	179,927
Other gains or losses	(61)	8,790	(17,987)	--	--	(9,258)
Profit/(loss) from operations	**543,198**	**88,895**	**(9,759)**	**3,027**	**--**	**625,362**
Financial profit/(loss)	(156,295)	(21,877)	(24,720)	--	--	(202,892)
Profit/(loss) from changes in value	23,586	(1,785)	(6,537)	--	--	15,264
Equity method profit/(loss) – non-analogous	--	--	79,258	--	--	79,258
Profit/(loss) before tax	**410,489**	**65,233**	**38,241**	**3,027**	**--**	**516,992**
Corporate income tax expense	(79,098)	(12,570)	(7,369)	(583)	--	(99,621)
Consolidated profit/(loss) for the year	**331,391**	**52,663**	**30,872**	**2,444**	**--**	**417,371**
Profit/(loss) after tax of discontinued operations	--	--	--	--	--	--
Profit/(loss) for the year	**331,391**	**52,663**	**30,872**	**2,444**	**--**	**417,371**
Non-controlling interests	(24,670)	(3,886)	(1,267)	(496)	--	(30,319)
Profit/(loss) attributable to the parent company	**306,721**	**48,777**	**29,605**	**1,947**	**--**	**387,052**

Corporate transactions did not result in any profits or losses in 2021 and 2020.

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The following tables show the breakdown of certain of the Group's consolidated balances for the energy and infrastructure segments::

31.12.2021		
Division	**Revenue**	**EBITDA**
Power	1,705,742	1,115,137
Non-power	766,714	(28,838)
Energy	**2,472,456**	**1,086,299**
Construction	3,626,030	162,978
Concessions	53,098	45,936
Water	1,052,287	100,248
Other infrastructure activities	164,872	13,912
Consolidation adjustments	(25,958)	--
Infrastructure	**4,870,328**	**323,074**

31.12.2020		
Division	**Revenue**	**EBITDA**
Power	1,353,561	844,579
Non-power	415,126	23,726
Energy	**1,768,687**	**868,305**
Construction	2,775,774	50,116
Concessions	98,452	67,098
Water	976,416	84,762
Other infrastructure activities	145,283	11,982
Consolidation adjustments	(67,868)	--
Infrastructure	**3,928,057**	**213,958**

EBITDA represents the operating profit obtained by the Group, reflecting operating income before depreciation and amortisation and changes in provisions. The calculation of EBITDA is based on the following items reflected in the consolidated income statement:

	31.12.2021	**31.12.2020**
Revenue	8,104,304	6,481,972
Other revenue	563,181	788,906
Change in inventories of finished goods and work in progress	110,202	193,557
Cost of goods sold	(1,980,408)	(2,216,122)
Personnel expenses	(1,787,448)	(1,550,766)
Other operating expenses	(3,621,009)	(2,646,962)
Equity method profit/(loss) - analogous	94,098	82,241
EBITDA	**1,482,922**	**1,132,825**

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Revenue and the balances of total, non-current and current assets by geographical area are as follows:

	Revenue		Total assets		Non-current assets		Current assets	
	2021	2020	2021	2020	2021	2020	2021	2020
Spain	3,133,699	2,682,642	7,347,874	6,953,768	4,699,695	4,321,585	2,648,180	2,632,183
European Union	665,100	590,452	1,896,087	1,721,825	1,432,767	1,323,803	463,321	398,022
OECD	2,916,921	2,005,364	8,092,777	7,641,855	5,510,790	5,000,095	2,581,988	2,641,760
Other countries	1,388,585	1,203,514	2,266,024	1,889,183	723,941	674,265	1,542,083	1,214,918
Total	**8,104,305**	**6,481,972**	**19,602,762**	**18,206,631**	**12,367,193**	**11,319,747**	**7,235,570**	**6,886,884**

Revenue and non-current assets from significant countries other than Spain, i.e. countries where more than 10% of income are obtained from third-party customers and non-current assets represent more than 10% of total assets, in accordance with IFRS 8, were as follows:

	Revenue		Non-current assets	
	2021	2020	2021	2020
Australia	1,432,599	881,237	1,076,999	1,036,357
Mexico	253,690	238,440	1,679,677	1,489,039

30.- Finance income and costs and other income and expenses for the year

The financial income and costs of the Group were as follows (expressed in thousands of euros):

	2021	2020
Financial income	**54,635**	**36,852**
From equity investments	9	486
From other financial instruments – associates	2,327	5,374
Other financial income	52,299	30,992
Financial costs	**(234,729)**	**(254,166)**
On payables to third parties	(242,033)	(270,619)
Capitalisation of borrowing costs	7,298	14,361
Change in financial provisions	5	2,092

Other finance income and costs

The Group capitalised borrowing costs amounting to €7.3 million at 31 December 2021 and €14.4 million at 31 December 2020, practically all in respect of property, plant and equipment (see Note 5). Borrowing costs capitalised in inventories totalled €1.5 million in 2021 and €2.2 million euros in 2020 (see Note 4.2.j).

Finance costs

Amounts totalling €21,315 thousand payable to third parties by consolidated Group companies third parties were deducted from equity and included in *Finance costs* in 2021 as a result of periodic settlements of hedging derivatives (€30,100 thousand in 2020).

An additional amount of €9,486 thousand (€13,513 thousand in 2020), also arising from periodic derivatives settlements, was recognised as a decrease in the results of companies accounted for using the equity method.

31.- Proposed application of profits

The proposed application of the profit of Acciona, S.A. for the year ended 31 December 2021 which the Board of Directors will submit for approval by the Shareholders at their Annual General Meeting, and the distribution of 2020 profit approved at the Annual General Meeting held in 2021, are as follows (expressed in euros):

	2021	2020
Distribution basis:		
Profit of Acciona, S.A.	850,314,721.46	260,158,548.23
Distribution:		
Legal reserve	---	---
Statutory reserve	85,031,472.15	26,015,854.82
Capitalisation reserves	27,981,486.23	7,935,804.75
Voluntary reserves	512,389,485.78	12,265,941.96
Dividends	224,912,277.30	213,940,946.70
Total	**850,314,721.46**	**260,158,548.23**

The proposed appropriation for 2021 envisages the distribution of a dividend of €4.10 per share.

In accordance with its bylaws, Acciona, S.A. must in any event make appropriations to the legal and statutory reserve equal to 10% of net profit for the year. Any remainder of said 10% appropriation after the legal reserve is fully covered (balance equal to 20% of the share capital), must be applied to the statutory reserve, which is unrestricted.

The Board of Directors proposes that an appropriation of €27,981,486.23 be made out of the profit for 2021 to the capitalisation reserve set aside in accordance with article 25 of the Spanish Consolidated Corporate Income Tax Act (Law 27/2014 of 27 November). This amount is equal to 10% of the increase in equity of the companies forming part of the tax group headed by Acciona, S.A. as parent. This appropriation may be deducted from taxable income to a limit of 10% of the tax group's assessment basis for the year. Any remainder above this limit may be carried forward to the following two tax periods. As a condition of this tax benefit, the capitalisation reserve is restricted for a period of five years as of the dates of the successive appropriations made.

32.- Environmental matters

In 2021, the Group allocated €111 million to the management of environmental impacts generated by the Group's activities (prevention, reduction or correction of impacts). A total of €107 million were applied to costs and €4 million to investments. A breakdown of these amounts is as follows (expressed in millions of euros):

Category	2021	2020
Measures to mitigate environmental impacts	75	49
Environmental research, development and innovation	11	9
Personnel assigned to environmental activities	8	5
Investments in property, plant and equipment used to prevent environmental impacts and protect the environment	4	4
Environmental consultancy and advisory services	7	1
Other*	6	1
Total	**111**	**70**

(*) This line reflects other environmental expenses, including insurance and taxes, training, environmental management system, and environmental communication and awareness raising.

33.- Earnings per share

- Basic:

Basic earnings per share are calculated by dividing the profit distributable to the Company's shareholders by the weighted average number of ordinary shares outstanding in the financial year.

Basic earnings per share for the years ended 31 December 2021 and 2020 were as follows:

	2021	2020
Net profit attributed to the Parent Company (thousands of euros)	332,048	387,052
Weighted average number of shares outstanding	54,628,413	54,523,975
Basic earnings per share (euros)	**6.08**	**7.10**

- Diluted:

Diluted earnings per share are calculated by adjusting the profit for the year attributable to the holders of ordinary shares and the weighted average number of shares outstanding to include all dilutive effects inherent in potential ordinary shares.

The only dilutive effect in 2021 and 2020 relates to employee incentive plans, which have no relevant effect on the calculation. Accordingly, earnings per share match diluted earnings per share.

34.- Events after the reporting period

No material events occurred between 31 December 2021 and the date of preparation of these annual accounts.

35.- Related-party transactions

The transactions carried out by the Company with its subsidiaries (related parties) as part of its normal business activities in terms of purpose and conditions were eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below.

Transactions with associates

Balances receivable from and payable to associates at 31 December 2021 and 2020 were as follows (expressed in thousand euros):

Related-party transactions	2021	2020
Trade and other receivables	73,649	66,695
Trade and other payables.	488,874	627,655
Loans granted	94,512	95,674
Loans received	17,810	23,828
Revenue	491,406	146,590
Expenses	144,556	213,024

Revenue represents mainly billings issued by the infrastructure division in asset construction projects, comprising in particular amounts billed to Concesionaria Linha Universidade, S.A. for the construction of line 6 of the Sao Paulo metro.

Expenses and *Trade and other payables* reflect basically transactions carried out by the energy division with the Nordex Group involving the purchase of wind turbines for use in the construction of wind farms.

Loans granted comprise basically the loan awarded by Acciona, S.A. to Nordex, S.E., and loans awarded by Acciona Concesiones, S.A. and Acciona Generación Renovable, S.A. to associates.

These transactions were carried out on the arm's length basis.

Transactions with shareholders, directors and executives, and other related parties

Spanish Law 5/2021 of 12 April provided for the inclusion in Chapter VII.two, Title XIV of the consolidated text of the Spanish Corporate Entreprises Act of a special regime for related-party transactions entered into by listed companies and their subsidiaries with directors, shareholders owning 10% or more of voting rights or accorded seats on the board of directors, or with any other persons considered related parties under International Financial Reporting Standards (IAS 24).

In accordance with article 45 of the Acciona Board Regulation, any transaction carried out by Acciona, S.A. or its subsidiaries with directors of the Company, related-party shareholders, or other related parties must be submitted for authorisation by the Board of Directors subject to a related party from the Audit and Sustainability Committee, unless such authorisation is not required by law. Related-party transactions will necessarily require authorisation by the Shareholders at the General Meeting when the amount or value concerned is equal to or greater than 10% of the total corporate assets carried in the last annual balance sheet approved.

The Board of Directors is further required to oversee transactions of this nature, ensuring that they are carried out under market conditions and fully respect the principle of equal treatment of shareholders.

The Board may delegate authorisation of the following related-party transactions, which do not require a prior report from the Audit and Sustainability Committee: a) arm's length transactions entered into by the Company and/or its subsidiaries with other group companies in the ordinary course of the business; and b) transactions entered into under the terms of standard form contracts used by the supplier of the goods or services concerned in dealings with large numbers of customers, applying general prices or rates, provided the amount concerned does not exceed 0.5% of the Company's net revenue as reflected in the most recent consolidated (or by default individual) annual accounts approved by the shareholders at their annual general meeting ("*Delegable Related-Party Transactions*").

The Board of Directors approved an *Internal Procedure for Periodic Reporting and Control of Related-Party Transactions* on 17 June 2021, which involves the Audit and Sustainability Committee (*Internal Procedure for Related-Party Transactions*) and provides for the delegation of *Delegable Related-Party Transactions to the Internal Conduct Regulation Control Unit* (ICRCU).

In accordance with the above-mentioned *Procedure,* any proposed related-party transactions must be reported by the related party with knowledge thereof to the finance department, which will in turn report such transactions to the ICRCU or to the Audit and Sustainability Committee, as appropriate.

The ICRCU is formed by the finance department, compliance department, legal department and the secretary to the Board. It meets periodically at least once per quarter to prepare a report to the Board of Directors on any related-party transactions approved under the delegation conferred.

No material transactions were carried out between the Company and its subsidiaries with directors, shareholders or other related parties in 2021, whether in terms of their amount or nature.

Transactions with directors, executives and companies related with the same reported in 2020, which are detailed below, consisted largely of purchases of shares in companies related with executive directors by Acciona Agua, S.A. (ATLL Concesionaria de la Generalitat de Catalunya, S.A. (in liquidation)), as well as the settlement of the 2014-2019 Long-term Incentive Plan.

A summary of transactions subject to the internal reporting procedure carried out in 2020 with executive directors or companies related with the same is as follows:

	Thousands of euros				
	31.12.2020				
Income and expenses	**Significant shareholders**	**Directors and executives**	**Group employees, companies or entities**	**Other related parties**	**Total**
Expenses:	--	--	--	--	--
Financial costs	--	--	--	--	--
Leases	--	--	--	--	--
Services received	--	--	--	114	**114**
Purchases of goods	--	--	--	--	--
Other expenses	--	--	--	--	--
Revenue:	--	--	--	--	--
Financial income	--	--	--	--	--
Dividends received	--	--	--	--	--
Services provided	--	--	--	139	**139**
Sale of goods	--	--	--	--	--
Other income	--	--	--	--	--

	Thousands of euros				
	31.12.2020				
Other transactions	**Significant shareholders**	**Directors and executives**	**Group employees, companies or entities**	**Other related parties**	**Total**
Financing agreements: loans and capital contributions (lender)	--	--	--	--	--
Financing agreements: loans and capital contributions (borrower)	--	--	--	--	--
Guarantees and sureties extended	--	--	--	--	--
Guarantees and sureties received	--	--	--	--	--
Obligations acquired	--	--	--	--	--
Dividends and other distributions	--	--	--	--	--
Other transactions (purchases)	--	--	--	22,800	**22,800**
Other transactions (sales)	--	--	--	26,357	**26,357**

	Thousands of euros				
	31.12.2020				
Balances at 31.12.20	**Significant shareholders**	**Directors and executives**	**Group employees, companies or entities**	**Other related parties**	**Total**
Trade receivables	--	--	--	--	--
Loans and facilities granted	--	--	--	--	--
Other receivables	--	--	--	125	**125**
Total balances receivable	--	--	--	**125**	**125**
Loans and facilities received	--	--	--	--	--
Other payment obligations	--	--	--	--	--
Total balances payable	--	--	--	--	--

36.- **Remuneration and other benefits**

A. Board of Directors

The remuneration in euros earned by the members of the Company's Board of Directors was as described in this note, taking into consideration that the amounts mentioned refer both to the Parent and its subsidiaries.

In accordance with to article 31 of the Company's Bylaws, the Directors' remuneration will consist of a fixed annual allocation in respect of membership of the Board and of any Committees on which each Director may sit. The overall remuneration payable by the Company to the Directors in their capacity as such will be as determined by the Remuneration Policy approved by the Shareholders at their General Meeting.

Unless otherwise decided by the General Meeting or established in the Remuneration Policy, the Board of Directors is responsible, within this statutory framework, for determining the exact amount to be paid within the limits established and the distribution of such amount among the directors, subject to a prior report from the Appointments and Remuneration Committee, taking into consideration the functions and responsibilities of each director, membership of Board committees and other offices, and any other objective circumstances considered relevant.

Notwithstanding the provisions described in the preceding paragraph, remuneration paid for membership of the Board of Directors will be compatible with any other remuneration (e.g. fixed salary, variable amounts depending on the attainment of business, corporate and/or personal performance objectives, severance upon removal for reasons other than dereliction, pension schemes, and deferred remuneration items) that may be awarded to a director by the Board of Directors, subject to the Remuneration Policy, at the proposal of the Appointments and Remuneration Committee for the discharge of other executive or senior management functions in the Company aside from the joint oversight and decision-making duties incumbent upon the members of the Board.

Subject to a prior resolution of the Shareholders General Meeting, executive directors may also receive remuneration in the form of share awards or stock options, or under any other share-based remuneration scheme.

In accordance with article 54 of the Board Regulation, the Board of Directors is responsible for establishing the system applicable to the distribution of the directors' remuneration within the framework of the Company's Bylaws.

The decision in this respect must be based on a report issued by the Appointments and Remuneration Committee.

The Board of Directors endeavours to ensure that the directors' remuneration is moderate and in line with the amounts paid in the market to directors of similar-sized companies engaging in comparable businesses, with preference for remuneration formats linking a significant portion of remuneration to the directors' dedication to Acciona.

The system for remuneration of independent directors is intended to serve as a sufficient incentive to foster dedication without compromising their independence.

The remuneration paid to proprietary directors for the discharge of their functions as such must be proportional to that of other directors and it may not entail any unfair remuneration of the shareholder appointing such directors. The remuneration system will establish similar remuneration for comparable functions and dedication.

As regards remuneration of executive directors, article 55 of the Board Regulation further requires the Board of Directors to ensure that the remuneration policies in force from time to time include appropriate technical safeguards to align variable remuneration with the beneficiaries' professional performance, and that it does not arise merely from general market trends, developments in the Company's business sector or other similar circumstances. The remuneration of directors will be transparent at all times.

The Directors Remuneration Policy for the period 2021-2023 was approved by the Shareholders at their General Meeting, and the changes established therein apply to remuneration earned as of the date of approval. In this regard, the directors remuneration policy for 2021, 2022 and 2023 was approved as a separate item on the agenda for the Shareholders General Meeting held on 28 May 2020, in accordance with article 529.xix of the Consolidated Spanish Corporate Enterprises Act and article 31 of Acciona's Bylaws, which establish the obligation to approve the directors' remuneration policy at least every three years as a separate item on the agenda.

All remuneration received by the directors must in any event comply with the Directors Remuneration Policy in force from time to time, except for remuneration expressly approved by the Shareholders at their General Meeting.

In accordance with article 31 of Acciona's Bylaws, the Remuneration Policy approved at the General Meeting establishes: a) that the maximum annual remuneration payable to all of the directors for the discharge of their duties will be €1,700,000; and b) that the remuneration will be distributed among the directors at the discretion of the Board, unless otherwise decided by the Shareholders at their General Meeting, having regard to the functions and responsibilities of each director, membership of Board committees, and any other objective circumstances that may be considered relevant.

At the proposal of the Appointments and Remuneration Committee, the Board of Directors resolved to establish the annual remuneration for membership of the Board of Directors and Board Committees subject to the following terms: a) executive directors will not receive remuneration for their membership of the Board of Directors, and therefore their remuneration will consist of their executive pay; b) if any executive committee is dissolved, the remuneration payable for membership of such a committee will be removed; c) remuneration for non-executive directors' membership of Board will be €100,000; d) remuneration will be €70,000 for membership of the audit and sustainability committee, €55,000 for membership of the appointments and remuneration committee, and €50 ,000 for membership of the sustainability committee; e) additional remuneration of €30,000 will be paid to the holder of the position of Independent Coordinating Director; and f) the additional remuneration for chairing the committees will be €18,000 for the audit committee, €11,000 for the appointments and remuneration committee, and €8,000 for the sustainability committee.

On 30 June 2021, the Board of Directors decided to combine the Audit Committee and the Sustainability Committee into a single Audit and Sustainability Committee with the same remit and powers as the two former committees. The unification of these committees did not result in any change in the above-mentioned amounts, except for the elimination of the remuneration payable for membership of the sustainability committee.

Following a detailed study of the remuneration paid at international and IBEX 35 companies, the Appointments and Remuneration Committee found that the Directors' remuneration was in line with the amounts paid in the market by similar-sized companies operating comparable businesses, that similar remuneration was paid for comparable functions and dedication, and that the remuneration provided an adequate incentive for the dedication of directors sitting on the different committees without compromising their independence.

Notwithstanding the foregoing, the Board of Directors will present a proposal for the new Remuneration Policy applicable to the three-year period 2023-2025 to the Annual General Meeting to replace the policy currently in force in the event of approval by the Shareholders. The timing of this proposal is opportune given the legislative changes brought about by Spanish Law 5/2021 of 12 April Consolidated Text of the Corporate Enterprises Act and other financial legislation so as to effect the transposition into Spanish law of Directive (EU) 2017/828 of 17 May 2017 of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement in listed companies.

The total remuneration paid to the members of the Board of Directors for the discharge of their management duties in the Company directors in 2021 was €1,588 thousand (€1,496 thousand in 2020). An individual breakdown of this amount (expressed in thousands of euros) for each member of the Board of Directors is as follows (differences with the amounts indicated above and the remuneration reflected in the table is due to rounding of decimal points):

	Fixed remuneration	Remuneration for membership of Board committees	Total for 2021	Total for 2020
José Manuel Entrecanales Domecq	--	--	--	--
Juan Ignacio Entrecanales Franco	--	--	--	--
Daniel Entrecanales Domecq	100	64	164	158
Javier Entrecanales Franco	100	53	153	150
Karen Christiana Figueres Olsen	100	63	163	170
Ana Sainz de Vicuña Bemberg	100	72	172	195
Jerónimo Marcos Gerard Rivero	100	63	163	155
Juan Carlos Garay Ibargaray	100	131	231	263
Javier Sendagorta Gómez del Campillo	100	72	172	155
Don José Maria Pacheco Guardiola	100	53	153	150
(*) María Dolores Dancausa Treviño	50	35	85	--
Sonia Dulá	100	35	135	100
Total			**1,591**	**1,496**

(b) Directors appointed in 2021.

The cash remuneration in paid to Directors for the discharge of executive and senior management functions and for membership of the Board totalled €5,804 thousand in 2021 and €27,357 thousand in 2020. The Directors also received remuneration in kind amounting to €102 thousand in 2021 and €97 thousand in 2020.

The independent Director Sonia Dulá also holds office as an independent director and chairs the boards of directors of the companies forming the Bestinver subgroup, to which position she was

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appointed on 22 July 2019. In the Bestinver subgroup she receives remuneration only for her position in Bestinver, S.A. Her earnings in this respect amounted to €100 thousand in 2021 and 2020.

In 2014 the Company set up a savings plan linked to term life assurance, with cover for the risks of permanent total, absolute or severe disability and death (the "Savings Plan") aimed exclusively at the Company's Executive Directors. Key terms of this plan are as follows:

a) It is a defined contributions prudential scheme.
b) The scheme is endowed externally through the payment of annual premiums by the Company to an insurance company with the Savings Plan member as the beneficiary, covering survival and the insured risk contingencies of (i) death and (ii) permanent disability in the degrees established in the Regulations.
c) Where a member may cease to hold office as an executive director of Acciona for any reason, the company will discontinue payment of the Savings Plan premiums as of the date on which such member officially steps down, notwithstanding any financial claims recognised in favour of the same.
d) Savings Plan benefits will be paid directly by the insurer to the members, net of the applicable withholdings and payments on account of Personal Income Tax, which will be payable by the beneficiary. Benefits in respect of other contingencies will also be paid directly by the insurer to the beneficiary or beneficiaries concerned.
e) Members of the Savings Plan will lose their status as such in any of the following circumstances: i) occurrence of any of the risk contingencies covered and collection of the benefit; ii) when they reach the age of 65 years; iii) upon removal from the position of Executive Director of Acciona for any reason other than as indicated above.
f) Vesting conditions. The Company will be the beneficiary of the Savings Plan in either of the following cases:
    a. If a member resigns or otherwise voluntarily steps down as an Executive Director of Acciona.
    b. If a member is removed from the office of Executive Director for any breach of their duties or any act or omission adversely affecting the Company, or if a member is convicted of an offence by the courts. In such cases, the member concerned will lose all vested financial claims under the Savings Plan and will therefore receive no benefits thereunder.

The contributions made to the Savings Plan on behalf of the Executive Directors in 2021 and 2020 amounted to €5,013 thousand and €2,613 thousand, respectively. The contributions made in 2021 were equal to 100% of fixed annual salary plus an additional amount in respect of extraordinary contributions to the Savings Plan forming part of the variable remuneration for 2020.

The accumulated value at 31 December 2021 of the Executive Directors' savings schemes including unvested financial claims of Executive Directors was €33,050 thousand.

The Company has not contracted any pensions obligations with former or current members of the Board of Directors, and no advances, loans or guarantees have been granted to current Board members, except as mentioned in this Note.

The directors of the Parent Company did not receive any remuneration for membership of other boards and/or senior management of Group companies in 2021 or 2020, except Ms Sonia Dulá as explained in relation to the Bestinver subgroup. Specific information regarding the remuneration

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earned by the non-executive directors of Acciona, S.A. holding seats on the board of Corporación Acciona Energías Renovables, S.A. is disclosed in the annual accounts of that company. Four directors of Acciona, S.A. held proprietary seats on the board of Corporación Acciona Energías Renovables, S.A. in 2021 (José Manuel Entrecanales Domecq, Juan Ignacio Entrecanales Franco, Sonia Dulá and Karen Christiana Figueres Olsen). For further information, see the 2021 Directors Remuneration Report (*Informe de Remuneraciones de los Consejeros 2021*) available online on the Company's website (www.acciona-energia.com) and the website of the Spanish National Securities Market Commission (CNMV).

The total remuneration paid to the members of Acciona's Board of Directors, including compensation for executive functions, was €7,597 thousand in 2021 and €56,388 thousand in 2020.

B. Senior Management

Senior Management includes employees holding senior management positions in the Acciona Group and the corporate internal audit director. This classification is made for information purposes only and should not under any circumstances be considered an interpretation or evaluation of the concept of senior management within the meaning of prevailing legislation, and in particular of Spanish Royal Decree 1382/1985.

The remuneration of persons holding senior management positions in 2021 and 2020, excluding members of the Board of Directors (whose remuneration is disclosed above), from the perspective of the Parent Company and its subsidiaries, was as follows:

	2021	2020
Senior management headcount	51	38
Remuneration (thousands of euros)	30,949	24,385

The senior management headcount and remuneration were calculated without taking into consideration persons who now hold senior management positions in the Acciona Energía subgroup, whose number and earnings are disclosed in the 2021 annual accounts prepared by Acciona Energía,The remuneration paid in 2021 includes severance and additional settlements of incentive plans.

The remuneration figures for 2021 and 2020 include severance paid upon the termination of employment relations with executives leaving the Company in each year.

The directors and executives civil liability premium paid in 2021 was €1,931,374.

2020-2029 Long-Term Incentive Plan Linked to the Creation of Value:

At their General Meeting held on 28 May 2020 the Shareholders approved a long-term incentive plan linked to the creation of value aimed at the executive directors of Acciona, S.A. The main conditions of the *2020-2029 Long-Term Incentive Plan Linked to the Creation of Value directed at the Executive Directors of Acciona, SA* or *2020 LTIP* are as follows:

(A) Beneficiaries of the plan: The directors of Acciona, S.A. discharging key senior management functions as executive directors of the Acciona Group at the date of the Plan's approval.

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(B) Duration: Ten years (from 1 January 2020 to 31 December 2029, inclusive).

(C) Metrics used to measure value creation:

(i) Total shareholder return (TSR) is the benchmark valuc crcation measure. TSR is calculated as the difference between the initial value of 100% of the current capital represented by the ordinary shares of Acciona, S.A. and the final value of the same investment, including the gross dividends received by shareholders maintaining the investment at 100% of capital over the 2020-2029 period of the plan, without discounting the respective values.

The initial and final values are calculated taking into account (for calculation of the initial value) the weighted average share price of Acciona, S.A. by daily volume with respect to the market sessions held in the months of October, November and December 2019, and (for calculation of the final value) the weighted average share price of Acciona, S.A. by daily volume with respect to the market sessions held in the months of October, November and December 2029.

In this regard, the weighted average share price of Acciona, S.A. in the market sessions held in the months of October, November and December 2019 was €92.84 euros. Hence, the initial value for the calculation of TSR is €92.84 euros.

(ii) The weighted average cost of capital (WACC) as minimum rate of return, i.e. the minimum TSR above which value will be deemed to have been created for the shareholders of Acciona, S.A.

WACC will be calculated as the mean WACC required to finance the consolidated assets and activity of Acciona, S.A. and its group in each of the ten years the covered by the plan. In this regard, annual WACC will be calculated at 31 December each year as the WACC in each of the twelve months of the year in question (calculated on annual basis on the last day of each month).

(D) Calculation of the incentive: Both measures (TSR and WACC) will be calculated at the end of the plan for the period 2020-2029. If and only if TSR exceeds WACC, the Board of Directors, acting at the proposal of the Appointments and Remuneration Committee, will (i) determine the aggregate amount of the incentive payable to the executive directors, which will be equal to 1% of the actual TSR achieved at the end of the period, and (ii) decide on the distribution of the resulting amount among the executive directors based on criteria designed to weight the relative contribution of each executive director to the achievement of value creation for the shareholders of Acciona, S.A. over the term of the Plan.

(E) Payment of the incentive and deferral: The incentive will be paid in cash as follows: (i) 80% in 2030, after preparation of the 2029 consolidated financial statements of Acciona and its group certified by the auditors without qualification, and (ii) the remaining 20% in 2031, after preparation of the 2030 consolidated financial statements of Acciona and its group certified by the auditors without qualification, provided that none of the malus scenarios mentioned in point (F) below arises in the deferral period in the opinion of the Board of Directors, acting at the proposal of the Appointments and Remuneration Committee.

(F) Malus and clawback: Acciona, S.A. may claw back all or part of the part of the incentive paid from the executive directors within three (3) years of the date of each incentive payment (including payment of the deferred portion of the incentive), if any of the following malus scenarios arises in the three (3) year period in question, in the opinion of the Board of Directors, acting at the proposal of

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the Appointments and Remuneration Committee: (i) an executive director commits a serious breach of his/her duties of diligence or loyalty in the discharge of his/her duties in Acciona, S.A., or otherwise commits a serious and culpable breach of the undertakings made by the executive director under his/her executive contract with Acciona, S.A.; (ii) it is confirmed that an executive director received the incentive under the plan based on data that is subsequently shown to be manifestly inaccurate; or (iii) an executive director fails to comply with a post-contractual non-compete undertaking entered into or assumed in relation to Acciona, S.A.

(G) Early Settlement: If an executive director's commercial relations with Acciona, S.A. are terminated, or if the delegation of executive functions to an executive director is revoked at any time during the term of the plan (1 January 2020 to 31 December 2029, inclusive) for reasons not attributable to such director, settlement of the will be accelerated for both executive directors. Moreover, settlement of the plan will also be accelerated in the event of voluntary resignation by an executive director as of the fourth year of the plan, resulting in settlement of the part of the incentive applicable to the executive director concerned based on value created during the period in question, for a percentage that will vary between 50% and 100% of the amount of the incentive depending on the year in which the director steps down (50% in 2024, 60% in 2025, 70% in 2026, 80% in 2027, 90% in 2028 and 100% in 2029). The Board of Directors of Acciona, acting at the proposal of the Appointments and Remuneration Committee, may decide whether to continue the plan for the executive director who is unaffected, in view of the best interests of Acciona at such time.

The incentive will accrue only if TSR exceeds WACC for the benchmark period in question at 31 December of the year prior to that in which the director concerned is removed on grounds beyond his/her control or voluntarily steps down.

Other possible extraordinary incentives

At the proposal of the Appointments and Remuneration Committee, the Board of Directors may submit other extraordinary incentive plans for approval by the General Meeting of the Shareholders in response to the circumstances of the business or corporate operations that would justify such incentives.

Plan for the Award of Shares and Performance Shares

The Shareholders adopted the following resolution at their General Meeting held on 24 June 2014:

A) To extend the term of the Shares and Options Award Plan to management of the Acciona group, including executive directors, as approved by the General Meeting of the Shareholders of Acciona, S.A. on 4 June 2009, for application in financial years 2014-2019, and to increase the maximum number of shares available by 200,000 shares.

B) To authorise the Board of Directors of the Company to amend the Plan Regulations under the terms and conditions considered appropriate by the Board, to the full extent required by law and at the proposal of the Appointments and Remuneration Committee, establishing award conditions and periods, accrual periods, allocation criteria and limits and any other matters that the Board considers relevant, in order to align as far as possible the long-term interests of the executive directors and other executives of the Acciona Group with those of the shareholders of Acciona, S.A., and thereby incentivise them to maximise value creation and the long-term stability of the group, and consolidate their loyalty and permanence in the Group.

Pursuant to the above authorisation, the Board of Directors agreed on 26 February 2015 at the proposal of the Appointments and Remuneration Committee to amend the Plan Regulations, preparing a new plan, the term of which would cover the six-year period from 2014 to 2019, inclusive. As approved by the Shareholders at their General Meeting held on 18 May 2017, the Board of Directors approved an additional amendment to the Plan Regulations at their meeting held on 14 December 2017 as proposed by the Appointments and Remuneration Committee, with the aim of bringing the plan into line with best corporate governance practices regarding deferral, malus and clawback of the variable remuneration paid to executive directors, and with the principles and guidelines contained in the Directors Remuneration Policy approved by the General Meeting. Furthermore, the term of the Plan was extended for an additional two years (i.e. up to and including 2021) for directors only (excluding executive directors), and a clause was added allowing the possibility of extraordinary allocations and awards of Acciona shares to one or more beneficiary directors (other than executive directors) for achieving extraordinary results in multi-year periods (a minimum of three (3) years) at the full discretion of the Board of Directors and subject a report from the Appointments and Remuneration Committee.

In relation to long-term variable remuneration, the minority shareholders had repeatedly shown a preference in their votes at General Meetings for the variable remuneration of the Executive Chairman not to be paid in shares of Acciona, S.A., as recommended by the Proxy Advisors, since they considered in this case that this remuneration system offered no advantages given that the interests of the executive directors were already aligned with the interests of the Company.

In response to this recommendation and the vote of the minority shareholders, the 2020 General Meeting agreed on item four of the agenda with the votes in favour of 99.84% of the share capital present or represented at the Meeting equal to 83.4%, providing for modification, where applicable, of the settlement system for the 2014 Plan for the Award of Shares and Performance Shares. The purpose of this modification is to allow the incentive to be settled on an annual or multi-year basis for beneficiaries entitled to receive Company shares through the award of other Company assets, such as shareholdings in Bestinver Investment Funds, listed shares of other companies in which Acciona holds significant interests, or any other asset that the Board of Directors may consider appropriate at market value according to an independent expert's valuation, as well as in cash, thereby avoiding effects on the liquidity of the Company's shares in the market. The remaining terms and conditions established by the 2014-2019 LTI Plan remained in force.

The main conditions of the Plan for the Award of Shares and Performance Shares are as follows:

A) Purpose of the Plan

The purpose of the 2014 Plan for Award of Shares and Performance Shares is to remunerate management, including the executive directors of Acciona in such a manner as to incentivise the attainment of strategic business objectives to the benefit of the Company's shareholders, and to support the loyalty and permanence of executives.

B) Strategic indicators and objectives

Achievement of objectives will be based on the strategic business indicators defined by the Board of Directors for the years 2014 to 2019.

C) Beneficiaries of the Plan

C.1. – Executive Directors

Reference period: The reference period for the strategic business indicators will be the six-year period 2014-2019. For the allocation of performance shares, however, the whole period will be considered from the start of the 2014 Plan application period until the end of the preceding financial.

Performance shares allocation: At the end of each financial year, the Board of Directors may assess the extent to which the long-term strategic objectives have been achieved up to that point.

The final allocation of treasury shares to the *Executive Directors* will be made (a) at the end of the whole term of the 2014 Plan (in 2020) in light of the assessment made for the whole 2014-2019 period, and (b) at a midpoint milestone (in 2017) upon completion of the first three years (2014-2016), in light of the assessment made for the first three-year period from 2014 to 2016.

Permanence condition: Delivery of the shares finally allocated to the executive directors is subject, in accordance with the Plan Regulations, to the condition that the *Executive Director* should not have ceased to discharge senior management duties in Acciona or its Group for reasons attributable to such director.

The number of shares allocated together with those allocated under the 2014 Plan may not under any circumstances exceed the maximum number available as approved by the General Meeting.

The specific date set for delivery of the shares in accordance with the provisions described above will be determined by the Board of Directors, but delivery will in any case occur after the Annual General Meeting for the year in which the shares are due to be delivered. Delivery of 20% of the shares to which the Executive Directors are entitled will be subject to a minimum deferral period of one (1) year, and the award will be subject to the permanence of the executive director as mentioned in the Regulations and on the absence of any grounds, in the opinion of the external auditors, for material restatement of the Acciona Group's consolidated financial statements, as determined by the Board of Directors at the proposal by the Appointments and Remuneration Committee, except where such restatement may arise from any amendment to accounting standards.

Acciona buy-back option for shares awarded in 2017: Treasury shares awarded to executive directors in 2017 (in respect of 2014, 2015 and 2016) were subject to a buy-back option, which Acciona may exercise if the executive director acquiring the shares ceases to discharge senior management duties in Acciona or its group before 31 March 2020 for breach of his/her contractual obligations or by resignation.

In addition, during the three (3) years following the date of delivery of the shares, Acciona could demand that the *Executive Directors* (i) return the shares and/or amounts paid where the calculations were made on the basis of data shown to be manifestly inaccurate, or (ii) return the shares and/or amounts paid, and/or could withhold payment of the amounts to which an executive director might be entitled, in cases where such director had incurred a serious breach in their duties of diligence or loyalty in the discharge of their office in Acciona, or for any other serious or negligent breach of the obligations incumbent upon them under the executive contracts signed with Acciona.

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With regard to the shares delivered to the *Executive Directors* in 2020, a number of Shares equating to two times the director's fixed annual remuneration may not be (a) disposed of, encumbered or transferred under any title (except *mortis causa*), and (b) may not be included in any option until three (3) years have elapsed since the allocation of the shares.

The *Executive Directors* may, however, contribute the shares awarded to them to companies they control, or in which they may hold ownership interests. In these cases, Acciona will adopt the necessary guarantees, including collateral guarantees, to ensure compliance with the regulations, and in any event, the beneficiary company receiving the shares and or owned by an executive director will expressly acknowledge and undertake to be bound by any guarantees or restrictions granted in favour of Acciona.

C.2. – Group Executives

In the case of other beneficiaries who are not executive directors, the Board of Directors will approve, having considered the proposal made by the Appointments and Remuneration Committee, the amount of separate variable remuneration to be paid through the award of the Acciona treasury shares allocated for each financial year to each executive benefitting from the 2014 Plan, other than the executive directors.

The allocation may be formulated as an award of given number of treasury shares or of a cash amount. In the latter case, the specific number of shares awarded will depend on the closing share price on the last day's trading in March of the year when the Board of Directors decides the award. The number of shares allocated, quantified on the aforementioned basis, together with those allocated under the 2014 Plan may not under any circumstances exceed the maximum number available as approved by the General Meeting.

Treasury shares delivered to these beneficiaries are subject to a buy-back right for Acciona, which may be exercised if the beneficiary acquiring the shares ceases his/her professional engagement with Acciona or its Group before 31 March of the third year following the year when delivery takes place, for reasons attributable to the beneficiary. The Board of Directors may extend the performance shares and/or share allocation system established for the executive directors to a limited group of executives, subject to such changes as may be proposed by the Appointments and Remuneration Committee regarding provisional allocation, taxation, objectives, interim milestones and delivery periods, in order to incentivise such executives to maximise value creation and foster the long-term stability of the Group, as well as enhancing their loyalty and permanence in Acciona.

The 2014 Plan does not provide for the possible sale of shares delivered in order to cover taxes incurred by the beneficiary as a result of awards. The cost of the payments on account in respect of the 2014 Plan performance will not be passed on to the beneficiaries, and the Company will assume the tax cost of such payments on account in the personal income tax returns of the beneficiaries within the permitted limits.

D) Number of shares available for the Plan

The maximum number of shares that could be allocated to the beneficiaries under the 2014 Plan was initially fixed at 258,035, notwithstanding any increase that might subsequently be agreed by the General Meeting.

In this regard, the Shareholders resolved at their General Meetings held on 11 June 2015, 10 May 2016, 18 May 2017 and 30 May 2018 to increase the maximum number of shares available for the *2014-2019 Plan for Award of Shares and Performance Shares* by 100 thousand for each year, notwithstanding any subsequent increases that might be proposed by the Board of Directors and approved by the General Meeting.

The amount of the 2014 Plan was paid to the Executive Directors in the form of treasury shares of the Company and shares of Grupo Bodegas Palacio 1894.

At the close of 2021 the maximum number of shares available was 377,720, after 55,566 were used in 2021 for awards to executives other than the executive directors.

The 2014 Plan has now concluded for the executive directors with no shares outstanding.

E) Recipients

The annual number of Recipients may not exceed 100.

<u>Corporación Acciona Energías Renovables, S.A. IPO Incentives Plan</u>

At the proposal of the Appointments and Remuneration Committee, the Board of Directors of Acciona, S.A. agreed an incentives plans based on the award of shares of Corporación Acciona Energías Renovables, S.A. in connection with the initial public offering. This plan was settled in July 2021.

<u>Plan to substitute variable remuneration for shares</u>

Given the limited number of beneficiaries of the former Plan, the Board of Directors approved the *Plan to Substitute Variable Remuneration for Acciona shares, aimed at management of Acciona and its Group* (the Substitution Plan) on 18 February 2021 at the proposal of the Appointments and Remuneration Committee, in order to further and extend the objectives building loyalty and retaining the Group's executives. The main characteristics of this plan are as follows:

Aim: To retain and motivate the management team effectively and to improve the alignment of their interests with those of the Company and its Group.

Initial duration: Six years (from 2021-2026)

Purpose: Discretionally to offer certain executives of Acciona and its Group the option of replacing or exchanging all or part of the variable remuneration receivable by them in cash for shares in the Company based on the exchange ratio determined each year. The exchange ratio approved from 2015 to date has included an incentive equal to 25% of the variable remuneration substituted.

Beneficiaries: Executives discretionally proposed by the Board of Directors. The executive directors are excluded from this Plan.

Restrictions on the shares delivered: In general terms, the shares delivered (a) cannot be disposed of, encumbered or transferred under any title (except *mortis causa*), and (b) may not be included in

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any option or subjected to any limitations on ownership or guarantees until 31 March of the third year after the year in which the shares were delivered to the Beneficiary.

In accordance with the amendment of the plan approved by the Board of Directors on 29 February 2016, treasury shares transferred to the Beneficiaries in respect of the incentive and not the shares directly awarded in proportion to the remuneration substituted are subject to a buy-back right in favour of Acciona, which may be exercised if professional relations between the beneficiary acquiring the shares ceases and Acciona or its Group are terminated before 31 March of the third year following the year of the award for reasons attributable to the beneficiary.

The Acciona share price taken as the benchmark to determine the exchange ratio will be the closing price on the last day's trading in March of the year when the Board of Directors determines the award of the substitution option.

Shareholders Plan

In order to facilitate employee ownership of Company shares, Board of Directors approved a new Plan on 28 February 2017, at the proposal by the Appointments and Remuneration Committee, which is designed to redistribute a part of the variable and/or fixed cash remuneration paid up to a limit of €12 thousand per year through the delivery of shares in the Company in accordance with the current regulatory framework, which offers favourable tax treatment of plans of this kind.

The plan is voluntary and it offers all employees resident in Spain for tax purposes the opportunity of participating in the Company's results by becoming shareholders. This Plan does not affect executive directors, whose relations with the company are of a commercial nature and are not based on a contract of employment. The shares were measured at the closing stock market price on 31 March 2021.

Finally, a total of 55,566 shares of Acciona, S.A. with a fair value of €7,012,429 were awarded to beneficiaries other than executive directors (56 Beneficiaries) under the **Plan for the Award of Shares/Performance Shares** in 2021, by way of payment of variable remuneration for 2020 and maturity of the 2017-2020 long-term incentives plan. Of this total, 16,581 shares with a fair value of €2,092,522 were delivered to 17 executives of Acciona Energy.

Given that this plan accrues on a three-year basis, one third of the fair values mentioned above is reflected under *Personnel expenses* in the accompanying consolidated income statement for the year ended 31 December 2021. The other two thirds will be taken to income in 2022 and 2023.

Finally, 12,676 shares of the Company with a fair value of €1,811 thousand were awarded under the **Substitution Plan** in 2021 to 55 executives of Acciona and its Group, in payment of part of their variable cash remuneration for 2020. Of this total, 838 shares with a fair value of €119,750 were delivered to eight executives of Acciona Energy.

The Company determined the fair value of the goods and services received by reference to the fair value of the shares awarded.

There were no outstanding options at 31 December 2021.

The senior managers of the Group (Parent and subsidiaries) in 2021 were as follows:

Name	Position
Acosta García, Alberto	Consolidation and Budget Control Manager
Ades Alsina, Maximiliano	Facility Services Director
Alcázar Viela, Jesús	LATAM Business Development Director - Infrastructures
Alfranca Calvo, Pilar	Health Director
Anta Callersten, Carlos	Director of Organisation, Talent and Health
Arilla de Juana, Carlos María	Contracting and Procurements Director - Infrastructure
Beltrán Núñez, Raúl	Internal Audit Director
Blasco Vázquez, José Luis	Sustainability Director
Cabrera Ferreira, Roberto	Finance Director
Carrión López de la Garma, Macarena	Director of the Chairman's Office
Castilla Cámara, Luis	CEO Infrastructure
Chapa Alós, Pepa	Director of Investor Relations
Cordón Ucar, María	Director of Corporate Operations
Corella Hurtado, Olga	Finance Director – Infrastructure
Díaz-Caneja Rodríguez, José Luis	CEO Water
Fajardo Gerez, Fernando	Director of Cost Control and Risks – Infrastructure
Fernández López, Roberto	Labour Relations and OHS Director
Figueroa Gómez de Salazar, José Julio	Legal Director
Garcia San Juan, Eva	Finance Director – Real Estate
Gistau Retes, Isabel	Brand Manager
Gonzalez Patiño, Alberte Enrique	Communications Director
Gutiérrez Abarquero, David	Economic Control and Taxation Director
Heras Llorente; Miguel Ángel	Country Manager for Poland – Infrastructure
Jiménez García, Mariano	Properties and Services Director
Jiménez Serrano, Ramón	CEO Industrial - Construction
Lima de Ángelo, André	Country Manager for Brazil – Infrastructure
López-Galiacho González, José María	Acciona CEO Cultural Engineering
Marín García, Diego	CEO Concessions
Martínez Sánchez, Juan Manuel	Security Director
Mollinedo Chocano, José Joaquín	Institutional Relations, Communication and Brand Director
Moreno Lorente, Huberto José	CEO Construction
Muro-Lara Girod, Juan	Strategy and Corporate Development Director
Noonan, Bede	CEO Infrastructure, Australia and New Zealand
Pan de Soraluce Muguiro, Andrés	CEO Real Estate
Pini, Diego	Country Manager for Chile – Infrastructure
Planelles Fernández, Carlos	US Country Manager – Infrastructure
Ramírez Lomelin, Sergio Eliseo	Country Manager for Mexico – Infrastructure
Ramón Cortasa, Pilar	Internal Communications Director
Rego Prieto, Oscar Luis	Procurements Director – Infrastructure
Rodríguez Hernández, José Luis	Investees Director
Rodríguez Ramón, Mónica	Business Development and Transactions Structuring Director
Sancho, Jesús	Middle East Country Manager – Infrastructure
Santamaría-Paredes Castillo, Vicente	Compliance Director
Sebastián de Erice, Gabriela	External Relations Director, Chairman's Office
Serrada Quiza, Javier	Legal Director – Infrastructure
Sotelo Rosell, Carlos	CEO Silence
Tejero Santos, José Ángel	CFSO
Terceiro Mateos, José Manuel	Director of Economic Management
Tutor Cosín, Ada	Investment Analysis Director
Vega-Penichet López, Jorge	General Counsel
Vicente Pelegrini, Justo	CEO of Construction, Spain

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The information presented in the above table does not include six executives who switched to senior management positions in Acciona Energy in 2021. Details of these executives are disclosed in the notes to the annual accounts of Corporación Acciona Energías Renovables, S.A.

The senior managers of the Group (Parent and subsidiaries) in 2020 were as follows:

Name	Position
Alcázar Viela, Jesús	LATAM Business Development Director - Infrastructures
Ancín Viguiristi, Joaquín	Director of Engineering & Construction - Energy
Anta Callersten, Carlos	Director of Organisation, Talent and Health
Arilla de Juana, Carlos	Operations Director - Infrastructure
Beltrán Núñez, Raúl	Internal Audit Director
Callejo Martínez, Alfonso	General Manager - Corporate Resources
Carrión López de la Garma, Macarena	Director of the Chairman's Office
Castilla Cámara, Luis	CEO Infrastructure
Castillo García, Joaquín	Development Director - Energy
Claudio Vázquez, Adalberto	Director of Studies and Contracting - Construction
Corella Hurtado, Olga	Finance Director – Infrastructure
Corral Fernandez, Nicolás	CEO Services
Cruz Palacios, Juan Manuel	Labour Relations and OSH Director - Infrastructure
Díaz-Caneja Rodriguez, José Luis	CEO Water
Ezpeleta Puras, Arantza	Technology and Innovation Director
Fajardo Gerez, Fernando	Business Development Director - Infrastructure
Fernández López, Roberto	Labour Relations and OHS Director
Fernández-Cuesta Laborde, Raimundo	Markets and Investor Relations Director
Figueroa Gómez de Salazar, José Julio	Legal Director
Gutiérrez Abarquero, David	Economic Control and Taxation Director
Jiménez Serrano, Ramón	CEO Industrial
Marín García, Diego	CEO Concessions
Martínez Sánchez, Juan Manuel	Security Director
Mateo Alcalá, Rafael	CEO Energy
Mollinedo Chocano, José Joaquín	Institutional Relations, Sustainability, Communications and Brand Director
Moreno Lorente, Huberto José	CEO Construction
Muro-Lara Girod, Juan	Strategy and Corporate Development Director
Noonan, Bede	CEO Infrastructure, Australia and New Zealand
Otazu Aguerri, Juan	Production Director - Energy
Pan de Soraluce Muguiro, Andrés	CEO Real Estate
Rego Prieto, Oscar Luis	Procurements Director – Infrastructure
Rodríguez Hernández, José Luis	Investees Director
Santamaría-Paredes Castillo, Vicente	Compliance Director
Soto Conde, Antonio	CEO Bodegas Palacio
Tejero Santos, José Ángel	CFO
Terceiro Mateos, José Manuel	Director of Economic Management
Vega-Penichet Lopez, Jorge	General Counsel
Vicente Pelegrini, Justo	CEO of Construction, Spain

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C. Auditor

The fees for financial audit and other services provided by the Group's auditor, KPMG Auditores, S.L., or by firms forming part of the KPMG network, in 2021 and 2020 as well as fees for services provided by the auditors of the consolidated companies and firms related with such auditors by control, common ownership or management were as follows:

	Services provided by the principal auditor		Services provided by other auditors	
	2021	2020	2021	2020
Audit services	4,932	4,475	460	314
Other assurance services	1,124	412	1,032	677
Total audit and related services	**6,056**	**4,887**	**1,492**	**991**
Tax advisory services	259	153	5,108	2,070
Other services	713	1,257	7,993	5,227
Total other professional services	**972**	**1,410**	**13,101**	**7,297**

The fees for audit and other assurance services provided by KMPG Auditores, S.L. for the examination of the Group's annual accounts were:

- *Audit services*: €1,834 thousand in 2021 (€1,525 thousand in 2020), and
- *Other assurance services:* These comprise services provided by the auditors in accordance with applicable legislation, including limited reviews of interim financial statements, comfort letter services relating to securities, the report on Internal Control Systems over Financial Reporting, and the report on agreed upon procedures for the certification of financial ratios. Fees totalled €1,042 thousand in 2021 (€324 thousand euros in 2020).

Tax advisory services comprise mainly fees for advisory services related with the documentation of transfer prices, corporate income tax and direct and indirect taxation. Finally, *Other services* comprise mainly advisory services with the scope of sustainability and corporate social responsibility, studies of the current operating models for solar photovoltaic generating, and technology integration services.

The fees charged by other audit firms retained to examine the annual accounts of the relevant companies in respect of *Other assurance services* amounted to €1 thousand in 2021 and €13 thousand euros in 2020. Fees for *Tax advisory services* totalled €77 thousand in 2021 and €15 thousand in 2020, and fees for *Other services* were €11 thousand and €130 thousand respectively.

37.- Other disclosures concerning the Board of Directors

Pursuant to articles 229 and 529.vicies of Royal Legislative Decree 1/2010, of 2 July, approving the Consolidated Text of the Spanish Corporate Enterprises Act, at 31 December 2021, the Directors were not affected by any direct or indirect conflicts of interest with the Company, according to the available information and the declarations made by the Directors and their related parties.

APPENDIX I

GROUP COMPANIES

The subsidiaries of Acciona, S.A. considered to be Group companies were treated as such in accordance with IFRS. Fully consolidated companies at 31 December 2021 and related information are as follows:

Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
Aberdeen Wind Facility 1, Pty. Ltd.	--	South Africa	Energy	82.72%	Subgroup Acciona Energy South Africa Global
Abigroup Properties, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Abigroup
Abigroup, Ltd.	A	Australia	Construction	100.00%	Subgroup Abigroup
Acciona Wind Energy Canada, Inc.	--	Canada	Energy	62.04%	Subgroup Acciona Energía Internacional
Acciona & Sogex Facility Services, LLC.	E	Oman	Services	70.00%	Subgroup Acciona Facility Services
Acciona Administración Energía Dos, S.L.	--	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energias Renovables
Acciona Administración Energía Tres, S.L.	--	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energias Renovables
Acciona Administración Energía, S.L.	--	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energías Renovables
Acciona Aeropuertos, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Agua Adelaide, Pty. Ltd.	A	Australia	Water	100.00%	Subgroup Acciona Agua Australia
Acciona Agua Australia, Pty. Ltd.	A	Australia	Water	100.00%	Subgroup Acciona Agua
Acciona Agua Brasil - Tratamento de Agua, Ltda.	--	Brazil	Water	100.00%	Subgroup Acciona Agua
Acciona Agua Canada, Inc.	A	Canada	Water	100.00%	Subgroup Acciona Agua
Acciona Agua India, Pvt. Ltd.	E	India	Water	100.00%	Subgroup Acciona Agua
Acciona Agua Internacional Australia, Pty. Ltd.	C	Australia	Water	100.00%	Subgroup Acciona Agua Internacional
Acciona Agua Internacional, Inc.	--	Canada	Water	100.00%	Subgroup Acciona Agua Internacional
Acciona Agua Internacional, S.L.	--	Madrid	Water	100.00%	Subgroup Acciona Agua
Acciona Agua México, S.R.L. de C.V.	A	Mexico	Water	100.00%	Subgroup Acciona Agua
Acciona Agua Servicios, S.L.	A	Madrid	Water	100.00%	Subgroup Acciona Agua

Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
Acciona Agua, S.A.	A	Madrid	Water	100.00%	Subgroup Corporación Acciona Infraestructuras
Acciona Airpor Services Düsseldorf GmbH	--	Germany	Services	100.00%	Subgroup Acciona Airport Services Frankfurt, G
Acciona Airport Americas, SpA.	A	Chile	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Customer Services GmbH	--	Germany	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Airport Services Barcelona, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Airport Services
Acciona Airport Services Canarias, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Airport Services
Acciona Airport Services Chile, SpA.	A	Chile	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Services Este, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Airport Services
Acciona Airport Services GmbH	A	Germany	Services	100.00%	Acciona
Acciona Airport Services Madrid, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Airport Services
Acciona Airport Services Sur, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Airport Services
Acciona Airport Services, S.A.	A	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Airport Services, S.A.	--	Argentina	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Biocombustibles, S.A.	--	Navarre	Energy	82.72%	Subgroup Acciona Energía
Acciona Biomasa, S.L.	--	Navarre	Energy	82.72%	Subgroup Acciona Energía
Acciona Bsp Holdings, Inc.	--	Canada	Construction	100.00%	Subgroup Acciona Concesiones
Acciona Campus, S.L.	--	Madrid	Concessions	100.00%	Subgroup Acciona Concesiones
Acciona CEI Australia Finance, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Acciona CEI Australia
Acciona CEI Australia Holdings, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Acciona CEI Australia
Acciona CEI Australia, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Acciona CEI Australia
Acciona Cerro Negro, S.A.	--	Chile	Water	100.00%	Subgroup Acciona Construcción
Acciona Concesiones Australia, Pty. Ltd.	A	Australia	Concessions	100.00%	Subgroup Acciona Concesiones
Acciona Concesiones Chile, S.A.	A	Chile	Construction	100.00%	Subgroup Acciona Construcción
Acciona Concesiones de Infraestructuras, S.L.	--	Madrid	Concessions	100.00%	Subgroup Acciona Concesiones

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Acciona Concesiones Mexico, S.R.L. de C.V.	--	Mexico	Concessions	100.00%	Subgroup Acciona Concesiones
Acciona Concesiones, S.L.	A	Madrid	Concessions	100.00%	Subgroup Acciona Concesiones
Acciona Concessions Management, Inc.	--	Canada	Concessions	100.00%	Subgroup Acciona Concesiones
Acciona Construcción Andina, S.A.S.	--	Colombia	Construction	100.00%	Subgroup Acciona Construcción
Acciona Construccion Australia, Pty. Ltd.	A	Australia	Construction	82.40%	Subgroup Acciona Geotech
Acciona Construccion New Zealand, Ltd.	A	New Zealand	Construction	100.00%	Subgroup Acciona Geotech
Acciona Construcción Puerto Rico, LLC.	--	Puerto Rico	Construction	100.00%	Subgroup Acciona Construcción
Acciona Construccion, S.A.	A	Madrid	Construction	100.00%	Subgroup Corporación Acciona Infraestructuras
Acciona Construction Holdings, Pty. Ltd.	A	Australia	Construction	82.40%	Subgroup Acciona Geotech
Acciona Construction Maroc, S.A.R.L.	--	Morocco	Construction	100.00%	Subgroup Acciona Construcción
Acciona Construction Philippines, Inc.	A	Philippines	Construction	100.00%	Subgroup Acciona Construcción
Acciona Construction Usa Corp.	--	USA	Construction	100.00%	Subgroup Acciona Construcción
Acciona Copiapó, S.A.	--	Chile	Water	100.00%	Subgroup Acciona Construcción
Acciona Corporación, S.A.	--	Madrid	Other investees	100.00%	Subgroup Finanzas y Cartera 2
Acciona Cultural Engineering, S.A.	A	Madrid	Museum interiors	100.00%	Acciona
Acciona Desarrollo Corporativo Energía, S.L.	--	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energias Renovables
Acciona Desarrollo Corporativo, S.A.	--	Madrid	Other investees	100.00%	Subgroup Finanzas y Cartera 2
Acciona Distributed Generation, S.L. (antes denominada Biodiesel Sagunt, S.L.)	--	Madrid	Energy	82.72%	Subgroup Acciona Energía
Acciona Do Brasil, Ltda.	--	Brazil	Construction	100.00%	Subgroup Acciona Construcción
Acciona Energía Atlanta I, S.L.	--	Madrid	Energy	62.04%	Subgroup Acciona Energía Internacional
Acciona Energía Atlanta II, S.L.	--	Madrid	Energy	62.04%	Subgroup Acciona Energía Internacional
Acciona Energía Atlanta III, S.L.	--	Madrid	Energy	62.04%	Subgroup Acciona Energía Internacional
Acciona Energia Chile Holdings, S.A.	A	Chile	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Energía Chile, SpA.	A	Chile	Energy	82.72%	Subgroup Acciona Energía Global

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Acciona Energía Colombia, S.A.S.	--	Colombia	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Energía Costa Rica, S.A.	--	Costa Rica	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Energía Dominicana, S.R.L.	--	Dominican Republic	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Energia Financiacion Filiales Australia, Pty. Ltd.	--	Australia	Energy	82.72%	Subgroup Corp. Acciona Energias Renovables
Acciona Energía Financiación Filiales, S.A.	A	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energias Renovables
Acciona Energia Global Egypt, LLC.	A	Egypt	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Energía Global Italia, S.R.L.	A	Italy	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Energía Global, S.L.	A	Madrid	Energy	82.72%	Subgroup Acciona Energía
Acciona Energía Internacional, S.A.	A	Madrid	Energy	62.04%	Subgroup Acciona Energía
Acciona Energía México, S.R.L.	A	Mexico	Energy	62.04%	Subgroup Acciona Energía Internacional
Acciona Energía Perú, S.A.C.	--	Peru	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Energía Servicios México, S. de R.L. de C.V.	A	Mexico	Energy	82.72%	Subgroup Acciona Energia Mexico Global
Acciona Energija, D.O.O.	--	Croatia	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Energy North America Corp.	--	USA	Energy	62.04%	Subgroup Acciona Energía Internacional
Acciona Energy Australia Global, Pty. Ltd.	A	Australia	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Energy Canada Global Corp.	--	Canada	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Energy Global Poland, Sp. Z.O.O.	A	Poland	Energy	82.72%	Subgroup Acciona Energía Global Polonia
Acciona Energy India, Pvt. Ltd.	C	India	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Energy Oceania Construction, Pty. Ltd	A	Australia	Energy	82.72%	Subgroup Acciona Energía Global Australia
Acciona Energy Oceania Financial Services PLY, Ltd.	A	Australia	Energy	82.72%	Subgroup Acciona Energía Global Australia
Acciona Energy Oceania PLY, Ltd.	A	Australia	Energy	62.04%	Subgroup Acciona Energía Internacional
Acciona Energy Poland Maintenance Services, Sp. Z.O.O.	A	Poland	Energy	82.72%	Subgroup Acciona Energía Global Polonia
Acciona Energy Poland, Sp. Z.O.O.	A	Poland	Energy	62.04%	Subgroup Acciona Energía Internacional
Acciona Energy Singapore, Pvt. Ltd.	--	Singapore	Energy	82.72%	Subgroup Acciona Energía Global

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Acciona Energy South Africa Global, Pty. Ltd.	A	South Africa	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Energy South Africa, Pty. Ltd.	A	South Africa	Energy	62.04%	Subgroup Acciona Energía Internacional
Acciona Energy USA Global, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
Acciona Engineering Qatar	A	Qatar	Construction	100.00%	Subgroup Acciona Ingeniería
Acciona Eólica Calabria, S.R.L.	--	Italy	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Eólica Cesa Italia, S.R.L.	A	Italy	Energy	62.04%	Subgroup Acciona Energía Internacional
Acciona Eólica Cesa, S.L.	--	Madrid	Energy	82.72%	Subgroup Ceatesalas
Acciona Eólica de Castilla La Mancha, S.L.	A	Madrid	Energy	82.72%	Subgroup Alabe
Acciona Eólica de Galicia, S.A.	A	Lugo	Energy	82.72%	Subgroup Corp. Acciona Energías Renovables
Acciona Eólica Levante, S.L.	A	Valencia	Energy	82.72%	Subgroup Alabe
Acciona Eólica Portugal, Unipersonal Lda.	A	Portugal	Energy	62.04%	Subgroup Acciona Energía Internacional
Acciona Eólica Santa Cruz, S. de R.L. de C.V.	A	Mexico	Energy	82.72%	Subgroup Acciona Energia Mexico Global
Acciona Esco France, S.A.S.U.	--	France	Energy	82.72%	Subgroup Acciona Ss. Urbanos Y Ma.
Acciona Esco, S.L.	--	Madrid	Energy	82.72%	Subgroup Acciona Ss. Urbanos Y Ma.
Acciona Facility Services Canada, Ltd.	--	Canada	Services	100.00%	Subgroup Acciona Facility Services
Acciona Facility Services Germany GmbH	--	Germany	Energy	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Facility Services Italia, S.R.L.	--	Italy	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Facility Services Middle East, LLC.	E	Qatar	Services	97.00%	Subgroup Acciona Facility Services
Acciona Facility Services Poland, Sp. Z.O.O.	--	Poland	Energy	82.72%	Subgroup Acciona Esco, S.L.
Acciona Facility Services Portugal, S.A.	E	Portugal	Services	100.00%	Subgroup Acciona Facility Services
Acciona Facility Services Sur, S.A.	--	Toledo	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Facility Services, S.A.	A	Barcelona	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Fcp Holdings, Inc.	--	Canada	Construction	100.00%	Subgroup Acciona Concesiones
Acciona Financiación de Filiales Chile, SpA.	--	Chile	Corporate finance	100.00%	Acciona

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Acciona Financiacion Filiales Australia, Pty. Ltd.	A	Australia	Corporate finance	100.00%	Acciona
Acciona Financiación Filiales, S.A.	A	Madrid	Corporate finance	100.00%	Acciona
Acciona Forwarding Argentina, S.A.	--	Argentina	Services	100.00%	Subgroup Acciona Forwarding
Acciona Forwarding do Brasil Logística e Transporte Multimodal, S.A.	--	Brazil	Services	100.00%	Subgroup Acciona Forwarding
Acciona Forwarding Canarias, S.L.	--	Canarias	Services	100.00%	Subgroup Acciona Forwarding
Acciona Forwarding Chile, S.A.	A	Chile	Services	57.50%	Subgroup Acciona Forwarding
Acciona Forwarding Mexico, S.R.L. de C.V.	A	Mexico	Services	100.00%	Subgroup Forwarding
Acciona Forwarding Perú, S.A.	A	Peru	Services	100.00%	Subgroup Acciona Forwarding
Acciona Forwarding, S.A.	A	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Generación Renovable, S.A.	A	Navarre	Energy	82.72%	Subgroup Acciona Energía
Acciona Geotech Group Services, Pty. Ltd.	--	Australia	Construction	82.40%	Subgroup Acciona Geotech
Acciona Geotech Holding, Pty. Ltd.	A	Australia	Construction	82.40%	Subgroup Acciona Geotech
Acciona Global Energy Ukraine	A	Ukraine	Energy	82.72%	Subgroup Dymerka Solar Poland
Acciona Global Renewables, S.A.	--	Madrid	Energy	55.15%	Subgroup Acciona Energía
Acciona Green Energy Developments, S.L.	A	Madrid	Energy	82.72%	Subgroup Acciona Energía
Acciona Ground Services, S.L	--	Madrid	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Health Care Services, S.L.	--	Madrid	Other infrastructure activities	100.00%	Subgroup Acciona Ss. Urbanos Y Ma.
Acciona HSR Services, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Industrial Australia, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Acciona Construcción
Acciona Industrial Brasil, Ltda.	--	Brazil	Construction	100.00%	Subgroup Acciona Industrial
Acciona Industrial Kenia, Pty. Ltd.	A	Kenya	Construction	100.00%	Subgroup Acciona Industrial
Acciona Industrial UK, Ltd.	E	United Kingdom	Construction	100.00%	Subgroup Acciona Industrial
Acciona Industrial, S.A.	A	Seville	Construction	100.00%	Subgroup Acciona Construcción
Acciona Infra Ventures, S.A.	--	Madrid	Construction	100.00%	Acciona

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Acciona Infraestructuras Colombia, S.A.S.	--	Colombia	Construction	100.00%	Subgroup Acciona Construcción
Acciona Infraestructuras México, S.A. de C.V.	A	Mexico	Construction	100.00%	Subgroup Acciona Construcción
Acciona Infraestructuras Residenciales México S.A.	A	Mexico	Construction	100.00%	Subgroup Acciona Construcción
Acciona Infraestructuras-Elécnor, Hospital David	E	Panama	Construction	75.00%	Subgroup Acciona Construcción
Acciona Infrastructure Asia Pacific, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Acciona Construcción
Acciona Infrastructure Aust Finance, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Acciona Infrastrutures Australia
Acciona Infrastructure Canada, Inc.	B	Canada	Construction	100.00%	Subgroup Acciona Construcción
Acciona Infrastructure New Zealand, Ltd.	A	New Zealand	Construction	100.00%	Subgroup Acciona Construcción
Acciona Infrastructure Projects Australia, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Abigroup
Acciona Infrastructures Australia, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Acciona Construcción
Acciona Ingeniería Colombia, S.A.S.	--	Colombia	Construction	100.00%	Subgroup Acciona Ingeniería
Acciona Ingeniería Cultural, S.L.	A	Madrid	Museum interiors	100.00%	Subgroup Acciona Cultural Engineering, S.A.
Acciona Ingeniería Industrial, S.A. de C.V.	A	Mexico	Construction	100.00%	Subgroup Acciona Ingeniería
Acciona Inmobiliaria, S.L.	A	Madrid	Real estate	100.00%	Acciona
Acciona Instalaciones México, S.A. de C.V.	A	Mexico	Construction	100.00%	Subgroup Acciona Industrial
Acciona Inversiones Corea, S.L.	--	Navarre	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Logística, S.A.	--	Madrid	Corporate finance	100.00%	Acciona
Acciona Mantenimiento de Infraestructuras, S.A.	A	Madrid	Construction	100.00%	Subgroup Acciona Construcción
Acciona Medioambiente, S.A.	A	Valencia	Other infrastructure activities	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Mobility France, S.A.S.U.	--	France	Motorbike Sharing	100.00%	Subgroup Acciona Mobility
Acciona Mobility Global, S.L.	--	Madrid	Motorbike Sharing	100.00%	Acciona
Acciona Mobility Italia, S.R.L.	--	Italy	Motorbike Sharing	100.00%	Subgroup Acciona Mobility
Acciona Mobility Portugal, Unipessoal Lda.	--	Portugal	Motorbike Sharing	100.00%	Subgroup Acciona Mobility
Acciona Mobility, S.A.	A	Madrid	Motorbike Sharing	100.00%	Subgroup Acciona Mobility

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Acciona Multiservicios, S.A.	A	Madrid	Services	100.00%	Subgroup Acciona Facility Services
Acciona Nieruchomosci Wilanow, Sp. Z.O.O.	A	Poland	Real estate	100.00%	Subgroup Acciona Inmobiliaria
Acciona Nieruchomosci Zoliborz, Sp. Z.O.O.	--	Poland	Real estate	100.00%	Subgroup Acciona Inmobiliaria
Acciona Nieruchomosci, Sp. Z.O.O.	--	Poland	Real estate	100.00%	Subgroup Acciona Inmobiliaria
Acciona Operación y Mantenimiento, S.R.L de C.V.	A	Mexico	Services	100.00%	Subgroup Acciona Facility Services
Acciona Portugal II - Energía Global, Lda.	--	Portugal	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Power Marketing Usa, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
Acciona Producciones y Diseño, S.A. Saudi Arabia	--	Saudi Arabia	Museum interiors	100.00%	Subgroup Acciona Cultural Engineering, S.A.
Acciona Project Management Mexico, S.A. de C.V	A	Mexico	Services	100.00%	Subgroup Acciona Facility Services
Acciona Rail Services, S.A.	--	Madrid	Services	100.00%	Subgroup Acciona Construcción
Acciona Real Estate, S.A.U.	A	Madrid	Real estate	100.00%	Subgroup Acciona Inmobiliaria
Acciona Redes y Mantenimientos Especializados, S.L	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Renewable Energy Canada Gp Holdings, Inc.	--	Canada	Energy	82.72%	Subgroup Nova Scotia
Acciona Renewable Energy Canada Holdings, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
Acciona Saltos de Agua, S.L.U.	A	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energías Renovables
Acciona Saudi Arabia For Contracting, LLC.	A	Saudi Arabia	Construction	100.00%	Subgroup Acciona Industrial
Acciona Serv. Hospitalarios, S.L.	--	Madrid	Concessions	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Service, S.L.	A	Madrid	Services	100.00%	Subgroup Corporación Acciona Infraestructuras
Acciona Servicios Administrativos, S.A. de C.V.	A	Mexico	Services	100.00%	Subgroup Acciona Facility Services
Acciona Servicios Energéticos, S.L.R. de C.V.	--	Mexico	Energy	82.72%	Subgroup Acciona ESCO, S.L.
Acciona Servicios Ferroviarios, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Facility Services
Acciona Servicios Urbanos Medio Ambiente México, S.A. de C.V.	A	Mexico	Services	100.00%	Subgroup Acciona Facility Services
Acciona Servicios Urbanos, S.L.	A	Madrid	Other infrastructure activities	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Sistemas de Seguridad, S.A.	--	Madrid	Services	100.00%	Subgroup Acciona Ss. Urbanos Y Ma.

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Acciona Smart City Services, S.L.	--	Madrid	Other infrastructure activities	100.00%	Subgroup Acciona Ss. Urbanos Y Ma.
Acciona Solar Energy, LLC.	--	USA	Energy	62.04%	Subgroup Acciona Energía North America
Acciona Solar Holdings, Pty. Ltd.	--	Australia	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Solar Power, Inc.	--	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
Acciona Solar, Pty. Ltd.	--	Australia	Energy	82.72%	Subgroup Acciona Energía Global
Acciona Solar, S.A.	--	Navarre	Energy	82.72%	Subgroup Acciona Energía
Acciona Suministradora México, S.R.L. de C.V.	A	Mexico	Energy	82.72%	Subgroup Acciona Energía
Acciona Tecnologia y Servicios, S.L.	A	Madrid	Corporate finance	100.00%	Acciona
Acciona Wind Energy USA, LLC.	--	USA	Energy	62.04%	Subgroup Acciona Energía North America
Acciona Wind Energy, Pvt. Ltd.	A	India	Energy	62.04%	Subgroup Acciona Energía Internacional
AE Mex. Global, S. de R.L. de C.V.	A	Mexico	Energy	82.72%	Subgroup Acciona Energía Global
Aepo Gabón, S.A.	--	Gabon	Construction	100.00%	Subgroup Acciona Ingeniería
Aepo Polska, Sp. Z.O.O.	--	Poland	Construction	100.00%	Subgroup Acciona Ingeniería
Aerosite Energy, Pvt. Ltd.	A	India	Energy	82.72%	Subgroup Acciona Energía Global
Aeug Fleming Solar, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
Aeug Madison Solar, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
Aeug Real Estate, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
Aeug Union Solar, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
AFS Efficient Energy UK, Ltd.	--	United Kingdom	Energy	82.72%	Subgroup Acciona Esco, S.L.
AFS Empleo Social Barcelona, S.L.	--	Barcelona	Services	100.00%	Subgroup Acciona Facility Services
AFS Empleo Social, S.L.	--	Barcelona	Services	100.00%	Subgroup Acciona Facility Services
AIM Roads Inc.	B	Canada	Construction	100.00%	Subgroup Acciona Construcción
Airport Maintenance Services, SpA.	--	Chile	Services	100.00%	Subgroup Acciona Aeropuertos
Álabe Proyectos Eólicos, S.A.	--	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energías Renovables

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Ale Construction, Ltd.	--	Canada	Construction	100.00%	Subgroup Acciona Concesiones
Almeyda, SpA.	A	Chile	Energy	82.72%	Subgroup Acciona Energía Global
Alsubh Solar Energy Holding S.A.	A	Madrid	Energy	82.72%	Subgroup Acciona Energía Global
Anchor Wind, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
Andes Airport Services, S.A.	A	Chile	Services	100.00%	Subgroup Acciona Airport Services
Andratx Obres I Sanetjament, S.L.	--	Mallorca	Water	100.00%	Subgroup Acciona Agua
Apoderada Corporativa General, S.A.	--	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energías Renovables
Apoderada General de Service, S.A.	--	Madrid	Other investees	100.00%	Acciona
Arcyz, SpA.	A	Ukraine	Energy	78.06%	Subgroup Dymerka Solar Poland
Arsogaz 2005, S.L.	--	Madrid	Real estate	100.00%	Subgroup Acciona Inmobiliaria
ATLL Concesionaria De La Generalitat De Catalunya, S.A.	A	Barcelona	Water	100.00%	Subgroup Acciona Agua
Australian Precast Solutions, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Abigroup
Baltyk Energia, Sp. Z.O.O.	--	Poland	Energy	82.72%	Subgroup Acciona Energy Global Poland
Bestinver Gestion S.C.I.I.C., S.A.	A	Madrid	Fund management	96.83%	Subgroup Bestinver
Bestinver Pensiones G.F.P., S.A.	A	Madrid	Fund management	96.83%	Subgroup Bestinver
Bestinver Sociedad de Valores, S.A.	A	Madrid	Fund management	96.83%	Subgroup Bestinver
Bestinver, S.A.	A	Madrid	Fund management	96.83%	Acciona
Biodiesel Caparroso, S.L.	--	Navarre	Energy	82.72%	Subgroup Acciona Energía
Biomasa Briviesca, S.A.	A	Burgos	Energy	70.31%	Subgroup Biomasa Nacional
Biomasa Miajadas, S.L.	A	Madrid	Energy	82.72%	Subgroup Biomasa Nacional
Biomasa Sangüesa, S.L.	--	Navarre	Energy	82.72%	Subgroup Acciona Energía
Blue Falcon 140 Trading, Pty. Ltd.	A	South Africa	Energy	34.06%	Subgroup Acciona Energía Sudáfrica
Capev Venezuela	E	Venezuela	Construction	100.00%	Subgroup Acciona Construcción
Cargacoches Cantabria, S.L.U.	--	Santander	Energy	71.28%	Subgroup Cargacoches, S.L.

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Cargacoches, S.L.	--	Madrid	Energy	71.28%	Subgroup Cargacoches, S.L.
Ce Oaxaca Cuatro, S. de R.L. de C.V.	A	Mexico	Energy	62.04%	Subgroup Acciona Energía México
Ce Oaxaca Dos, S. de R.L. de C.V.	A	Mexico	Energy	62.04%	Subgroup Acciona Energía México
Ce Oaxaca Tres, S. de R.L. de C.V.	A	Mexico	Energy	62.04%	Subgroup Acciona Energía México
Ceatesalas, S.L.	--	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energías Renovables
Ceólica Hispania, S.L.	--	Madrid	Energy	82.72%	Subgroup Acciona Eólica Cesa
Cesa Eolo Sicilia, S.R.L.	A	Italy	Energy	62.04%	Subgroup Cesa Italia
Charge and Parking, S.L.U.	--	Valencia	Energy	71.28%	Subgroup Cargacoches, S.L.
Cia. De Agua del Municipio de Boca de Rio, S.A.P.I. de C.V.	A	Mexico	Water	70.00%	Subgroup Agua Boca De Rio
Cirtover, S.L.	--	Madrid	Corporate finance	100.00%	Acciona
Civerzba Itg, S.L.	A	Madrid	Energy	82.72%	Subgroup Acciona Energía Global
Coefisa, S.A.	--	Switzerland	Corporate finance	100.00%	Acciona
Coleman Rail, Pty. Ltd.	A	Australia	Construction	82.40%	Subgroup Acciona Geotech
Compañia de Aguas Paguera, S.L.	--	Mallorca	Water	100.00%	Subgroup Gesba
Compañía Eólica Granadina, S.L.	A	Granada	Energy	41.36%	Subgroup Ceólica
Compañia Internacional de Construcciones, S.L.	--	Madrid	Corporate finance	100.00%	Acciona
Concesiones Chile Holdings I, SpA.	--	Chile	Concessions	100.00%	Subgroup Acciona Concesiones
Concesiones Chile Holdings II, SpA.	--	Chile	Concessions	100.00%	Subgroup Acciona Concesiones
Concesiones Chile Holdings III, SpA.	--	Chile	Concessions	100.00%	Subgroup Acciona Concesiones
Concesiones Chile Holdings IV, SpA.	--	Chile	Concessions	100.00%	Subgroup Acciona Concesiones
Concesiones Chile Holdings V, SpA.	--	Chile	Concessions	100.00%	Subgroup Acciona Concesiones
Concessions Fargo Holdco, LLC.	--	USA	Concessions	100.00%	Subgroup Acciona Concesiones
Consorcio Acciona Ossa, S.A.	--	Chile	Construction	65.00%	Subgroup Acciona Construcción
Consorcio Acciona_Ossa Andina S.A.	--	Chile	Construction	65.00%	Subgroup Acciona Construcción

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Consorcio Constructor Araucaria, Ltd.	--	Chile	Construction	60.00%	Subgroup Acciona Construcción
Consorcio Eólico Chiripa, S.A.	A	Costa Rica	Energy	53.77%	Subgroup Acciona Energía
Construcciones Residenciales Mexico, C.B.	--	Mexico	Construction	100.00%	Subgroup Acciona Construcción
Constructora Acciona Chile, S.A.	A	Chile	Construction	100.00%	Subfrupo Acciona Concesiones Chile
Constructora El Paso, SpA.	--	Chile	Construction	100.00%	Subgroup Acciona Construcción
Constructora La Farfana, SpA.	--	Chile	Construction	100.00%	Subgroup Acciona Construcción
Copane Valores, S.L.	--	Madrid	Corporate finance	100.00%	Acciona
Corporación Acciona Energías Renovables, S.A.	A	Madrid	Energy	82.72%	Acciona
Corporación Acciona Eólica, S.A.	A	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energías Renovables
Corporación Acciona Hidráulica, S.A.	A	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energías Renovables
Corporación Acciona Infraestructuras, S.L.	A	Madrid	Construction	100.00%	Acciona
Corporación de Explotaciones y Servicios, S.A.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Corporación Eólica Catalana, S.L.	--	Madrid	Energy	82.72%	Subgroup Ceólica
Corporación Eólica De Valdivia, S.L.	--	Madrid	Energy	82.72%	Subgroup Ceólica
Corporación Eólica La Cañada, S.L.	--	Madrid	Energy	82.72%	Subgroup Ceatesalas
Corporativo Horacio 1750, S.A. de C.V.	--	Mexico	Real estate	100.00%	Subgroup Parque Reforma
Csf Almodovar, Unipessoal Lda.	--	Portugal	Energy	82.72%	Subgroup Acciona Portugal Ii – Energia Global
Cwien Australia, Pty. Ltd.	--	Australia	Construction	100.00%	Subgroup Acciona Ingenieria
Demsey Ridge Wind Farm, LLC.	A	USA	Energy	62.04%	Subgroup Acciona Wind Energy USA
Depurar 7B, S.A.	A	Aragon	Water	100.00%	Subgroup Acciona Agua
Depurar 8B, S.A.	A	Aragon	Water	100.00%	Subgroup Acciona Agua
Desarrolladora De Infraestructura Hispano-Peninsular, S.A. de C.V.	--	Mexico	Construction	60.00%	Subgroup Acciona Construcción
Desarrolladora De Infraestructuras Hispano-Mexicanas, S.A. de C.V.	--	Mexico	Construction	100.00%	Subgroup Acciona Construcción
Desarrollos Renovables del Norte, S.L.	--	Madrid	Energy	82.72%	Subgroup Acciona Energía

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Desarrollos Renovables Eólicos Y Solares, S.L.	--	Madrid	Energy	82.72%	Subgroup Acciona Energía
Desarrollos y Construcciones, S.A. de C.V.	--	Mexico	Construction	100.00%	Subgroup Acciona Construcción
Dren, S.A.	--	Madrid	Other investees	100.00%	Acciona
Dymerka Solar Mmc	A	Ukraine	Energy	82.72%	Subgroup Dymerka Solar Poland
Dymerka Solar Poland, Sp. Z.O.O.	--	Poland	Energy	82.72%	Subgroup Dymerka Solar Poland
Dymerska Photovoltaic Power Plant-2, LLC.	A	Ukraine	Energy	82.72%	Subgroup Dymerka Solar Poland
Dymerska Photovoltaic Power Plant-3, LLC.	A	Ukraine	Energy	82.72%	Subgroup Dymerka Solar Poland
E.S. Legarda, S.L.	--	Navarre	Energy	82.72%	Subgroup Biocombustibles
Ecogrove, LLC.	A	USA	Energy	62.04%	Subgroup Acciona Wind Energy USA
Efrato Itg, S.L.	A	Madrid	Energy	82.72%	Subgroup Acciona Energía Global
Efw Ness, Ltd.	E	United Kingdom	Construction	100.00%	Subgroup Acciona Industrial
El Romero, SpA.	A	Chile	Energy	82.72%	Subgroup Acciona Energía Global
Empordavent S.L.U.	A	Barcelona	Energy	82.72%	Subgroup Acciona Energía
Empreendimientos Eólicos do Verde Horizonte, S.A.	A	Portugal	Energy	62.04%	Subgroup Acciona Eólica Portugal
Empreendimientos Eólicos Ribadelide, S.A.	A	Portugal	Energy	62.04%	Subgroup Acciona Eólica Portugal
Energea Servicios y Mantenimiento, S.L.	A	La Coruña	Energy	82.72%	Subgroup Terranova Energy Corporation
Energia De Vila Pouca, Unipessoal Lda.	--	Portugal	Energy	82.72%	Subgroup Acciona Portugal Ii – Energia Global
Energia do Alqueva, Unipessoal Lda.	--	Portugal	Energy	82.72%	Subgroup Acciona Portugal Ii – Energia Global
Energia Renovable del Istmo II, S.A. de C.V.	A	Mexico	Energy	82.72%	Subgroup Acciona Energia Mexico Global
Energía Renovable del Sur, S.A.	--	Peru	Energy	82.72%	Subgroup Acciona Energía Global
Energía Renovables de Barazar, S.L.	--	Madrid	Energy	82.72%	Subgroup Ceatesalas
Energías Alternativas de Teruel, S.A.	--	Teruel	Energy	82.72%	Subgroup Acciona Energía
Energías Eólicas De Catalunya, S.A.	A	Barcelona	Energy	82.72%	Subgroup Acciona Energía
Energías Renovables de Ricobayo, S.A.	--	Madrid	Energy	41.36%	Subgroup Ceólica

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Energías Renovables El Abra, S.L.	--	Vizcaya	Energy	82.72%	Subgroup Ceólica
Energías Renovables Operación y Mantenimiento, S.L.	A	Barcelona	Services	100.00%	Subgroup Acciona Ss. Urbanos Y Ma.
Energías Renovables Peña Nebina, S.L.	A	Madrid	Energy	82.72%	Subgroup Ceólica
Eólica de Rubió, S.A.	A	Barcelona	Energy	82.72%	Subgroup Acciona Energía
Eólica De Zorraquín, S.L.	A	Madrid	Energy	54.60%	Subgroup Acciona Energía
Eólica Villanueva, S.L.	A	Navarre	Energy	55.14%	Subgroup Acciona Energía
Eólico Alijar, S.A.	--	Madrid	Energy	82.72%	Subgroup Acciona Energía
Eólicos Breogan, S.L.	--	Madrid	Energy	82.72%	Subgroup Ceólica
Estudios y Construcciones de Obras, S.A. de C.V.	--	Mexico	Construction	50.00%	Subgroup Acciona Construcción
Eurus, S.A.P.I. de C.V.	A	Mexico	Energy	58.32%	Subgroup Acciona Energía México
Ferral Energia Real, Unipessoal Lda.	--	Portugal	Energy	82.72%	Subgroup Acciona Portugal Ii – Energia Global
Finanzas Dos, S.A.	--	Madrid	Other investees	100.00%	Acciona
Finanzas y Cartera Dos, S.A.	--	Madrid	Other investees	100.00%	Acciona
Finanzas y Cartera Uno, S.A.	--	Madrid	Other investees	100.00%	Acciona
First Lusitanian Re Project 2018, Sgps, Lda.	E	Portugal	Real estate	94.00%	Subgroup Acciona Inmobiliaria
Flughafendienst AV GmbH	--	Germany	Services	100.00%	Subgroup Acciona Airport Services GmbH
Fort Bend Solar, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
Frigoriferi Di Tavazzano, S.P.A.	--	Italy	Other investees	100.00%	Subgroup Acciona Logística
Fujin Power, Pvt. Ltd.	A	India	Energy	82.72%	Subgroup Acciona Energía Global
Generación de Energia Renovable, S.A.	--	Alava	Energy	82.72%	Subgroup Ceólica
Generica De Construcc.Y Mto. Industrial, S.A.	--	Zaragoza	Construction	100.00%	Subgroup Acciona Construcción
Geog Services, Pty. Ltd.	--	Australia	Construction	82.40%	Subgroup Acciona Geotech
Geotech Holdco, Pty. Ltd.	A	Australia	Construction	82.40%	Subgroup Acciona Geotech
Geotech, Pty. Ltd.	A	Australia	Construction	82.40%	Subgroup Acciona Geotech

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Gestión de Recursos Corporativos, S.L.	--	Navarre	Energy	82.72%	Subgroup Corp. Acciona Energías Renovables
Gestión de Servicios Urbanos Baleares, S.A.	--	Mallorca	Water	100.00%	Subgroup Acciona Agua Servicios
Golice Wind Farm, Sp. Z.O.O.	A	Poland	Energy	62.04%	Subgroup Acciona Energía Polonia
Grupo Ambiental Proveracruz, S.A.P.I. de C.V.	--	Mexico	Water	100.00%	Subgroup Acciona Agua Mexico
Grupo Metropolitano de Agua y Saneamiento, S.A.P.I. de C.V.	--	Mexico	Water	100.00%	Subgroup Acciona Agua Mexico
Guadalaviar Consorcio Eólico, S.A.U.	--	Madrid	Energy	82.72%	Subgroup Alabe
Guadamad 1 Development, Unipessoal Lda.	--	Portugal	Real estate	94.00%	Subgroup First Lusitanian
Guadamad 2 Development, Unipessoal Lda.	--	Portugal	Real estate	94.00%	Subgroup First Lusitanian
Gunning Wind Energy Developments, Pty. Ltd.	A	Australia	Energy	62.04%	Subgroup Gunning Wind Energy
Gunning Wind Energy Holdings, Pty. Ltd.	--	Australia	Energy	62.04%	Subgroup Acciona Energía Oceanía
Hidroeléctrica del Serradó, S.L.	--	Barcelona	Energy	82.72%	Subgroup Acciona Saltos de Agua
High Point Solar, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
Hospital de León Bajio, S.A. de C.V.	A	Mexico	Concessions	100.00%	Acciona
Hudzovka Solar 1, LLC.	A	Ukraine	Energy	76.23%	Subgroup Dymerka Solar Poland
Hudzovka Solar 2, LLC.	A	Ukraine	Energy	73.30%	Subgroup Dymerka Solar Poland
Iberinsa Do Brasil Engenharia, Ltda.	--	Brazil	Construction	100.00%	Subgroup Acciona Ingeniería
Inetime, S.A.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Ineuropa de Cogeneración, S.A.	--	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energías Renovables
Infraestructuras Ayora, S.L.	--	Madrid	Energy	70.08%	Subgroup Guadalaviar
Ingenieria Especializada Obra Civil e Industrial, S.A	A	Madrid	Construction	100.00%	Subgroup Acciona Construcción
Inmobiliaria Parque Reforma, S.A. de C.V.	A	Mexico	Real estate	100.00%	Subgroup Parque Reforma
Interurbano de Prensa, S.A.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Irrigation Solar Farm, S.L.U.	--	Madrid	Energy	82.72%	Subgroup Acciona Distributed Genaration, S.L.
Jasuerin, S.L.U	--	Madrid	Real estate	100.00%	Subgroup Acciona Inmobiliaria

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John Beever, Pty. Ltd.	A	Australia	Construction	82.40%	Subgroup Acciona Geotech
Kw Tarifa, S.A.	--	Madrid	Energy	82.72%	Subgroup Corp. Acciona Energías Renovables
La Chalupa Finance, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Concesiones
La Chalupa Holding, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Concesiones
La Chalupa, LLC.	A	USA	Energy	82.72%	Subgroup Acciona Energy Usa Global
La Favorita Real Estate, Unipessoal Lda.	--	Portugal	Real estate	94.00%	Subgroup First Lusitanian
Lambarene Necso Gabon	D	Gabon	Construction	100.00%	Subgroup Acciona Construcción
Lameque Wind Power Lp.	A	Canada	Energy	62.04%	Subgroup Acciona Wind Energy Canadá
Linha Universidade Investimentos, S.A.	A	Brazil	Concessions	80.00%	Subgroup Acciona Concesiones
Locubsa	E	Andorra	Construction	100.00%	Subgroup Acciona Construcción
Loxton Wind Facility 1, Pty. Ltd.	--	South Africa	Energy	82.72%	Subgroup Acciona Energy South Africa Global
Lusonecso	--	Portugal	Real estate	100.00%	Subgroup Acciona Inmobiliaria
Macintyre Ujv Operator, Pty. Ltd.	--	Australia	Energy	82.72%	Subgroup Acciona Solar Holding
Macintyre Wind Farm Holding, Pty. Ltd.	--	Australia	Energy	82.72%	Subgroup Acciona Energía Global
Macintyre Wind Farm, Pty. Ltd.	--	Australia	Energy	82.72%	Subgroup Acciona Energía Global
Malgarida I, SpA.	A	Chile	Energy	82.72%	Subgroup Acciona Energía Global
Malgarida II, SpA.	A	Chile	Energy	82.72%	Subgroup Acciona Energía Global
Meltemi, Sp. Z.O.O.	A	Poland	Energy	62.04%	Subgroup Acciona Energía Polonia
Mortlake South Wind Farm Holdings, Pty. Ltd.	--	Australia	Energy	82.72%	Subgroup Acciona Energía Global
Mortlake South Wind Farm, Pty. Ltd.	A	Australia	Energy	82.72%	Subgroup Acciona Energía Global
Moura Fabrica Solar, Lda.	--	Portugal	Energy	82.72%	Subgroup Acciona Energía Global
Mt Gellibrand Wind Farm Holding, Pty. Ltd.	--	Australia	Energy	82.72%	Subgroup Acciona Energía Global
Mt Gellibrand Wind Farm, Pty. Ltd.	A	Australia	Energy	82.72%	Subgroup Acciona Energía Global
Multiservicios Grupo Ramel, S.A.	--	Barcelona	Services	100.00%	Subgroup Acciona Facility Services

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Munditrade, S.L.	--	Andorra	Construction	100.00%	Subgroup Acciona Construcción
Mysliborz Wind Farm, Sp. Z.O.O.	--	Poland	Energy	82.72%	Subgroup Acciona Concesiones
Necso Hong Kong, Ltd.	--	Hong Kong	Construction	100.00%	Subgroup Acciona Construcción
Necso Triunfo Construcoes, Ltda.	--	Brazil	Construction	50.00%	Subgroup Acciona Construcción
Nevada Solar One, LLC.	A	USA	Energy	62.04%	Subgroup NVS1 Investment Group
Northwinds Trading, Pty. Ltd.	--	South Africa	Construction	100.00%	Subgroup Acciona Industrial
Notos Produçao de Energia, Lda.	A	Portugal	Energy	43.43%	Subgroup Sayago
Nvs1 Investment Group, LLC.	--	USA	Energy	62.04%	Subgroup Acciona Solar Energy
Operador Atacama CSP Chile, SpA.	--	Chile	Construction	50.00%	Subgroup Acciona Concesiones
Operadora Chut, S.L.	--	Madrid	Concessions	100.00%	Subgroup Acciona Concesiones
Operadora de Servicios de Infraestructuras Sociales, S.A. de C.V.	A	Mexico	Concessions	100.00%	Subgroup Acciona Servicios Hospitalarios
Palmas Wind Finance, LLC.	--	USA	Energy	82.72%	Subgroup Palmas Wind Finance Llc
Palmas Wind Holding, LLC.	--	USA	Energy	82.72%	Subgroup Palmas Wind Finance Llc
Palmas Wind, LLC.	A	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
Parco Eólico Cocullo, S.P.A.	A	Italy	Energy	62.04%	Subgroup Cesa Italia
Parque Eólico da Costa Vicentina, S.A.	A	Portugal	Energy	62.04%	Subgroup Acciona Eólica Portugal
Parque Eólico da Raia, S.A.	A	Portugal	Energy	62.04%	Subgroup Acciona Eólica Portugal
Parque Eólico de Manrique, S.A.	A	Portugal	Energy	62.04%	Subgroup Acciona Eólica Portugal
Parque Eólico de Pracana, S.A.	A	Portugal	Energy	62.04%	Subgroup Acciona Eólica Portugal
Parque Eólico do Marao, S.A.	A	Portugal	Energy	62.04%	Subgroup Acciona Eólica Portugal
Parque Eólico do Outeiro, S.A.	A	Portugal	Energy	62.04%	Subgroup Acciona Eólica Portugal
Parque Eólico dos Fiéis, S.A.	A	Portugal	Energy	62.04%	Subgroup Acciona Eólica Portugal
Parque Eólico El Chaparro, S.L.	--	Madrid	Energy	82.72%	Subgroup Alabe
Parque Eólico Escepar, S.A.	--	Madrid	Energy	82.72%	Subgroup Ceólica

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Parque Eólico La Esperanza, S.L.	A	Madrid	Energy	82.72%	Subgroup Ceólica
Parque Eólico Peralejo, S.A.	--	Madrid	Energy	82.72%	Subgroup Ceólica
Parque Eolico San Gabriel, SpA.	A	Chile	Energy	82.72%	Subgroup Acciona Energía Global
Parque Eólico Villamayor, S.L.	A	Madrid	Energy	82.72%	Subgroup Ceólica
Parques Eólicos Celadas, S.L.	A	Madrid	Energy	82.72%	Subgroup Ceólica
Parques Eólicos de Ciudad Real, S.L.	A	Madrid	Energy	82.72%	Subgroup Ceólica
Parques Eólicos de San Lazaro, S.A. de C.V.	A	Mexico	Energy	82.72%	Subgroup Acciona Energia Mexico Global
Parques Eólicos del Cerrato, S.L.	A	Madrid	Energy	82.72%	Subgroup Ceólica
Pia. Cos, S.R.L.	--	Italy	Water	100.00%	Subgroup Acciona Agua
Pichilingue, SpA.	--	Chile	Energy	82.72%	Subgroup Acciona Energía Global
Pililin, SpA.	--	Chile	Energy	82.72%	Subgroup Acciona Energía Global
Pitagora, S.R.L.	A	Italy	Energy	62.04%	Subgroup Cesa Italia
Pofadder Wind Facility 1, Pty. Ltd.	--	South Africa	Energy	82.72%	Subgroup Acciona Energy South Africa Global
Press Cargo Colombia, S.A.S.	--	Colombia	Services	100.00%	Subgroup Acciona Forwarding
Pridagua Tratamiento de Aguas y Residuos, Lda.	--	Portugal	Water	100.00%	Subgroup Acciona Agua
Pridesa America Corporation	--	USA	Water	100.00%	Subgroup Acciona Agua
Proyectos Renovables Innovadores, S.A.	--	Seville	Energy	82.72%	Subgroup Acciona Energía
Punta Palmeras, S.A.	A	Chile	Energy	62.04%	Subgroup Acciona Energía Internacional
Pyrenees Wind Energy Developments, Pty. Ltd.	A	Australia	Energy	62.04%	Subgroup Acciona Energía Oceanía
Pyrenees Wind Energy Holdings, Pty. Ltd.	--	Australia	Energy	62.04%	Subgroup Pyrenees Wind Energy
Ramwork, S.A.	--	Barcelona	Services	99.98%	Subgroup Acciona Facility Services
Rec Energy Solutions, S.L.U.	--	Barcelona	Energy	71.28%	Subgroup Cargacoches, S.L.
Red Hills Finance, LLC.	A	USA	Energy	62.04%	Subgroup Acciona Wind Energy USA
Red Hills Holding, LLC.	--	USA	Energy	58.94%	Subgroup Red Hills Finance

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Red Hills Wind Project, LLC.	A	USA	Energy	58.94%	Subgroup Acciona Wind Energy Usa, Llc
Renovables del Penedés, S.A.U.	--	Badajoz	Energy	82.72%	Subgroup Acciona Energía
Riacho Novo Empreendimentos Inmobiliarios, Ltda.	--	Brazil	Real estate	100.00%	Subgroup Acciona Inmobiliaria
Rio Paraiba Do Sul Serviços, Ltda.	--	Brazil	Construction	100.00%	Subgroup Acciona do Brasil
Ripley Windfarm JV.	A	Canada	Energy	62.04%	Subgroup Acciona Wind Energy Canadá
S.C. A2 Tramo 2, S.A.	A	Guadalajara	Concessions	100.00%	Acciona
S.C. DLP, S.A.	--	Madrid	Construction	60.00%	Subgroup Acciona Construcción
Saltos del Nansa, S.A.U.	A	Santander	Energy	82.72%	Subgroup Acciona Saltos de Agua
Saltos y Centrales de Catalunya, S.A.	A	Barcelona	Energy	82.72%	Subgroup Acciona Saltos de Agua
San Roman Finance, LLC.	--	USA	Energy	82.72%	Subgroup Acciona Energía Global USA
San Roman Holding, LLC.	--	USA	Energy	82.72%	Subgroup San Roman Holding Llc
San Roman Wind I, LLC.	A	USA	Energy	82.72%	Subgroup San Roman Holding Llc
San Solar Energy Facility, Pty. Ltd.	--	South Africa	Energy	82.72%	Subgroup Acciona Energía Global Sudáfrica
SC Acciona Facility Services Automotive, S.R.L.	--	Rumania	Services	100.00%	Subgroup Acciona Facility Services
Scutum Logistic, S.L.	--	Barcelona	Manufacture of electric vehicles	76.27%	Subgroup Acciona Mobility
Sierra de Selva, S.L.	A	Navarre	Energy	82.72%	Subgroup Acciona Energía
Sistemas Energéticos Sayago, S.L.	--	Madrid	Energy	62.04%	Subgroup Acciona Energía Internacional
Sistemas Energéticos Valle de Sedano, S.A.	A	Madrid	Energy	82.72%	Subgroup Ceólica
Smart Pixel Exhibitions, S.L.	--	Madrid	Museum interiors	90.00%	Subgroup Acciona Cultural Engineering, S.A.
Sociedad Empresarial de Financiacion y Comercio, S.L.	--	Madrid	Corporate finance	100.00%	Acciona
Sociedad Explotadora de Recursos Eólicos, S.A.	A	Portugal	Energy	62.04%	Subgroup Acciona Eólica Portugal
Sociedad Istmeña Desarrollo Eólico, S.R.L. de C.V.	--	Mexico	Energy	82.72%	Subgroup Acciona Energia Mexico Global
Sociedad Levantina de Obras y Servicios, S.A.	--	Valencia	Construction	100.00%	Subgroup Acciona Construcción
Sociedad San Rafael Hidráulica, S.A. de C.V.	--	Mexico	Construction	100.00%	Subgroup Acciona Ingeniería

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Soconfil, S.A.	--	Madrid	Other investees	100.00%	Subgroup Finanzas y Cartera 2
Solar Bolarque, S.L.	--	Madrid	Energy	82.72%	Subgroup Acciona Energía
Solar PDV, SpA.	--	Chile	Energy	82.72%	Subgroup Acciona Energía Global
Solbioext 1, S.L.	--	Madrid	Energy	62.04%	Subgroup Acciona Energía
Solbioext 2, S.L.	--	Madrid	Energy	62.04%	Subgroup Acciona Energía
Subgrupo Mostostal Warszawa	A	Poland	Construction	62.13%	Subgroup Acciona Construcción
Sun Photo Voltaic Energy India, Pvt. Ltd.	C	India	Energy	82.72%	Subgroup Acciona Energía Global
Surya Energy Photo Voltaic India, Pvt. Ltd.	A	India	Energy	82.72%	Subgroup Acciona Energía Global
Tatanka Finance, LLC.	--	USA	Energy	62.04%	Subgroup Acciona Wind Energy USA
Tatanka Holding, LLC.	--	USA	Energy	26.00% (100% acciones clase B)	Subgroup Tatanka
Tatanka Wind Power, LLC.	A	USA	Energy	26.00% (100% acciones clase B)	Subgroup Tatanka
Tateldaco, S.L.	--	Madrid	Real estate	60.00%	Subgroup Acciona Inmobiliaria
Tecniomnia Española, S.L.	--	Barcelona	Services	100.00%	Subgroup Acciona Facility Services
Ternua Holdings, B.V.	--	Netherlands	Energy	82.72%	Subgroup Tecusa
Terranova Energy Corporation, S.A.	--	Madrid	Energy	82.72%	Subgroup Ceólica
Tibest Cuatro, S.A.	--	Madrid	Corporate finance	100.00%	Acciona
Tictres, S.A.	--	Madrid	Other investees	100.00%	Acciona

(*) Annual accounts audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Deloitte; (D) Ernst & Young (E) Others

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APPENDIX II

JOINT OPERATIONS STRUCTURED THROUGH SEPARATE VEHICLES

Proportionally consolidated joint operations structured through separate vehicles at 31 December 2021 in accordance with IFRS and related information are as follows:

Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
Aista-Trans JV, Pty. Ltd.	--	South Africa	Construction	66.67%	Subgroup Acciona Construcción
Bokpoort EPC Consortium, Pty. Ltd.	C	South Africa	Construction	30.00%	Subgroup Acciona Ingeniería
Chin Chute Windfarm JV.	B	Canada	Energy	20.68%	Subgroup Acciona Wind Energy Canadá
Consorcio Acciona Brotec Icafal, S.A.	--	Chile	Construction	60.00%	Subgroup Acciona Construcción
Consorcio Acciona Ossa Pizzarotti C110, SpA.	--	Chile	Construction	45.00%	Subgroup Acciona Construcción
Consorcio Hospital Egc, S.A.	--	Chile	Construction	80.00%	Subgroup Acciona Construcción
Constructora Terminal Valle de México, S.A. de C.V.	C	Mexico	Construction	14.28%	Subgroup Acciona Construcción
Iniciativas Energéticas Renovables, S.L.	--	Pamplona	Energy	41.36%	Subgroup Acciona Energía
Liciastar, Pty. Ltd.	C	South Africa	Construction	50.00%	Subgroup Acciona Ingeniería
Magrath Windfarm JV.	B	Canada	Energy	20.68%	Subgroup Acciona Wind Energy Canadá
Majv Aviation, Pty. Ltd.	--	Australia	Construction	50.00%	Subgroup Abigroup
Ouarzazate Solar 1, S.A.R.L.	--	Morocco	Construction	37.50%	Subgroup Acciona Ingeniería
Proyecto F8 Troy Aym, S.A. de C.V.	A	Mexico	Construction	55.95%	Subgroup Acciona Industrial

(*) Annual accounts audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Deloitte; (D) Ernst & Young (E) Others

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APPENDIX III

COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The companies consolidated using the equity method at 31 December 2021 in accordance with IFRS and related information are as follows:

Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
Acciona Agua & Sogex, LLC.	--	Oman	Water	50.00%	Subgroup Acciona Agua
Acciona Agua Sardinia Infraestructure, S.R.L.	--	Italy	Water	10.00%	Subgroup Acciona Agua
Acciona Concesiones P2W Investment, Ltd.	A	New Zealand	Concessions	10.00%	Subgroup Acciona Concesiones
Acciona Plug, S.L.	--	Madrid	Energy	41.36%	Subgroup Acciona Energía
Acciona Waste Water Treatment Plant, Ltd.	--	Trinidad and Tobago	Water	70.00%	Subgroup Acciona Agua
Acciona Wastewater Solutions Gp, Inc.	--	Canada	Water	25.00%	Subgroup Acciona Agua
Acciona Wep Holdings, Inc.	C	Canada	Concessions	33.33%	Subgroup Acciona Concesiones
Acciones Urbanas, Servicios y Medio Ambiente, S.L.	--	Murcia	Other infrastructure activities	50.00%	Subgroup Acciona Servicios Urbanos
Adelaideaqua, Pty. Ltd.	C	Australia	Water	50.00%	Subgroup Acciona Agua Adelaide
Aguas Tratadas del Valle De Mexico, S.A. de C.V.	C	Mexico	Water	24.26%	Subgroup Acciona Agua
Algerian Water Investment, S.L.	--	Madrid	Water	50.00%	Subgroup Acciona Agua
Alsubh Solar Power, S.A.E.	A	Egypt	Energy	41.36%	Subgroup Acciona Energía Global
Altrac Light Rail Holdings 1, Pty. Ltd.	A	Australia	Concessions	5.00%	Subgroup Acciona Concesiones
Amper Central Solar Moura	A	Portugal	Energy	40.70%	Subgroup Acciona Energía Internacional
Aprofitament D'Energies Renovables de L´Ebre, S.L.	--	Barcelona	Energy	8.07%	Subgroup Acciona Energía
Asenda Ciudad Mayakoba, S.A. de C.V.	A	Mexico	Real estate	50.00%	Subgroup Parque Reforma
AT Operadora Puerto Libertad, S.A.P.I. de C.V.	--	Mexico	Energy	41.36%	Subgroup Acciona Energia Mexico Global
AT Solar I, S.A.P.I. de C.V.	--	Mexico	Energy	41.36%	Subgroup Acciona Energia Mexico Global
AT Solar II, S.A.P.I. de C.V.	--	Mexico	Energy	41.36%	Subgroup Acciona Energia Mexico Global
AT Solar III, S.A.P.I. de C.V.	--	Mexico	Energy	41.36%	Subgroup Acciona Energia Mexico Global

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Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
AT Solar V, S.A.P.I. de C.V.	A	Mexico	Energy	41.36%	Subgroup Acciona Energia Mexico Global
Baja California Power, S.A. de C.V.	--	Mexico	Construction	65.00%	Subgroup Acciona Ingeniería
Banchory Spain, S.L.	--	Madrid	Real estate	32.00%	Subgroup Acciona Real Estate
Brazilian Real State Project Holding, Ltda.	--	Brazil	Real estate	50.00%	Subgroup Brazilian
Broadway Subway Project Corp.	--	Canada	Construction	60.00%	Subgroup Acciona Concesiones
Camarate Golf, S.A.	A	Madrid	Real estate	22.00%	Subgroup Acciona Inmobiliaria
Carnotavento, S.A.	--	La Coruña	Energy	20.27%	Subgroup Eurovento
CAT 2022 Office Complex, S.L.	--	Madrid	Real estate	32.00%	Subgroup Acciona Real Estate
Cathedral Rocks Construcc. And Management, Pty. Ltd.	--	Australia	Energy	41.36%	Subgroup Acciona Energía Global Australia
Cathedral Rocks Holdings 2, Pty. Ltd	--	Australia	Energy	31.02%	Subgroup Cathedral Rocks Holdings
Cathedral Rocks Holdings, Pty. Ltd.	--	Australia	Energy	31.02%	Subgroup Acciona Energía Oceanía
Cathedral Rocks Wind Farm, Pty. Ltd.	B	Australia	Energy	31.02%	Subgroup Cathedral Rocks Holdings 2
Chinook Highway Operations, Inc.	--	Canada	Concessions	50.00%	Subgroup Acciona Concesiones
Cleverreal - Gestão De Investimentos Imóbiliários, Lda.	--	Portugal	Real estate	15.00%	Subgroup Acciona Inmobiliaria
Cogeneración Arrudas, Ltda.	--	Brazil	Water	50.00%	Subgroup Acciona Agua
Concesionaria de desalación de Ibiza, S.A.	E	Ibiza	Water	50.00%	Subgroup Acciona Agua
Concesionaria La Chira, S.A.	E	Peru	Water	50.00%	Subgroup Acciona Agua
Concessionaria Linha Universidade, S.A.	A	Brazil	Concessions	59.99%	Subgroup Acciona Concesiones
Consorcio Cadebac, S.A. de C.V.	--	Mexico	Water	50.00%	Subgroup Acciona Agua
Consorcio Operador de Atotonilco, S.A. de C.V.	C	Mexico	Water	24.50%	Subgroup Acciona Agua
Consorcio Traza, S.A.	--	Zaragoza	Concessions	16.60%	Acciona
Constructor Atacama CSP Chile, SpA.	A	Chile	Construction	25.00%	Subgroup Acciona Industrial
Constructor Atacama CSP, S.L.	A	Madrid	Construction	25.00%	Subgroup Acciona Industrial
Constructora De Obras Civiles y Electromecanicas	E	Mexico	Water	24.50%	Subgroup Aguas Hispano Mexicana

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Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
Constructora Necso Sacyr Chile	--	Chile	Construction	50.00%	Subfrupo Acciona Concesiones Chile
Depurar P1, S.A.	--	Zaragoza	Water	50.00%	Subgroup Acciona Agua
Desarrollo de Energías Renovables de Navarra, S.A.	D	Pamplona	Energy	41.36%	Subgroup Acciona Energía
Desarrollo del Sureste Playa del Carmen Tulum, S.A. de C.V.	C	Mexico	Construction	50.00%	Subgroup Acciona Construcción
East Rockingham Rrff Hold Co, Pty. Ltd.	D	Australia	Concessions	10.00%	Subgroup Acciona Concesiones
Emserva, S.A.	--	Malaga	Water	49.00%	Subgroup Acciona Agua Servicios
Energías Renovables Mediterraneas, S.A.	C	Valencia	Energy	41.36%	Subgroup Acciona Energía
Energy Corp Hungary, Kft.	E	Hungary	Energy	41.36%	Subgroup Acciona Eólica Cesa
Entorno Urbano y Medio Ambiente, S.L.	E	Murcia	Other infrastructure activities	50.00%	Subgroup Acciona Servicios Urbanos
Eólicas Mare Nostrum, S.L.	--	Valencia	Energy	41.36%	Subgroup Acciona Energía
Eurovento, S.L.	--	La Coruña	Energy	41.36%	Subgroup Tripower
Explotaciones Eólicas Sierra de Utrera, S.L.	D	Madrid	Energy	20.68%	Subgroup Ceólica
Firefly Investments 238, Pty. Ltd.	C	South Africa	Energy	37.23%	Subgroup Acciona Energy South Africa Global
Fraser Crossing Project Corp.	--	Canada	Construction	50.00%	Subgroup Acciona Concesiones
Helena Water Finance, Pty. Ltd.	C	Australia	Water	25.05%	Subgroup Acciona Agua Internacional Australia
Horto Iii Empreendimento Imobiliário Spe, Ltda.	--	Brazil	Real estate	50.00%	Subgroup Brazilian
Infraestructuras San Serván 220, S.L.	--	Madrid	Energy	21.18%	Subgroup Acciona Energía
Infraestructuras Villanueva, S.L.	--	Madrid	Energy	33.53%	Subgroup Guadalaviar
Líneas Eléctricas Asturianas, S.L.	--	Asturias	Energy	41.36%	Subgroup Eurovento
Líneas Eléctricas Gallegas II, S.L.	--	La Coruña	Energy	41.36%	Subgroup Eurovento
Líneas Eléctricas Gallegas III, S.L.	--	La Coruña	Energy	41.36%	Subgroup Eurovento
Líneas Eléctricas Gallegas, S.L.	--	La Coruña	Energy	28.95%	Subgroup Eurovento
Logiberica de Prensa y Servicios, S.L.	--	Madrid	Services	50.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Morro Ipiranga Empreendimento Imobiliário Spe, Ltda.	--	Brazil	Real estate	50.00%	Subgroup Brazilian

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Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
Mov-R H1 Szeleromu Megujulo Energia Hasznosito, Kft.	E	Hungary	Energy	40.74%	Subgroup Energy Corp Hungary
Myah Typaza, SpA.	E	Algeria	Water	25.50%	Subgroup Algerian Water Investment
Necsorgaz, S.L.	--	Madrid	Real estate	50.00%	Subgroup Acciona Inmobiliaria
Nexus Infrastructure Holdings Unit Trust	C	Australia	Concessions	20.00%	Subgroup Acciona Concesiones
Nordex, SE.	B	Germany	Wind turbines manufacturing	33.63%	Acciona
Nova Darsena Deportiva De Bara, S.A.	E	Madrid	Concessions	50.00%	Acciona
Oakleaf Investment Holdings 86, Pty. Ltd.	C	South Africa	Energy	41.36%	Subgroup Acciona Energy South Africa Global
Operador Del Mercado Ibérico - Polo Español, S.A.	B	Madrid	Energy	4.14%	Subgroup Acciona Energía
P2W Services, Ltd.	A	New Zealand	Concessions	50.00%	Subgroup Acciona Concesiones
Páramo de los Angostillos, S.L.	A	León	Energy	41.36%	Subgroup Acciona Energía
Parque Eólico A Runa, S.L.	C	La Coruña	Energy	41.36%	Subgroup Ceólica
Parque Eólico Adrano, S.L.	C	La Coruña	Energy	41.36%	Subgroup Ceólica
Parque Eólico Ameixenda Filgueira, S.L.	C	La Coruña	Energy	41.36%	Subgroup Ceólica
Parque Eólico Cinseiro, S.L.	--	Zamora	Energy	41.36%	Subgroup Ceólica
Parque Eólico Curras, S.L.	C	La Coruña	Energy	41.36%	Subgroup Ceólica
Parque Eólico de Abara, S.L.	C	Asturias	Energy	41.36%	Subgroup Ceólica
Parque Eólico de Barbanza, S.L.	D	La Coruña	Energy	10.34%	Subgroup Eurovento
Parque Eólico de Bobia y San Isidro, S.L.	C	Asturias	Energy	41.36%	Subgroup Ceólica
Parque Eólico de Deva, S.L.	C	La Coruña	Energy	41.36%	Subgroup Ceólica
Parque Eólico de Tea, S.L.	C	La Coruña	Energy	41.36%	Subgroup Ceólica
Parque Eólico Vicedo, S.L.	C	La Coruña	Energy	41.36%	Subgroup Ceólica
Parque Eólico Virxe do Monte, S.L.	C	La Coruña	Energy	41.36%	Subgroup Ceólica
Parques Eólicos de Buio, S.L.	C	La Coruña	Energy	41.36%	Subgroup Ceólica
Polígono Romica, S.A.	--	Albacete	Real estate	50.00%	Subgroup Acciona Inmobiliaria

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Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
Port City Water Services, Inc.	A	Canada	Water	50.00%	Subgroup Acciona Agua
QEV Extreme, S.L.	--	Madrid	Other investees	35.00%	Subgroup Acciona Mobility
Red River Valley Alliance, LLC.	A	USA	Concessions	42.50%	Subgroup Acciona Concesiones
Reghion Agua, S.C.A.R.L.	--	Italy	Water	50.00%	Subgroup Acciona Agua Servicios
Renen Services, LLC.	A	Egypt	Energy	41.36%	Subgroup Acciona Energía Global
Residencial Maranta Dos, S.A. de C.V.	C	Mexico	Real estate	10.00%	Subgroup Parque Reforma
Rising Sun Energy, S.A.E.	A	Egypt	Energy	31.43%	Subgroup Acciona Energía Global
Servicio de Tratamiento de Aguas PTAR Caracol, S.A. de C.V.	--	Mexico	Water	48.98%	Subgroup Acciona Agua
Servicios Comunitarios de Molina de Segura, S.A.	E	Murcia	Water	48.60%	Subgroup Acciona Agua Servicios
Shuqaiq three company for operation and maintenance	--	Saudi Arabia	Water	35.00%	Subgroup Acciona Agua
Shuqaiq three company for water	C	Saudi Arabia	Water	10.00%	Subgroup Acciona Agua
Sistemes Electrics Espluga, S.A.	--	Barcelona	Energy	41.36%	Subgroup Acciona Energía
Sociedad de Aguas Hispano Mexicana, S.A. de C.V.	C	Mexico	Water	50.00%	Subgroup Acciona Agua
Sociedad Mixta del Agua-Jaen, S.A.	C	Jaén	Water	60.00%	Subgroup Acciona Agua Servicios
Solena Group	--	USA	Other infrastructure activities	25.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Sunrise Energy, S.A.E.	A	Egypt	Energy	31.43%	Subgroup Acciona Energía Global
Tranvias Urbanos de Zaragoza, S.L.	D	Zaragoza	Concessions	15.00%	Subgroup Acciona Concesiones
Tuto Energy I, S.A.P.I. de C.V.	--	Mexico	Energy	41.36%	Subgroup Acciona Energia Mexico Global
Tuto Energy Ii, S.A.P.I. de C.V.	A	Mexico	Energy	41.36%	Subgroup Acciona Energia Mexico Global
Vento Mareiro, S.L.	--	La Coruña	Energy	20.27%	Subgroup Eurovento
Ventos e Terras Galegas II, S.L.	--	La Coruña	Energy	41.36%	Subgroup Tripower
Ventos e Terras Galegas, S.L.	--	La Coruña	Energy	41.36%	Subgroup Tripower
Vertex Residencial Cuajimalpa, S.A. de C.V.	C	Mexico	Real estate	10.00%	Subgroup Parque Reforma

(*) Annual accounts audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Deloitte; (D) Ernst & Young (E) Others

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APPENDIX IV

CHANGES IN THE CONSOLIDATION PERIMETER

Changes in the consolidation perimeter in 2021 were as follows:

Company	Location	Activity	Change	Consolidation method
Aberdeen Wind Facility 1, Pty. Ltd.	South Africa	Energy	Addition	Group
Acciona Administración Energía Dos, S.L.	Madrid	Energy	Addition	Group
Acciona Administración Energía Tres, S.L.	Madrid	Energy	Addition	Group
Acciona Administración Energía, S.L.	Madrid	Energy	Addition	Group
Acciona Construcción Puerto Rico, LLC.	Puerto Rico	Construction	Addition	Group
Acciona Desarrollo Corporativo Energía, S.L.	Madrid	Energy	Addition	Group
Acciona Energía Dominicana, S.R.L.	Dominican Republic	Energy	Addition	Group
Acciona Energia Financiacion Filiales Australia, Pty. Ltd.	Australia	Energy	Addition	Group
Acciona Energía Financiación Filiales, S.A.	Madrid	Energy	Addition	Group
Acciona Energía Perú, S.A.C.	Peru	Energy	Addition	Group
Acciona Plug, S.L.	Madrid	Energy	Addition	Associate
Acciona Producciones y Diseño, S.A. Saudi Arabia	Saudi Arabia	Museum interiors	Addition	Group
Airport Maintenance Services, SpA.	Chile	Services	Addition	Group
Baltyk Energia, Sp. Z.O.O.	Poland	Energy	Addition	Group
Cargacoches Cantabria, S.L.U.	Santander	Energy	Addition	Group
Cargacoches, S.L.	Madrid	Energy	Addition	Group
Charge and Parking, S.L.U.	Valencia	Energy	Addition	Group
Concesiones Chile Holdings III, SpA.	Chile	Concessions	Addition	Group
Concesiones Chile Holdings IV, SpA.	Chile	Concessions	Addition	Group
Concesiones Chile Holdings V, SpA.	Chile	Concessions	Addition	Group
Concessions Fargo Holdco, LLC.	USA	Concessions	Addition	Group

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Company	Location	Activity	Change	Consolidation method
Consorcio Cadebac, S.A. de C.V.	Mexico	Water	Addition	Associate
Csf Almodovar, Unipessoal Lda.	Portugal	Energy	Addition	Group
Desarrollo del Sureste Playa del Carmen Tulum, S.A. de C.V.	Mexico	Construction	Addition	Associate
Energia De Vila Pouca, Unipessoal Lda.	Portugal	Energy	Addition	Group
Energia do Alqueva, Unipessoal Lda.	Portugal	Energy	Addition	Group
Energía Renovable del Sur, S.A.	Peru	Energy	Addition	Group
Ferral Energia Real, Unipessoal Lda.	Portugal	Energy	Addition	Group
Grupo Ambiental Proveracruz, S.A.P.I. de C.V.	Mexico	Water	Addition	Group
Grupo Metropolitano de Agua y Saneamiento, S.A.P.I. de C.V.	Mexico	Water	Addition	Group
Infraestructuras San Serván 220, S.L.	Madrid	Energy	Addition	Associate
Irrigation Solar Farm, S.L.U.	Madrid	Energy	Addition	Group
Jasuerin, S.L.U	Madrid	Real estate	Addition	Group
Loxton Wind Facility 1, Pty. Ltd.	South Africa	Energy	Addition	Group
Macintyre Ujv Operator, Pty. Ltd.	Australia	Energy	Addition	Group
Pofadder Wind Facility 1, Pty. Ltd.	South Africa	Energy	Addition	Group
QEV Extreme, S.L.	Madrid	Other investees	Addition	Associate
Rec Energy Solutions, S.L.U.	Barcelona	Energy	Addition	Group
Red River Valley Alliance, LLC.	USA	Concessions	Addition	Associate
Scutum Logistic, S.L.	Barcelona	Manufacture of electric vehicles	Addition	Group
Smart Pixel Exhibitions, S.L.	Madrid	Museum interiors	Addition	Group
Solar PDV, SpA.	Chile	Energy	Addition	Group
Wolseley Wind Farm, Pty. Ltd.	South Africa	Energy	Addition	Group
Pacific Renewable Energy Generation LLC	USA	Energy	Disposal due to merger	Group
Table Mountain Wind LLC	USA	Energy	Disposal due to merger	Group
Wind Farm 66, LLC	USA	Energy	Disposal due to merger	Group

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Company	Location	Activity	Change	Consolidation method
Aulac Wind Power Lp	Canada	Energy	Disposal due to merger	Group
Acciona Energy Development Canada Inc	Canada	Energy	Disposal due to merger	Group
Zurich Wind Power Lp Inc	Canada	Energy	Disposal due to merger	Group
3240934 Nova Scotia Company	Canada	Energy	Disposal due to merger	Group
Heartland Windpower, LLC	USA	Energy	Disposal due to merger	Group
Ecovista Wind, LLC	USA	Energy	Disposal due to merger	Group
Gwh-Acciona Energy LLC	USA	Energy	Disposal due to merger	Group
Windfarm Bear Creek, Llc	USA	Energy	Disposal due to merger	Group
Wind Contruction, Lp	Canada	Energy	Disposal due to merger	Group
Desarrollos Revolt Del Llobregat,S.L.	Madrid	Real estate	Disposal	Group
Servicios Hospitalarios Chut, S.L.	Madrid	Concessions	Disposal	Group
Aguas Pilar De La Horadada S.L.	Madrid	Water	Disposal	Group
Metrologia y Comunicaciones, S.A.	Madrid	Construction and engineering	Disposal	Group
Terranova Energy Corporation	USA	Energy	Disposal	Group
Acciona Airport Services S.A.S.	Colombia	Services	Disposal	Group
Tolchén Transmisión Spa	Chile	Energy	Disposal	Group
Acciona EPC North America LLC	USA	Energy	Disposal due to merger	Group
S.C. De La Zona Regable Del Canal De Navarra, S.A.	Pamplona	Concessions	Disposal	Associate
Gran Hospital Can Misses, S.A.	Ibiza	Concessions	Disposal	Associate
Operadora Can Misses S.L.	Ibiza	Concessions	Disposal	Associate
Nuevo Hospital De Toledo, S.A.	Toledo	Concessions	Disposal	Associate
Ampliación Facultad Dret, S.A.	Barcelona	Concessions	Disposal	Associate
S.C. Autovía De La Plata S.A.	Madrid	Concessions	Disposal	Associate
S.C. Puente Del Ebro, S.A.	Aragon	Concessions	Disposal	Associate
S.C. Novo Hospital De Vigo S.A.	Pontevedra	Concessions	Disposal	Associate

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Company	Location	Activity	Change	Consolidation method
Sociedad Operadora Novo Hospital De Vigo S.A.	Pontevedra	Concessions	Disposal	Associate

Changes in the consolidation perimeter in 2020 were as follows:

Company	Location	Activity	Change	Consolidation method
Abigroup Limited	Australia	Construction Oceania	Addition	Group
Abigroup Properties, Pty Ltd	Australia	Construction Oceania	Addition	Group
Acciona Bsp Holdings Inc	Canada	Construction and engineering	Addition	Group
Acciona CEI Australia Finance, Pty Ltd	Australia	Construction Oceania	Addition	Group
Acciona CEI Australia Holdings, Pty Ltd	Australia	Construction Oceania	Addition	Group
Acciona CEI Australia, Pty Ltd	Australia	Construction Oceania	Addition	Group
Acciona Concesiones De Infraestructuras S.L	Madrid	Concessions	Addition	Group
Acciona Construccion New Zealand Limited	New Zealand	Construction Oceania	Addition	Group
Acciona Energy Singapore Pte Ltd	Singapore	Energy	Addition	Group
Acciona Esco France S.A.S.U.	France	Services	Addition	Group
Acciona Fcp Holdings Inc	Canada	Construction and engineering	Addition	Group
Acciona Infrastructure Aust Finance, Pty Ltd	Australia	Construction Oceania	Addition	Group
Acciona Infrastructure Projects Australia, Pty Ltd	Australia	Construction Oceania	Addition	Group
Acciona Mobility France, SASU	France	Services	Addition	Group
Acciona Power Marketing Usa, Llc	USA	Energy	Addition	Group
Aeug Fleming Solar , Llc	USA	Energy	Addition	Group
Aeug Madison Solar, Llc	USA	Energy	Addition	Group
Aeug Union Solar, Llc	USA	Energy	Addition	Group
Ale Construction Ltd	Canada	Construction and engineering	Addition	Group
Australian Precast Solutions, Pty Ltd	Australia	Construction Oceania	Addition	Group

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Company	Location	Activity	Change	Consolidation method
Concesiones Chile Holdings I Spa	Chile	Concessions	Addition	Group
Concesiones Chile Holdings II Spa	Chile	Concessions	Addition	Group
Corporativo Horacio 1750, S.A. De Cv	Mexico	Real estate	Addition	Group
Fort Bend Solar Llc	USA	Energy	Addition	Group
High Point Solar, Llc	USA	Energy	Addition	Group
La Chalupa Finance, Llc	USA	Energy	Addition	Group
La Chalupa Holding, Llc	USA	Energy	Addition	Group
Linha Universidade Investimentos S.A.	Brazil	Concessions	Addition	Group
Munditrade, S.L.	Andorra	Construction and engineering	Addition	Group
Mysliborz Wind Farm Sp Zoo	Poland	Energy	Addition	Group
Operador Atacama CSP Chile Spa	Chile	Industrial	Addition	Group
Operadora Chut, S.L	Madrid	Concessions	Addition	Group
Solbioext 1, S.L.	Madrid	Energy	Addition	Group
Solbioext 2, S.L.	Madrid	Energy	Addition	Group
Brazilian Real State Project Holding Ltda	Brazil	Real estate	Addition	Associate
Broadway Subway Project Corporation	Canada	Construction and engineering	Addition	Associate
Concessionaria Linha Universidade, S.A.	Brazil	Concessions	Addition	Associate
East Rockingham Rrff Hold Co Pty Ltd	Australia	Concessions	Addition	Associate
Fraser Crossing Project Corporation	Canada	Construction and engineering	Addition	Associate
Morro Ipiranga Empreendimento Imobiliário Spe Ltda	Brazil	Real estate	Addition	Associate
Renen Services Llc	Egypt	Energy	Addition	Associate
Shuqaiq three company for operation and maintenance	Saudi Arabia	Agua	Addition	Associate
Consorcio Acciona Ossa Pizzarotti C110, Spa	Chile	Construction and engineering	Addition	Joint operations
Majv Aviation, Pty Ltd	Australia	Construction Oceania	Addition	Joint operations

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Company	Location	Activity	Change	Consolidation method
Acciona Campus España S.L.	Madrid	Real estate	Disposal	Group
Acciona Servicios Concesionales, S.L.	Madrid	Concessions	Disposal	Group
Acciona Water Supplies Technology Beijing Co. Ltd	China	Agua	Disposal	Group
Antigua Bodega De Don Cosme Palacio, S.L.	Alava	Winery	Disposal	Group
Autovia De Los Viñedos	Toledo	Concessions	Disposal	Group
Bodegas Palacio, S.A.	Alava	Winery	Disposal	Group
Bosques Solares De Bolivar 500 Sas	Colombia	Energy	Disposal	Group
Bosques Solares De Bolivar 501 Sas	Colombia	Energy	Disposal	Group

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APPENDIX V

BREAKDOWN OF THE MAIN CONCESSIONS

Water Division:

Name	Description	Period	Country	%	Status	Accounting method	Asset type
EDAR 8B	Construction, operation and maintenance of the wastewater treatment plant in "Zone 08B" of the Aragon Treatment Plan	2008 – 2031	Spain	100%	Operation	Full consolidation	Intangible assets
EDAR 7B	Construction, operation and maintenance of the wastewater treatment plant in "Zone 07B" of the Aragon Treatment Plan	2011 – 2031	Spain	100%	Operation	Full consolidation	Intangible assets
IDAM Javea	Construction, operation and maintenance of the seawater desalination plant in Javea	2001 – 2023	Spain	100%	Operation	Full consolidation	Financial asset
IDAM Fouka	Construction, operation and maintenance of the seawater desalination plant in Tipaza	2008 – 2036	Algeria	26%	Operation	Equity consolidation	Financial asset
IDAM Ibiza-Portmany	Reform, operation and maintenance of the seawater desalination plant in San Antonio Portmany, Ibiza	2009 – 2024	Spain	50%	Operation	Equity consolidation	Financial asset
PTAR Atotonilco	Construction, operation and maintenance of the wastewater treatment plant in Atotonilco	2010 – 2035	Mexico	24%	Operation	Equity consolidation	Financial asset
WWTP Mundaring	Construction, operation and maintenance of the wastewater treatment plant in Mundaring	2011 – 2048	Australia	25%	Operation	Equity consolidation	Financial asset
PTAR La Chira	Construction, operation and maintenance of the wastewater treatment plant in La Chira	2011 – 2037	Peru	50%	Operation	Equity consolidation	Financial asset
IDAM Arucas Moya	Construction, operation and maintenance of the seawater desalination plant in Arucas / Moya	2008 – 2024	Spain	100%	Operation	Full consolidation	Intangible assets
Andratx sewage system	Construction, operation and maintenance of the sewage system in Andratx	2009 – 2044	Spain	100%	Operation	Full consolidation	Intangible assets
Port City Water	Design, construction, financing, operation and maintenance of a potable water treatment plant in Saint John	2016 – 2048	Canada	40%	Operation	Equity consolidation	Financial asset
Sercomosa	Water supply service to Molina de Segura	1998 – 2040	Spain	49%	Operation	Equity consolidation	Intangible assets
Somajasa	Management of the integrated water cycle for public services in some municipalities in Jaen province	2007 – 2032	Spain	60%	Operation	Equity consolidation	Intangible assets
Gesba	Water supply service in Andratx and Deiá (Mallorca)	1994 – 2044	Spain	100%	Operation	Full consolidation	Intangible assets
Costa Tropical	Integrated water cycle service in Costa Tropical (Granada)	1995 – 2045	Spain	49%	Operation	Proportionate consolidation	Intangible assets
Boca del Río	Integrated water cycle service in Boca del Río (Veracruz)	2018 – 2047	Mexico	70%	Operation	Full consolidation	Intangible assets
Shuqaiq 3	Development, design, financing, construction, commissioning, operation and maintenance of the SWRO plant	2019 – 2046	Saudi Arabia	10%	Construction	Equity consolidation	Financial asset
Veracruz	Public integrated water cycle and sewage services in Veracruz and Medellín	2016 – 2046	Mexico	100%	Operation	Full consolidation	Intangible assets
Los Cabos	Contract for engineering, executive project, procurement, construction, commissioning and operation of the seawater desalination plant in Cabos San Lucas, municipality of Los Cabos.	2021 – 2046	Mexico	50%	Construction	Equity consolidation	Financial asset

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Infrastructure Division:

	Name	Description	Period	Country	%	Status	Accounting method	Asset type
Roads	Windsor Essex Parkway	Design, construction and operation of an 11 km highway from Windsor (Ontario - Canada) to the US border (Detroit - Michigan)	2010 – 2044	Canada	33%	Operation	Equity consolidation	Financial asset
	Toowoomba Second Range Crossing (Nexus)	Design, construction and operation of a 41 km highway to bypass the north of Toowoomba (Queensland), from Helidon Spa to Athol through Charlton. Availability payment (25 years as from end of construction)	2015 – 2043	Australia	20%	Operation	Equity consolidation	Financial asset
	Puhoi to Warkworth	Financing, design, construction and maintenance of the new motorway from Puhoi to Warkworth. This project will extend the four-lane SH-18 (Northern Motorway) 18.5 km from the Johnstone's tunnels to the north of Warkworth.	2016 – 2046	New Zealand	10%	Construction	Equity consolidation	Financial asset
Rail	Concessionaria Linha Universidade	Construction of civil works and systems, provision of rolling stock, operation, conservation, maintenance and expansion of public transport services for Metro Line 6 - Laranja in São Paulo.	2020 – 2044	Brazil	59.99%	Construction	Equity consolidation	Financial asset
	Sydney Light Rail	Design, construction, operation and maintenance of a 12 km tram line from Circular Quay via George Street to Central Station and through Surry Hills to Moore Park, Kensington, Kingsford and Randwick. Includes operation of the existing Inner West line.	2014 – 2034	Australia	5%	Operation	Equity consolidation	Financial asset
Canal	Fargo	Design, construction, operation and maintenance of a 48 km flood channel between Fargo (North Dakota) and Moorhead (Minnesota).	2021 – 2056	USA	43%	Construction	Equity consolidation	Financial asset
Port	Nova Darsena Esportiva de Bara	Construction and operation of the Roda de Bara marina. Revenue from the assignment and rental of berths, store rooms and retail space (191,771 m2)	2005 – 2035	Spain	50%	Operation	Equity consolidation	N/A
Plant	East Rockingham	Design, construction, operation and maintenance of a waste processing and management plant.	2019 – 2052	Australia	10%	Construction	Equity consolidation	N/A

*An agreement was signed for the sale of these companies on 29 November 2020, subject to the fulfilment of certain conditions precedent at 31 December 2020.

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ACCIONA, S.A. AND SUBSIDIARIES
(CONSOLIDATED GROUP)
2021 DIRECTORS' REPORT

ACCIONA reports in accordance with International Financial Reporting Standards (IFRS) under a corporate structure that comprises three divisions:

- Energy: instrumented through the majority shareholding in Corporación Acciona Energías Renovables, S.A. (CAER). This business encompasses the development, construction, operation and maintenance of renewable generating plants and sale of the energy produced. All of the power generated by Acciona Energía is renewable.

- Infrastructure: comprising the following activities:

  - Construction: includes infrastructure projects, as well as turn-key (EPC) projects for power plants and other facilities.
  - Water: includes activities such as the construction of desalination plants, water and wastewater treatment plants, and management of the entire water cycle, an activity that spans from initial water collection and purification, including desalination, to waste water treatment and its return to the environment after use. The Group also operates service concessions across the whole of the water cycle.
  - Concessions: consists mainly of the operation of transport and hospital concessions.
  - Other infrastructure activities: comprise the delivery of Citizen Services and Healthcare Services.

- Other activities: including fund management and stock broking services, real estate, manufacture of electric vehicles, operation of motorbike sharing services, investment in the associate Nordex SE (a manufacturer of wind turbines), museum interior design, and the provision of other services like facility management and airport handling.

Certain businesses formerly included in the Infrastructure Division were reshuffled in 2021, and the Energy segment was reorganised as a result of the IPO launched by CAER. This matter is explained in detail in Note 29 *Segment reporting* to the ACCIONA Group's consolidated annual accounts.

The recurrent Alternative Performance Measures (APMs) used in this and other reports by the ACCIONA Group are defined as follows:

EBITDA or gross operating profit is defined as operating income before depreciation and amortisation and variations in provisions, and it therefore shows the operating result of the Group. It is calculated based on the following consolidated income statement items: *Revenue, Other revenue, Changes in inventories of finished goods and work in progress, Cost of goods sold, Personnel expenses, Other operating expenses* and *Equity method profit/(loss) - analogous*.

Net Financial Debt shows the Group's debt, in net terms, deducting cash and current financial assets. It is calculated based on the following consolidated balance sheet items: non-current and current *Bank borrowings, Debentures and other marketable securities* and *Lease obligations*, less *Cash and cash equivalents* and *Other current financial assets*.

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A detailed reconciliation is provided in the section *Cash Flow and Change in Net Financial Debt* of this Directors' Report.

Net Financial Debt excluding IFRS16 is defined as net financial debt less non-current and current *lease obligations* carried in the balance sheet.

Non-recourse debt (project debt) is debt that is not secured by corporate guarantees, so that recourse is limited to the debtor's assets and cash flows.

Recourse debt (corporate debt) is debt secured by a corporate guarantee of some kind.

Financial gearing reflects the ratio of the Group's net financial debt to equity. It is calculated by dividing *net financial debt* (calculated as explained above) by *equity*.

Backlog is defined as pending production, i.e. contractual amounts or customer orders after deducting amounts already recognised as revenue in the income statement. It is calculated on the basis of orders and contracts awarded to the Group, deducting the part of completed work recognised in *Revenue*, and adding or subtracting *other variations* arising from foreign exchange adjustments and changes in the initial contracts.

Gross Ordinary Capex is defined as the period increase in the balance of property, plant and equipment, other intangible assets, non-current financial assets, investments accounted for using the equity method, property investments, and rights of use under financial leasing contracts, adjusted for the following items:

- Depreciation, amortisation and impairments for the period
- Year's profit/(loss) of companies accounted for using the equity method
- Profit/(loss) on disposals of non-current assets
- Changes due to fluctuations in exchange rates

In the case of changes in the consolidation perimeter, gross ordinary capex is defined as the change in net financial debt excluding IFRS 16 arising from a transaction.

Net Ordinary Capex is defined as *Gross Ordinary Capex* plus or minus changes in *other payables* due to suppliers of property, plant, and equipment providers.

Divestments are resources obtained from material transactions involving the sale of ventures or cash generating units, or reductions in the percentage interests held, carried out within the framework of an established divestment strategy.

Net Investment Cash Flow is *Net Ordinary Capex*, less divestments, plus or minus changes in real estate inventories.

Operating Cash Flow represents the capacity of assets to generate resources in terms of net financial debt. It is calculated as EBITDA minus income from companies accounted for using the equity method and that carry out an activity analogous to the Group's main activities (*Equity method profit/(loss) – analogous*), plus/minus the change in working capital less net finance costs, plus/minus income tax rebates/payments, plus income from equity-accounted companies engaging in non-analogous activities (*Equity method profit/(loss) – non-analogous*), plus/minus other cash inflows/outflows not included in *Net Investment Cash Flow* and amounts in respect of shareholder remuneration.

Management uses thee APMs to make financial, operational and planning decisions, and to evaluate the performance of the Group and its subsidiaries.

Management considers that these APMs provide useful additional financial information to evaluate the performance of the Group and its subsidiaries, as well as decision-making by the users of the Group's financial information.

Executive Summary

Period highlights

The results obtained by ACCIONA in the financial year ended 31 December 2021 show strong growth across all profit lines, with positive operating performance by the different activities and a significant reduction in the Group's financial leverage.

Group revenues grew by 25.0% yoy to €8,104 million, EBITDA was 30.9% up to €1,483 million, and EBT increased by 11.2% to €575 million. Net profit fell by 14.2% yoy to €332 million, given that 2020 net profit included a €79.4 million positive impact from the extension of the useful life of certain energy assets from 25 to 30 years and €145 million related to the reversal of impairment recognised in 2017 in respect of the stake in Nordex. Excluding these two effects, and the €67.2 million net contribution to the Group's net profit for 2021 resulting from favourable ruling of the courts with respect to the Spanish hydro levy, like-for-like net profit growth would be +62.8% yoy.

The Energy division posted 39.8% growth in revenues to €2,472 million and a 25.1% increase in EBITDA, to €1,086 million, due to strong performance in both the Spanish and international generation businesses, despite generally weak output. In Spain, profitability grew due to the hydro levy refund and faster recovery of the investment made in regulated assets, despite high levels of hedging in the wholesale portion of the business before energy prices began to rise. The international fleet captured high prices with the new capacity that began operating in the United States (State of Texas). ACCIONA Energía has published its 2021 results, available on www.acciona-energia.com.

Revenues in the Infrastructure division increased by 24.0% to €4,870 million, and EBITDA rose by 51.0% to €323 million, despite the lower contribution from the concessions area due to the divestment of a portfolio of Spanish concessions in the fourth quarter of 2020 (the transaction was completed in 2021). Within this area, we would highlight the performance of the construction business, with revenues up 30.6% and EBITDA to reach €163 million in 2021, compared to €50 million in 2020, which was strongly affected by the COVID-19 pandemic.

In Other Activities, the real estate division saw a decline in revenues, due to less housing units delivered, but a 45.0% increase in EBITDA to €27 million, boosted by the sale of a last mile logistic development in Barcelona, leased by the world leader e-commerce player.

Bestinver delivered a 12.1% increase in revenues and a 7.1% increase in EBITDA, with assets under management reaching €7,046 million in December 2021, a net increase of around €700 million versus December 2020.

The most significant development for the ACCIONA Group in 2021 was the IPO carried out by ACCIONA Energía, whose shares were listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges for the first time on 1 July under the *ticker* "ANE", a key strategic milestone in the Company's history. This transaction has allowed ACCIONA to reduce its financial leverage considerably, as described below, and thus to increase its ability to invest and enhance growth potential, not only in energy, but also in the sustainable infrastructure activities.

Net financial debt totalled €4,344 million at 31 December 2021, a €389 million reduction versus 31 December 2020. The IPO of ACCIONA Energía resulted in gross cash proceeds for ACCIONA of €1,518 million.

Group profit before taxes reached €575 million, an 11.2% yoy increase, with an 18.1% improvement in financial expenses, which shrank to €180 million, and a negative contribution of €81 million from ACCIONA's stake in Nordex. In 2020, Nordex made a positive contribution of €79 million which included €145 million relating to the reversal of impairment recognised in 2017.

Attributable net profit amounted to €332 million, 14.2% down versus 2020 which saw growth of +62.8% in like-for-like terms, as explained earlier.

In 2021, the net investment cashflow of ACCIONA Group amounted to €20 million. This figure includes net ordinary capex of €1,319 million, €224 million investment in property development inventories, and divestments of €1,523 million, mainly consisting of the proceeds from the divestment of a 17.277% stake of ACCIONA Energía in its IPO.

In Infrastructure, total backlog reached a new all-time high of €18,096 million (€25,983 million including equity accounted projects at 31 December 2021).

Note: In FY 2021, Acciona segments definition was modified in align and facilitate monitoring and control by Group management, resulting in the restatement of the 2020 figures (see detailed information in note 29 of the consolidated annual accounts).

Note: Following ACCIONA has adopted the new guidelines published by the Spanish National Securities Market Commission (CNMV) in its communication of 21 October 2021 stating its criteria for the accounting of the banding mechanism for Spanish renewable regulated assets. The new criteria establish that, as a general rule, the deviations arising from the regulatory banding mechanism, whether positive or negative, must be recorded in the financial statements. This resulted in a restatement of ACCIONA's 2020 financial statements and the recognition of impacts in the Spanish regulated business consistent with the banding mechanism (e.g. Attributable Equity in 2020 was reduced by €58.5 million and EBITDA for 2020 was increased by €8.9 million as a result of the restatement). Nevertheless, for those standard facilities (SF) for which the company estimates respective Regulatory Net Asset Value (VAN) will be zero at the end of the current regulatory semi-period (Jan 2020-Dec 2022) or that will not be awarded regulatory investment income (Rinv) in the next regulatory half period (Jan 2023-Dec 2025), the liability associated with the banding mechanism market price deviations adjustment is estimated as zero. The revenue on such standard facilities is recognised at market prices and without price adjustments under the banding mechanism.

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Income Statement

(Millions of euros)	FY 2021	FY 2020	Change (%)
Revenue	8,104	6,482	25.0%
EBITDA	1,483	1,133	30.9%
EBT	575	517	11.2%
Attributable net profit	332	387	-14.2%

Note: 2020 restated

Balance Sheet and Capital Expenditure

(Millions of euros)	FY 2021	FY 2020	Change (%)
Attributable equity	4,312	3,347	28.8%
Net financial debt excluding IFRS 16	3,847	4,239	-9.2%
Net financial debt	4,344	4,733	-8.2%
Net financial debt/EBITDA	2.93x	4.18x	-29.9%

(Millions of euros)	FY 2021	FY 2020	Change (%)
Net ordinary CAPEX	1,319	829	59.2%
Net investment cash flow	20	526	-96.3%

Operating Data

	FY 2021	FY 2020	Change (%)
Infrastructure backlog (millions of euros)	18,096	14,885	21.6%
Average headcount	41,664	38,355	8.6%

(Millions of euros)	FY 2021	FY 2020	Change (%)
Total capacity (MW)	11,245	10,694	5.1%
Consolidated capacity (MW)	9,169	8,631	6.2%
Total production (GWh)	24,541	24,075	1.9%
Consolidated production (GWh)	20,093	19,451	3.3%
Bestinver assets under management (millions of euros)	7,046	6,371	10.6%

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ESG Data

	FY 2021	FY 2020	Change (%)
Executive and manager women (%)	22%	21%	+1.0pp
CAPEX aligned with EU sustainable activities taxonomy (%)	94%	85%	-4.0pp
Emissions avoided (CO_2 – million tons)	13.40	13.20	1.5%
Scope 1 + 2 GHG emissions (CO_2 – thousand tons)	0.17	0.13	30.8%
Water consumed (hm^3)	5.00	4.70	6.4%

Note: CAPEX 2020 restated to exclude the Services portfolio reclassified to Other Activities.

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Consolidated Income Statement

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Revenue	**8,104**	**6,482**	**1,622**	**25.0%**
Other revenue	563	789	(226)	-28.6%
Change in inventories of finished goods and work in progress	110	194	(83)	-43.1%
Total Production Value	**8,778**	**7,464**	**1,313**	**17.6%**
Cost of goods sold	(1,980)	(2,216)	236	10.6%
Personnel expenses	(1,787)	(1,551)	(237)	-15.3%
Other expenses	(3,621)	(2,647)	(974)	-36.8%
Equity method profit/(loss) - analogous	94	82	12	14.4%
Gross operating profit (EBITDA)	**1,483**	**1,133**	**350**	**30.9%**
Depreciation and amortisation charge	(587)	(557)	(30)	-5.4%
Provisions	(128)	(121)	(6)	-5.0%
Impairment of assets	(1)	92	(93)	n.a
Profits/losses) on disposal of non-current assets	68	88	(20)	-22.4%
Other gains or losses	(7)	(9)	3	29.4%
Operating profit (EBIT)	**829**	**625**	**204**	**32.6%**
Net financial result	(180)	(219)	40	18.1%
Exchange differences (net)	10	14	(5)	-31.4%
Change in provisions for financial assets	(1)	1	(2)	n.a
Equity method profit/(loss) – non-analogous	(81)	79	(161)	n.a
Result from changes in financial instruments at fair value	(3)	15	(19)	n.a
Profit before tax from continuing operations (EBT)	**575**	**517**	**58**	**11.2%**
Income tax expense	(171)	(100)	(71)	-71.3%
Year´s profit from continuing operations	**404**	**417**	**(13)**	**-3.2%**
Non-controlling interests	(72)	(30)	(42)	137.8%
Attributable net profit	**332**	**387**	**(55)**	**-14.2%**

Note: 2020 restated

Revenue

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Energy	2,472	1,769	704	39.8%
Infrastructure	4,870	3,928	942	24.0%
Other activities	1,055	953	103	10.8%
Consolidation adjustments	(294)	(167)	(127)	-75.6%
Total revenues	**8,104**	**6,484**	**1,622**	**25.0%**

Revenues increased by 25.0% to €8,104 million with the following evolution in the different areas of activity:

- Increase in Energy revenues of +39.8%, driven by 49.9% growth in Spain, 105.0% growth in the US (on strong first quarter prices in Texas), and 49.2% growth in Chile.

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- Increase in Infrastructure of +24.0% revenues due to a combination of 30.6% and 7.8% growth in Construction and Water, respectively, and a -46.1% decrease in concessions resulting from the sale of a Spanish concessions portfolio in December 2020.
- Revenues from Other Activities increased by 10.8%, with a notable performance from Bestinver (+12.1%) and a higher contribution from Urban Mobility.

Gross operating profit (EBITDA)

(Millions of euros)	FY 2021	EBITDA (%)	FY 2020	EBITDA (%)	Change (€m)	Change (%)
Energy	1,086	72%	868	75%	218	25.1%
Infrastructure	323	21%	214	18%	109	51.0%
Other Activities	104	7%	79	7%	24	30.4%
Consolidation adjustments	(30)	n.a.	(29)	n.a.	(1)	-4.1%
Total EBITDA	**1,483**	100%	**1,133**	100%	**350**	**30.9%**
Margin (%)	***18.3%***		***17.5%***			***-0.8pp***

Note: EBITDA contributions calculated before consolidation adjustments

Note: 2020 restated

ACCIONA Group's EBITDA increased by 30.9% to €1,483 million in FY 2021. All businesses displayed very positive trends, partially favoured by comparison with the previous year, which was very seriously impacted by the COVID-19 pandemic. ACCIONA Energía grew EBITDA by 25.1%, mostly driven by US assets (EBITDA of €117 million compared to €44 million in FY 2020). EBITDA in the Infrastructure business increased by 51.0%, despite the deconsolidation of the Spanish concessions sold in the fourth quarter of 2020. EBITDA from Other Activities increased by 30.4%, with a notable increase in the contribution from Bestinver, Facility Services and Airports.

Net operating profit (EBIT)

Net operating profit was €829 million, 32.6% higher than the €625 million reported in FY 2020, with a slight increase in depreciation and amortisation charges. Results on non-current assets amounted to €68 million in FY 2021 versus €88 million in FY 2020. FY 2021 results include €48 million in capital gains realised this year with the final completion of the sale of a portfolio of Spanish concessions agreed in December 2020, while FY 2020 included €79 million on the same transaction. All in, this transaction generated gains of €127 million for ACCIONA.

Profit before income tax (EBT)

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Energy	536	410	125	30.5%
Infrastructure	83	65	18	27.8%
Other Activities	(24)	75	(99)	-132.7%
Consolidation adjustments	(20)	(33)	13	40.3%
Total EBT	**575**	**517**	**58**	**11.2%**
Margin (%)	***7.1%***	***8.0%***		***-0.9pp***

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Earnings before taxes grew by 11.2% due to the increased contribution made by the Energy division.

Attributable net profit fell by 14.2% yoy to €332 million. Net profit for FY 2020 included a positive impact of €79 million from the extension of the useful lives of energy assets and €145 million from the reversal of impairment recognised on the shareholding in Nordex in 2017. Excluding these two effects, and the €67.2 million net contribution to the Group's net profit for 2021 resulting from favourable ruling of the courts with respect to the Spanish hydro levy, like-for-like net profit growth would be +62.8% yoy.

Consolidated Balance Sheet and Cash Flow

(Millions of euros)	31 Dec. 2021	31 Dec. 2020	Change (€m)	Change (%)
Property, plant and equipment, intangible assets and investment property	8,659	7,873	786	10.0%
Right of use	528	497	31	6.2%
Financial assets	219	189	29	15.5%
Investments accounted for using the equity method	1,325	1,227	98	8.0%
Goodwill	249	230	18	7.9%
Other non-current assets	1,388	1,303	86	6.6%
NON-CURRENT ASSETS	**12,367**	**11,320**	**1,047**	**9.3%**
Inventories	1,210	1,230	(19)	-1.6%
Receivables	2,731	2,252	479	21.3%
Other current assets	454	327	127	38.9%
Other current financial assets	218	213	6	2.7%
Cash and cash equivalents	2,318	2,407	(89)	-3.7%
Assets held for sale	303	458	(155)	-33.8%
CURRENT ASSETS	**7,236**	**6,887**	**349**	**5.1%**
TOTAL ASSETS	**19,603**	**18,207**	**1,396**	**7.7%**
Capital	55	55	--	0.0%
Reserves	3,943	2,927	1,016	34.7%
Profit/(loss) attributable to the parent company	332	387	(55)	-14.2%
Treasury shares	(18)	(22)	4	17.0%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	4,312	3,347	965	28.8%
NON-CONTROLLING INTERESTS	1,246	365	881	n.a
EQUITY	**5,557**	**3,711**	**1,846**	**49.7%**
Interest-bearing borrowings	4,436	4,871	(435)	-8.9%
LT Lease obligations	430	420	10	2.4%
Other non-current liabilities	2,265	1,862	403	21.7%
NON-CURRENT LIABILITIES	**7,131**	**7,153**	**(22)**	**0.3%**
Interest-bearing borrowings	1,947	1,987	(40)	-2.0%
ST Lease obligations	68	74	(7)	-9.0%
Trade payables	3,148	2,953	195	6.6%
Other current liabilities	1,489	1,945	(456)	-23.5%
Liabilities associated with assets held for sale	263	383	(120)	-31.3%
CURRENT LIABILITIES	**6,914**	**7,342**	**(428)**	**-5.8%**
TOTAL EQUITY AND LIABILITIES	**19,603**	**18,207**	**1,396**	**7.7%**

Note: 2020 restated

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(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
EBITDA	**1,483**	**1,133**	**350**	**30.9%**
Financial results (*)	(182)	(200)	17	-8.7%
Change in working capital	(117)	198	(315)	-159.0%
Other operating cash flow	(433)	(211)	(221)	-104.6%
Operating cash flow	**751**	**920**	**(169)**	**-18.3%**
Gross ordinary capex	(1,319)	(829)	(491)	-59.2%
Divestments	1,523	318	1,206	n.a.
Real estate inventories	(224)	(14)	(209)	n.a.
Net investment cash flow	**(20)**	**(526)**	**506**	**96.3%**
Share buy-back programme	(1)	--	(1)	n.a.
Derivatives debt	20	5	15	n.a.
Exchange rate differences debt	(8)	36	(43)	-121.4%
Dividends	(214)	(106)	(108)	-102.6%
Perimeter changes and other	(137)	347	(484)	n.a.
Financing and other cash flow (*)	**(340)**	**282**	**(622)**	**n.a.**
Change in net debt + Decrease/Increase	**392**	**676**	**(285)**	**n.a.**

Note: IFRS16 lease payments totalled €115m in 2021, of which €25m is reflected in Financial results (net interest) and €90m in Financing and other cash flow.
Note: 2020 restated

Attributable Equity

ACCIONA's attributable equity at 31 December 2021 was €4,312 million, 28.8% more than at 31 December 2020. The ACCIONA Energía IPO generated capital gains of €613 million for ACCIONA.

Net Financial Debt

	31 Dec. 2021		31 Dec. 2020		Change (€m)	Change (%)
	Amount	**% Total**	**Amount**	**% Total**		
Project debt	850	13%	947	14%	(96)	-10.2%
Corporate debt	5,533	87%	5,912	86%	(379)	-6.4%
Total interest-bearing debt	**6,383**		**6,858**		**(475)**	**-6.9%**
Cash + Current financial assets	**(2,536)**		**(2,620)**		**83**	**3.2%**
Net financial debt, excl. IFRS 16	**3,847**		**4,239**		**(392)**	**-9.2%**
Net financial debt	**4,344**		**4,733**		**(388)**	**-8.2%**

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Net financial debt at 31 December 2021 was €4,344 million (including €497 million from the IFRS16 effect), a €389 million decrease versus December 2020 due to a combination of the following factors:

- *Operating cash flow* of €751 million, which includes a negative variation in working capital of €117 million, with a positive contribution in the second half of the year. *Other operating cashflow* includes taxes, minority interests and a one-off settlement payment from a contractual dispute with a former energy partner.
- *Net Investment Cashflow* of €20 million, including €224 million invested in the real estate business, as well as €1,523 million related to the divestment of 17.277% of the interest held in ACCIONA Energía as a result of the IPO and the collection of the final tranche receivable on the sale of a portfolio of concession assets in Spain agreed in the fourth quarter of 2020.
- *Financing and other cash flow* and was -€340 million, comprising -€214 million in respect of the dividend payment and -€137 million from perimeter changes and other items, which included €90 million in IFRS16 lease payments

Financial gearing was as follows:

(Millions of euros)	31 Dec. 2021	31 Dec. 2020
Leverage (NFD/Equity) (%)	78%	128%

Capital Expenditure

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Energy	**819**	**577**	**242**	**42.0%**
Infrastructure	**185**	**172**	**13**	**7.5%**
Construction	127	79	48	61.0%
Concessions	8	72	(64)	-88.5%
Water	41	10	31	n.a.
Other infrastructure activities	9	11	(2)	-21.8%
Other Activities	**316**	**80**	**236**	**n.a.**
Net ordinary Capex	**1,319**	**829**	**491**	**59.2%**
Real Estate	224	14	209	n.a.
Divestments	(1,523)	(318)	(1,206)	n.a.
Net ordinary Capex	**20**	**526**	**(506)**	**-96.3%**

Note: The investments made in Nordex were included in the Energy division in 2020 but were reclassified to Other Activities in 2021.

Net ordinary capex across ACCIONA's various businesses in 2021, excluding the real estate investments, amounted to €1,319 million, compared to the €829 million in 2020.

The Energy division invested €819 million, representing 62% of the Group's total net ordinary capex. At the consolidated level, capacity grew from 8.6GW to 9.2GW, up 6.2%. A total of 557MW (gross) were installed during the period, mainly represented by 140MW wind in Australia (Mortlake South), 145MW wind in Mexico (San Carlos), 209MW solar PV in Chile (Malgarida), and 48MW wind in Spain (Celada Fusión). At 31 December 2021, total capacity under construction amounted to 691MW, mainly in the US and Spain. The company expects to install 0.8GW in 2022.

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Infrastructures invested a net €185 million, compared to €172 million in 2020, including €77 million in respect of the deferred purchase price of Lendlease Engineering.

Capex in Other Activities includes the €34 million acquisition of Silence and a loan of close to €200 million granted to Nordex, which was converted into Nordex shares through ACCIONA's subscription of 100% of its preferential acquisition rights in the framework of the €584 million capital increase carried out by Nordex in July 2021.

Results by Division

Energy

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Spain	**1,502**	**1,002**	**500**	**49.9%**
USA	145	71	74	105.0%
Mexico	188	173	15	8.7%
Chile	229	154	76	49.2%
Other Americas	42	42	--	0.9%
Americas	**605**	**440**	**165**	**37.6%**
Australia	59	92	(33)	-36.1%
Rest of Europe	231	164	67	40.5%
Rest of the world	76	71	5	6.8%
International	**971**	**767**	**204**	**26.5%**
Total revenues	**2,472**	**1,769**	**704**	**39.8%**

Note: 2020 restated

ACCIONA Energía's revenues increased by 39.8% to €2,472 million, mainly due to the following factors:

- Growth of 49.9% in Spain mainly due to an increase in energy supply revenues, both in terms of price and volume. Generation revenues grew despite lower output.
- 105.0% increase in the US on strong first quarter prices in Texas.
- 49.2% increase in Chile due to higher injection node prices.
- Rest of Europe increased its revenues by 40.5% to €231 million.

(Millions of euros)	FY 2021	EBITDA (%)	FY 2020	EBITDA (%)	Change (€m)	Change (%)
Spain	**531**	**49%**	**359**	**41%**	**172**	**48.0%**
USA	117	11%	44	5%	73	165.3%
Mexico	134	12%	142	16%	(8)	-5.6%
Chile	76	7%	82	9%	(5)	-6.5%
Other Americas	31	3%	28	3%	2	8.4%
Americas	**358**	**33%**	**296**	**34%**	**62**	**20.8%**
Australia	**30**	**3%**	**71**	**8%**	**(41)**	**-58.3%**
Rest of Europe	**111**	**10%**	**90**	**10%**	**21**	**23.7%**
Rest of the world	**57**	**5%**	**53**	**6%**	**4**	**8.0%**
International	**555**	**51%**	**510**	**59%**	**46**	**9.0%**
Total revenues	**1,086**	**100%**	**868**	**100%**	**218**	**25.1%**
Margin (%)	43.9%		49.1%			-5.2pp

Note: 2020 restated

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ACCIONA Energía's EBITDA increased by 25.1% in 2021 to reach €1,086 million. This increase was mainly driven by new capacity in the United States due to the exceptionally high prices in the first quarter, as well as Spain (EBITDA +48%) due to the hydro levy refund and faster payback of regulatory value, while the wholesale portion of the business was significantly hedged. The favourable court ruling on the hydro levy contributed €77 million of EBITDA, more than offsetting the €19 million positive impact in 2020 from the reversal of impairments on the contribution of assets accounted for using the equity method.

With respect to the main operating drivers, the average generation price increased by 19% to €75.5/MWh, up 27% in Spain to €83.6/MWh, and 20% in International to €68.1/MWh. In Spain, recognition of the regulatory banding mechanism and price hedges offset most of the positive impact from the sharp rise in wholesale prices.

Total installed capacity was 11.2GW at the year end compared to 10.7GW as of 31 December 2020. A total of 557MW (gross) were in 2021, mainly represented by 140MW wind in Australia (Mortlake South), 145MW wind in Mexico (San Carlos), 209MW solar PV in Chile (Malgarida), and 48MW wind in Spain (Celada). At 31 December 2021, total capacity under construction amounted to 691MW, mainly in the US and Spain. The company expects to install 0.8GW in 2022.

Production during the period grew less than expected due to weather incidents in the US, lower resource generally across the portfolio, and curtailments. Consolidated productions surpassed the 20TWh for the first time, with output amounting to 20,093GWh, an increase of 3.3% compared to the previous year. In the domestic market, production fell by -2.6% to 9,561GWh, with wind production up 5.3% and hydro production down -26.9%. Consolidated production from international assets increased by 9.4% to 10,532GWh including new operating capacity. Excluding the new assets, the consolidated production of the International business fell by 7.2%.

Breakdown of Installed Capacity and Production by Technology

31 Dec. 2021	Total		Consolidated		Net	
	MW Installed	GWh Produced	MW Installed	GWh Produced	MW Installed	GWh Produced
Spain	**5,736**	**12,218**	**4,496**	**9,561**	**5,067**	**10,768**
Wind	4,782	10,033	3,557	7,376	4,124	8,602
Hydropower	873	1,735	873	1,735	873	1,735
Solar PV	19	5	5	5	11	5
Biomass	61	445	61	445	59	426
International	**5,509**	**12,323**	**4,672**	**10,532**	**4,312**	**9,534**
Wind	**4,005**	**9,301**	**3,804**	**8,909**	**3,217**	**7,394**
Mexico	1,076	3,137	1,076	3,137	925	2,653
USA	1,062	1,873	990	1,764	851	1,517
Australia	592	1,149	528	1,030	492	887
India	164	371	164	371	142	322
Italy	156	253	156	253	117	190
Canada	181	476	141	353	106	265
South Africa	138	322	138	322	57	132
Portugal	120	285	120	285	84	197
Poland	101	204	101	204	76	153
Costa Rica	50	254	50	254	32	165
Chile	312	856	312	856	301	831
Croatia	30	81	30	81	23	61
Hungary	24	42	--	--	12	21
Solar PV	**1,441**	**2,924**	**804**	**1,525**	**1,046**	**2,067**
Chile	610	1,229	610	1,229	610	1,229
South Africa	94	201	94	201	39	83
Portugal	46	91	--	--	20	45
Mexico	405	872	--	--	202	436
Egypt	186	436	--	--	78	183
Ukraine	100	95	100	95	97	91
Solar Thermoelectric (USA)	64	98	64	98	48	73
Total Wind	**8,787**	**19,334**	**7,361**	**16,285**	**7,341**	**15,996**
Total other technologies	**2,458**	**5,207**	**1,807**	**3,808**	**2,037**	**4,306**
Total Energy	**11,245**	**24,541**	**9,169**	**20,093**	**9,378**	**20,302**

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Infrastructure

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Construction	3,626	2,776	850	30.6%
Concessions	53	98	(45)	-46.1%
Water	1,052	976	76	7.8%
Other Infrastructure Activities	165	145	20	13.5%
Consolidation adjustments	(26)	(68)	42	61.8%
Revenue	**4,870**	**3,928**	**942**	**24.0%**
Construction	163	50	113	n.a.
Concessions	46	67	(21)	-31.5%
Water	100	85	15	18.3%
Other infrastructure activities	14	12	2	16.1%
EBITDA	**323**	**214**	**109**	**51.0%**
Margin (%)	*6.6%*	*5.4%*		
EBT	**83**	**65**	**18**	**27.8%**
Margin (%)	***1.7%***	***1.7%***		

Revenues in Infrastructure reached €4,870 million, 24.0% higher than 2020, and EBITDA amounted to €323 million, up 51.0% compared to 2020, which was seriously impacted by the COVID-19 pandemic.

Infrastructure Backlog

(Millions of euros)	31 Dec. 2021	31 Dec. 2020	Change (%)	Weight (%)
Construction	12,087	10,797	12.0%	67%
Water	5,462	3,789	44.2%	30%
Other Infrastructure Activities	547	300	82.3%	3%
Total	**18,096**	**14,885**	**21.6%**	**100%**

(Millions of euros)	31 Dec. 2021	31 Dec. 2020	Change (%)	Weight (%)
Projects (Construction and Water)	13,719	12,123	13.2%	76%
O&M Water	3,830	2,462	55.5%	21%
Other Infrastructure Activities	547	300	82.3%	3%
Total	**18,096**	**14,885**	**21.6%**	**100%**

(Millions of euros)	31 Dec. 2021	31 Dec. 2020	Change (%)	Weight (%)
Spain	3,315	3,092	7.2%	18%
International	14,781	11,793	25.3%	82%
Total	**18,096**	**14,885**	**21.6%**	**100%**

Note: CAPEX 2020 restated to exclude the Services portfolio reclassified to Other Activities.

The total Infrastructure backlog increased by 21.6% to €18,096 million compared to December 2020, and the construction and water project backlog totalled €13,719 million, 13.2% higher than in December 2020, in both cases a new all-time high. New projects worth €8,546 million were awarded during the year, comprising €6,060 million in Construction and Water projects, including Sydney Metro West in Australia (€602 million), Fargo Diversion River in the USA (€351 million), Jubail 3B desalination plant in Saudi Arabia (€337 million) and the Tren Maya Playa Carmen - Tulum train in Mexico (€315 million).

If ACCIONA's stakes in equity accounted projects are included, the total Infrastructure backlog amounted to €25,983 million.

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A. Construction

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Revenue	3,626	2,776	850	30.6%
EBITDA	163	50	113	225.2%
Margin (%)	***4.5%***	***1.8%***		

Revenues increased by 30.6% to €3,626 million and EBITDA reached €163 million, compared to only €50 million in 2020, which saw the most negative effects of the COVID-19 pandemic, mostly in the second quarter of the year. The EBITDA margin was 4.5% of sales.

B. Concessions

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Revenue	53	98	(45)	-46.1%
EBITDA	46	67	(21)	-31.5%
Margin (%)	**86.5%**	**68.2%**		

Concession revenues decreased by 46.1% and EBITDA by 31.5% due to the deconsolidation of a set of concession assets in Spain whose sale was agreed in the fourth quarter of 2020. This transaction has been completed in 2021.

C. Water

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Revenue	1.052	976	76	7,8%
EBITDA	100	85	15	18,3%
Margin (%)	**9,5%**	**8,7%**		

Water revenues increased by 7.8% in 2021 and EBITDA grew by 18.3% to €100 million with a significant improvement in the EBITDA margin to 9.5% vs 8.7% in 2020.

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D. Other Infrastructure Activities

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Revenue	165	145	20	13.5%
EBITDA	14	12	2	16.1%
Margin (%)	***8.4%***	***8.2%***		

In 2021, Other Infrastructure Activities, which mainly include Citizen Services (environment), generated €165 million in revenues and €14 million in EBITDA, showing a small improvement in profitability (EBITDA margin of 8.4% compared to 8.2% in 2020).

Other Activities

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Real Estate	190	201	(11)	-5.7%
Bestinver	128	114	14	12.1%
Corporate and other	738	637	100	15.7%
Revenue	**1,055**	**953**	**103**	**10.8%**
Real Estate	27	19	8	45.0%
Margin (%)	*14.4%*	*9.4%*		
Bestinver	67	63	4	7.1%
Margin (%)	*52.4%*	*54.9%*		
Corporate and Other	9	(2)	11	n.a.
EBITDA	**104**	**79**	**24**	**30.4%**
EBT	**(24)**	**75**	**(99)**	**-132.7%**

A. Real Estate

Real Estate revenues declined (-5.7%) in 2021 due to the lower number of deliveries of residential units in the period (443 units in 2021 compared to 744 in 2020). However, EBITDA grew by 45.0% versus 2020 to €27 million, boosted by the sale of a landmark last mile logistic development in Barcelona leased by the world leader e-commerce player.

B. Bestinver

Bestinver increased its revenues by 12.1% and its EBITDA by 7.1% as a result of the higher average funds under management (€7,078 million in 2021 compared to €5,742 million in 2020) and the positive contribution of Bestinver Securities.

At 31 December 2021 funds under management reached €7,046million, a net increase of €675 million compared to 31 December 2020.

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C. Corporate and Other

Corporate and Other Activities included certain areas that were formerly included in the Infrastructure division, chiefly Airport Handling, Mobility and Facility Services. Activity in 2021 showed a notable improvement compared to 2020, when it was heavily impacted by the effects of the COVID-19 pandemic. Revenues increased by 15.7% to €738 million and made a €9 million positive contribution to the group's EBITDA in 2021, compared to -€2 million in 2020.

MATERIAL EVENTS, DIVIDEND AND SHARE DATA

Material Events in the period

- 18 January 2021: ACCIONA communicates details of the operations related to the Liquidity Agreement between 16/10/2020 and 15/01/2021, inclusive.

  — Detailed information about the operations relevant to the fourteenth quarter of the aforesaid agreement (from 16 October 2020 to 15 January 2021, inclusive).

- 18 February 2021: ACCIONA reports that the Board of Directors Meeting to be held today, 18 February 2021, to prepare the annual accounts for FY 2020, will discuss, among other items, the possible Initial Public Offering of the shares of its subsidiary and parent of the Energy division, Corporación ACCIONA Energías Renovables, S.L. (currently being transformed into a public limited company), and its subsequent listing. The Company will provide more information on this matter, as appropriate, after said meeting.

- 18 February 2021: Further to the Privileged Information communication published today (PI registration number 724), ACCIONA informs that the Board of Directors has decided to initiate the process of Initial Public Offering ("Offering") of the shares of its subsidiary Corporación ACCIONA Energías Renovables, S.L. (in the process of being transformed into a Public Limited Company), head of the Energy division, for its subsequent listing on the Spanish stock exchanges.

  — The final approval of the Offer is subject to assessment by the relevant management bodies of the Company, taking into account, among other factors, market conditions and investor interest.

- 16 March 2021: The company sends a press release regarding the agreement reached with Korea Zinc, CO.

  — ACCIONA and the international metallurgical group Korea Zinc Co. have reached an agreement to jointly develop the MacIntyre wind farm (923MW) in Queensland.

- 16 March 2021: ACCIONA, S.A.'s Board of Directors has called an Extraordinary General Shareholders' Meeting to be held on 12 April 2021 at 1:30 p.m. on a single call.

- 12 April 2021: At the Extraordinary General Shareholders' Meeting held today, on a single call, with 83.39% of the Company's share capital in attendance (including treasury shares), the sole item on the agenda submitted for voting, the text of which is transcribed below, was approved with the favourable vote of 99.8% of the voting capital in attendance at the Meeting.

— Authorisation, for the purposes of the provisions of article 160.f) of the Spanish Companies Act, for the disposal of shares in Corporación ACCIONA Energías Renovables, S.A., including a share offering as part of its IPO.

- 19 April 2021: ACCIONA submits details of the transactions under the Liquidity Agreement between 18/01/2021 and 16/04/2021, inclusive.

  — Detailed information about the operations relevant to the fourteenth quarter of the aforesaid agreement (from 16 October 2020 to 15 January 2021, inclusive).

- 29th April 2021: ACCIONA announces the virtual event "ACCIONA Energía Capital Markets Day" that will take place next Friday 7th May at 13h. Connection details will be available on ACCIONA's website in advance (www.acciona.com).

- 6 May 2021: As a follow up to the Other Relevant Information communication published on 29th April 2021, (OIR number 9028), ACCIONA attaches the presentation to be used in the virtual event "Acciona Energía Capital Markets Day" which will take place today, 7 May 2021 at 1:00pm (CET).

  — The presentation contains insider information relating to the subsidiary Corporación Acciona Energías Renovables, S.A. Unipersonal, the parent company of ACCIONA's Group Energy division.

- 26 May 2021: The Company informs that, on the date hereof, its subsidiary Acciona Financiación Filiales, S.A. and a syndicate of twenty-three banks (five Spanish and eighteen foreign banks) have entered into a new finance agreement for an amount of eight hundred million euros (EUR 800,000,000.00).

  — The financing is divided into two tranches: tranche A for a maximum amount of two hundred million euros (EUR 200,000,000.00) and tranche B for a maximum amount of six hundred million euros (EUR 600,000,000.00), both maturing on 26h May 2026 (the "AFF Syndicated Loan Agreement").

  — On the other hand, the subsidiary Acciona Energía Financiación Filiales, S.A. (Unipersonal) and a syndicate of twenty-three banks (five Spanish and eighteen foreign banks) have today entered into a finance agreement for an amount of two thousand and five hundred million euros (EUR 2,500,000,000.00). The financing is divided into three tranches; tranche A for a maximum amount of one thousand million euros (EUR 1,000,000,000.00), tranche B for a maximum amount of one thousand million euros (EUR 1,000,000,000.00) and tranche C for a maximum amount of five hundred million euros (EUR 500,000,000.00). Tranches A and B both mature on 26 May 2024 and tranche C matures on 26 May 2026 (the "AEFF Syndicated Loan Agreement").

- 27 May 2021: ACCIONA S.A.'s Board of Directors has convened the Annual General Shareholders' Meeting for 29 June 2021 on first call and 30 June 2021, on second call, at 12:30pm (it is likely that the meeting would take place on second call). Attached hereto is the full text of the call, which will be published on the Company´s website.

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- 7 June 2021: As a follow-up to the Privileged Information statements published on 18 February 2021 (PI number 724 and 728), Acciona informs of its intention to proceed with the Initial Public Offering ("IPO") relating to the shares of its subsidiary and head of the Energy division of the Group, Corporación Acciona Energías Renovables, S.A. Unipersonal ("Acciona Energía").

  — In the context of the IPO, Acciona Energía intends to apply for the admission of its shares to listing on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges for trading through the automated Quotation System (*Mercado Continuo*).

- 7 June 2021: Notice is given that today the Spanish Securities Market Commission ("CNMV") has approved and registered the share registration document of Corporación Acciona Energías Renovables, S.A. Unipersonal ("Acciona Energía").

- 8 June 2021: Acciona informs that Corporación Acciona Energías Renovables, S.A. Unipersonal ("Acciona Energía") has obtained an ESG (environmental, social and governance) rating from S&P Global Ratings with a score of 86 over 100.

  — The awarding of such rating by S&P Global Ratings is conditioned to the admission of Acciona Energía's shares to listing on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges for trading through the Automated Quotation System (Mercado Continuo).

- 17 June 2021: As a follow up to the Privileged Information communications published on 18 February 2021 (PI number 724 and 728) and the Other Relevant Information communications published on 7 June 2021 (ORI number 9869 and 9870), ACCIONA reports that today, pursuant to the authorisation granted by the Company's General Shareholders' Meeting on 12 April 2021, the Company's Board of Directors has unanimously passed the following resolutions, in connection with the forthcoming initial public offering (the "Offering") of shares of Corporación Acciona Energías Renovables, S.A. Unipersonal ("Acciona Energía"):

  — To approve the sale to qualified investors of a minimum of 49,387,588 and a maximum of 82,312,647 shares of Acciona Energía, each with a par value of 1.00 euro, representing, respectively, 15% and 25% of its share capital, by launching the Offering in the context of its listing process in the stock exchanges. Such Offering may be increased by the granting by Acciona to the joint global coordinators of the Offering of a call option (*green shoe*) representing between 10% and 15% of the shares initially offered in the Offering in order to cover eventual over-allotments among investors.

  — To set, following the joint global coordinators' recommendations and the advice provided by the Company's financial advisors, an indicative and non-binding price range for the shares that are the subject of the Offering, ranging between 26.73 and 29.76 euros per share of Acciona Energía, under the terms and conditions contained in the prospectus which will be submitted to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) for approval. The foregoing implies an implied capitalisation or market value of the entire share capital of Acciona Energía between 8,800,000,000 and 9,800,000,000 euros, approximately.

- 21 June 2021: As a follow up to the Privileged Information communications published on 17 June 2021 and 18 February 2021 (PI number 940 and 724 and 728, respectively) and the Other Relevant Information communications published on 7 June 2021 (OIR number 9869 and 9870), ACCIONA reports that today the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores* or "CNMV") has approved and registered the prospectus for the initial public offering and admission to listing of the shares of Corporación Acciona Energías Renovables, S.A. Unipersonal ("Acciona Energía") on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges for trading through the Automated Quotation System or "*Mercado Continuo*" (the "Prospectus").

- 22 June 2021: As a follow up to the Privileged Information communications published on 17 June 2021 and 18 February 2021 (PI number 940 and 724 and 728, respectively) and the Other Relevant Information communications published on 7 June and 21 June 2021 (OIR number 9869 and 9870, and 10110, respectively), ACCIONA reports that, pursuant to the information provided by the joint global coordinators of the initial public offering (the "Offering") of shares of its subsidiary Corporación Acciona Energías Renovables, S.A. Unipersonal ("Acciona Energía"), the non-binding share purchase proposals received from qualified investors to date are sufficient to cover the initial Offering size (i.e., 15% of Acciona Energía's share capital) plus 15% of such initial size comprising the over-allotment option.

- 28 June 2021: ACCIONA reports that, pursuant to the information provided by the joint global coordinators of the initial public offering (the "Offering") of shares of its subsidiary Corporación Acciona Energías Renovables, S.A. Unipersonal ("Acciona Energía"), the non-binding share purchase proposals received from qualified investors to date are sufficient to cover the initial Offering size (i.e., 15% of Acciona Energía's share capital) plus 15% of such initial size comprising the over-allotment option within the revised indicative non-binding price range referred to below.

  — Likewise, it is reported that ACCIONA, in consultation with the joint global coordinators of the Offering, has decided to narrow the indicative non-binding price range for the shares subject of the Offering between 26.73 and 27.50 euros per share of Acciona Energía.

- 29 June 2021: Today, the book-building process for the public offering of ordinary shares of Acciona Energía to qualified (the "Offering") has been completed.

  — Offering price: €26.73 per ordinary share

  — Offering size: the aggregate amount of shares offered under the Offering amounts to 49,387,588 ordinary shares of Acciona Energía, representing 15% of its share capital.

  — Over-allotment Option: the Offering may be increased up to a maximum of 7,408,138 additional shares (equivalent to 15% of the number of ordinary shares constituting the initial Offering size and representing 2.25% of the share capital of Acciona Energía) if Citigroup Global Markets Europe AG or any of its agents, as stabilisation manager (the "Stabilisation Manager"), acting on behalf of the underwriting managers, exercises the over-allotment option granted by ACCIONA over all or a portion of such additional shares (the "Over-allotment Option").

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- 30 June 2021: ACCIONA reports that the General Shareholders Meeting held today has resolved that a dividend for the year 2020, be payable on 7 July 2021, through the entities adhered to *Sociedad de Gestión de los Sistemas de Registro Compensación y Liquidación de Valores*. The EUR 3.9 per share gross dividend approved by the Annual General Shareholders Meeting has been slightly increased to the amount of 3.91496620 euros per share due to the direct treasury shares adjustment. The relevant dates for the dividend distribution are:

  — Last Trading Date: 2 July 2021

  — ExDate: 5 July 2021

  — Record Date: 6 July 2021

  — Payment date: 7 July 2021

- 30 June 2021: During today's General Shareholders Meeting, held on second call, with the attendance of 82.28% of the Company's share capital (including treasury shares), shareholders have approved with, at least 86.72% of the share capital present at the Meeting, all of the items of the agenda submitted for voting in the terms included in the documentation available to shareholders as such items of the agenda were communicated to the CNMV on 27 May 2021 with registration number 9682.

- 30 June 2021: The Company reports the update of board of directors composition and its committees.

- 8 July 2021: The Company informs that on the date hereof, the syndicated finance agreement communicated as material information (*hecho relevante*) on 25 March 2015 (HR 220674) and 12 July 2016 (HR 240724), along with other pre-existing financing agreements, has been cancelled following the first draw of funds under the syndicated finance agreement communicated as an Other Relevant Information communication, by the Company on 26 May 2021, (OIR 9617).

- 19 July 2021: ACCIONA submits details of the transactions under the Liquidity Agreement between 19/04/2021 and 16/07/2021, inclusive.

  — The transactions corresponding to the sixteenth quarter of the aforementioned contract (from 19 April 2021 to 16 July 2021, inclusive) are detailed.

- 30 July 2021: In regards to the material information communications dated 15 July 2011 (HR 147698) and 26 of January 2018 (HR 261036) related to the *Pacto Parasocial de Estabilidad Accionarial* entered into by and between the Family Relatives of Mr José María Entrecanales de Azcarate, Mr Juan Entrecanales de Azcarate and La Verdosa, S.L. and following the Privileged Information communications dated 10 and 11 of December 2020 (IP 619 and 620) by which the entity La Verdosa, S.L, through its bookrunner, informed of the sale of its significant shareholding in ACCIONA, the Company hereby informs that the aforementioned entity is no longer a part of the *Pacto Parasocial de Estabilidad Accionarial*.

- 19 October 2021: ACCIONA submits details of the transactions under the Liquidity Agreement between 19/07/2021 and 18/10/2021, both included.

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— The transactions corresponding to the seventeenth quarter of the aforementioned contract (from 19 July 2021 to 18 October 2021, inclusive) are detailed.

ACCIONA has published the following relevant information since 31 December 2021:

- 19 January 2022: ACCIONA submits details of the transactions under the Liquidity Agreement between 19/10/2021 and 18/01/2022, inclusive.

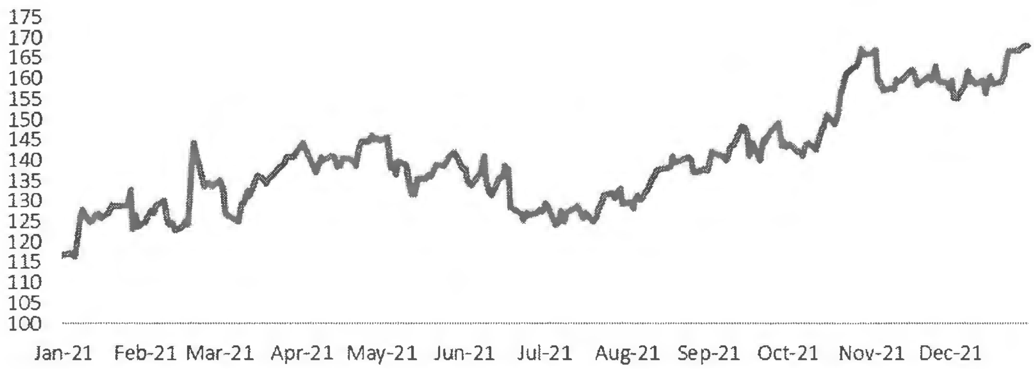
  — The transaction corresponding to the eighteenth quarter of the aforementioned contract (from 19 October 2021 to 18 January 2022, inclusive) are detailed.

Dividend

On 24 February 2022, ACCIONA's Board of Directors proposed the distribution of a dividend of €224.9 million (€4.10 per share) charged to the profit for 2021.

Share data and share price performance

ACCIONA Share Price Evolution (€/Share)



Key Share Data

	31 Dec. 2021
Price at 31 December 2021 (€/share)	168.10
Price at 31 December 2020 (€/share)	116.70
Low in FY 2021 (05/01/2021)	116.50
High in FY 2021 (30/12/2021)	168.10
Average daily trading (shares)	116,616
Average daily trading (€)	13,503,230
Number of shares	54,856,653
Market capitalisation at 31 December 2021 (€ million)	**9,221**

Share capital

As of 31 December 2021, ACCIONA's share capital amounted to €54,856,653, represented by 54,856,653 ordinary shares of €1 par value each.

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As of 31 December 2021, the Group held 206,199 treasury shares representing 0.3759% of the share capital.

Changes in treasury shares in 2021 were as follows:

	2021		2020	
	Number of shares	Cost	Number of shares	Cost
Opening balance	**296,422**	**22,049**	**398,641**	**28,633**
Additions	1,555,373	217,587	1,797,781	174,343
Retirements	(1,549,009)	(214,721)	(1,811,840)	(174,879)
Liquidity contract movements	**6,364**	**2,866**	**(14,059)**	**(536)**
Other additions	---	---	---	---
Other retirements	(96,587)	(6,625)	(88,160)	(6,048)
Other movements	**(96,587)**	**(6,625)**	**(88,160)**	**(6,048)**
Final balance	**206,199**	**18,290**	**296,422**	**22,049**

Events after the reporting period

No material events occurred between 31 December 2021 and the date of preparation of these consolidated annual accounts.

Key risks associated with the activities of the ACCIONA Group

The risk scenarios addressed by the Acciona Risk Management System are classified in eight main groups, namely financial, strategic, operational, unforeseeable, environmental, social, compliance and tax risks. The first two of these groups have been identified by the Group's management as presenting the highest risk profiles.

1. Financial and economic risks

These risks comprise mainly fluctuations in exchange rates, interest rates and financial markets, liquidity and cash flow exposures, credit risk and the potential loss of customers.

In order to mitigate exchange rate risk, Acciona contracts currency derivatives (mainly exchange-rate hedging instruments) to hedge significant future transactions and cash flows in line with appropriate risk tolerance thresholds. Note 21 to the 2021 annual accounts includes details of current and non-current assets and liabilities and equity at 31 December 2021 in the main currencies in which the Group operates.

The interest rate risk is a key factor affecting the funding of infrastructure projects, concession contracts, construction of wind farms and solar generating facilities, and in other projects where interest rate fluctuations can significantly impact returns. These risks are controlled by contracting hedging derivatives, basically interest rate swaps (IRS), and by including additional fixed-rate corporate loans to increase floating-rate project finance. Financing of the Group companies' needs is arranged by Acciona Financiación y Filiales (the Group's finance company), and it has not only helped reduce exposure to variable interest rates but has also contributed to a gradual reduction in the overall cost of the Group's debt.

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The Group addresses credit and liquidity risks by negotiating transactions exclusively with solvent third parties and requiring sufficient assurances to mitigate the risk of financial losses in the event of default.

Together with a suitable level of reserves, the Group also constantly monitors cash flow forecasts and current cash balances in to match them with the maturity profiles of financial assets and liabilities.

2. **Strategic risks**

These are risks that could reduce the company's growth of the company and result in failure to meet objectives because it is unable to respond to a dynamic and competitive environment. The risks concerned include organisational changes, investments and divestments, threats from competitors, economic, political and legal changes, and the impact of new technologies or research and development.

Acciona minimises this type of risk through its own strategy and business model, applying adequate industry and geographic diversification of its businesses, carrying out exhaustive market research, surveys of competitors and studies of the countries in which its activities are carried out, and through its commitment to research and development.

3. **Operational risks**

These risks concern processes, people and products. They relate to regulatory, legal and contractual compliance, control systems and procedures, the supply chain, ancillary services, information systems, employee productivity, and the loss of key personnel.

In each business area, specific systems are established to cover all business requirements, to systematise and document processes, and to manage quality, operations, planning and financial control.

In order to mitigate the risks inherent in procurement processes, controls have been established to foster free competition and process transparency, and to avoid any breach of Acciona's commitment to ethical conduct. Acciona mitigates the main economic, environmental and labour matters risks affecting its supply chain by means of thorough investigation and analysis of critical suppliers.

4. **Unforeseeable risks**

These risks are associated with damage caused to company assets and civil liability risks that could negatively impact the company's performance, including acts of cybercrime.

The company has various insurance programmes to mitigate the impact on the balance sheet of the materialisation of a large number of risks. In particular, cover has been contracted for cyber risks that could cause loss of income, extra costs or expenses to recover digital assets, potential claims for damages by customers or third parties as a result of breaches of privacy and data protection, and cybersecurity incidents, among other exposures.

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5. Environmental and social risks

Exposures are managed within the framework of the company's general risk management system. Environmental risks are associated with the company's climate change impact, waste management, use of natural resources and biodiversity footprint. Social risks are associated with human rights, labour standards in the supply chain, workplace health and safety, and relationship with the communities among which the company operates.

In 2021 ACCIONA focused its ESG risk management system on the evaluation of those areas of the company with the greatest potential impact in view of the scores obtained on environmental and/or social indicators. Based on an evaluation of 52 key locations, a typology of 14 ESG risks has been identified for ACCIONA's four most representative businesses. A total of 501 ESG risk scenarios were assessed, resulting in the following key findings:

- Infrastructure-Water: the key business risks identified were related with extreme weather events, damage to habitats and species, which were perceived to be especially significant for facilities located in Mexico and Vietnam.
- Infrastructure-Oceania: perceived ESG risks were assessed as low or very low in all scenarios except one. Exposures related with contagion vectors (COVID-19 pandemic) are perceived as the highest risks in this activity.
- Infrastructure-Construction, rest of the world: the generally high level of perceived risk compared to Oceania is striking. As in the case of Water, the key perceived risks are damage to habitats and species, contagion vectors (COVID-19 pandemic) and extreme weather events, primarily in relation to facilities located in the Philippines and Poland.
- Energy: perceived ESG risk in Acciona Energía is low or very low in all scenarios and is fairly even across the different locations and technologies. The key scenarios perceived as involving high risk include damage to habitats and species, and risks related with abuse and discrimination.

All of the company's activities are integrated in its ISO 14001 certified environmental management system. ACCIONA applies its own Social Impact Management (SIM) methodology which is used to identify the social risks that its works, operations or services could cause in the areas of influence of its projects from the tender and design phase. Its objective in this regard is to generate positive and minimise negative impacts on local communities and environment where it operates. ACCIONA has also taken all necessary measures to address the critical situation created by the crisis, and to protect the health and safety of all its employees, at the same time ensuring the continuity of its activities and services, some of which are essential for the life of the community. ACCIONA has also established a Social Safeguards Control System to mitigate all and any risks related with human rights.

6. Compliance risks

This area refers to a set of rules or principles that define ethical conduct and the rights, responsibilities and expectations of the different stakeholders in with regard to corporate governance.

ACCIONA established a Crime Prevention and Anti-Corruption Model following the reform of the Spanish Penal Code. Since then, it has developed a Criminal Risk Map with the aim of fully integrating the regulatory compliance system and ensuring that the controls established are well aligned and fully audited.

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Risks derived from conduct that is contrary to ethics and integrity. The markets in which Acciona operates may be exposed to risks of an ethical nature that go against the principles of integrity and respect for the law. Acciona has established a Code of Conduct setting out the basic principles and commitments that all directors and employees of the divisions, as well as suppliers and third parties in contact with the Group companies, must fulfil and respect when the course of their activities. The Code of Conduct forms the basis for the corporate regulations dealing with Compliance matters (including, inter alia, anticorruption rules, interactions with public functionaries, donations and sponsorships, gifts and gratuities offered or received, antitrust rules and procurement standards) and establishes controls designed to prevent criminal risks. The effectiveness of the ICFR controls established is tracked on an ongoing basis by the internal audit and compliance departments, and is periodically examined by the external auditors. There is also a whistleblowing channel, publicised at all levels of the Organisation, to enable information on any irregular conduct relating to accounting, control or audit matters to be passed on with guarantees of confidentiality, as well as information regarding non-compliance with the Code or breaches of the conduct it requires.

Social, environmental and governance risks are identified, assessed and managed on a priority basis by Acciona, so as to improve sustainability performance, improve its responses in multiple scenarios and changing environments, and uphold stakeholder confidence.

Acciona also has a corporate Environmental Crisis Management System. This system sets out procedure and allocates responsibilities and resources as necessary for the adequate management of any crisis situation following potential incidents at the facilities owned or operated by the Company that could impact the environment.

7. **Tax risks**

The tax risks faced by the Group comprise basically compliance, procedures, communications with business areas involving the possibility of erroneous technical analyses, changes in tax regulations or administrative and juridical criteria, as well as reputational risks arising from tax decisions that could adversely impact the Group's image and reputation. Acciona has defined a tax risk management policy for such issues based on n appropriate control environment, a risk identification system, and a continuous monitoring and improvement process to address the effectiveness of the controls in place. Since 2020, ACCIONA has also prepared a Tax Risk Map to identify and quantify all of the Group's tax risks so that they can be appropriately monitored.

Outlook

The world economy started 2022 weaker than was initially expected. As the new Omicron variant of the COVID-19 virus has spread, countries have returned to restrictions on travel. Meanwhile, rising energy prices and supply-chain problems have fuelled in widespread inflation, in particular affecting the United States and numerous emerging and developing economies. Furthermore, the contraction in the Chinese real estate sector and the unexpectedly slow recovery of consumer demand have limited the growth outlook, and the uncertainty caused by the crisis in Ukraine may have serious implications for global growth, affecting the forecasts described below.

World growth is expected to slow from 5.9% in 2021 to 4.4% in 2022. This revised estimate eliminates projections based on the Build Back Better fiscal policy and envisages an early tightening of monetary policy in the United States, as well as ongoing supply-chain tensions, resulting in a 1.2%

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drop in the US growth forecast. In China, the disruption caused by the pandemic in the context of the country's zero COVID-19 policy and ongoing financial tensions affecting property developers have depressed growth forecasts by some 0.8%. Meanwhile, world growth is expected to slow to 3.8% in 2023. This forecast depends on a downward trend in public health indicators to low levels in most countries by the end of 2022, on the assumption that high vaccination rates will gradually improve the situation internationally and that more effective treatments will appear.

Inflation is forecast to remain high as supply-chain interruptions and high energy prices persist in 2022, while the appearance of new variants of the COVID-19 virus could prolong the pandemic and result in further economic problems. Furthermore, the disruption of supply chains, energy price volatility, and upward pressure on wages in some industries are likely to drive uncertainty over inflationary trends and the policies implemented to deal with them.

In view of the unremitting pandemic, the need for a world health strategy can hardly be overstated. Worldwide access to vaccines, testing and treatment will be essential to avert the risk of new, more dangerous variants of the virus. This will require increased vaccine production and improvements in delivery systems in different countries, as well as a more equitable distribution of medication globally. Most countries will be obliged to tighten monetary policy still further to rein in inflationary pressures. In this context, international cooperation will be needed to ensure access to liquidity and speedy debt restructuring where needed. It remains imperative to invest in climate policies to avert the risk of catastrophic climate change.

Growth of 3.9% is expected in the advanced economies in 2022, and 2.6% in 2023. Meanwhile, the output of the advanced economies should return to pre-pandemic levels in 2022. Growth of 4.0% is forecast in the United States in 2022 (1.6% less than in 2021) and 2.6% in 2023, while Japan is expected to grow at a rate of 3.3% in 2022 and 1.8% in 2023.

Combined growth of 3.9% is forecast in the Eurozone in 2022 and 2.5% in 2023. Spain is expected to be the fastest growing Eurozone economy in 2022 (+5.8%), and the country is forecast to continue growing at rates above the European average in 2023 (+3.8% compared to an estimated +2.5% for the Eurozone as a whole). After growing at a forecast rate of 7.2% in 2021, meanwhile, the United Kingdom is expected to slow to 4.7% in 2022 and 2.3% in 2023.

In emerging markets, almost 96% of the population are still awaiting vaccination, a situation that will have major implications for the speed of recovery worldwide, and it is expected that the output of developing economies will still be some 5.5% below their pre-pandemic levels in 2024, resulting in a significant fall in living standards. As a whole, then, these economies are forecast to grow by around 4.8% in 2022 and 4.7% in 2023, although significant differences between countries are likely. Growth of +4.8% is forecast for China in 2022 and +5.2% in 2023. Indian growth is also expected to pick up sharply in 2022 (+9.0%) and 2023 (+7.1%).[3] In this context, overall growth of 2.4% is expected in Latin America and Caribbean, followed by 2.6% growth in 2023. Brazil is forecast to grow by 0.3% in 2022 and 1.6% in 2023, compared to growth of 2.8% and 2.7% in Mexico.

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[3] *These forecasts and data are based on India's fiscal year, the period commencing 1 April 2021 for fiscal 2021/2022. India is forecast to grow by 8.7% in calendar year 2022 and 6.6% in 2023.*

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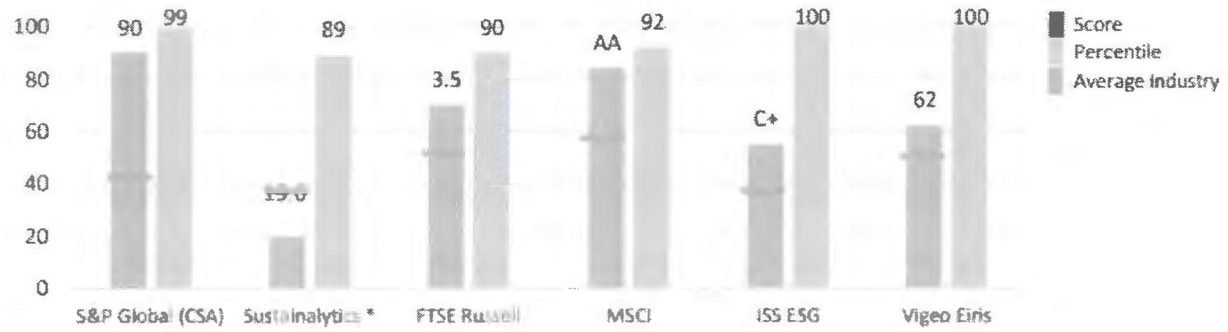
SUSTAINABILITY

External evaluations in effect: presence in indices and sustainability rankings

ESG analyst ratings

Several ESG analysts have evaluated ACCIONA in terms of sustainability.



Sector	*Electric utilities*	*Utilities*	Construction and materials	*Utilities*	Construction	Heavy construction
Position	2nd in the sector	*12th multi-utilities*	NA	NA	Leaders	Leaders

Presence in sustainability indexes

ACCIONA is part of several sustainability stock market indexes that include leading companies in this field.

Supplier	Index name
SOLACTIVE	iClima Global Decarbonisation Enablers Index
FORUM ETHIBEL	Ethibel Sustainability Index (ESI) Excellence Europe
vigeoeiris	STOXX Europe 600 ESG Broad Market
FTSE Russell	STOXX Global ESG Social Leaders
STOXX	STOXX Global ESG Environmental Leaders
	STOXX Sustainability Index
	STOXX Europe 600 Low Carbon
	Solactive Corner Global Family Owned ESG Company
	Solactive ISS ESG Screened Europe
	Solactive Candriam Factors Sustainable Europe
	Euronext Low Carbon 100 Eurozone
	Euronext Vigeo Europe 120
	FTSE4Good Europe Select Index
	FTSE4Good Developed
	Bloomberg SASB Developed Markets ex-US ESG ex-Controversies

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Presence in rankings and others sustainability awards

ACCIONA also received the following awards in 2021.

Recognition	Organisation	Position	Details
2022 Global 100 Most Sustainable Corporations	Corporate Knights	4th utility in the world	Among 7,000 companies evaluated for their performance in economic and ESG indicators, with a turnover above US$ 1,000 million.
Europe's Climate Leaders 2021	Financial Times	Among the 300 most decarbonised companies	Ranking of the companies with the greatest reduction in its emissions intensity between 2014 and 2019.
New Energy Top 100 Green Utilities	Energy Intelligence	1st utility in the world	ACCIONA has reaffirmed its position as the world´s "greenest" power generation company for the sixth consecutive year.
Top 100 Company 2021 Diversity & Inclusion Index	Refinitiv	36th in the world	ACCIONA is one of the world´s leaders company in diversity and social inclusion in the workplace.
CDP Climate Change	CDP	Leader (A list)	List of companies with the best practices and results in emissions reduction, climate change strategy and alignment of their activities with a low-carbon economy.
CDP Supplier Engagement Leader 2021	CDP	Leader	ACCIONA has been recognised as Supplier Engagement Leader 2021, for its actions to reduce emissions and reduce risks related to climate change in the supply chain.
Gaïa Rating	EthiFinance	N/A	Evaluation of social, environmental and good governance development. The company had a score of 82 points out of 100 (2021), compared to an average of 51 in the energy sector (2020).

Sustainability highlights

Non-financial reporting

ACCIONA published information on its sustainability performance in 2021 in the form of its Non-Financial Information Statement 2021 (2021 Sustainability Report), which is an integral part of ACCIONA's Consolidated Directors' Report 2021.

Participation in Initiatives

ACCIONA at COP 26: The 2021 summit took place in Glasgow, where governments, companies and organisations from around the world gathered to advance the global work program to combat climate change. ACCIONA's Chairman, José Manuel Entrecanales Domecq, participated in the summit and had the opportunity to present ACCIONA's experience as part of the conference The Next Frontier: Positive Impact beyond net-zero.

World Economic Forum (WEF): As part of the WEF's Measuring Stakeholder Capitalism initiative, ACCIONA took part in a closed-door discussion with John Berrigan, Director General of the European Commission's Directorate General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA). The meeting focused on the review of the European Commission's proposal for the Corporate Sustainability Reporting Directive

(CSRD), as well as the recent proposal by the G7 Finance Ministers for the creation of a global benchmark standard on the subject.

United Nations Global Compact (UNGC): ACCIONA has been a member of the United Nations Global Compact since 2005. Every year, it confirms its commitment to the Ten Principles of the Global Compact. The company collaborates regularly with the Spanish and Chilean Global Compact Networks and, in 2021, it has also collaborated with the German network by participating in the Traceability in global supply and contracting chains program.

CLG Europe: Since 2009 ACCIONA has been a full member of CLG Europe (formerly The Prince of Wales' Corporate Leaders Group), an initiative that brings together European business leaders who are convinced of the urgent need to develop new long-term policies to combat climate change. In 2021, the new Sustainability Master Plan 2025 was highlighted by CLG as an example of a strategic plan to follow and ACCIONA had the opportunity to present it within the initiative.

World Business Council for Sustainable Development (WBCSD): Throughout 2021, ACCIONA continued to participate in various initiatives promoted by the WBCSD, including work on the design of the Vision 2050 strategy. The company had the honour of closing the WBCSD Council and presenting its experience in achieving ambitious positive impacts on climate, nature and people.

We Mean Business: ACCIONA actively participated to publicise the company's commitments in relation to the goal of zero emissions. Specifically, in 2021 the company participated in the Action Day campaign with the aim of highlighting the commitments made by companies in the run-up to COP 26.

The Climate Pledge 2040: ACCIONA has become the first Spanish company in its sector to join The Climate Pledge (TCP), an initiative launched by Amazon and the NGO Global Optimism, for those companies that commit to achieving carbon neutrality by 2040, a decade before the date set in the Paris Agreement.

Sustainable finance

Maximising the capacity of sustainable finance reinforces the value of the company and the regenerative and competitive benefits of projects. ACCIONA promotes innovative sustainable finance solutions that enable the creation of differences and advantages in the development of regenerative infrastructures, leveraging the interest of capital markets in financing the compliance gaps in Sustainable Development Goals.

ACCIONA uses two sustainable financing mechanisms: one aimed at projects or activities with sustainable objectives by focusing on promoting specific positive impacts, and corporate financing that entails commitments to improve the ESG performance of the entire company.

Sustainable financing operations			
Type of financing	**No. of ongoing operations**	**No. of new operations or expansions in 2021**	**Outstanding amount (€m)**
Green financing	39	22	2,126.8
Financing linked to sustainability commitments	2	2	3,300.0
Total	**41**	**24**	**5,426.8**

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Green financing

ACCIONA has a Green Financing Framework whose eligible activities are those aligned with a low-carbon economy. The framework has been reviewed by Sustainalytics, which issued a second party opinion (SPO) confirming its alignment with the Green Bond Principles and Green Loan Principles.

In 2021, 84% of the funds earned from Euro Medium Term Notes (EMTN) debt programs have been green, demonstrating the relevance of this type of financing for the company. As a result, total financing instruments under the Green Financing Framework exceed €2,000 million at 31 December 2021.

Financing linked to sustainability commitments

ACCIONA also has a Sustainability-linked Financing Framework, reviewed by DNV GL, which issued a second party opinion (SPO) confirming its alignment with Sustainability-linked Bond Principles and the Sustainability-linked Loan Principles.

In 2021, ACCIONA has 2 active operations – one addressed to ACCIONA Energy after its IPO – that have been structured based on an innovative "doble impact" ESG scheme with corporate sustainability objectives and, for the first time in an instrument of this type, to commitments to generate positive local impact, where the achievement of the objective is linked to a reduction in the cost of financing. The objectives set out in this framework are annual and targets set for 2021 have been met. The monitoring data are made public in the *Sustainable Finance Report*.

For more information:
https://www.acciona.com/es/accionistas-inversores/informacion-bursatil/financiacion-sostenible/

Average payment period to suppliers and Corporate Social Responsibility

Pursuant to article 262.1 of Royal Legislative Decree 1/2010, of 2 July, approving the Consolidated Text of the Spanish Corporate Enterprises Act, the information on the average period for payments to suppliers is contained in Note 24 to the financial statements. In conformity with Recommendation 55 of the Spanish Code of Good Governance for Listed Companies, meanwhile, Corporate Social Responsibility matters are discussed in the Sustainability Report.

Annual Corporate Governance Report

The full text of the Annual Corporate Governance Report is available on the Spanish National Securities Market Commission website (www.cnmv.es) and on the Company's website (www.acciona.es).

The Annual Corporate Governance Report will also be communicated to the National Securities Market Commission as a Material Event.

Annual Directors Remuneration Report

The full text of the Annual Directors Remuneration Report is available on the Spanish National Securities Market Commission website (www.cnmv.es) and on the Company's website (www.acciona.es).

The Annual Directors Remuneration Report will also be communicated to the National Securities Market Commission as a Material Event.

Non-Financial Information Statement

The Non-Financial Information Statement, prepared in accordance with Law 11/2018 of 28 December, which transposes Directive 2014/95/EU of the European Parliament into Spanish law, forms part of this Consolidated Directors' Report and is presented on the National Securities Market Commission website (www.cnmv.es) and the Company's website (www.acciona.com).

The Non-Financial Information Statement will also be communicated to the National Securities Market Commission as a Material Event.

Pursuant to Royal Decree 1362/2007 of 19 October (article 8.1 b), the members of the Board Directors of Acciona, S.A. hereby make the following **declaration under their own responsibility**:

To the best of their knowledge and belief, the consolidated annual accounts drawn up in accordance with the applicable accounting principles present a true and fair view of the equity, financial situation and results of the issuer and the companies included in the consolidation perimeter taken as a whole, and the Directors' report presents a fair and balanced analysis of the business trends, results and position of the issuer and the companies included in the consolidation perimeter taken as a whole, together with a description of the main risks and uncertainties faced.

In witness whereof, all the members of the Board of Directors of ACCIONA, S.A. hereby prepare and sign the consolidated annual accounts for 2021 at their meeting held on 24 February 2022:

Mr José Manuel Entrecanales Domecq
Chairman

Mr Juan Ignacio Entrecanales Franco
Vice- Chairman

Mr Javier Entrecanales Franco
Member

Mr Juan Carlos Garay Ibargaray
Member

Daniel Entrecanales Domecq
Member

Ms Karen Christiana Figueres Olsen
Member

Mr Javier Sendagorta Gómez del Campillo
Member

Mr José Maria Pacheco Guardiola
Member

Mr Jerónimo Marcos Gerard Rivero
Member

Ms Sonia Dulá
Member

Ms Ana Sainz de Vicuña Bemberg
Member

Ms María Dolores Dancausa Treviño
Member

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

Doña Francisca Gómez Molina, traductora-intérprete jurada de inglés en virtud de título otorgado por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, certifica que la que antecede es traducción fiel y exacta al inglés de un documento redactado en español.
En Madrid, a 6 de abril de 2022

I, Francisca Gómez Molina, Sworn Translator-Interpreter of English, as qualified by the Spanish Ministry of Foreign Affairs, European Union and Cooperation, hereby certify that the foregoing is a faithful and complete translation into English of a document drawn up in Spanish.
Madrid, 6 April 2022

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138