Independent 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 2022)

(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 2022, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2022 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.

Revenue recognition from infrastructure construction contracts and estimation of margins
See notes 4.2 (o), 16, 19 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 infrastructure 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 or negotiations, 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 or negotiations. The Group recognises revenue in relation to customer claims or negotiations at the amount which it is considered highly probable will not be subject to significant change once the inherent uncertainty is resolved, either because negotiations have reached an advanced stage 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 judgements applied by management and the Directors in relation to completed work with progress billings pending which are being claimed from or negotiated with customers and have been recognised as revenue at the reporting date. In this respect, we assessed the status of customer negotiations for the main case files and evaluated the reasonableness and consistency of the documentation supporting such recognition, including, where applicable, the related technical and/or legal reports.

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

Revenue recognition from infrastructure construction contracts and estimation of margins See notes 4.2 (o), 16, 19 and 27 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
	• 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 they give rise to obligations and ascertain whether they have been properly 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)

<table>
<tr><th colspan="2">Recoverable amount of the property, plant and equipment, intangible assets and right-of-use assets of the Energy Division
See notes 4.2 (F), 5, 7, 9 and 29 to the consolidated annual accounts</th></tr>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>At 31 December 2022 the Group has recognised the property, plant and equipment and intangible assets and right-of-use assets of the Energy Division for amounts of Euros 8,940 million and Euros 376 million, respectively, mainly comprising renewable energy electricity generation facilities in various geographical locations and under different regulatory scenarios. At 31 December 2022 the Group has significant accumulated impairment losses, recognised mainly in prior years.

At the reporting date the Group evaluates whether any indicators of impairment or impairment reversal have arisen, to determine whether it is necessary to calculate the recoverable amount of the assets or cash-generating units.

As a result of the existence of these indicators, the Group has estimated the recoverable amount of certain assets and cash-generating units and has recognised impairment losses, net of reversals, amounting to Euros 20 million.

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 value of the property, plant and equipment, intangible assets and right-of-use assets of the Energy Division, their measurement has been considered a key audit matter.</td><td>Our audit procedures included the following:

• We gained an understanding of the processes followed by the Group in identifying and evaluating impairment indicators and in estimating the recoverable amount of the property, plant and equipment, intangible assets and right-of-use assets of the Energy Division. 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.</td></tr>
</table>

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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 877 million at 31 December 2022 (Euros 847 million at 31 December 2021). At 31 December 2022 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 indicators 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 impairment indicators 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 pricing 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.

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Other Information: Consolidated Directors' Report

Other information solely comprises the 2022 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 Report on Directors' Remuneration, 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 2022, 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.

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

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

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

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

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.

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 2022 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, which will form part of the annual financial report.

The Directors of Acciona, S.A. are responsible for the presentation of the 2022 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 Report on Directors’ Remuneration 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 the 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.

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

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 27 February 2023.

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 23 June 2022 for a period of one year, beginning after the year ended 31 December 2021.

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 Regiser of Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Bernardo Rücker-Embden
On the Spanish Official Register of Auditors ("ROAC") with No. 18,836

27 February 2023

ACCIONA, S.A.

AND

SUBSIDIARIES
(Consolidated Group)

CONSOLIDATED
ANNUAL ACCOUNTS
AND DIRECTORS' REPORT
FOR 2022

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

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FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

ACCIONA, S.A. AND SUBSIDIARIES

Consolidated balance sheet for the financial years 2022 and 2021 (millions of euros)

ASSETS	Notes	31.12.2022	31.12.2021
Property, plant and equipment	5	9,485	8,066
Investment property	6	168	141
Rights of use	7	548	528
Goodwill	8	249	249
Other intangible assets	9	545	453
Non-current financial assets	12	263	219
Investments accounted for using the equity method	10	1,730	1,325
Deferred tax assets	25	872	920
Other non-current assets	13	545	468
NON-CURRENT ASSETS		14,405	12,369
Inventories	14	1,386	1,210
Trade and other accounts receivable	16	3,340	2,731
Other current financial assets	12	315	218
Current income tax assets	25	141	90
Other current assets	25,13	648	364
Cash and cash equivalents	17	2,360	2,318
Non-current assets held for sale	15		303
CURRENT ASSETS		8,190	7,234
TOTAL ASSETS		22,595	19,603

EQUITY AND LIABILITIES	Notes	31.12.2022	31.12.2021
Share capital	18.a)	55	55
Retained earnings	18.b)	4,631	4,245
Profit attributable to the parent company		441	332
Treasury shares	18.c)	-17	-18
Translation differences	18.d)	-225	-302
Interim dividend			
Equity attributable to equity holders of the Parent Company	**18**	**4,885**	**4,312**
Non-controlling interests	18.f)	1,419	1,245
EQUITY		6,304	5,557
Debentures and other marketable securities	20	3,101	2,364
Bank borrowings	20	2,624	2,073
Lease obligations	7	439	430
Deferred tax liabilities	25	890	813
Provisions	19	279	301
Other non-current liabilities	23	1,134	1,150
NON-CURRENT LIABILITIES		8,467	7,131
Debentures and other marketable securities	20	1,139	1,666
Bank borrowings	20	553	280
Lease obligations	7	72	68
Trade and other accounts payable	24	3,889	3,148
Provisions	28	299	317
Current income tax liabilities	25	74	41
Other current liabilities	23	1,798	1,132
Liabilities associated with non-current assets held for sale	15		263
CURRENT LIABILITIES		7,824	6,915
TOTAL EQUITY AND LIABILITIES		22,595	19,603

The accompanying notes 1 to 37 and the appendices are an integral part of the 2022 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 2022 and 2021 (millions of euros)

	Notes	31.12.2022	31.12.2021
Revenue	27	11,195	8,104
Other revenue	27	1,016	563
Change in inventories of finished goods and work in progress	14	72	110
Cost of goods sold	28	-3,483	-1,980
Personnel expenses	28	-2,077	-1,787
Other operating expenses	28	-4,814	-3,621
Depreciation and amortisation charge and change in provisions	4,5,6,7,8,9,28	-762	-714
Impairment and profit/(loss) on disposals of non-current assets	28	15	67
Other gains or losses	28	13	-7
Equity method profit/(loss) - analogous	10	159	94
OPERATING PROFIT		1,334	829
Financial income	30	47	55
Financial costs	30	-256	-235
Foreign exchange rate changes		8	10
Profit/(loss) from changes in the value of financial instruments at fair value	28	-70	-3
Equity method profit/(loss) – non-analogous	10	-194	-81
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		869	575
Income tax expense	25	-254	-171
YEAR'S PROFIT FROM CONTINUING OPERATIONS		615	404
Profit/(Loss) after tax from discontinued operations			
YEAR'S PROFIT		615	404
Non-controlling interests	18	-174	-72
PROFIT ATTRIBUTABLE TO THE PARENT COMPANY		441	332
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (Euros)	33	8.06	6.08
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (Euros)	33	8.06	6.08
BASIC EARNINGS PER SHARE (Euros)	33	8.06	6.08
DILUTED EARNINGS PER SHARE (Euros)	33	8.06	6.08

The accompanying notes 1 to 37 and the appendices are an integral part of the 2022 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 2022 and 2021
(millions of euros)

	Notes	2022	2021
A) CONSOLIDATED PROFIT FOR THE YEAR		615	404
1. Profit attributed to the Parent Company		441	332
2. Non-controlling interests		174	72
B) ITEMS THAT MAY NOT BE RECLASSIFIED TO THE INCOME STATEMENT		1	1
1. Revaluation/(Reversal of revaluation) of property, plant and equipment and intangible assets			
2. Revaluation of financial instruments	18		
3. Actuarial gains or losses and other adjustments	19	1	1
4. Tax effect			
C) ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT		379	281
Income and expense recognised directly in equity		402	235
1. Cash flow hedges	22	399	85
2. Translation differences		104	171
3. Other income and expenses recognised directly in equity			
4. Tax effect		-101	-21
Transfers to the income statement		-23	46
1. Cash flow hedges	22	-31	61
2. Translation differences			
3. Other income and expenses recognised directly in equity			
4. Tax effect		8	-15
TOTAL RECOGNISED INCOME / (EXPENSE) (A+B+C)		995	686
a) Attributed to the Parent Company		776	578
b) Attributed to non-controlling interests		219	108

The accompanying notes 1 to 37 and the appendices are an integral part of the 2022 consolidated annual accounts.

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

ACCIONA, S.A. AND SUBSIDIARIES

Consolidated statement of changes in equity at 31 December 2022 (millions of euros)

	Equity attributable to the Parent Company							
	Shareholders' equity							
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Profit attributed to the Parent Company	Other equity instruments	Valuation adjustments	Non-controlling interests	Total equity (note 18)
Opening balance at 01.01.2022	55	4,290	-18	332		-347	1,245	5,557
Adjustments due to changes in accounting policies								
Adjustments due to errors								
Adjusted opening balance	55	4,290	-18	332		-347	1,245	5,557
Total recognised income/(expense)				441		335	219	995
Transactions with shareholders or owners		-208	-2				-45	-256
Capital increases/(reductions)								
Conversion of financial liabilities into equity								
Dividends paid		-225					-28	-253
Treasury share transactions (net)		1	-2					-1
Increases / (Decreases) due to business combinations							3	3
Other transactions with shareholders or owners		16					-21	-5
Other changes in equity		336	3	-332			1	8
Share-based payments		4	3					7
Transfers between equity accounts		332		-332				
Other changes							1	1
Closing balance at 31.12.2022	55	4,418	-17	441		-12	1,419	6,304

The accompanying notes 1 to 37 and the appendices are an integral part of the 2022 consolidated annual accounts.

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

ACCIONA, S.A. AND SUBSIDIARIES

Consolidated statement of changes in equity at 31 December 2021 (millions of euros)

	Equity attributable to the Parent Company							
	Shareholders' equity							
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Profit attributed to the Parent Company	Other equity instruments	Valuation adjustments	Non-controlling interests	Total equity (note 18)
Opening balance at 01.01.2021	55	3,519	-22	387		-593	364	3,711
Adjustments due to changes in accounting policies								
Adjustments due to errors								
Adjusted opening balance	55	3,519	-22	387		-593	364	3,711
Total recognised income/(expense)				332		246	108	686
Transactions with shareholders or owners		385	-3				773	1,154
Capital increases/(reductions)								
Conversion of financial liabilities into equity								
Dividends paid		-214					-9	-223
Treasury share transactions (net)		2	-3					-1
Increases / (Decreases) due to business combinations							3	3
Other transactions with shareholders or owners		597					779	1,375
Other changes in equity		386	7	-387				6
Share-based payments		6	7					13
Transfers between equity accounts		387		-387				
Other changes		-7						-7
Closing balance at 31.12.2021	55	4,290	-18	332		-347	1,245	5,557

The accompanying notes 1 to 37 and the appendices are an integral part of the 2022 consolidated annual accounts.

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

ACCIONA, S.A. AND SUBSIDIARIES

Consolidated statement of cash flows for financial years 2022 and 2021 (millions of euros)

	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		1,648	574
Profit before tax from continuing operations		**869**	**575**
Adjustments for:		**927**	**717**
Depreciation and amortisation charges and change in provisions	5,6,7,8,9,14,28	848	715
Other adjustments to profit (net)	10,27,28,30	79	2
Changes in working capital		**135**	**-340**
Other cash flows from operating activities:		**-283**	**-378**
Interest paid	30	-209	-206
Interest received	30	40	23
Dividends received	10	89	49
Income tax recovered/(paid)	25	-215	-82
Other amounts received/(paid) relating to operating activities	13,23	12	-162
CASH FLOWS FROM INVESTMENT ACTIVITIES	5,6,8,11	-1,944	-1,087
Payments due to investment:		**-2,439**	**-1,027**
Group companies, associates and business units		-244	-79
Property, plant and equipment, intangible assets, investment property and financial investments	5,6,9,12	-2,195	-948
Proceeds from disposal:		**98**	**175**
Group companies, associates and business units		51	93
Property, plant and equipment, intangible assets, investment property and financial investments	5,6,9,12	47	82
Other cash flows from investment activities:		**397**	**-235**
Other amounts received/(paid) relating to investment activities		397	-235
CASH FLOWS FROM FINANCING ACTIVITIES		338	384
Proceeds and payments relating to equity instruments:	**18**	**-1**	-1
Purchases		-1	-1
Disposals			
Proceeds and payments relating to financial liability instruments:	**20**	**835**	**-524**
Proceeds from issues		4,021	4,107
Repayments and redemptions		-3,186	-4,631
Payments of principal on operating leases	**7**	**-120**	**-90**
Dividends and returns paid on other equity instruments	**18**	**-253**	**-223**
Other cash flows from financing activities		**-123**	**1,222**
Other amounts received/(paid) relating to financing activities	12,23	-123	1,222
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		-	40
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		42	(89)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	17	2,318	2,407
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	2,360	2,318
COMPONENTS OF CASH AND CASH EQUIVALENTS AT YEAR END			
Cash on hand and at banks	17	1,898	2,116
Other financial assets	17	462	202
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END		2,360	2,318

The accompanying notes 1 to 37 and the appendices are an integral part of the 2022 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 2022

1. Group activities

Acciona, S.A. (the "Parent Company" or the "Company") is a Spanish registered company, which together with its subsidiaries forms 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 or Acciona Energía), 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 comprises the following activities:

    - Construction: includes infrastructure construction projects, as well as turn-key (EPC) projects for the construction of power generating 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: includes mainly operation of transport and hospital infrastructure concessions.

    - Urban and Environmental Services: primarily delivery of Citizen Services.

- Other Activities includes 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 such as 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.

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).

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2. Regulatory framework for the Energy Division

The regulatory framework applicable in the key jurisdictions where the Corporación Acciona Energías Renovables (CAER) subgroup conducts its operations are described below.

Spain

Royal Decree-Law 9/2013 adopting urgent measures to guarantee the financial stability of the Spanish electricity system was published on 12 July 2013. The Royal Decree-Law made substantial changes to the previous 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 (CAER) 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 the 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:

- Standard revenues from the sale of the power generated valued at market production prices
- Standard operating costs
- 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 obtain a reasonable return. This reasonable return should be similar, before tax, to the average market yield on ten-year Government Bonds applying an appropriate differential. The first additional provision of Royal Decree-Law 9/2013 set the 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 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 under 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 the standard value of the initial investment (net present value or NPV). Meanwhile, revenue estimates

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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. The first regulatory half period ended on 31 December 2016.

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 VI 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:

- Where a standard facility reached the end of its regulatory life in the last half period; or
- 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 the Digital Agenda forwarded its proposed Order updating the remuneration parameters for renewables, cogeneration and waste generating facilities for the next regulatory half period, 2017-2019 to the Spanish National Markets and Competition Commission (CNMC in the Spanish acronym). This Proposal revised pool projections for the period downwards and included adjustment values for market price variations from previous years, which are set off over the remaining useful life of 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:

- The value of the reasonable return applicable to the specific remuneration system for the period 2020 - 2025 (inclusive) was updated (7.09%).
- 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

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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.*

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continue or initiate new legal or arbitration proceedings against the regulation, as well as any possible compensation arising as a result.
- The approval deadline for the Ministerial Order establishing the remuneration parameters was extended until 29 February 2020.

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.

Royal Decree-Law 6/2022, of 29 March, adopting urgent measures within the framework of the Spanish National Plan in response to the economic and social impacts of the Ukraine war entered into force on 31 March 2022. This statutory instrument contains an extensive range of economic and social measures. As regards renewables, the RDL brought forward the scheduled review of the parameters applicable to the specific remuneration system for renewable generating assets. The remuneration parameters for the current regulatory half period (2020-2022) were established in Order TED/171/2020. Exceptionally, the new legislation split the regulatory half period in two, the first part covering 2020 and 2021, and the second, based on updated parameters, covering 2022, notwithstanding the review scheduled for the next half period running from 1 January 2023 until 31 December 2025.

In these circumstances, it became necessary to approve a new Ministerial Order to update the parameters for the calculation of the new remuneration applicable to investment and operations for 2022. These new parameters were eventually published on 11 December 2022.

The main impact of this measure was to lower the investment and operating remuneration applicable to almost all regulated facilities in Spain, given the high pool prices obtained. The subgroup has booked investment and operating remuneration earned since 1 January 2022 in line with the draft parameters published, resulting in the recognition of a liability for the difference between the remuneration accruing under the new criteria and the amount actually settled by the CNMC.

When the Ministerial Order is published, the CNMC will proceed to regularise and liquidate the difference arising between the remuneration values settled in the period 2020-2021 in accordance with the hitherto prevailing parameters and the definitive parameters, which are expected to be approved between January and May 2023.

Finally, the Spanish Ministry for the Ecological Transition and Demographic Challenge published a proposed Order on 28 December 2022 to update the remuneration parameters applicable to certain electricity generating plants, applicable as of the new regulatory half period commencing 1 January 2023. This proposal would practically eliminate investment remuneration for almost all of the generating plants operated by the CAER subgroup in Spain, mainly because of the high prices obtained on sales of power in 2022 and in view of the likely price trend in the regulatory half period. Meanwhile, the primary impact on the subgroup's consolidated annual accounts at 31 December 2022 was to remove the cumulative liability recognised in respect of market price adjustments to the extent that a plant would not be demonstrably worse off outside the remuneration system than in it (see Note 4.2.O).

In the last quarter of 2021, the Spanish government adopted a raft of measures designed to mitigate the adverse effects of the surge in wholesale market prices. 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 this statutory instrument on 31 March 2022. The cut excluded generating facilities located outside of mainland Spain, those

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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 limit over-remuneration of the electricity market due to the high price of natural gas. In accordance with RDL 23/2021 the cut in remuneration 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.

Royal Decree-Law 6/2022 published on 29 March subsequently extended the cut in the remuneration of electricity generating by plant using greenhouse gas emissions-free technologies until 30 June 2022. It also amended the criteria for exemption from the cut where the power produced is subject to any fixed-price forward contractual instrument with a term of at least one year made prior to the publication of RDL 6/2022 and subsequent to RDL 17/2021, establishing a fixed price of €67/MWh or less (where the price is higher than this threshold, an adjusted cut in remuneration will apply, to be calculated based on a modulated formula applicable to the excess above the threshold value). Royal Decree-Law 11/2022 of 25 June and the subsequent Royal Decree 18/2022 successively extended the gas price reduction mechanism until 31 December 2023.

For the purposes of supervision of the aforementioned business mechanisms, Royal Decree-Law 6/2022 also established the information required to support the existence of such forward contracts and exclusion from the mechanism for the reduction in remuneration. This information was submitted to the Spanish National Markets and Competition Commission (CNMC) on a monthly basis. At the end of 2022, a review procedure was opened in Acciona Green Energy Developments, S.A., an affiliate of the CAER subgroup, to examine the information submitted between 1 October 2021 and 31 March 2022 in support of the company's exclusion from the remuneration reduction mechanism. It is not expected that this review will raise any significant issues for the subgroup.

In addition to the aforementioned legislation, Law 15/2012 on tax measures for energy sustainability has applied since 2013 to all electricity generating facilities in Spain, including those owned and operated by the CAER subgroup. All of the generating facilities owned by the Corporación Acciona Energías Renovables subgroup 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% 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 Official Journal of the Spanish State (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 Legislative Royal 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%, providing a 92% rebate for generating facilities with output of less than 50 MW and a 90% rebate for pumping stations.

In 2021 the Spanish Supreme Court annulled 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

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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.

Spanish Law 7/2022 of 8 April on waste products and soil contamination for a circular economy recently introduced a twofold change to the legal regime governing the levy on the use of continental waters. The new law amends and removes the need to review the terms of concessions as a condition *sine qua non* for the application of the system. According to the internal analysis carried out by Group management, the effective application of this legislation is expected to commence as of 1 January 2023 under similar conditions to those existing before the relevant provisions were annulled by the courts.

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 extended 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 social electricity rebate) until 30 April 2022, and it also temporarily suspended Value Added Tax on Electricity Generating between 1 July 2021 and 31 March 2022, applying the mechanisms originally established by Royal Decree-Law 15/2018 of 5 October in relation to the earlier suspension of the tax applicable to the last quarter of 2018 and the first quarter of 2019.

Royal Decree-Law 6/2022 published in March 2022 established a new mechanism to finance the social electricity rebate and, among other provisions, it also extended the aforementioned measures until 30 June 2022. Meanwhile, Royal Decree-Law 11/2022 of 25 June again extended these measures until 31 December 2022.

Practically all of the facilities owned and run by companies belonging to the CAER subgroup in the Spanish market operate freely, selling energy to the pool through Acciona Green Energy Developments, S.L., a CAER affiliate 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 for 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 CAER 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 published in November 2019 amended the remuneration methodology for the electricity system operator and the charges passed on to agents to finance said remuneration.

Royal Decree-Law 10/2022, of 13 May, which was published in the BOE on 14 May, establishes a temporary production costs adjustment mechanism to reduce the price of electricity in the wholesale market. Given that the measures provided in Spanish Royal Decree Law 10/2022 affect the Iberian electricity market as a whole, meanwhile, Portuguese Decree-Law no. 33/2022 of 14 May implements the same arrangements so as to harmonise the reforms implemented. In both cases the legislation, dubbed the "Iberian exception", establishes a cost adjustment mechanism applicable throughout the year following enactment of the Royal Decree-Law with the aim of lowering the price of power by limiting the gas cost component embodied in the retail price of energy at any given moment. The benchmark price of gas resulting from this price limitation is €40/MWh for the first six months of the year, which will be increased by €5/MWh per month for the remaining six months

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up to a ceiling of €70/MWh in the last month of 2022. Application of the mechanism commenced in the electricity markets on 14 June 2022 and will continue until 31 May 2023.

The market operator is responsible for settlement of the price adjustment mechanism in each trading session, and the cost is distributed among the Iberian electricity market members via their purchases of power. However, contributions to the mechanism will depend on the level of each member's participation in the market measured in terms of the volumes of electricity purchased. Meanwhile, purchasing units holding certain hedging instruments, mainly forward instruments contracted in the markets prior to 26 April 2022 are exempt from adjustment cost payments.

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.

Among other measures (temporary waiver of RECORE system remuneration by cogeneration plants, transportation grid capacity adjustments designed, in principle, to ease constraints on renewables, and other measures to improve procedures and speed up processing of renewables projects), Royal Decree-Law 17/2022 published on 20 September 2022 introduced a new active demand response product implemented via an improved balancing service based to some extent on the former interruptibility service.

On 24 January 2020, the CNMC published Circular 3/2020, which established the current calculation methodology for electricity transmission and distribution tolls and removed the generating toll of 0.5 €/MWh existing up to that time.

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 key points of this statutory instrument is the boost it gave to renewable energies, laying the foundations for a new remuneration framework for future installed capacity based on competitive mechanisms to coexist with the current specific remuneration regime, which will eventually be 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 an energy price was published in November 2020. Meanwhile, 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 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 a nominal 106.6 MW of solar photovoltaic power to various affiliates of the subgroup.

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 on 9 September 2021. The CAER subgroup did not take part in this auction. On 30 December 2021 a public consultation process was opened in relation

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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.

This third and a fourth auction were held in 2022, resulting in very limited capacity awards due to market conditions, which hampered the process in a context of soaring prices and acute uncertainty over the likely medium and long trends. A total of 177 MW were awarded in the third auction out of the 520 MW initially tendered. The CAER subgroup was awarded a 29.9 MW biomass plant. In the fourth auction, only 45.5 MW out of an initial 3,300 MW were awarded.

In addition to the tax measures described above, Royal Decree-Law 2/2021 also established measures to foster self-consumption and the roll-out of electric vehicle (EV) 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 2/2021 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 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 2/2021, allowing withdrawal with full recovery of the financial guarantees presented in the access and connection process.

Law 38/2022 published on 27 December 2022 established temporary taxes on the energy and banking industries. In the energy sector, the tax will be levied in 2023 and 2024 at a rate of 1.2% of net revenues generated on business conducted in Spain in the immediately prior year, except revenues from regulated activities. The tax will be payable by the country's energy majors as ranked by the Spanish National Markets and Competition Commission (CNMC), unless they meet at least one of the following conditions:

- Net revenues were less than €1,000 million in 2019.
- Net revenues earned on energy industry operations accounted for less than 50% of total net revenues in each of the years 2017, 2018 and 2019.

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 took shape in the form of a bill currently before the Spanish Parliament that will regulate the remuneration of CO_2 not emitted by the electricity industry. 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 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.

The parliamentary process recommenced in June 2022 only to be suspended again until the bill's fit with other measures already implemented or scheduled to take effect shortly can be reviewed. It appears unlikely at present that the passage of the bill will occur within the current legislature, although this outcome is not yet certain.

Accordingly, it is not possible at the date of preparation of these consolidated annual accounts to anticipate how and when this bill will finally 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 CAER subgroup has included the possible impact on the carrying amount of assets under present conditions among the

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assumptions considered in its impairment testing procedures. 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 allowed power companies with access to the PTC regime to receive ITCs in exchange, or alternatively, to receive a payment equal to 30% of their investment.

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 projects, which allowed the option to choose 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, meanwhile, 30% of the ITC was maintained until 2020 (31 December 2019), whereafter it was progressively reduced and has finally been 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 a 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 beneficiary facilities. 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 commenced after 2021.

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

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After more than a year of negotiations, the House of Representatives finally passed the *Inflation Reduction Act (IRA)*. The IRA supports cuts in emissions via supply and demand side measures affecting practically all relevant market segments, including renewable generating, clean hydrogen, carbon capture and storage, efficient home improvement, electric vehicles and industry, among others. In the specific case of solar and wind power, the existing tax incentives have been extended to 2024 and may continue for even longer subject to the fulfilment of certain additional conditions at the local level.

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 Federal Energy Regulatory Commission (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 in 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.

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.

Despite its name and the measures adopted in relation to issues other than the economy, such as health or social support, the thrust of the Inflation Reduction Act (IRA) is essentially to address climate change and it represents a sea change in US policy. The IRA offers legislative backing for the fight against climate change for the first time, bringing the USA closer to attaining 2030 emissions reduction targets, and at the same time it will provide a boost for renewable generating and its industrial value chain worldwide. The programme approved is largely instrumented via grants, soft loans and tax incentives targeting climate change for a total of some $750,000 million to 2030 ($369,000 million in direct aid and the rest in the form of loans). The climate-related objectives of the IRA are expected to take shape in a 42% cut in emissions (2005 vs 2030) compared to an anticipated fall of around 26% before the Act was signed into law.

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In February 2022, meanwhile, the Biden Administration extended the import duties on crystalline silicon photovoltaic modules, originally imposed by President Trump in 2018, for a further four years. However, this extension includes two substantial changes, which will significantly dilute the measure. These are (i) the decision to double the duty-free import quota (from 2.5 GW to 5 GW), and (ii) to exclude bifacial solar cells, which are the most widely used in large scale projects.

In June 2022, the White House published a Presidential Order under the Defense Production Act (which dates back to the post-WWII era and therefore does not require congressional approval), allowing the Department of Energy to boost domestic production of key energy industry technologies, including transformers, electrical components and grids, heat pumps, insulation and electrolysers in order to speed up progress with the Administration's Clean Energy Agenda. Aside from its implications for US industry, the Presidential Order also establishes a 24-month moratorium on the application of duties of any kind on solar panels or tariffs on imports of solar cells and modules from Vietnam, Malaysia, Thailand or Cambodia (subject to investigation to identify possible imports of covert Chinese products), while maintaining sanctions on goods produced directly in China. This measure was enthusiastically received in the industry, as it will provide certainty with regard to the import of solar modules for the next 24 months.

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 CFE) or Self-Sufficiency Contracts (electricity 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 and 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 operations 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, 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%).

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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 had been set for an auction at the reporting date.

The last National Electricity System Development Programme (PRODESEN) published by the Energy Secretary for the period 2019-2033 anticipates 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 (LEIs). This 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.

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 testing of new clean energy projects 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 renewable generating companies, discouraging the development of renewables because they are "intermittent". The direct impact was 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 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, the changes in porting fees were definitively challenged by Mexico's Economic Competition Commission (COFECE) and are currently suspended.

The National Energy Department (SENER) and the Energy Regulatory Commission (CRE) have issued a series of regulatory instruments designed to provide a more active planning role for Mexico's National Electricity System (SEN), prioritise power supplies via the Federal Energy Commission (CFE) 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.

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Proposals for a reform of the Mexican Electricity Industry Act were tabled 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.

The Supreme Court of Justice (SCJ) met in April 2022 to vote on the constitutionality or otherwise of the reform. Though there was no consensus with regard to the reform as a whole, separate votes on a number of individual issues produced clear majorities for the position that the measures concerned are unconstitutional. The results of these votes are not binding, insofar as the interim relief measures adopted against the reform of the Mexican Electricity Industry Act remain in force, but they offer a clue as to the likely position of the courts in judicial review proceedings.

In October 2022, the Mexican Supreme Court of Justice (SCJN) lifted the suspension imposed in February on the review and analysis of applications for judicial review of the changes made to the Electricity Industry Act. Accordingly, the examination and review of these cases may now proceed.

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 utilities;
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.

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.

Debate continued in the early months of 2022 until the Constitutional Reform was finally put to the vote at a plenary session of the Chamber of Deputies in April. The reform obtained 275 votes in favour and 233 against, falling short of the 332 votes (two thirds of the Chamber) required for approval. As a consequence, the proposed reform may not be brought before the Chamber again during the present legislature.

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Meanwhile, the Mexican government has created a National Emissions Register to record all emissions by the transport, electricity generating, house building, and oil and gas industries, industry 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 by 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) has provided Mexico with a market instrument designed to cut emissions of greenhouse gases, as required by the 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 power plants undergoing trials in the first place followed by (intermittent) renewables, while relegating thermal generating to fourth place.

As a result of the new order of priority established in *Grid Code 2.0*, constraints due to the reliability of renewable generating plant increased significantly in the early months of 2022. However, one Mexican electricity industry operator successfully sought a Definitive Suspension applicable to the industry in general in judicial review proceedings brought against *Grid Code 2.0*, and the court ordered CENACE to cease application of the new regulatory systems and return to the conditions regulated in the previous grid code. The Mexican Energy Association ("AME"), of which ACCIONA is a member, also successfully applied for a Definitive Suspension in an application filed against the new grid code.

Both of the contested measures (reliability policy changes in portage fees) were eventually challenged by Mexico's Economic Competition Commission (COFECE) and are currently suspended. The industry is currently awaiting a final ruling at the date of preparation of these annual accounts.

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. 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, rising to 0.6 UTM/MWh (approximately USD 48) if an operator again fails to comply 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, Chilean 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) to 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

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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 Office of 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 tabled 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 provided 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 utilities and sell them on as sub-blocks to regulated customers at lower prices than offered by distribution companies. The Portability Bill has now been brought before the Chamber of Deputies, but no urgent debate has been scheduled and there has been no further progress recently. It is expected that the bill will continue its passage through the legislative process until approval sometime in 2023, and that the new marketing entity will be able to commence its energy purchasing and marketing activity in the regulated market in 2024. Only unregulated customers are currently able to choose their power suppliers.

As a result of the continued drought affecting Chile, the Ministry of Energy successively extended the term of the Decree to prevent rationing in the first half of 2022 in view of the shortfall in hydroelectric power in the electricity system. The principal measures adopted centralise the management of diesel procurement

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volumes, strengthen control over the operation of diesel generators in the electricity system and impoundment hydroelectric generating facilities in order to guarantee the availability of water reserves for 650 GWh at all times.

The Chilean government passed a Climate Change Act towards the end of the first semester, which has the attainment of emissions neutrality in the country at the latest by 2050 as one of its primary objectives. The effort to achieve this target will be led by the Environment Ministry with the support of the Energy Ministry, which will chair the stakeholder advisory board formed to identify the specific measures required.

In July 2022, the Chilean government adopted a new mechanism to extend existing support for regulated customers (until 2032) in order to avoid an automatic price hike of around 40% if the relevant measures are allowed to lapse. The decision to freeze regulated electricity prices was originally adopted in the wake of social unrest in 2019 and was financed by the regulated generating utilities up to a total of $1,350 million or until July 2023. However, the COVID pandemic, the Ukraine war, CLP/USD exchange rate difficulties and the wider context of rising inflation exhausted the initial funding volume one year before the expiration of the scheme. The new mechanism will set preferential prices for regulated customers, which will be financed out of additional charges applied to both unregulated and regulated customers, as well as contributions of government funds (tax revenues and bank borrowings).

A public consultation process was launched in 2022 in connection with the Technical Regulation for the Coordination and Operation of the Chilean National Electricity System, specifically to determine the treatment of storage facilities. The renewables segment favoured operation of storage capacity by the facility proprietor in order to optimise processes while guaranteeing the safety of the system at all times.

The Minister of Energy addressed the Chilean Chamber of Deputies in October 2022 to present the four main planks of the government's legislative agenda and strengthen renewables commitments:

- Renewables Prioritisation Bill ("Quotas Law"). This legislation aims at least to double the share of renewables from 20% to 40%, or even as much as 60%, by 2030
- Storage: this is a key issue for the integration of renewables and efforts to cut power dumping, and it is also closely bound up with efforts to foster the uptake of electric vehicles. In this regard, the Chilean Senate has already passed the Renewable Energy Storage Bill, which will now pass to the Chamber of Deputies.
- Measures to strengthen and expand the transportation grid and achieve active grid management efficiency gains, which will be essential to cut the frequency of renewable power dumping by transferring surplus renewable energy from northern to central Chile.
- Renewable hydrogen: measures to increase electrolysis capacity to 25 GW by 2030. A new National Green Hydrogen Strategy is to be drawn up to achieve this target.

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*.

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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 extending the period between target reviews from two to 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 and stored power); and (ii) 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. However, Australia would later suspend the bill containing the NEG emissions reduction target.

Australia's transmission and distribution grids are monopolies, and 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 renewables target to 50% by 2030, based on the already legislated target of 40% by 2025. In this regard, the Renewable Energy (Jobs and Investment) Amendment Bill 2019 (Vic) approved on 30 October 2019 enshrined the VRET 2030 target in law. In the absence of a federal renewable target beyond 2020, investment will continue to be driven by the states.

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In 2022 the Energy Security Board (ESB), which is the body responsible for coordinating Australia's energy reforms, began the work of drafting regulations and mechanisms in the area of grid access to ensure effective management of congestion, as well as designing capacity management mechanisms. Linked with these proposals, further progress was made with the reconfiguration of the generating mix in 2022, a process that involved setting new renewables targets and bringing forward the closure of power plants burning fossil fuels (mainly coal). The latter initiative has obliged the Australian States to speed up the development of new renewable capacity, storage systems and major transportation infrastructure to strengthen interconnections between systems.

At the end of 2022, the Australian government announced that it would intensify its efforts to ensure the development of renewables and reduce emissions. This initiative was seconded by several states, including the State of Victoria, which raised its renewables target to 95% by 2035, creating its own government-owned renewables corporation, the State Electricity Commission of Victoria, to press ahead with 4.5 GW of clean energy projects. The plans resulted in a major reallocation (AUD 478 million) of the climate change budget, which had been earmarked by the previous state government for programmes to foster mostly gas-based projects, and a commitment was made to cut emissions in industries like steel, aviation and agriculture by at least 50% by 2035, increasing support for research in areas such as green hydrogen and carbon capture and storage to that end.

Meanwhile, the Climate Council proposed reassigning existing fossil fuels subsidies (worth AUD 11,600 million in 2021) to the development of rooftop PHV power, hydraulic pumping, storage, public power transport and EV charging stations.

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 2022 were prepared by the Directors of Acciona, S.A. at the Board meeting held on 27 February 2023, to provide a true and fair view of the Group's equity and consolidated financial position at 31 December 2022, 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 (EU-IFRS), 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.

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 figures relating to joint ventures, groupings and consortia considered to be joint operations in which the Group companies hold interests based on the percentage ownership of the assets, liabilities and operations of these entities after the requisite elimination of asset and liability balances, as well as operations carried out in the year.

The figures for the previous year are presented in these annual accounts for comparative purposes in addition to the figures for 2022. Figures are presented for each line of the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, and in the notes to the consolidated annual accounts. The prior year's figures were obtained by applying IFRS standards on a consistent basis.

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The Acciona Group's consolidated annual accounts for 2021 were approved by the shareholders at their Annual General Meeting held on 23 June 2022. The consolidated annual accounts of the Acciona Group for 2022 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 millions 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.

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.

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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.

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.

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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 annual accounts 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.

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 at 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 annual accounts 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.

Eqinov

In October 2021, the Group agreed to acquire an 85% ownership interest in the share capital of the French company Eqinov, S.A.S. ("Eqinov") from its shareholders, subject to the fulfilment of certain conditions precedent related with competition regulations applicable in France and confirmation of the award of certain operating licences to the target company.

The acquisition of Eqinov was finally completed upon the fulfilment of the conditions precedent in January 2022, and the company was integrated as a fully consolidated subsidiary of the Group. The total acquisition price was €78 million. A detail of this business combination is as follows (in millions of euros):

Company	Cost of acquisition	Percentage interest acquired	Fair value of assets and liabilities acquired
Eqinov, S.A.S.	78	85%	92

The fair value of the assets and liabilities of Eqinov, S.A.S at the date of the takeover was as follows (in millions of euros):

	01.01.2022
	Eqinov
Identifiable assets	
Other intangible assets	98
Other non-current assets	1
Non-current assets	99
Current assets	45
Total identifiable assets	**144**
Identifiable liabilities	
Non-current liabilities	25
Current liabilities	27
Total identifiable liabilities	**52**
Total net identifiable assets	92

In accordance with IFRS 3, the Group analysed the fair value of the assets and liabilities of the subgroup acquired at the time of the transaction for the purposes of purchase price allocation (PPA). As part of the PPA process, the difference arising on first consolidation was assigned to licences and software, resulting in the recognition of a gross amount of €81 million under *Other intangible assets*.

The company acquired specialises in the provision of energy efficiency and management services to corporate clients. The transaction represents the Group's entry into the French market, where it will have the opportunity to include its own renewables and self-consumption solutions and projects in Eqinov's existing low-carbon energy services proposal. Furthermore, the Acciona Group's energy division will now be able offer the company's energy services to its global customer portfolio in all of the markets where it operates, and in Spain in particular.

The net revenues contributed by Eqinov, S.A.S. between the effective date of acquisition and 31 December 2022 totalled €18.9 million, on which it made a net loss after tax of €1.0 million. The newly acquired company's functional currency is the euro.

Sale of shares in wind farms

In June 2022 the Corporación Acciona Energías Renovables subgroup, which is 82.66% owned by Acciona, sold its 50% shareholdings in the associates Desarrollo de Energías Renovables de Navarra, S.A. and Parque Eólico Cinseiro, S.L., and its 25% interest in the associate Explotaciones Eólicas Sierra de Utrera, S.L. At the date of the sale, these companies owned five wind farms with 121 MW of installed generating capacity.

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The sale price of €32 million produced a net gain of €8.4 million for the Group, which was recognised in the consolidated income statement under *Impairment and profit/(loss) on disposals of non-current assets*.

Windsor Essex Mobility Group

At 31 December 2021 the Acciona Group held a 33.33% interest in the associate Windsor Essex Mobility Group GP, whose corporate purpose consists of the construction, financing, operation and maintenance of the Right Honourable Herb Gray Parkway road infrastructure project in Canada. On 24 March 2022, the Acciona Group entered into a share purchase agreement whereunder it undertook to sell its 75% of the ownership interest held in the concession operator, subject to the fulfilment of certain conditions precedent. Upon the fulfilment of these conditions, the transfer of the shares took effect for a sale price of CAD 27 million (€20 million).

Following this transaction, the Acciona Group no longer exercises significant influence over the company, and as a result 100% of the investment formerly held was deconsolidated and the remaining 8.3% shareholding still owned by the Group was reclassified to *Other non-current financial assets* in the consolidated balance sheet at fair value for a total of €6.7 million.

The net proceeds of €21 million generated on this transaction were recognised in the consolidated income statement under *Gains on disposal of non-current assets*.

Nordex H2

In December 2022, Corporación Eólica Catalana, S.L., a company owned 50% each by Acciona, S.A. and Acciona Generación Renovable, S.A. (an affiliate of the CAER subgroup), acquired 50% of the share capital of Nordex H2, S.L. from the Nordex Group (which is accounted for under the equity method) for a deferred price of €68 million payable over the next four years, in addition to an undertaking to make any contributions that may eventually be required of the partners to cover the capital needs established in the business plan.

The corporate purpose of Nordex H2, S.L. is to develop a portfolio of green hydrogen generating projects in different countries (not including Spain and Portugal) as far as the ready-to-build stage, when the projects will be marketed. The Acciona Group exercises significant influence over the company, and it has therefore been accounted for under the equity method. Future profits or losses will be recognised through the consolidated income statement under *Equity method profit/(loss) – analogous.*

There were no other material additions to or exclusions from the scope of consolidation in 2022 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 changes to accounting standards came into force in 2022 and were therefore 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		
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 (exemptions from the treatment of translation differences by a subsidiary adopting IFRS after its parent), IFRS 9 (establishing that the costs considered in changes to financial liabilities should only include fees paid and received by the entity and the lender), IFRS 16 (change in Illustrative Example 13 to avoid confusion over the treatment of incentives), and IFRS 41 (elimination of the requirement to use pre-tax cash flows in the calculation of fair value)	1 January 2022

The above changes 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.

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Standards and interpretations issued but not yet in force

At 31 December 2022, the most significant standards and amendments published by the IASB but that have not yet come into force, either because the effective date is later than the date of the consolidated annual accounts or because they have 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 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
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 and debt with covenants	Clarification of how an entity classifies financial liabilities and debt with covenants as current or non-current, in particular where maturity is conditional on fulfilment of covenants	1 January 2024
Amendment of IFRS 16 – Lease liability in a sale and leaseback transaction	This amendment clarifies the accounting treatment applicable to lease liabilities arising from sale and leaseback transactions	1 January 2024

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, or they concern 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 annual accounts, 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.

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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.

Balances in respect of assets retired due to replacement or for any other reason are derecognised from the related cost and accumulated depreciation accounts.

In-house work carried out by the Group on its own property, plant and equipment is recognised at accumulated cost (external costs plus internal costs incurred).

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

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 2022 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%
Remaining plant	5% - 33%
Machinery	5% - 40%
Furniture	5% - 20%
Computer hardware	13% - 25%
Vehicles	10% - 32%
Other property, plant and equipment	5% - 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 disposals 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) of this note.

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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 to obtain capital gains through sale.

Investment property is stated at acquisition cost, and the Group applies the same policies for all purposes as 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 rights 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.

Rights of use identified in lease contracts

At the date the lease contract begins, a liability is 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. Lease payments are discounted at an appropriate incremental interest rate unless the lessor's implicit interest rate can be reliably determined.

Outstanding lease payments consist of fixed payments, less any incentives receivable, 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 heading *Rights of use* and are classified according to the nature of the underlying asset.

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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 is booked as new at a value that is not significant. The Group has set a ceiling of €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 Group retains ownership of the leased asset but transfers substantially all the risks and rewards pertaining to it, the leased asset is derecognised and an account receivable is recognised for an amount equal to the net investment in the lease at the start date, considering the implicit interest rate in the contract.

The Group recognises finance income over the term of the lease on a basis that reflects a constant rate of return on its 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 is 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 (CGU) 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.

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Goodwill generated internally is not recognised as an asset. Goodwill is only recognised when it is acquired for valuable 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.

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 disposals of non-current assets* in the consolidated income statement. The criteria used 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 obtain the concession directly from the government or from a public entity. 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.

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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 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 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:

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

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

- Concession assets are amortised on an appropriate basis to ensure that the carrying amount of the investment made, including the obligations to restore the infrastructure or maintain it with a given 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 and upgrades are recognised at their gross amount (recognition of sales and 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 cost of sales. No adjustments were needed for this reason in 2022.

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

The Group reviews the carrying amounts of its property, plant and equipment, investment property, rights of use, intangible assets and investments accounted for using the equity method at the date of each balance sheet, to determine whether there is any indication that any assets may have become impaired. If any evidence exists, the recoverable amount of the asset concerned is estimated in order to determine the extent of the impairment loss (if any). When an asset does not generate cash flows that are independent of other assets, the Group estimates the recoverable amount of the smallest identifiable cash generating unit to which it 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 cannot be reversed in any 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, and assets with a limited life (primarily electricity generating assets and infrastructure concessions). The measurement of these assets is explained below.

Investment property (rental properties and inventories)

The Group's real estate investments comprise 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 2022 supported by appraisals prepared performed by the independent experts Savills Aguirre Newman Valoraciones y Tasaciones, S.A.U. (independent appraisal report issued on 10 February 2023) and CB Richard Ellis, S.A. (report issued on 3 February 2023).

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).

Assets of this type are measured by updating 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 (0.24%), offices (99%) and other property (0.76%) (shopping centres, car parks, etc.). The updated rates used for each type of property lie in the following ranges: office properties (6.50-9.75%) and other property (6-18%).

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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 by 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 by assessing 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 (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.

Goodwill in Group companies

Impairment tests 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 that 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.

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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 2022 (see Note 8).

Non-current project assets

This line item includes electricity generating assets, concession assets and, in general, 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 whole life of the project. These assets are recognised under property, plant and equipment (mainly generating facilities) and in other intangible assets under intangible concessions (IFRIC 12).

The value in use of such assets 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 the assets are financed with long-term debt under known and constant terms and conditions, making it easily possible to forecast the cash outflows needed to cover debt service.

In general, the Cash Generating Unit (CGU) used in these calculations is the company owning the operational plant or concession assets, because this is normally found upon analysis to be the minimum unit whose cash inflows and outflows are clearly identifiable and independent of other cash flows. The net carrying amount of each CGU is based on the allocation of the identifiable assets and liabilities attributable to each such unit, including assets and liabilities arising under leases falling within the scope of IFRS 16, provided that a buyer would be required to take on the lease in the event of transfer.

Where recoverable value is determined based on value in use, the carrying amount of the associated lease liability at the valuation date is deducted both from the amount of the investment made by the CGU and from value in use. Where recoverable value is determined based on fair value less costs to sell, meanwhile, the carrying amount of the lease liability at the valuation date is deducted from the amount of the investment made by the CGU and from the fair value that would be obtained on disposal of the CGU's assets and the associated lease liabilities.

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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 specialist independent sources (e.g. Bloomberg).

Future cash flows are defined as the cash flows expected to be generated on use of the asset. The discount rates applied reflect expectations regarding possible changes in the amount or timing of cash flows, the time value of money, the price payable in respect of uncertainty related with the asset concerned, and other factors that other agents participating in the market would be likely to consider in any valuation of the future cash flows related with an asset.

The Acciona Group did not recognise any material amounts in the accompanying consolidated income statement in this respect at 31 December 2022 or 2021.

Investments accounted for using the equity method

The net investment in an associate is understood to be impaired, resulting in an impairment loss, where there is objective evidence of impairment caused by one or more events occurring after the initial recognition of the net investment, providing the impact of the event or events producing the loss on the estimated future cash flows generated by the net investment can be reliably estimated.

Goodwill included in the carrying amount of the net investments in an associate is not recognised separately and, therefore, no separate impairment tests are run on the value of such goodwill. Instead, it is the total carrying amount of the investment that is tested for impairment, as if it were a single asset, by comparison of the recoverable amount (i.e. the higher of value in use and fair value less costs to sell) against the carrying amount.

An impairment loss recognised in these circumstances is not allocated to any specific asset, including goodwill, forming part of the carrying amount of the net investment in an associate. Accordingly, any eventual reversal of the impairment loss will be recognised to the extent that the receivable amount of the net investment may subsequently increase. The Group estimates the value in use of a net investment based on (a) the relevant part of the estimated net present value of the effective future cash flows expected to be generated by an associate or joint venture, which comprise the associate's or joint venture's operating cash flows and the amounts that would be realised on the final sale of the investment or its disposal by any other means; or (b) the net present value of the estimated future cash flows expected to arise in respect of dividends receivable on the investment and on its eventual sale or disposal by other means.

g. Other non-current assets

Other non-current assets comprise trade receivables maturing in the long term and mainly due from public authorities, as well as amounts withheld 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 kind 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 for an established concession term specified in the tender conditions. 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.

- 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 and upgrades are recognised at their gross amount (recognition of sales and 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 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 as 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 l).

- The classification of the fair value measurements of financial assets and derivative financial instruments consistent with the fair value hierarchy established in IFRS 7 is detailed in Note 4.2 l).

- 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.

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- 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: 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 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, the type of customer (public entity, large customers, etc.) and the historical experience of credit risk over the past five years. The assessment of significant changes in credit risk used in the classification of asset categories is based on credit ratings obtained from external market sources. In the case of trade debtors and other receivables classified as current, the Group applies the simplified expected losses model established in the relevant accounting standards based on its historical experience of bad debt. No significant amounts were recognised in the 2022 consolidated 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, it 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.

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- 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 2022 and 2021.

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 non-material sales may be expected in the future. The Group understands that this condition is fulfilled in the case of sales due to increased credit risk in respect of financial assets.

The Group derecognises financial assets when they expire, or when the rights to the cash flows from a 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 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 derecognises 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% from the present value of the remaining cash flows on the original financial liability.

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Any costs or fees incurred when an exchange is accounted for by cancelling the original financial liability 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, which is 10 years from the starting date for the operation of the project.

When the Group determines the accounting criteria applicable to the recognition of its investment in the companies owning the plants qualifying for Tax Equity Investments, it analyses the investment to establish whether it should be treated as a financial liability or recognised under non-controlling interests in equity. This analysis depends primarily on the Group's ability to prevent any cash outflows due to the reimbursement of contributions and on the contractual return on the contributions made by the investment partner or partners.

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 on 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

The Group is exposed to exchange rate and interest rate risks on its activities. Forward foreign exchange contracts and interest rate swaps are used 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

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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 2022, 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 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 risk 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 the market price and the contractually established production price.

In such case, the Group recognises the market value of the derivative where it cannot be shown that it was 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 hedging policy

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 a 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 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 underlying asset or liability when it 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.

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Compound financial instruments with multiple embedded derivatives

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

Measurement of derivatives 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.

- Forward energy price contracts are valued based on future price projections, taking into consideration publicly available information on forward energy markets and other variables that are not directly observable for the more distant points on the curve and applying the Group's own assumptions with regard to correlations between energy price components. Such assumptions do not have a significant impact on estimates of the fair value of energy derivatives at 31 December 2022 and, accordingly, they are classified in level 2 of the IFRS 13 fair value hierarchy required.

- The technique applied to determine the adjustment for credit risk in the measurement of derivatives at the reporting date is based on a calculation using 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 rate curves, exchange rates and volatilities depending on market conditions at the measurement date.

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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. Nonetheless, this recovery rate may be between 72.85% and 100% 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 IFRS 13 fair value hierarchy, as the inputs are based on listed prices for similar instruments traded on active markets (but 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. Exceptionally, the curve used for certain forward energy sales contracts includes level 3 variables that are not directly observable for more distant periods subject to greater uncertainty. This does not affect the IFRS 13 hierarchy, however, because of the preponderance of level 2 inputs.

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, 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 do not earn interest and are stated at their nominal value, which does not differ substantially from 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 measures inventories as follows:

- In the construction activity, procurements, consisting primarily 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.

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- 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 on loans or other specific or generic third-party financing, provided such expenses are directly attributable to construction. Marketing costs are charged to the income statement in the year in which they are incurred.

- The capitalised borrowing costs included in inventories totalled €4 million in 2022 (€1 million in 2021) (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 10 February 2023), and CB Richard Ellis, S.A. (report issued on 3 February 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.

Current/Non-current classification

In the accompanying consolidated balance sheet, assets and liabilities maturing within no more than twelve months are generally 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 business 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 (in millions of euros):

	2022	2021
Inventories	791	677
Total current assets	791	677
Other current liabilities	43	34
Total current liabilities	43	34

k. Treasury shares

At 31 December 2022, Acciona, S.A. held 167,109 treasury shares representing 0.3046% of share capital at that date. The acquisition cost of these shares was €17 million. The acquisition cost of treasury shares and the gains or losses arising on transactions involving them are recognised directly in equity (see Note 18).

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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 million.

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 redundancies or early retirements will take place. In the case of involuntary redundancies, the Group can no longer 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 the terms of such processes are set out in a detailed formal plan that creates expectations for third parties.

The Acciona Group companies do not currently have any employee termination plans which 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 each 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 progress against the consolidated companies at 31 December 2022 and 2021. 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.

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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 bargaining 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 bargaining 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 concerned have various pension obligations towards their employees. These defined benefit obligations are instrumented 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.

The companies recognise the expenditure relating to their obligations under defined benefit plans 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*.

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).

Decommissioning provisions

The Group may be obliged to decommission certain assets and restore sites to their original condition under the terms of the agreements entered into in connection with the assets concerned. In these circumstances, the Group recognises a liability for the estimated net present value of decommissioning and site restoration obligations arising in respect of assets over the pertinent accrual period, which is usually associated with the construction period.

The liability recognised is also included as an increase in the value of the asset during the construction period, and this amount is amortised on a straight-line basis over its estimated useful life commencing when the asset is commissioned.

The decommissioning provision is adjusted at the end of each year for any changes in estimated future cash flows or in the discount rate applied hitherto. Any increase in the decommissioning provision due to the financial effect of the passage of time is recognised under *Financial costs* in the consolidated income statement for the year in which it is incurred.

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The liability recognised in respect of the decommissioning represents the Group Management's best estimate of the current cost of cancelling the obligation in terms of the price at which a third party would be willing to discharge the obligation at the date of the consolidated statement of financial position.

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.

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.

The Group recognises ordinary income upon or in line with the fulfilment of performance obligations through the delivery of the promised good or service (assets) to the customer. An asset is considered to be transferred when, or to the extent that, the customer obtains control of the same.

At the start of each contract, the Group determines whether it will satisfy the performance obligation concerned progressively over time or at a specific date.

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 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 activity, 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 date, 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 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. This method 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 satisfy 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 a 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 common business practice, 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.

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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 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 contract term 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 of certificates of work by the customer is recognised as financial income only when the amount can be reliably measured and collection is reasonably guaranteed.

The Group companies recognise the 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 received in respect of advance certifications and other advances received from customers are recognised 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 primary 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 in the initial contract entered into with the customer are recognised as revenue annually on an accrual basis regardless whether they are approved by the customer, 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. 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 the payments or fees it expects to receive for arranging 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 reviews of certain remuneration parameters in each regulatory subperiod 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 subperiod 2020-2022. However, the subsequent Order TED/1232/2022 published on 11 December 2022 established new remuneration parameters for 2022 following the extraordinary decision to bring forward the review of remuneration parameters for the year adopted pursuant to Royal Decree-Law 6/2022, thereby splitting the current half period into two (2020-2021 and 2022). The proposed parameters applicable in the next regulatory half period (2023-2025) were published on 28 December 2022. This proposal is expected to be approved by Ministerial Order in the early months of 2023.

The aforementioned Royal Decree 413/2014 regulates the mechanism applicable when 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 Group recognises positive or negative market deviations arising within the meaning of RD 413/2014 in the consolidated balance sheet with a balancing entry in the income statement.

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- 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 (e.g. 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 recognized up to that date are adjusted through the consolidated income statement in accordance with the mechanism for the recognition of a change in estimates established by IAS 8.

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

In contrast, 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 a 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 be recognised as a change in estimates in accordance with IAS 8.

Assets and liabilities recognised as a consequence of adjustments related to 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.

The situation of the energy market at 31 December 2022, the expected short- and medium-term trends in energy prices and analysis of the proposed review of parameters published on 28 December indicate the following circumstances:

- Practically all of the Standard Facilities (SFs) operated by the Group in Spain would cease to qualify for investment remuneration at least in the next regulatory half period (2023-2025).

- The trend in energy prices expected by Group Management will accelerate the exhaustion of NPV for all significant standard facilities operated by the Group in Spain, insofar as it is highly likely that the returns generated based on estimated future energy prices will exceed the guaranteed prices established in Royal Decree 413/2014.

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- With the exception of biomass plants, keeping the other standard facilities (SFs) operated by the Group in Spain in the remuneration regime after the minimum guaranteed return is reached will not entail any significant costs or trigger any additional obligation to leave the system. In these cases, the Directors of the Group have concluded that exiting the remuneration regime would not have materially adverse financial consequences compared to remaining within the system at the date of preparation of these consolidated annual accounts. However, it would be imprudent to leave the remuneration regime at present given the proliferation of regulatory changes in recent months and the likelihood of further legislative initiatives driven by the current situation of the energy markets.

- In the case of biomass plants, meanwhile, exiting the remuneration regime would be likely to have adverse financial consequences compared to remaining within it, given that this activity could opt for operating remuneration over the facilities' remaining regulatory lives depending on price trends in this period.

In light of the circumstances described, the Group has ceased to recognise the liability arising from the adjustment for market price deviations at 31 December 2022 for all SFs operated except in the biomass activity. The unrecognised liability in this respect at 31 December 2022 was €146 million (€170 million at 31 December 2021).

Revenue from the real estate activity

The Group companies recognise property sale revenue and costs on the date the property is delivered, which is taken to be the moment 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, 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 and liabilities are measured at the amounts expected to be recovered from or paid to 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 carry-forwards or deductions pending application. For these purposes, temporary differences are defined as the difference between the carrying amount of assets and liabilities and their tax base.

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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; and

- amounts arising from differences related with investments in subsidiaries, associates and joint ventures, where the Group has the ability to control the timing of reversal and it is not probable that 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, 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 amount 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 liability 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, amounts recognised under *Investments accounted for using the equity method* and disposal groups (i.e. 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 2022 and 2021.

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 to include 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.

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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 for assets 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: non-operating activities that result in changes in the size and composition of equity and borrowings.

4.3 Accounting estimates and judgements

The information included in the annual accounts 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 2022 and 2021 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:

- Measurement of assets showing evidence of impairment and goodwill, in order to determine any impairment losses arising (see Notes 4.2.F) and 5)

- Fair value measurement of assets and liabilities acquired in business combinations (see Note 3.2.h)

- Revenue recognition in the construction business (see Note 4.2.O))

- Assumptions used in actuarial estimates of pension liabilities and obligations (see Note 19)

- Useful life of property, plant and equipment, investment property and intangible assets (see Notes 4.2.A), 4.2.B) and 4.2.E))

- Assumptions used to measure the fair value of financial instruments

- Likelihood and amount, where applicable, of unquantifiable and contingent liabilities (see Notes 4.2.M) and 19)

- Future cost of decommissioning and site restoration (see Notes 4.2.M) and 19)

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- 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 recoverability of the deferred tax assets recognised (see Notes 4.2.P) and 25)

- Incremental rate used in the valuation of lease contracts and determination of the lease term (see Notes 4.2.C) and 7)

- Estimations 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 (see Note 2)

These estimates were made on the basis of the best information available at 31 December 2022 and 2021 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.

Invasion of Ukraine

The outbreak of war in Ukraine has cooled the initial optimism arising after the COVID-19 pandemic was brought under control. In fact, it has worsened lasting Covid impacts like supply-chain tensions and inflationary pressures. Furthermore, this act of armed aggression has triggered a severe energy crisis, which has impacted both businesses and families, leading many countries to reassess their current energy dependency structures. Meanwhile, nations like the United States, Australia, Japan and the United Kingdom, as well as the EU have imposed a raft of measures and sanctions against Russia, which have also had global repercussions. Sanctions have affected local exchange rate and interest rate trends, as well as the share prices of firms listed on the Moscow Stock Exchange, although the impact on the Russian economy has been less severe than initially expected.

The war has had global consequences both socially and economically. Few industries have entirely escaped the impact of generally rising prices for commodities (steel, concrete, copper and so on), energy and oil. Shortages have driven a sharp rise in the European gas market, which has produced knock-on effects on electricity prices. In Spain, the CPI ended 2022 on 5.7% with core inflation running at 7%, its highest level since November 1992 according to figures published by the Spanish National Institute of Statistics (INE). Central banks have toughened monetary policy, raising interest rates sharply in response to this inflationary drift.

These knock-on impacts from the conflict have impacted some of the Group's markets and activities.

Energy

As mentioned above, the Group owns six photovoltaic plants subject to feed-in tariff arrangements, which produce a total 100 MW of power. Three of these plants (57.6 MW) are situated on the outskirts of Kyiv, while the other three (42.4 MW) are located in the southern Odessa region of the country, not far from the border with Moldova. Neither the plants themselves nor any of the employees responsible for their operation and maintenance have suffered any direct harm as a result of military action. While the plants remain in perfect physical and operational condition, Martial Law imposed on 28 February 2022 at the outbreak of the war has resulted in a temporary regime limiting transmission of the power generated and in the deferral of regulated tariff payments, a situation that has significantly cut the revenues received by the plants in recent months. In the judgement of the Group

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finance department, this adverse scenario is evidence of impairment and it has therefore carried out tests, which revealed impairments totalling €35 million in respect of these assets (see Notes 5 and 28). In these circumstances, the Group has also amended the criteria applied to record income from the plants affected, switching from accruals-based to cash-based recognition until such time as greater certainty may exist with regard to the end of the conflict and its consequences. This accounting exception is immaterial to the consolidated annual accounts taken as a whole, having resulted in a reduction of €5.8 million in *Revenue*. In any event, the Group remains steadfastly committed to its investments in Ukraine, and its Directors continue to be responsible for all operational and financial decisions affecting the activity of the plants despite the technical restrictions legitimately imposed by the Ukrainian government.

Infrastructure

The collateral effects of the war, especially soaring raw materials and energy prices, have impacted the construction, operation and maintenance of water treatment facilities.

Legislative changes have been made in some key construction markets, e.g. Spain and Poland, allowing reappraisal of public contracts that do not already contain price review clauses, or amendment of such clauses where necessary to ensure contract income is sufficient to absorb most of the increase in construction costs. In particular, Spanish Royal Decree-Law 3/2022 of 1 March (which has since been amended by Royal Decree-Law 6/2022) adopted "... exceptional measures with regard to price reviews in public works contracts", among others, affecting public works contracts awarded by any national public sector entity currently in progress or tendered, awarded or formalised upon the entry into force of the statutory instrument (or awarded or formalised with publication of an announcement in the official contracting platform within one year of RDL 3/2022). Meanwhile, the scope of application of Royal Decree-Law 3/2022 may be extended to Spain's Autonomous Communities, where so agreed by the regional authorities. All of the Autonomous Communities have now adopted this legislation with the exception of the Autonomous Cities of Ceuta and Melilla

In Poland, the office of public contracting has issued a decision authorising the amendment of contracts to raise the contract price in response to increases in production costs. Pursuant to this authorisation, the Polish government has approved an increase on the financial ceiling applicable to the National Roads and Highways Works Programme. Among other measures, this raises the cap on contractual price reviews to 10%, where lower.

Meanwhile, many of the contracts already in progress and all of the projects recently awarded or put out to tender in almost all jurisdictions now include price review or cost-sharing mechanisms (including public-private partnership contracts, which are very common in the Australian market). The Group manages contracts with customers individually on an ongoing basis where they do not already include price review formulas or establish mechanisms that do not cover all cost increases, in order to align the income earned on projects with rising costs.

Rising electricity prices have also depressed earnings on some contracts for the operation and maintenance of water treatment facilities, since power is a major input in this business. These impacts have been claimed from customers under the financial adjustment clauses contained in contracts.

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In short, inflationary pressures have had only a limited impact on the businesses comprising the *Infrastructure* segment of the Group's activity to date, thanks to active contract and technical management, and the approval of legislation to mitigate impacts.

Other Activities

Bestinver

As mentioned above, the fight against inflation has become the maximum priority for the Federal Reserve and the European Central Bank, obliging both to stiffen monetary policy. This tougher policy and faltering confidence in the economy among both entrepreneurs and consumers has led to a general fall in securities markets, especially in the first half of 2022. Specifically, the S&P index shed 19.44% over the year as a whole, and the Stoxx 600 dropped by 12.90%, while the Ibex 35 index fell 5.56%. This downturn in the stock markets had a negative impact on the funds managed by Bestinver, which shrank by 27% in 2022, dragging down the volume of fee income earned from fund members.

Nordex

The war has further hurt the already sickly activity of Nordex SE. The Covid-induced supply chain disruptions that have affected the company in the last two years have been compounded in recent months by rising commodities prices and the strict lockdowns ordered in various Chinese cities as a result of the country's strict zero Covid policy. In this context, Nordex updated its forecasts for the year, which it had initially reported to the market on 29 March. According to the presentation of results for the first nine months of 2022, sales were expected to fall slightly to between €5,200 and €5,700 million, while the EBITDA margin would shrink to -4%. The results announced by Nordex for the first nine months of 2022 reflected a loss of €372 million and an EBITDA margin of -5,8%. This situation also impacted the company's financial position. Nordex SE found itself obliged to increase share capital twice to ease cash flow tensions, resulting in (i) a private placement of 10% issued on 26 June, which was subscribed in its entirety by Acciona for a total of €139.2 million, and (ii) an offering of 35,923,089 new shares made to all shareholders for a total of €212 million, which was completed on 26 July. Acciona subscribed 17,014,283 shares, raising its interest to 40.97%. Meanwhile, Nordex has succeeded in arranging sufficient liquidity to cover the maturity of its "Green Bond" on February 2023 in the form of a loan of €286 million granted by Acciona (see Notes 12 and 34).

Paradoxically, the war has only underscored the need to commit to renewable energy as a means of ending dependence on fossil fuels by substituting clean, sustainable alternatives, especially in view of the now permanent threat that Russia will cut off gas supplies. This has ushered in significant growth in renewables, driven by governments and other institutions, from which Nordex SE will be able to benefit as it returns to profits.

Despite the temporary drop in revenues affecting Ukrainian renewable assets directly affected by the war and subject to the caveats that must inevitably accompany any estimates made in such an uncertain context, the Directors consider that the solvency of the Group's activities and the diversity of its markets have prevented any material impacts on the results of its operations and financial position as reflected in these consolidated annual accounts for the financial year ended 31 December 2022.

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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.

There were no material changes in accounting estimates or policies, and no errors required correction in the annual accounts for the financial year ended 31 December 2022.

5. Property, plant and equipment

Changes in cost and accumulated depreciation in 2022 and 2021 were as follows (in millions of euros):

Property, plant and equipment	Land and buildings	Other plant and machinery	Advances and PPE under construction	Other PPE	Depreciation	Impairment	Total
Balance at 31.12.2020	338	12.381	773	235	(5.680)	(619)	7.429
Changes in the consolidation perimeter		-21	7	2	-1		-13
Additions / Charge for the year	5	88	510	17	-418	-2	199
Retirements	-12	-115	-5	-11	99	5	-39
Transfers	94	690	-582	-2	22		222
Other changes	2	332	46	6	-109	-9	268
Balance at 31.12.2021	427	13,355	749	247	-6,087	-625	8,066
Changes in the consolidation perimeter	1	51		1	-27		26
Additions / Charge for the year	12	221	1,446	34	-438	-84	1,191
Retirements	-4	-115	-1	-17	94	64	21
Transfers	130	212	-322	-6	-28	24	10
Other changes		225	7	3	-61	-3	171
Balance at 31.12.2022	566	13,949	1,879	262	-6,547	-624	9,485

Net balances at 31 December 2022 and 2021 break down as follows (in millions of euros):

Property, plant and equipment	2022				2021			
	Cost	Depreciation	Impairment	Total	Cost	Depreciation	Impairment	Total
Land and buildings	566	-181	-17	368	427	-179	-13	235
Other plant and machinery	13,949	-6,221	-586	7,142	13,355	-5,760	-598	6,997
Advances and PPE under construction	1,879		-19	1,860	749		-14	735
Other PPE	262	-145	-2	115	247	-148		99
Total	16,656	-6,547	-624	9,485	14,778	-6,087	-625	8,066

The main investments in progress in 2022 comprise renewable energy projects under construction by the Group, which are recognised as *Additions* to *Advances and PPE under construction* and totalled approximately €1,060 million in respect of wind farm projects, principally in Australia, Spain and Peru, and solar photovoltaic projects in the United States, Spain and the Dominican Republic. Additions also include the Cunningham battery storage project in Texas (USA) acquired for a total of €230 million in December 2022. This project is

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currently in the process of commissioning and will foreseeably commence full operation towards the end of the third quarter of 2023.

A further key *Addition* to *Advances and PPE under construction* was the investment of €74 million in the construction of the Acciona Campus, which will house the Group's new head offices upon the completion of fitting-out work.

Additions to *Other plant and machinery* were also recognised in the Infrastructure division for a total of €81 million, mainly reflecting acquisitions of machinery, ancillary equipment and plant required for construction projects undertaken in Canada, Australia and Spain, and in the Energy division, reflecting the acquisition of five wind farms formerly owned by the associate Desarrollo de Energías Renovables de Navarra, S.A. before it was excluded from the consolidation perimeter (see Note 3.2.h)). These wind farms have 72 MW of installed generating capacity and were purchased for a total of €27 million.

At 31 December 2022 an amount of approximately €177 million was transferred from *Advances and PPE under construction* to *Other plant and machinery* in the Energy division following the completion of construction and commissioning of two wind farms and one PV generating plant in Spain.

A balance of €129 million was also transferred from *Advances and PPE under construction* to *Land and buildings* upon the partial opening of the Acciona Campus.

Meanwhile, *Retirements* from *Other plant and machinery* were related mainly to sales of construction machinery by the Infrastructure division in Australia, the Philippines and Canada. The disposal of this machinery had no material impact on the consolidated income statement for 2022.

Changes in the consolidation perimeter in 2022 mainly reflect the purchase of 50% of Páramo de los Angostillos, S.L., a company that was formerly accounted for under the equity method.

Other changes in 2022 comprise basically the effect of period translation differences representing gains of €198 million (gain of €271 million in 2021) generated mainly by wind farms situated in the United States, Chile and Mexico, which use the US dollar as their functional currency. These differences were due to appreciation of the dollar against the euro during 2022.

The main changes in 2021 consisted of *Additions* to *Advances and PPE under construction* totalling around €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.

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 the San Carlos wind farm in Mexico. Also, an amount of €170 million relating to the Acciona Campus was transferred from *Land and PPE under construction* to *Inventory property*.

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

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markets where the assets operate in order to ensure adequate recognition of impairments identified in the period.

The carrying amount of property, plant and equipment owned by the Group's Energy division at 31 December 2022 was €8,711 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 2022 (€623 million at 31 December 2021), mainly in respect of assets held internationally (United States, Ukraine, Poland, Australia and Italy) and in Spain, in the latter case as a consequence of regulatory changes enacted between 2012 and 2013.

The Group has examined possible evidence of additional impairment and other circumstances that might indicate the need to update the impairment tests carried out on its Energy division assets. In this context, it updated the impairment tests associated with wind, hydroelectric and biomass generating assets situated in Spain, as well as wind and PV generating assets in the United States, Ukraine and elsewhere in view of the prevailing economic and outlook in the jurisdictions concerned, energy market conditions, the current status of projects, price trends and regulatory changes, which were particularly important in the case of Spain as explained in Note 2.

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 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.

The main assumptions used to project cash flows were:

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

- Management estimates of long-term energy sales price curves. In this case, Management estimates are based on the prices established in energy sales contracts or, in the case of production that is not subject to forward sales, on average annual prices quoted in each market. In the case of very long-term forecasts referring to years for which there is no price 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.).

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

- **The discount rates applied to asset flows, as follows:**

Country	Discount rate before tax	Discount rate after tax
Spain	7.02%	6.50%
USA	7.43%	6.5%-7%
Ukraine	19.93%	18.50%
Mexico	8.08%	7.50%

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The analysis resulted in a net loss of €20 million, which was recognised under *Impairment and profit/(loss) on disposals of non-current assets* as follows:

Country	Amount
Spain	32
Ukraine	-35
Mexico	-5
Other	-12
Total	-20

Impairment tests relating to certain wind generating assets in the United States were updated in view of the upward trend in US prices. This procedure did not result the recognition of any material impacts in the consolidated income statement for the financial year ended 31 December 2022.

Spain

In the case of unregulated assets in Spain like wind farms, whose regulatory life has already expired, and ordinary regime hydroelectric facilities, the key reversion indicators are based on the trend in energy prices in the high-price scenario driven by the sharp rise in gas prices and the short and medium term economic outlook. In the case of regulated assets, meanwhile, the main indicators are related primarily with the regulatory changes enacted over the course of the year.

Spanish Royal Decree-Law 6/2022 of 29 March on the adoption of urgent measures within the framework of the National Plan in response to the economic and social consequences of the war in Ukraine, which updated the parameters applicable to the specific remuneration system for renewable generating assets, and the proposed update of parameters for the next half period (2023-2025) published on 28 December 2022 have resulted in a significant cut in the investment and operating remuneration that the Group has hitherto received in respect of regulated assets in Spain.

Meanwhile, the cut in the remuneration of electricity generating by plants using greenhouse gas emissions-free technologies was extended until 30 June 2022 as a result of changes in the exemptions allowed to date. The effects of this change were further extended until 31 December 2022 by Royal Decree-Law 11/2022 and then to 31 December 2023 by RDL 18/2022.

Meanwhile, Spanish Law 7/2022 on waste products and soil contamination for a circular economy amended the legal regime governing the levy on the use of continental waters. This levy was annulled in its entirety as from the moment of first application by the Judgment handed down by the Spanish Supreme Court, which found the legislation null and void by reason of retroactivity and in view of the defect of form inherent in the requirement that returns be submitted without any prior review of the concession terms, as required by the Act instituting the levy (Spanish Law 12/2015). This was one of the reasons for which the Group proceeded to review the impairment tests carried out in the hydroelectric generating business in 2021.

However, Law 7/2022 amends and removes the need for a review of concession terms as a condition *sine qua non* for the application of the levy. According to the internal analysis carried out by Group Management, the effective application of this legislation is expected to commence as of 1 January 2023.

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The findings from this analysis resulted in the recognition of the following impairments and reversals:

Technology	Amount
Wind	34
Hydropower	19
Biomass	-21
Total	32

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	Wind	Hydro	Biomass	Total (millions of euros)
Discount rate	-0.50%	-2.0	-15.6	-0.2	-17.8
	0.50%	2.0	15.7	0.2	17.9
Price curve	-2.50%	11.9	40.9	0.7	53.5
	2.50%	-8.5	-39.5	-0.4	-48.4
Production	-2%	7.5	29.1	0.2	36.8
	2%	-7.0	-15.1	-0.2	-22.2

Based on the results of the sensitivity analysis:

- A variation in discount rates of +0.5% would require an increase of €17.9 million in the provision, while a variation of -0.5%, would be reduce it by €17.8 million.

- Likewise, upward or downward variations of 2.5% in pool prices would reduce the provision by €48.4 million or increase it by €53.5 million, respectively.

- Finally, upward or downward variations of 2% in the generating assets' estimated output would reduce the provision by €22.2 million or increase it by €36.3, respectively.

Ukraine

In view of the situation in Ukraine (see Note 4.3), the Group updated its impairment tests of generating assets located in the country at 30 June 2022 and recognised impairments totalling €35 million in the consolidated income statement under *Impairment and profit/(loss) on disposals of non-current assets.*

The main assumptions made for the estimation of future cash flows were as follows:

- Power generation: Output was estimated based on the plants' normal generating capacity, adjusted to take into account the limitations on generating currently imposed by Martial Law for the duration of the conflict. For the purposes of the impairment test, it was assumed that the war would continue until mid 2023 and that its effects will continue to be felt for one year after fighting ends, i.e. until mid 2024. Accordingly, power production in the period from June 2022 to June 2023 was assumed to be 10% of normal generating output, increasing by 50% and 75% in the following two six-month periods, respectively, until normal levels are regained in June 2024.

- Prices: The price obtained for the power generated by the Group's solar photovoltaic plants in Ukraine is based on a fixed-price power purchase agreement (PPA) with a term of 10 years ending in 2030. Thereafter, the plants will receive market prices for the power generated until the end of their useful lives. The market price is estimated by the Group based on currently available information. Under Martial Law,

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only 15% of the amount payable under normal circumstances will be settled while hostilities continue, although no actual price cut will be applied. This measure was considered in the impairment test, and it was estimated that the remaining price due for the power produced during this exceptional period will be received in the second half of 2025.

The Group also analysed the results of the impairment test to assess sensitivity to variations in the assumptions considered material to the valuation and reasonably likely to undergo changes, as follows:

Assumption	Swing	Total (millions of euros)
Discount rate	-0.50%	-1.1
	0.50%	1.1
Price curve	-2.50%	0.3
	2.50%	-0.3
Production	-2%	1.2
	2%	-1.2

Based on the results of the sensitivity analysis:

- A -0.5% decrease in the discount rate would reduce impairment by €1.1 million, while a +0.5% increment would result in an impact of €1.1 million.

- A -2.5% fall in the price of power would increase impairment by €0.3 million, while a +2.5% increment reduce it by €0.3 million.

- Finally, upward or downward variations of 2% in the generating assets' estimated output would reduce the provision by €1.2 million or increase it by €1.2, respectively.

In 2022 and 2021 the Group companies capitalised finance costs totalling €12 million and €6 million in respect of property, plant and equipment (see Note 30).

Fully depreciated property, plant and equipment in use amounted to €481 million at 31 December 2022 and €442 million at 31 December 2021. Most of these assets continue in use.

At 31 December 2022, the Group companies had commitments to purchase property, plant and equipment for a total of €1,203 million. All of these commitments were related with Energy division projects for the construction of wind and PV facilities in the United States, Australia and Spain. Commitments amounted to €1,211 million at 31 December 2021.

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 for Energy division project finance debts at 31 December 2022 was €708 million (€973 million in 2021).

The Group has mortgaged land and buildings with a net carrying amount of €20 million (€20 million in 2021) to secure credit facilities extended by banks.

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6. Investment property

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

Changes in cost and accumulated depreciation in 2022 and 2021 were as follows (in millions of euros):

Investment property	Cost	Depreciation	Impairment	Total
Balance at 31.12.2020	63	-4	-13	46
Additions	1	-1		
Disposals	-19	4	8	-7
Transfers	114	-11		103
Balance at 31.12.2021	160	-13	-6	141
Additions	29	-1		28
Disposals	-2	1	1	
Other changes	-1			-1
Translation differences	1	-1		
Balance at 31.12.2022	187	-14	-5	168

The principal change in 2022 was the increase in completed work on two office buildings in Madrid for a total of €29 million.

The main changes in 2021 were:

- Sales of mainly residential properties and a hotel located in Spain for a total of €8 million
- Two office properties under construction in Madrid were transferred from *Inventories* to *Investment property* for a total of €113 million due to a change in use
- -An asset located in Granada was transferred from *Investment property* to *Inventories* for a gross amount of €10 million due to a change in use.

The fair value of investment property at 31 December 2022, estimated on the basis of valuations made by independent appraisers (see Note 4.2.F), was €226 million (€168 million at 31 December 2021) The increase in fair value in 2022 compared to 2021 was due to the additions made in the year as explained above and to the increase of €29 million in appraisals of existing office buildings versus 2021 (like-for-like increase in appraised value of €33 million between 2020 and 2021).

Investment property under construction amounted to €76 million at 31 December 2022 (€42 million at 31 December 2021), and firm commitments existed in connection with the completion of work in progress for a total of €9 million (€22 million at 31 December 2021).

The Group earned rental income of €2 million from investment properties let under operating leases in 2022 (€4 million in 2021). Direct operating expenses arising from investment property in the period amounted to €2 million (€3 million in 2021), recognised under *Other operating expenses* in the accompanying consolidated income statement.

At 31 December 2022 and 2021, investment properties with a net carrying amount of €307 thousand and €401 thousand were mortgaged, respectively, to secure various loans and credit facilities granted to the Group. The decrease in this amount was mainly due to the repayment of debts and sales of residential property assets.

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The cost, depreciation, and provisions for properties held to earn rentals assigned to the Acciona Group's Real Estate activity at 31 December 2022 and 2021 were as follows (in millions of euros):

	2022			2021		
Location	Cost	Depreciation	Provisions	Cost	Depreciation	Provisions
Madrid	145	-1		118	-1	
East Coast						
Andalusia						
Catalonia	11	-5	-1	12	-4	-1
Other regions of Spain	21	-7	-4	21	-6	-5
International	8	-1		8		
Total	185	-14	-5	159	-11	-6

7. Leases

7.1 Rights of use

Changes in cost and accumulated depreciation in 2022 and 2021 were as follows (in millions of euros):

Rights of use	Land and natural resources	Buildings	Plant	Machinery and vehicles	Other RoU	Depreciation	Impairment	Total
Balance at 31.12.2020	316	92	101	155	1	-167	-	497
Additions / Charge for the year	28	22	2	46	0	-105		-7
Retirements	-3	-3	-1	-13	-0	11		-10
Transfers		6	-6	23		2		24
Change in the consolidation perimeter		7	0	0				7
Other changes	11	2	6	4	-0	-7		16
Balance at 31.12.2021	352	126	101	214	1	-266	-	528
Additions / Charge for the year	62	45	3	95		-140		65
Retirements	-4	-25	-75	-53	-1	106		-52
Transfers		1		-10		4		-5
Change in the consolidation perimeter	1							1
Other changes	9	1	4			-3		11
Balance at 31.12.2022	420	148	33	246	-	-299	-	548

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, offices, and construction machinery used mainly by the Infrastructure division.

Significant additions to *Land and natural resources* were recognised in 2022, related mainly with leases of land at the site of electricity generating facilities under new contracts associated with wind farms and PV plants located principally in the United States and Spain, as well as reassessments of existing contracts due to CPI-based rent increases. *Additions* in 2021 were related mainly with new land leases associated with wind farms and PV plants, mostly located in Portugal, Chile and Mexico, as well as CPI-based rent increases.

Additions to *Buildings* mainly comprise office leases in Australia and Spain, CPI-based rent increases and extensions of office leases in Spain. Additions in 2021 comprised leased offices and industrial properties in Norway and Spain.

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Key *Additions* recorded under *Machinery* comprise assets associated with the Metro line 6 construction project in Sao Paolo (Brazil), the Macintyre wind farm under construction in Australia and other construction projects in Chile. The main change in *Machinery* in 2021 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.

Retirements in 2022 included the early cancellation of a lease relating to a PV plan in Nevada (United States) in September 2022, which resulted in the retirement of right-of-use assets totalling €44 million and cancellation of lease liabilities for €60 million, resulting in the recognition of a net gain of €18 million in the consolidated income statement for the year. As in 2021, other retirements comprised mainly 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 over vehicles at the end of the related lease terms (see Note 5).

Changes in the consolidation perimeter recognised in 2021 comprised rights of use in respect of office premises and industrial properties leased by Scutum (the manufacturer of Silence electric vehicles) for a total of approximately €7 million.

The Group recognised interest expenses of €33 million and depreciation charges totalling €139 million associated with lease contracts in the consolidated income statement for 2022 (€28 and €105 million, respectively, in 2021).

The net carrying amounts of rights of use classified according to the nature of the underlying assets at 31 December 2022 and 2021 were as follows (in millions of euros):

	2022				2021			
Rights of use	Cost	Depreciation	Impairment	Total	Cost	Depreciation	Impairment	Total
Land and natural resources	420	-63		357	352	-46		306
Buildings	148	-87		61	126	-72		54
Plant	33	-14		19	101	-36		65
Machinery	160	-95		65	140	-78		62
Vehicles	86	-41		45	74	-33		41
Other RoU					1	-1		
Total	847	-300	--	547	794	-266	--	528

Cash outflows resulting from operating leases totalled €149 million in 2022 (€90 million in 2021).

No impairments were recognised in respect of rights of use in the Group's consolidated income statement in either 2022 or 2021.

7.2 Non-current and current lease obligations

Liabilities associated with lease contracts at 31 December 2022 and 2021 were as follows (in millions of euros):

	2022			2021		
	Current	Non-Current	Total	Current	Non-Current	Total
Lease obligations	72	439	511	68	430	498
Obligations under finance leases (Note 20)	12	36	48	16	39	55
Total lease obligations	84	475	559	84	469	553

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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 2022.

The Group's *Lease obligations* at 31 December 2022 and 2021 were as follows (in millions of euros):

	Minimum lease payments	
Amounts payable under lease obligations	2022	2021
Less than one year	90	90
Between one and five years	192	217
More than five years	627	553
Total lease payables	909	859
Less future finance charges	398	362
Present value of lease obligations	511	497
Less amount due for settlement within twelve months (current lease obligations)	72	68
Amount due for settlement after twelve months	439	430

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 consolidated balance sheet in 2021 were as follows (in millions of euros):

	Balance at 31.12.2020	Additions	Impairment	Change in the consolidation perimeter	Other changes	Balance at 31.12.2021
Geotech Holding Subgroup	106				2	108
Acciona Facility Services Subgroup	53					53
Acciona Agua Subgroup	28					28
Bestinver Subgroup	20				-1	19
Silence (Scutum Logistic, S.L.)		17				17
Andes Airport Service, S.A.	14					14
Acciona Cultural Engineering Subgroup	9					9
Other					1	1
Total	230	17	--	--	2	249

Changes in the goodwill carried in the consolidated balance sheet in 2022 were as follows (in millions of euros):

	Balance at 31.12.2021	Additions	Impairment	Change in the consolidation perimeter	Other changes	Balance at 31.12.2022
Geotech Holding Subgroup	108				-1	107
Acciona Facility Services Subgroup	53	1				54
Acciona Agua Subgroup	28					28
Bestinver Subgroup	19					19
Silence (Scutum Logistic, S.L.)	17					17
Andes Airport Service, S.A.	14				1	15
Acciona Cultural Engineering Subgroup	9					9
Other	1				-1	
Total	249	1	--	--	-1	249

The acquisition of Silence (Scutum Logistic, S.L.) was completed on 29 April 2021, resulting in the recognition of goodwill totalling €17 million.

No matters were observed at the reporting date in relation to goodwill recognised in 2022, which might indicate that the hypotheses and assumptions considered at the time of the PPA have changed significantly.

Translation differences resulting in exchange gains of approximately €0.1 million were recognised at 31 December 2022, basically in respect of changes in the Australian dollar and Chilean peso exchange rates.

The updated 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 in 2022.

The growth rates employed by the Group to extrapolate cash flow projections beyond the five-year period covered by forecasts and WACC after tax were as follows:

	Growth rate (%)	WACC (%)
Geotech Holding Subgroup	2.00%	8.93%
Silence (Scutum Logistic, S.L.)	2.00%	12.10%
Water Subgroup	1.50%	5.64%
Services Subgroup	1.50%	5.50%
Andes Airport Services, S.A.	1.50%	8.57%
Acciona Cultural Engineering Subgroup	1.50%	8.52%
Bestinver Subgroup	1.40%	12.20%

Sensitivity analyses were carried out for the subgroups based on the historical experience of these businesses, particularly in relation to the operating margin, discount rate and perpetuity growth rate, in order to obtain assurance that potential 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.

9. Other intangible assets

Changes in cost and accumulated amortisation in 2022 and 2021 were as follows (in millions of euros):

Other intangible assets	Development	Concessions	Computer software	Advances	Other	Amortisation	Provisions	Total
Balance at 31.12.2020	28	609	84	17	88	-420	-6	400
Changes in the consolidation perimeter	15	77	1	1	5	-9		90
Additions / Charge for the year	5	4	17	8	2	-62		-26
Retirements	-11	-2	-1			14	1	1
Transfers		-23	2	-1	3			-19
Other changes		12				-5		7
Balance at 31.12.2021	37	677	103	25	98	-482	-5	453
Changes in the consolidation perimeter	1	94				-2		93
Additions / Charge for the year	8	24	20	12		-72	-1	-9
Retirements	-2		-2			2	2	--
Transfers	6		12	-21				-3
Other changes		14				-4	1	11
Balance at 31.12.2022	50	809	133	16	98	-558	-3	545

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Net balances at 31 December 2022 and 2021 were as follows (in millions of euros):

	2022				2021			
Other intangible assets	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Development	50	-19		31	37	-13		24
Concessions	809	-379	-3	427	677	-333	-5	339
Computer software	133	-74		59	103	-63		40
Advances	16			16	25			25
Other intangible assets	98	-86		12	98	-73		25
Total	1,106	-558	-3	545	940	-482	-5	453

Concessions mainly comprise concession assets where the risk of recovery is assumed by the 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 €17 million 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 (investment of €16 million in 2021).

On 18 March 2021, the Group entered into an agreement 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.

In accordance with IFRS 3, the Group analysed and measured the fair value of the assets and liabilities held by the target Subgroup at the date of the acquisition for the purposes of Purchase Price Allocation (PPA). This review was completed in 2022, resulting in additions of €7.5 million attributable to the asset acquired. This amount was recognised under *Concessions* together with the balance already recorded in 2021.

Transfers from *Advances* to *Computer software* and *Development* comprised completed applications and projects that were still at the development phase in 2021.

Changes in the consolidation perimeter comprised basically the acquisition of Eqinov, S.A.S., a company specialising in the provision of corporate energy efficiency and energy management services (see Note 3.2 h)), as well as certain companies holding development rights in respect of renewables projects, mainly in Chile, South Africa and Poland.

The main *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. Other intangible assets owned by Silence (Scutum Logistic, S.L.), one of Spain's leading manufacturers of electric motorbikes, were also recognised.

Other changes in 2022 included the effect of translation differences, resulting in gains of €13 million mainly related to the appreciation of the US dollar (exchange gains of €8 million in 2021).

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Concessions at 31 December 2022 and 2021 were as follows (in millions of euros):

	2022				2021			
Concessions	Cost	Depreciation	Impairment	Total	Cost	Depreciation	Impairment	Total
Administrative concessions	439	-169	-3	267	321	-145	-5	171
Service concessions (IFRIC 12)	370	-210		160	356	-188		168
Total	809	-379	-3	427	677	-333	-5	339

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 2022 and 2021 were as follows (in millions of euros):

	2022				2021			
Concessions	Cost	Depreciation	Impairment	Total	Cost	Depreciation	Impairment	Total
S.C. A2 Tramo 2, S.A.	149	-109		40	149	-99		50
Consorcio Eolico Chiripa, S.A.	109	-49		60	101	-40		61

No impairments were found in 2022, or material losses not covered by existing provisions at 31 December 2022.

At 31 December 2022 the Group companies had commitments totalling €3 million to acquire intangible assets for Infrastructure division concession projects. Commitments amounted to €5 million at 31 December 2021.

Fully amortised intangible assets in use amounted to €80 million at 31 December 2022 and €67 million at 31 December 2021.

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

Changes in this heading of the accompanying consolidated balance sheet in 2021 were as follows (in millions 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	747	-81		11	197	-27	847
Subtotal, direct investment	747	-81	-	11	197	-27	847
Indirect investments of the Parent Company							
Indirect investments of the Acciona Energía Subgroup	236	33	-7	-7	-17	13	251
Indirect investments of the Ceatesalas Subgroup	108	30	-24	-7		-58	49
Indirect investments of the Acciona Construcción Subgroup	1	3	-3	-1		4	4
Indirect investments of the Acciona Concesiones Subgroup	37	24	-4	-7	10	-2	58
Indirect investments of the Acciona Agua Subgroup	86	18	-9	-4	4	6	101
Indirect investments of the Acciona Inmobiliaria Subgroup	11	-1			4		14
Other	1	1				-1	1
Subtotal, indirect investment	480	108	-47	-26	1	-38	478
Total	1,227	27	-47	-15	198	-65	1,325

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Changes in this heading of the accompanying consolidated balance sheet in 2022 were as follows (in millions of euros):

Direct and indirect investments	Balance at 31.12.2021	Share in profit/(loss) before tax	Dividends	Tax effect	Changes in the consolidation perimeter and contributions	Other changes	Balance at 31.12.2022
Direct investments of the Parent Company							
Nordex SE	847	-194	0	11	243	-30	877
Other direct investments	0	-2	0	0	62	2	62
Subtotal, direct investment	847	-196	0	11	305	-28	939
Indirect investments of the Parent Company							
Indirect investments of the Acciona Energía Subgroup	251	37	-49	-8	65	14	310
Indirect investments of the Ceatesalas Subgroup	49	73	-44	-19	-4	55	110
Indirect investments of the Acciona Construcción Subgroup	4	0	0	0	0	9	13
Indirect investments of the Acciona Concesiones Subgroup	58	33	-1	-10	105	14	199
Indirect investments of the Acciona Agua Subgroup	101	23	-9	-9	-2	31	135
Indirect investments of the Acciona Inmobiliaria Subgroup	14	-1	0	0	7	0	20
Other	1	1	0	0	0	2	4
Subtotal, indirect investment	478	166	-103	-46	171	125	791
Total	1,325	-30	-103	-35	476	97	1,730

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

Where the investments held by the Group 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).

The main *Changes in the consolidation perimeter* in 2022 and 2021 were as follows:

- On 26 June 2022, Acciona subscribed 16,002,103 new shares in the capital increase carried out by Nordex, SE, the terms of which excluded the preferential subscription rights of other shareholders. The subscription price of the shares was €8.7 euros each, resulting in an investment of €139 million and an increase in the percentage investment held by the Acciona Group in Nordex, SE from 33.63% to 39.66%.

- Nordex SE again increased its share capital on 10 July 2022 by issuing a total of 35,923,089 shares with a par value of €5.90 each, reserving a preferential right of subscription for the existing shareholders. Acciona, S.A. subscribed a total of 14,247,032 shares, in proportion to its existing investment in Nordex SE. At the end of the preferential subscription period, Acciona also subscribed an additional 2,767,251 shares pertaining to other shareholders who did not exercise their subscription rights. The subscription of these shares raised the interest owned by Acciona, S.A. in Nordex SE from 39.66% of share capital to 40.97%, increasing the total investment made by €104 million.

- In June 2022, the Group sold the Companies Desarrollo de Energías Renovables de Navarra, S.A., Parque Eólico Cinseiro, S.L. and Explotaciones Eólicas Sierra de Utrera, S.L., all of which were consolidated using the equity method, derecognising an amount of €23 million under *Changes in the consolidation perimeter*, of which €18 million were related with the Acciona Energía subgroup and €5 million with the Ceatesalas subgroup (see Note 3.2.h)).

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- Changes in the consolidation perimeter and contributions also reflect capital contributions totalling €101 million made by the Acciona Concesiones subgroup to the associate holding the concession contract for the construction, operation and maintenance of Line 6 of the São Paulo Metro.

- In September 2022, the Acciona Energy subgroup acquired 49.99% of The Blue Circle, a company registered in Vietnam which develops, builds, operates and maintains renewables facilities in East Asia (Vietnam, Thailand and the Philippines, among other countries), for a price of €34 million and a commitment to invest a further €106.4 million to finance future projects.

- Finally, *Other direct investments* reflect the acquisition of 1.14% of the share capital of Eve UAM, LLC (an affiliate of the Embraer Group) at a cost of €28 million (USD 30 million) in connection with the development of a sustainable urban mobility ecosystem in partnership with other strategic investors. The company was listed on the New York Stock Exchange (NYSE) under the name Eve Holding Inc. on 10 May 2022.

- On 28 December 2022, the Group acquired 50% of Nordex H2, S.L. for a total of €68 million. This investment was made in equal parts by the Acciona Energy subgroup and Acciona, S.A. The company's corporate purpose is to undertake green hydrogen projects (see Note 3.2.h)).

- The main investment recognised under *Changes in the consolidation perimeter* in the prior year was the subscription of 42,672,276 new ordinary shares in the capital increase carried out by Nordex, SE in June 2021, which was instrumented through a combination of cash and contributions in kind. The subscription price of €13.70 per share, increasing capital by a total of €584.6 million, equal to 36.36% of issued capital prior to the increase. Acciona exercised all of the subscription rights conferred by its 33.63% interest in the share capital of Nordex SE, contributing financial claims under the shareholder loan agreement 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.

Changes in the scope of consolidation and contributions also include additional capital contributions and reimbursements in companies in which the Group already held investments. These movements did not result in any changes in the percentage interests held.

Other changes reflect 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 2022 *Other changes* comprised mainly a balance of €117 million recognised in respect of the change in the value of energy price derivatives and interest rate hedges (see Note 22). A loss of €50 million was recognised in this respect at 31 December 2021.

In line with its normal policy of prudence and ongoing tracking of investments, the Group updated impairment tests relating to Nordex SE, which is listed on the Frankfurt and other German stock exchanges, at 31 December 2022, 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 €1,389 million, which is more than the carrying amount of the investment.

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 risks inherent in the company's business and the different markets where it operates. A cash flow projection covering a five-year period (2023-2027) was calculated for discounting, and a terminal value representing the value of cash flows as of the sixth year was determined based on estimated normalised cash flows.

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The projections were estimated on the basis of information from specialist sources and the company's most recent published forecasts. In particular, the sales projection is based on average growth forecasts for the wind generating industry according to the data contained in the industry report normally used for impairment testing purposes. With regard to operating margins, the test assumes a gradual reversal of the adverse impacts caused by supply chain problems and alignment of turbine sales contracts with inflationary pressures, which would allow Nordex to raise its average sale prices in line with the recent announcements made and figures published by the company. It is considered that the 8% target rate of return (EBITDA/Sales), repeatedly reconfirmed by the company, will be reached by the end of this five-year period.

The rate of sales growth estimated for the normalised period was 1.5%, which was used as the basis for the calculation of terminal value ("g" parameter). Even higher growth would be supported by the already urgent need to substitute conventional energy sources in order to meet the decarbonisation targets set by governments all over the world and by the outbreak of war in Ukraine, which has posed a fresh challenge to existing energy models and has spurred a race to end dependence on Russian gas. However, it was considered prudent to apply a growth rate of 1.5% given the uncertainty inherent in long-term projections.

Cash flows were discounted applying an after-tax WACC rate of 7.8%.

Sensitivity analyses were carried out to support the consistency and reasonableness of the impairment test, applying changes that might reasonably be expected in the main hypotheses. A variation of +/- 50 basis points in WACC would produce an additional negative impact of €113 million or a positive impact of €132 million on estimated value in use, and a variation of +/- 50 b.p. in sales growth for the normalised period ("g") would result in an additional positive impact of €119 million or a negative impact of €101 million.

The following table shows the assets, liabilities, revenue and profit or loss of the associates accounted for using the equity method in 2022, 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 2022
Assets				
Non-current assets	731	1,079	1,254	3,064
Current assets	196	1,083	1,259	2,538
Total assets	927	2,162	2,513	5,602
Equity and liabilities				
Equity	421	349	960	1,730
Non-current liabilities	409	1,527	188	2,124
Current liabilities	97	286	1,365	1,748
Total equity and liabilities	927	2,162	2,513	5,602
Profit/(Loss)				
Revenue	243	293	1,589	2,125
Profit/(loss) before tax from continuing operations	110	57	-196	-29
Profit/(loss) before tax	110	57	-196	-29

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The assets, liabilities, revenue and profit or loss of associates in 2021 in proportion to the percentage interests held in share capital were as follows:

	Energy	Infrastructure	Other Activities	Total 2021
Assets				
Non-current assets	716	395	1,043	2,154
Current assets	186	656	865	1,708
Total assets	902	1,051	1,909	3,862
Equity and liabilities				
Equity	299	165	861	1,325
Non-current liabilities	494	527	244	1,264
Current liabilities	109	359	804	1,273
Total equity and liabilities	902	1,051	1,909	3,862
Profit/(Loss)				
Revenue	341	1,337	1,607	3,285
Profit/(loss) before tax from continuing operations	63	46	-82	27
Profit/(loss) before tax	63	46	-82	27

None of the associates were individually significant for the Group at 31 December 2022 except Nordex SE (40.97%). Key figures relating to this investment based on the latest available information are as follows:

Nordex SE:

Key financial information referring to this investee for the financial years 2022 and 2021 is as follows (in millions of euros):

	Nordex (*)	
	30.09.2022	30.09.2021
Assets		
Non-current assets	1,615	1,573
Current assets	3,018	2,691
Total assets	4,633	4,264
Equity and liabilities		
Shareholders' equity	1,149	1,436
Valuation adjustments	-178	-218
Equity	*971*	*1,218*
Non-current liabilities	360	692
Current liabilities	3,302	2,354
Total equity and liabilities	4,633	4,264

(*) Latest periodic information as at 30 September 2022 published by Nordex SE in the Frankfurt stock exchange.

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A reconciliation of the consolidated profit/(loss) of the investee in 2022 and 2021 is as follows (in millions of euros):

	Nordex		
2022 Profit or Loss	Revenue	Profit/(loss) before tax from continuing operations	Profit/(loss) after tax
Financial statements of the investee (*)	3,873	-396	-372
% interest held (*)		40.97%	
Attributed result	1,587	-162	-152
Adjustments (**)		-32	-31
Equity method profit/(loss) – non-analogous		-194	-183

(*) Latest periodic information for the period ended 30 September 2022 published by Nordex SE in the Frankfurt stock exchange. Based on the interest in share capital held by the Acciona Group, the cumulative profit/(loss) of Nordex SE was consolidated at 33.63% in the period to June 2022, 39.66% in the month of July 2022 and 40.97% in the rest of the year.
(**) Harmonisation adjustments and estimated result for the fourth quarter of 2022.

	Nordex		
2021 Profit or 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 for the period ended 30 September 2021 published by Nordex SE in the Frankfurt stock exchange, 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 2022 and 2021 were as follows (in millions of euros):

	2022		2021	
Millions of euros	Companies	Joint operations	Companies	Joint operations
Revenue	48	2,226	15	2,050
Gross profit/(loss) from operations	12	173	2	172
Profit/(loss) from operations	8	150	1	127
Non-current assets	19	198	20	142
Current assets	55	2,185	42	2,137
Non-current liabilities	62	468	9	505
Current liabilities	41	1,204	23	1,129

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

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12. Other non-current and current financial assets

A breakdown of *Other non-current and current financial assets* in the consolidated balance sheet at 31 December 2022 and 2021, presented by type and category for measurement purposes, is as follows (in millions of euros):

31.12.2022					
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	49				49
Debt securities					
Derivatives				53	53
Other financial assets			161		161
Long-term / Non-current	49	--	161	53	263
Equity instruments	11				11
Other loans and receivables			144		144
Derivatives				12	12
Other financial assets			148		148
Short-term / Current	11	--	292	12	315
Total	60	--	453	65	578

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	51	2			53
Debt securities					
Derivatives					
Other financial assets			166		166
Long-term / Non-current	51	2	166	--	219
Equity instruments	3				3
Other loans and receivables			106		106
Derivatives				6	6
Other financial assets			103		103
Short-term / Current	3	--	209	6	218
Total	54	2	375	6	437

Other non-current and current financial assets reflect mainly loans granted to equity accounted companies, and guarantee deposits made by the Group, which include the guarantees extended by the Group company Acciona Green Energy, S.A. to operate in the daily and future electricity trading markets.

Under the terms of the shareholder loan of €232 million granted in 2020, the equity accounted associate Nordex SE may unilaterally opt to pay or to capitalise the interest due upon maturity of each interest period. In 2021 the Acciona Group cancelled principal of €196.6 million on the shareholder loan by way of in-kind contribution to Nordex SE, and interest totalling €5 million was capitalised in 2022, increasing the remaining

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principal outstanding to €50 million. This loan is convertible into shares under certain conditions, and it matures in 2025. A new €286 million loan was extended to Nordex SE in June 2022 maturing in June 2026, the terms of which allow the same interest capitalisation option. This loan was granted to refinance a Green Bond debt payable by Nordex SE, which matures in February 2023. Like the previous loan, it is convertible into shares under certain conditions. The drawdown period for this loan ended on 9 February 2023. At 31 December 2022 a total of €11 million had been utilised. At the date of preparation of these consolidated annual accounts, Nordex SE had drawn down the full amount of €286 million on the facility (see Note 34).

Other loans and receivables reflect 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, in order to ensure due performance of upcoming debt repayments.

This caption of the consolidated balance sheet also includes an amount of €6 million in respect of the 18.53% interest retained by the Acciona Group in the share capital of Entrecanales Domecq e Hijos, S.A. (formerly Bodegas Palacio 1894, S.A.U.) following the sale of the remaining 81.47% of that company to the Group's Executive Directors in December 2020. The share purchase agreement made with the Executive Directors includes a purchase option over the remaining 18.53%, which can be exercised by any of the same, in whole or in part, at the same price per share as in the original transaction within a period of five years of the completion date (December 2020).

No material impairment losses arose in respect of non-current and current financial assets in 2022.

The fair value hierarchy for financial instruments is described in Note 3.2.l).

13. Other non-current assets

Other non-current assets at 31 December 2022 and 2021 were as follows (in millions of euros):

	31.12.2022	31.12.2021
Non-current trade receivables	376	258
Derivatives	112	156
Non-current prepayments and accrued income receivable	20	24
Concessions under the non-current financial asset model	37	30
Total non-current receivables and other non-current assets	545	468

Non-current trade receivables comprise amounts recognised at amortised cost due from customers and other trade receivables generated in the course of operations and maturing in more than one year, as well as amounts withheld by way of guarantee, as is customary in the construction business. Also, the current portion of an account receivable related with the Sydney Light Rail concession project (Australia) (see Note 15) was reclassified to this caption from *Other non-current assets held for sale*. The collection schedule established for this debt extends until 2036 and the amortised cost of the balance due was €302 million at 31 December 2022 (€286 million maturing in the long-term and €16 million payable in the short term).

The Acciona Group has filed a claim, through its subsidiary ATLL Concessionària de la Generalitat de Catalunya, S.A. (in liquidation) ("ATLL" or the "concession operator"), against the Regional Government of Catalonia in

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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 the Final Settlement (FS) of this claim amounting to €56.9 million euros from the Regional Government in 2020, which was very significantly lower than the sum claimed by the Company (see Note 19). In the Group's opinion, the FS received only confirmed that the dispute would not be resolved without judicial review.

As explained in Note 19, meanwhile, the High Court of Justice of Catalonia handed down its decision with regard to the Provisional Financial Settlement (PFS) on 15 December 2022, ordering the Regional Government to pay to ATLL the sum of €304.4 million plus interest at the legal rate on the principal disbursed since 2013.

ATLL had already collected a total of €31.4 million in respect of the aforementioned sums in prior years, leaving the remainder due and payable by the Catalan Regional Government at the date of presentation of these consolidated annual accounts. Accordingly, the Group has reclassified these amounts to *Other current assets* on the assumption that the cash sum stipulated in the High Court of Justice's decision will be paid shortly. The subsidiary ATLL assigned the future receivables arising from the claim, which do not include the consideration already recognised by the Catalan Regional Government, to a third party in 2019 (see Note 23).

The Energy division recognises the fair value of energy derivatives in different countries through *Derivatives*, mainly comprising:

- €34.1 million representing the measurement of designated hedges entered into in Spain by the Group's energy trading affiliate in relation to forward energy purchases settled by differences, which are contracted to hedge the price risk on fixed price energy sales contracts with customers (€115.1 million at 31 December 2021);

- €59.6 million representing the fair value of commodities derivatives contracted by certain Australian subsidiaries of the Group for the future supply of a specified volume of power at a fixed price. These contracts are marked to market (€8.6 million at 31 December 2021); and

- €13.8 million (€32.4 million at 31 December 2021) representing the fair value of a commodities derivative contracted by a Chilean subsidiary for the future supply of a specified volume of power to a customer at an index-linked fixed price. The contract is marked to market and the resulting changes in fair value are recognised through *Profit/(loss) from changes in value of financial instruments at fair value* in the consolidated income statement.

Concessions under the non-current financial asset model include the balance receivable beyond one year on concessions treated as financial assets at 31 December 2022 and 2021 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 established. The balance reclassified to short term was €7 million at 31 December 2022 and €5 million at 31 December 2021. The main project in the concessions business is the operation of a hospital in Mexico by Hospital de León Bajío, S.A. de C.V. The balance in this respect is €31 million (€30 million at 31 December 2021).

At 31 December 2022, the Group companies had commitments to acquire concession assets under the financial asset model for a total of €22 million (there were no such commitments at 31 December 2021).

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14. Inventories

The Group's inventories at 31 December 2022 and 2021 were as follows (in millions of euros):

Real estate inventories	2022	2021
Raw materials, other procurements and trade inventories		
Land and plots	915	928
Property developments in progress	278	204
Finished property developments	17	20
Advances paid	21	5
Impairment	-298	-315
Total real estate inventories	933	842

Other inventories	2022	2021
Raw materials, other procurements and trade inventories	315	263
Work in progress and semi-finished goods	26	10
Finished goods	7	2
Assets acquired in settlement of loans	10	13
Land and plots	1	18
Advances paid	133	97
Impairment	-39	-35
Total other inventories	453	368
Total inventories	1,386	1,211

The most significant additions in 2022 reflect acquisitions of land in Spain and Poland for a total of €119 million. In addition, a net amount of €138 million was transferred from land to work in progress at the start of construction work. Translation differences resulting in gains of €9 million were recognised in *Inventories* at 31 December 2022, mainly in respect of changes in the exchange rate for the Mexican peso.

Also, sales of land, mainly in Spain, generated net proceeds of €23 million.

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

The Group has continued its intense activity in the development business, increasing the value of developments in progress by €104 million.

In 2022, the Group capitalised financial expenses totalling €4 million in the cost of inventories (€1 million in 2021).

In addition, a balance of €179 million net of work in progress was transferred to finished property developments upon the completion of construction work, and developments were sold for a net amount of €177 million.

In 2021, two office buildings in Madrid were transferred from *Property developments in progress* to *Investment property* for a total of €113 million due to the change in use, and to *Property, plant and equipment* for €170 million (see Notes 5 and 6). An asset located in Granada was also transferred from *Investment property* to *Inventories* for a gross amount of €10 million.

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In 2022 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 2022.

Based on the appraisals issued by Savills Aguirre Newman and CB Richard Ellis, the estimated value of the Group's inventory property is €1,024 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 2022 and 2021 the net carrying amounts of mortgaged inventories were €334 and €516 thousand, respectively, mostly related to property developments completed in both 2022 and 2021. The decrease was mainly due to the sale of assets.

At 31 December 2022 the Group had various commitments to purchase land in Spain for a total of €47 million subject to certain conditions precedent. 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 conditions precedent.

Commitments to sell property developments to customers totalled €441 million at 31 December 2022 (€451 million at 31 December 2021). An amount of €84 million out of the balance at 31 December 2022 was instrumented in notes and bills receivable recognised with a balancing entry under *Current trade and other accounts payable* on the liability side of the accompanying consolidated balance sheet (€66 million at 31 December 2020). These instruments will be held until delivery of the properties.

15. Non-current assets and liabilities held for sale

At 31 December 2021, the Group had certain long-term claims in the form of "Restructure Investment Notes" ("RINs"), which were classified under *Non-current assets and liabilities held for sale* through one of its Australian subsidiaries. The Group has held these RINs since 2019 following the compensation agreements reached with Transport for New South Wales, a customer, in the context of the design and construction contract for a tramway in the Australian city of Sydney. The Group is currently negotiating their sale with potential buyers. Though still ongoing, the sale process reached a temporary impasse in 2022 with the result that the sale of the RINs can no longer be considered be highly likely in the short term, because of which their classification as held for sale was reversed (see Note 13).

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16. Trade and other accounts receivable

Cash and cash equivalents at 31 December 2022 and 2021 were as follows (in millions of euros):

	2022	2021
Trade receivables	1,556	1,397
Doubtful trade receivables	70	54
Work pending certification	1,294	1,054
Trade receivables for sales and services	2,920	2,505
Receivable from associates	48	74
Sundry accounts receivable	656	430
Current concessions under the financial asset model (Note 13)	7	5
Provisions	-291	-282
Total trade and other accounts receivable	3,340	2,731
Current and non-current advances from customers (Note 23)	-1,207	-1,008
Total net balance at 31 December	2,132	1,724

These financial assets are valued at amortised cost.

Advances by division break down as follows (in millions of euros):

Advances by business	2022	2021
Energy	-3	-3
Infrastructure	-1,111	-935
Other Activities	-93	-70
Total net balance at 31 December	-1,207	-1,008

The breakdown by division of trade and other receivables, net of customer advances, is as follows (in millions of euros):

	2022	2021
Energy	627	533
Infrastructure	1,671	1,312
Other Activities	175	270
Intergroup transactions	-341	-391
Total net balance at 31 December	2,132	1,724

The breakdown for the Construction activity is as follows (in millions of euros):

	2022	2021
Certified production receivable	569	498
Production pending certification (contracts assets)	1,008	835
Sundry accounts receivable	587	474
Provisions	-193	-206
Total construction receivables	1,971	1,601
Advances from customers (contract liabilities)	-991	-792
Total net balance at 31 December	980	809

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A breakdown of the net balance of construction receivables by customer type is as follows (in millions of euros):

	2022	2021
Central government	43	24
Regional governments	34	32
Local authorities	10	25
Other	74	67
Public sector subtotal	161	148
Private sector subtotal	143	165
Total Spanish customers	304	313
Total foreign customers	1,667	1,288

The ageing of trade receivables was as follows (in millions of euros):

	2022	2021
Up to 3 months from the invoice date	1,264	1,066
Between 3 and 6 months from the invoice date	48	36
More than 6 months from the invoice date	244	295
Total	1,556	1,397
Unprovisioned invoices past due by more than 3 months	108	124

Changes in the provision for impairment of trade receivables at 31 December 2022 and 2021 were as follows (in millions of euros):

	2022	2021
Opening balance	-282	-253
Increase in provisions for impairment of receivables	-28	-22
Unrecoverable receivables written off	28	10
Provisions released	5	1
Reclassifications and other minor adjustments	-14	-18
Closing balance	-291	-282

17. Cash and cash equivalents

Cash and cash equivalents at 31 December 2022 and 2021 were as follows (in millions of euros):

	2022	2021
Cash in hand and at banks	1,898	2,116
Deposits and other	462	202
Total cash and cash equivalents	2,360	2,318

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 2022 and 2021.

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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 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 2022 and 2021 were as follows:

	31.12.2022	31.12.2021
Tussen de Grachten B.V.	29.02%	29.02%
Wit Europesse Investering B.V.	26.10%	26.10%
BlackRock, INC	3.02%	--

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 (in millions of euros):

	2022	2021
Share premium	170	170
Legal reserve	11	11
Redeemed capital reserve	13	13
Statutory reserve	845	759
Capitalisation reserve, Spanish Law 27/2014	44	16
Voluntary reserves	3,124	3,244
Consolidated reserves (Note 18.d)	424	32
Subtotal, reserves	4,461	4,075
Translation differences (Note 18.d)	-225	-302
Total	4,406	3,943

The balance of €170 million on the *Share Premium* account at 31 December 2022 and 2021 arose as a result of 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 may 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 the number and cost (in millions of euros) of treasury shares in 2022 and 2021 were as follows:

	2022		2021	
	Number of shares	Cost	Number of shares	Cost
Opening balance	206,199	18	296,422	22
Additions	1,558,733	277	1,555,373	218
Retirements	-1,552,717	-275	-1,549,009	-215
Liquidity contract movements	6,016	2	6,364	3
Other additions				
Other retirements	-45,106	-3	-96,587	-7
Other movements	-45,106	-3	-96,587	-7
Closing balance	167,109	17	206,199	18

On 2 July 2015 Acciona, S.A. subscribed a liquidity contract with the Group company Bestinver Sociedad de Valores, S.A. for the management of its treasury stock. This contract was cancelled and replaced by a new agreement with the same management entity on 10 July 2017, to which a total of 44,238 shares and cash totalling €3,340,000 were allocated. 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.

Gains totalling €1.3 million were recognised in reserves in 2022 as a result of treasury share transactions carried out under the liquidity agreement (€1.8 million in 2021).

A total of 45,106 shares were retired in 2022 under the Share Awards Plan and the Variable Remuneration Replacement Plan for senior executives of the Company, resulting in the recognition of gains totalling €4.2 million in reserves (96,587 shares and recognition in reserves of gains totalling €6.3 million in 2021).

d) Reserves in consolidated companies and translation differences

A detail by business line of the consolidation reserves (including valuation adjustments) and translation differences contributed by subsidiaries, associates and joint operations at 31 December 2022 and 2021 is as follows (in millions of euros):

	2022		2021	
Line of business	Consolidated reserves	Translation differences	Consolidated reserves	Translation differences
Energy	202	76	-181	17
Infrastructure	-54	-167	-183	-210
Other Activities	319	-134	448	-109
Consolidation adjustments	-43		-52	
Total	424	-225	32	-302

In addition to the parent, the following Group companies were also listed on divers stock exchanges at 31 December 2022:

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 37.97	EUR 36.14
Mostostal Warszawa, S.A.	Subsidiary	Warsaw	PLN 5.22	PLN 5.60
Nordex SE	Associate	Frankfurt	EUR 10.54	EUR 13.20
Eve Holding, Inc	Associate	New York	USD 8.72	USD 7.20

e) Valuation adjustments

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 2022 and 2021 were as follows (in millions of euros):

	2022	2021
Balance at 1 January	-41	-153
• Valuation adjustments in the year	281	69
Gross	375	92
Tax effect	-94	-23
• Transfers to profit/(loss) for the year	-24	43
Gross	-32	57
Tax effect	8	-14
Balance at 31 December	216	-41

f) Non-controlling interests

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 2021 were as follows (in millions of euros):

Line of business	Balance at 01.01.2021	Changes in the consolidation perimeter and contributions/repayments of capital	Dividends	Valuation adjustments and other changes	Profit for the year	Balance at 31.12.2021
Energy	360	778	-7	35	66	1,232
Infrastructure	-3	3		-1	4	3
Other Activities	7	1	-1	1	2	10
Total non-controlling interests	364	782	-8	35	72	1,245

Changes in 2022 were as follows (in millions of euros):

Line of business	Balance at 01.01.2022	Changes in the consolidation perimeter and contributions/repayments of capital	Dividends	Valuation adjustments and other changes	Profit for the year	Balance at 31.12.2022
Energy	1,232	-18	-26	47	168	1,403
Infrastructure	3		-1		5	7
Other Activities	10	-1	-1		1	9
Total non-controlling interests	1,245	-19	-28	47	174	1,419

Capital contributions were repaid by Acciona Energía Internacional to AXA, which holds 20% of its shares, for a total of €18 million in 2022.

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In the prior year, 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, reflecting 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.

The column headed *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 in 2022 and 2021.

A summary of 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 interest is as follows:

31.12.2022	CAER Subgroup	Acciona Energía Internacional Subgroup	Mostostal Warszawa, S.A.	Acciona Geotech Holding Pty Ltd
% Non-controlling interests	17.34%	25.00%	37.87%	17.60%
ASSETS				
NON-CURRENT ASSETS	10,426	2,383	42	83
CURRENT ASSETS	1,833	307	177	723
Total assets	12,259	2,690	219	806
EQUITY AND LIABILITIES				
EQUITY	6,261	998	19	-28
Attributed equity	5,870	831	15	-28
Valuation adjustments and translation differences	253	-76	-12	1
Remaining attributed equity	5,617	907	27	-29
Non-controlling interests	391	167	4	
NON-CURRENT LIABILITIES	3,587	1,464	41	232
CURRENT LIABILITIES	2,411	228	159	602
Total Liabilities	12,259	2,690	219	806
PROFIT/(LOSS)				
Revenue	4,351	510	346	1,059
Operating profit/(loss)	1,225	229	8	-8
Profit/(loss) before tax	1,057	153	6	-12
Profit/(loss) after tax	794	98	5	-8
Profit/(loss) attributed to non-controlling interests	-36	-7		
Profit/(loss) attributed to the parent company	759	91	4	-8

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In 2022 the Corporación Acciona Energías Renovables, S.A. (CAER) subgroup generated a cash inflow of €1,337 million on its operating activities, a cash outflow of €1,241 million on investing activities and an outflow of €114 million on financing activities.

31.12.2021	CAER 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	8,911	2,429	37	42
CURRENT ASSETS	1,743	268	178	431
Total assets	10,654	2,697	215	473
EQUITY AND LIABILITIES				
EQUITY	5,354	1,019	17	-20
Attributed equity	4,976	870	12	-20
Valuation adjustments and translation differences	25	-36	-11	
Remaining attributed equity	4,951	906	23	-20
Non-controlling interests	378	149	5	
NON-CURRENT LIABILITIES	3,525	1,477	35	80
CURRENT LIABILITIES	1,775	201	163	413
Total Liabilities	10,654	2,697	215	473
PROFIT/(LOSS)				
Revenue	2,472	443	284	574
Operating profit/(loss)	695	211	11	-53
Profit/(loss) before tax	562	139	8	-56
Profit/(loss) after tax	393	81	6	-38
Profit/(loss) attributed to non-controlling interests	-30	-7	-2	
Profit/(loss) attributed to the parent company	363	75	3	-38

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 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 via the leverage ratio, which is calculated by dividing net debt by equity. Net 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.

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The leverage ratio at 31 December 2022 and 2021 was as follows (in millions of euros):

Leverage	2022	2021
Net financial debt:	5,253	4,344
Non-current bank borrowings	2,624	2,073
Non-current debentures and other marketable securities	3,101	2,364
Current bank borrowings	553	280
Current debentures and other marketable securities	1,139	1,666
Financial debt	**7,417**	**6,383**
Non-current lease obligations	439	430
Current lease obligations	72	68
Lease obligations	**511**	**497**
Other current financial assets	-315	-218
Cash and cash equivalents	-2,360	-2,318
Cash and current financial assets	**-2,675**	**-2,536**
Equity	6,304	5,557
of the Parent Company	4,885	4,312
of non-controlling interests	1,419	1,245
Leverage	83%	78%

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 in the contracts.

19. Provisions and litigation

Changes in the liabilities recognised under *Non-current provisions* in the consolidated balance sheets for 2022 and 2021 were as follows (in millions of euros):

	31.12.2022	31.12.2021
Opening balance	301	284
Additions and allowances	24	24
Retirements	-12	-8
Transfers	-30	5
Other changes	-4	-4
Closing balance	279	301

The main changes in 2022 comprised the increase in the provision for decommissioning to discount the estimated future decommissioning cost of international wind farms and allowances made to the provision for obligations with employees and the provision for repairs. *Retirements* comprise primarily applications of the provision for repairs totalling €3 million and the provision for pensions for €2 million. The decrease in *Transfers* represents the impact derived from the estimation in 2022 of the net present value of the Energy division's obligations in respect of wind farm decommissioning and site restoration, which was recognised with a balancing credit to the pertinent PPE accounts. This effect was caused basically by the use of updated discount rates in the NPV calculation (mainly in relation to US facilities). Meanwhile, *Other changes* reflect primarily the effect of translation differences and the positive evolution of the provision 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 2022 amounted to €18 million euros (€30 million at 31 December 2021). 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 for 2022 (in millions of euros):

	Energy	Infrastructure	Other Activities	Total 2022
Assets				
Non-current assets	1	70		71
Current assets		15		15
Total assets	1	85	--	86
Equity and liabilities				
Equity		-18		-18
Non-current liabilities	1	83		84
Current liabilities		20		20
Total equity and liabilities	1	85	--	86
Profit/(Loss)				
Revenue		12		12
Profit/(loss) before tax		-6		-6

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 2022 and €19 million at 31 December 2021.

c) Pensions and similar obligations: These amounts relate to (i) provisions for pensions and similar obligations arising mainly from the acquisition of assets from Endesa in 2009, which are detailed and quantified below; (ii) obligations under the remuneration plans explained in Note 36; and (iii) 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 €31 million at 31 December 2022 and €23 million at 31 December 2021.

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 2022 was €23 million euros (€24 million at 31 December 2021).

e) Decommissioning: These provisions reflect the Directors' best estimate of the cost of commitments to decommission electricity generating plant upon the conclusion of the international projects operated by the Group, where an obligation to dismantle facilities exists based on an analysis of the contracts concerned. These provisions are set aside with a charge to *Property, plant and equipment* and, therefore, they have no impact on the consolidated income statement upon initial recognition. The provision at 31 December 2022 was €153 million euros (€168 million at 31 December 2021).

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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 2022, the Group had set aside provisions of €25 million for litigation (€26 million at 31 December 2021), all of which relate to the infrastructure division and cover the risk of various construction defect claims.

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 are likely to arise that are not provided for in the consolidated annual accounts at 31 December 2022.

With regard to the current legal situation of the Ter-Llobregat water supply management agreement, the Spanish Supreme Court turned down 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 on grounds solely attributable to the regional administration.

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) (ATLL).

Meanwhile, the Catalan Regional Government presented its final settlement proposal on 13 March 2020, in which it offered to pay compensation of €56.9 million to ATLL, an amount that is significantly below the quantum claimed by the company.

The concession operator opposed the proposed settlement, in short, because the High Court of Justice of Catalonia had found the contract null rather than void 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, claiming the sum of €1,064 million plus default interest.

The High Court of Justice of Catalonia issued its judgment on 15 December 2022 upholding the concession operator's appeal against the final settlement and ordering the Catalan Regional Government to pay the sum of €304.4 million plus interest. This ruling therefore accepts the concession operator's claim for constructive damages in its entirety but turns down the claim for loss of profits.

The High Court of Justice has found, then, that the concession operator is entitled to receive an amount of €262.8 million in respect of the unamortised concession royalty, €38.2 for unamortised investments and €3.4 million for tender costs, as well as interest accruing at the legal rate on the principal due. A total of €31.3 million has already been paid in respect of the aforementioned amounts, while the Catalan Regional Government had yet to settle the outstanding remainder at the date of preparation of these consolidated annual accounts.

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The aforementioned decision may be appealed by the parties in the Spanish Supreme Court. The concession operator was still examining the legal considerations enshrined in the judgments at the date of preparation of these consolidated annual accounts to determine what further legal action may be necessary.

The Parent Company's directors consider that the final outcome of the proceedings described above will not result in any outflow of resources for the Group or any equity loss.

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. The Court issued its judgment turning down the claim in its entirety and ordering the claimants to pay costs in July 2022. The claimants have appealed this decision and the proceedings continue in accordance with Spanish procedural law. The Group considers it unlikely that the appeal filed by the claimants will prosper and no provision has therefore been recognised.

Provision for pensions and similar obligations

The Group includes provisions for pensions and similar obligations under *Non-current provisions* in the accompanying consolidated balance sheet, mainly in respect of the following items:

- The acquisition of assets and/or companies from the Endesa Group in 2009, which included a defined benefits pension plan with index-linked salary growth. A sample of 79 employees was considered for measurement purposes (83 employees in 2021), 34 of whom have already taken early retirement or are retired (32 retirees at 31 December 2021). Not all of these employees are in the same situation or qualify for the same benefits.

The assumptions used to calculate the actuarial liability in respect of the uninsured defined benefit obligations at 31 December 2022 and 2021 were as follows:

	2022	2021
Interest rate	3.74%	1.06%
Mortality tables	PERPMF2020	PERPMF2020
Expected return on plan assets	3.74%	1.06%

Changes in the actuarial liabilities related with defined benefit obligations at 31 December 2022 and 2021 were as follows (in millions of euros):

	2022	2021
Initial actuarial liability	3	3
Benefits paid in the year		
Actuarial gains and losses	-2	
Final actuarial liability	1	3

Changes in actuarial assets related with defined benefit obligations at 31 December 2022 and 2021 were as follows (in millions of euros):

	2022	2021
Initial actuarial assets	2	1
Actuarial gains and losses	-1	
Final actuarial assets	1	2

- Following legislative changes in Mexico, certain formerly subcontracted workers were taken on in late 2021 by an affiliate of the Group, which was subrogated to certain pension obligations that had not been externalised. A group of 59 employees was considered to measures these obligations.

The assumptions used to calculate the actuarial liability in respect of the resulting uninsured defined benefit obligations at 31 December 2022 were as follows:

	2022
Interest rate	9.75%
Mortality tables	EMSSA-09
Salary growth	6.00%

Changes in the actuarial liabilities related with defined benefit obligations at 31 December 2022 were as follows (in millions of euros):

	2022
Cost incurred in the year	2
Financial costs	
Benefits paid in the year	
Actuarial gains and losses	
Final actuarial liability	2

The total final actuarial assets and liabilities at 31 December 2022 were related in their entirety to defined benefit obligations assumed in Spain and Mexico.

The amounts recognised in the consolidated income statement in respect of defined benefit pension obligations in the year ended 31 December 2022 was €2 million (€0.1 million in 2020), reflecting the cost incurred in the period, as well as returns and financial costs on the assets and liabilities associated with these employee benefits.

The Group also has obligations in respect of certain employee social benefits, mainly relating to the supply of electricity during retirement, which affect certain employees with more than ten years' recognised service to the affiliates affected by this scheme. These obligations have not been externalised and are covered by in-house provisions totalling €1.7 million (€2 million at 31 December 2021).

The actuarial changes recognised in respect of these obligations generated a gain of €0.8 million in 2022 (loss of €0.7 million in 2021).

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Current provisions

Current provisions mainly comprise allowances set aside by the Infrastructure division, primarily in respect of the following:

a) Works completion: mainly provisions made to cover estimated site clean-up costs and other expenses arising between the completion and final of works. The provision at 31 December 2022 was €48 million (€42 million at 31 December 2021).

b) Local taxes, duties and levies: mainly provisions for taxes, duties and levies charged by the Autonomous Communities of Spain, by the Spanish national government or internationally in respect of construction and infrastructure development activities. The provision at 31 December 2022 was €13 million (€10 million at 31 December 2021).

c) Other provisions: primarily comprising provisions for losses on works or services where a large number of similar obligations exist which are likely to require a future outflow of resources to settle as an overall obligation, as well as allowances set aside to cover specific contractual conditions. The provision at 31 December 2022 was €175 million (€198 million at 31 December 2021).

20. Financial debt

a) Bank borrowings

At 31 December 2022 and 2021, 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 (in millions of euros):

	2022		2021	
	Current	Non-Current	Current	Non-Current
Non-recourse bank borrowings	64	372	117	538
Mortgage loans to finance non-current assets	1	1	2	3
Mortgage loans tied to property developments	0		1	
Project finance	50	332	84	492
Obligations under finance leases	12	36	16	39
Other debts with limited recourse	1	3	14	4
Recourse bank borrowings	489	2,252	163	1,535
Discounted notes and bills not yet due	--	--	--	--
Other bank loans and overdrafts	489	2,252	163	1,535
Total bank borrowings	553	2,624	280	2,073

All financial liabilities described 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.

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Interest on the Group's loans and overdrafts in 2022 and 2021 was benchmarked mainly to EURIBOR for borrowings denominated in euros, although a portion of the Group's borrowings were also tied to other indexes including US LIBOR or SOFR for borrowings in US dollars, CDOR or CORRA for borrowings in Canadian dollars, WIBOR for borrowings in Polish zloty, BBSY for borrowings in Australian dollars and JIBAR for borrowings in South African rand, which are the main benchmark rates used by the Group outside the eurozone. As a consequence of the IBOR reform, the Group has begun to contract borrowings at risk-free benchmark rates (RFR), including SOFR for US dollars (both versions, "Compounded SOFR" and "Term SOFR"), €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 are 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, 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.

The net decrease of €195 million in *Current and non-current project finance* in 2022 relates basically to scheduled repayments on loans of this kind and to the cancellation of eight project finance facilities for a total of €156 million, which have been refinanced out of corporate debt.

The main change in recourse bank borrowings in 2022 was the net increase of €1,042 million in *Other bank loans and overdrafts* resulting from the utilisation of new Schuldschein loans by Acciona, S.A. (€325 million) and bilateral loans and overdraft facilities arranged by Acciona Financiación Filiales, S.A. (€817 million) and, to a lesser extent, by Acciona Energía Financiación Filiales, S.A. (€75 million).

Key financing operations entered into during the year included the arrangement of various facilities by Acciona, S.A. in the form of "ESG Schuldschein" (sustainability linked) loans in June 2022. These loans, which totalled €325 million, are structured in various fixed and floating rate tranches maturing at 3, 5 and 7 years, the purpose of which is to fund general corporate investment and cash flow financing needs, and they bear interest at market rates adjusted based on compliance with a sustainability KPI.

On 4 April and 3 May 2022, two leading banks granted Acciona Financiación Filiales, S.A. bilateral revolving credit facilities of €200 million each. Under the terms of these facilities, any amounts repaid may be utilised again in the drawdown period, which is equal to the three-year term of the loans. Both facilities bear interest at floating rates and were arranged under market terms and conditions. At 31 December 2022, both revolving facilities had been fully drawn down.

In November 2022, a syndicate of six banks granted the affiliate Acciona Energía Financiación Filiales, S.A. a three-year ESG facility for a total of €450 at market interest rates. This facility was fully drawn down at 31 December 2022.

On 19 December 2022, the Australian affiliates Acciona Financiación de Filiales Australia Pty Ltd. and Acciona Energía Financiación de Filiales Australia Pty Ltd. arranged two syndicated facilities (one "sustainability linked" and one "green" facility) for AUD 225 and AUD 400 million, respectively, each with a term of three years. Both

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of these operations are split into a term-loan and a revolving facility tranche, and neither had been utilised at 31 December 2022.

Finally, the affiliate MacIntyre Wind Farm Party. Ltd. arranged a green loan with six banks on 30 December 2022 for an amount of more than AUD 1,000 million with a term of approximately 16 years backed by the new "green policy" issued by the Spanish export credit insurance organisation CESCE. The drawdown period for this loan is 24 months, and the funds awarded are to be used for the construction of the MacIntyre wind farm in Queensland. The facility remained available for drawing in its entirety at 31 December 2022.

The affiliate Acciona Energía Financiación de Filiales, S.A. entered into a facility agreement for a total of €2,500 million with a syndicate of banks on 26 May 2021, which was secured by its parent Corporación Acciona Energías Renovables, S.A. This facility is split into three parts, comprising tranches A and B for a maximum amount of €1,000 million each, and tranche C for a maximum amount of €500 million. Tranches A and B are structured as term loans, so that any prepayments made will no longer be available for future utilisation (loan format). Tranche A had been repaid in its entirety at 31 December 2022. Tranche B, meanwhile, is a term loan with a drawdown period expiring in January 2024. A prepayment of €250 million has been made on the principal utilised, which may not be drawn down a second time. Accordingly, the available limit on tranche B is €750 million, maturing on 26 May 2024. Tranche C is structured as an overdraft 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. On 14 June 2022, the lenders unanimously agreed to accept the application for extension of tranche C and a new maturity date of 26 May 2027 was set.

The affiliate Acciona Financiación de Filiales, S.A. also entered into a loan agreement with a syndicate of banks on the 26 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 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 an overdraft facility. Both tranches mature on 26 May 2026. In line with the agreement mentioned in the previous paragraph, however, the lenders unanimously consented to the extension of tranche B and a new maturity date of 26 May 2027 was set.

The purpose of these syndicated loans was to prepare the financial structure of both companies for the renewable energy subgroup's IPO, providing Corporación Acciona Energías Renovables, S.A. with the necessary resources to ensure its financial independence as a listed company and enabling it to repay the debts owed by its affiliates to Acciona Financiación de Filiales, S.A.

At 31 December 2022, the Group companies had unused financing available for utilisation amounting to €4,591 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 l), IFRS 13 requires a change in 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 million in the fair value of asset derivatives at 31 December 2022, which the subsidiaries concerned recognised by decreasing the amount of financial assets by €2 million and reducing the value of investments accounted for using the equity method by €1 million, without considering the tax effect. The net effect of taxes and non-controlling interests produced by this change in valuation adjustments for cash flow hedges was negative, amounting to €2 million.

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At 31 December 2022 and 2021, 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 either in 2022 or 2021.

Borrowings by the real estate business 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 2022 is as follows (in millions of euros):

2023	2024	2025	2026	2027	2028	Thereafter	Total
546	584	985	356	243	112	361	3,187

Obligations under finance leases

The Group's obligations under finance leases at 31 December 2022 and 2021 were as follows (in millions of euros):

	Minimum lease payments	
Finance leases payables	2022	2021
Less than one year	16	19
Between one and two years	12	16
Between two and five years	22	13
More than five years	2	22
Total lease payables	52	70
Less future finance charges	3	14
Present value of lease obligations	49	55
Less amount due for settlement within 12 months (current liability)	12	16
Amount due for settlement after twelve months	36	39

It is the Group's policy to lease certain 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 2022 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.

In 2022 the Group entered into a finance lease with various banks in relation to certain specialised machinery located in Australia with a total cost of €23 million.

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b) Debentures, bonds and marketable securities

At 31 December 2022 and 2021, recourse and non-recourse debentures bonds and marketable securities, 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 (in millions of euros):

	2022	2021
Non-recourse debentures, bonds and marketable securities	195	196
Recourse debentures, bonds and marketable securities	4,045	3,834
Debentures, bonds and marketable securities	4,240	4,030

Changes in these current and non-current liabilities in the consolidated balance sheet at 31 December 2022 and 2021 were as follows (in millions of euros):

	2022	2021
Opening balance	4,030	2,162
Issues	5,052	5,027
Repayments	-4,866	-3,188
Other changes	24	29
Closing balance	4,240	4,030

The main change in *Issues* in 2022 consisted of the issue of EMTNs and ECPs (promissory notes) by Acciona Energía Financiación Filiales, S.A. and Acciona Financiación Filiales, S.A. for a total of €3,067 million and €1,985 million, respectively, under the Euro Medium Term Notes (EMTN) and Euro Commercial Paper (ECP) programmes described below. *Repayments* reflect the amortisation of bonds issued by the Mexican affiliates and, principally, the repayment of promissory notes totalling €2,303 million by Acciona Energía Financiación Filiales, S.A. and €2,157 million by Acciona Financiación Filiales, S.A.

Other changes comprise mainly the balance of outstanding interest payable and translation differences arising in respect of two bond issues denominated in currencies other than the euro.

The maturities of these obligations in 2023 and thereafter is as follows (in millions of euros):

2023	2024	2025	2026	2027	2028	Thereafter	Total
1,115	391	275	210	677	108	1,452	4,226

The main issues of debentures, bonds and marketable securities at 31 December 2022 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 until final redemption on 31 December 2031. The non-current balance recognised in respect of this bond issue at 31 December 2022 was €180 million and the current balance was €15 million.

- Euro Commercial Paper (ECP) Programme:

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- The Group launched its first Euro Commercial Paper (ECP) Programme in 2013 and it has been renewed annually since then, most recently on 28 April 2022. 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 €1,500 million euros, and It is listed in Euronext Dublin (formerly the Irish Stock Exchange) and permits the issue of Notes with maturities of between 3 and 364 days in the euro market The balance recognised under Current debentures and bonds in respect of this programme was €282 million at 31 December 2022.

- In 2020 the Group launched a new Euro Commercial Paper (ECP) Programme listed in Euronext Dublin (formerly the Irish Stock Exchange), which was 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 (ECB) in March 2020. At the end of March 2022, the governing Board of the Bank of Spain ended net purchases under the PEPP and it was decided not to renew the ECP programme in 2022, with the result that no further promissory notes will be issued under the same. There was no balance outstanding in respect of the programme at 31 December 2022.

- 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 €62.5 million at 31 December 2021, and the current balance was €2.3 million. The fair value of the debenture issue at 31 December 2022 was €63.5 million.

- Seeking to diversify its sources of finance, the Group launched a Euro Medium Term Note (EMTN) programme in 2014, which it has renewed annually since then for successive 12-month periods. 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 €3,000 million on 5 May 2022. In accordance with applicable European regulations, the initial prospectus and subsequent renewal prospectuses and supplements are approved by the Central Bank of Ireland. The programme has a BBB rating issued by DBRS. The outstanding issues bear annual interest at rates ranging from 0% to 4.25%. The securities issued under this programme may bear fixed or floating-rate 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 €1,677 million at 31 December 2022, and the current balance was €248 million.

The fair value of the notes at 31 December 2022 was €1,760.2 million euros.

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 debt issue programmes:

- Euro Commercial Paper (ECP) programme launched on 20 July 2021 and renewed for a period of 12 months on 19 July 2022. This Programme for a maximum issue of €2,000 million was approved by the Central Bank of Ireland and is backed by Corporación Acciona Energías Renovables, S.A. The promissory notes forming part of the programme are issued at a discount with maturities of between three and 364 days.

  The total balance recognised in respect of these notes at 31 December 2022, 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.

- Euro Medium Term Note (EMTN) Programme launched on 20 July 2021 and renewed on 21 July 2022. 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. As explained above, the initial prospectus, and the successive renewals and supplements are approved by the Central Bank of Ireland. The securities issued under this programme may be denominated in euros or in any other currency, bear fixed or floating-rate interest, have different maturity dates for principal and interest, and be issued at par, with a premium, or below par.

  Bonds totalling €500 million were issued under this programme on 7 October 2021. The annual coupon was set at 0.375%. A second issue was made on 26 January 2022 for a nominal amount of €500 million with an annual coupon of 1.375%. Both of the aforementioned issues are 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 2022, net of transaction costs and accrued interest payable, was €498.7 million, all of which was included in the consolidated balance sheet under non-current liabilities.

- On 26 April 2022, meanwhile, the affiliate Acciona Energía Financiación Filiales, S.A. issued a green private placement of USD 200 million under the United States Private Placement (USPP) format, which was guaranteed by its parent Corporación Acciona Energías Renovables, S.A. The notes issued have a term of 15 years and a coupon of 4.54%.

There were no issues convertible into shares at 31 December 2021, 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 Group company.

c) Other debt-related information

At 31 December 2022, the average interest rate on debt, including both bank borrowings and the debt issued in the form of debentures and other negotiable securities, was 2.54% (2.43% at 31 December 2021).

The percentage of debt not exposed to interest rate volatility was 54.14% at 31 December 2022 (54.48% at 31 December 2021).

At 31 December 2022, debt issues in the main foreign currencies in which the Acciona Group operates other than the euro were as follows:

	Financial debt	
Currency	2022	2021
US dollar	655	459
Australian dollar	298	30
South African rand	165	183
Polish zloty	9	13
Canadian dollar	27	53
Indian rupee	36	45
Ukrainian hryvnia	32	37
Croatian kuna	9	13
Total	1,231	833

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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 (in millions of euros):

Balance at 31.12.2020	6,858
Cash inflows	4,107
Cash outflows	-4,631
Transfers to held-for-sale liabilities	
Change in value of derivatives	-38
Cancellation of derivatives, IPO	16
Change in scope of consolidation	18
Translation differences and other	53
Balance at 31.12.2021	6,383
Cash inflows	4,021
Cash outflows	-3,186
Transfers to held-for-sale assets (Note 15)	255
Change in value of derivatives	-69
Cancellation of derivatives	-16
Change in scope of consolidation	9
Translation differences and other	20
Balance at 31.12.2022	7,417

21. Risk management

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.

Interest rate risk

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 operation of wind farms and generating facilities by the Energy division, and in other projects where interest rate fluctuations can significantly impact the returns. 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.

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The benchmark interest rates for the borrowings arranged by the Acciona Group companies comprise mainly Euribor for transactions denominated in euros, USD Libor or SOFR for transactions denominated in US dollars, CDOR or CORRA 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 principal indices used in local banking practice, or to USD LIBOR or SOFR 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). A transition is currently in progress towards the use of risk-free rates (RFR), as a result of which the USD Libor and CDOR indices will cease to be publish and will be replaced by SOFR and CORRA, respectively.

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 swing of +100 basis points and -25 basis points in the interest rates applicable to floating-rate debt at 31 December 2022.

Based on this analysis, an upward swing of 1% in floating interest rates (basically Euribor and Libor/SOFR) would increase the interest expense by €34 million, while a downward swing of 0.25% would decrease the expense by €9, 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 2022 showed the following impacts before tax from a 1% increase or a 0.25% decrease in the interest rate curve (in millions of euros):

Sensitivity +1%	Net debt due to derivatives	Net investment in associates	Other valuation adjustments
Group companies	-1		-1
Associates (*)		-34	-34
Total +1% sensitivity impact	-1	-34	-35

(*) Based on the percentage interests held

Sensitivity -1%	Net debt due to derivatives	Net investment in associates	in other valuation adjustments
Group companies	-3		-3
Associates (*)		37	37
Total -1% sensitivity impact	-3	37	34

(*) Based on the percentage interests held

Note: Positive impacts represent increases in derivatives-related debt, and negative impacts represent reductions in the debt.

Foreign exchange risk

The significant internationalisation of the Group's businesses exposes it to foreign exchange risk inherent in transactions in the currencies of the countries where it invests and operates.

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This risk is managed by the Group's General Business, Finance and Sustainability Department applying non-speculative hedging criteria.

Foreign exchange 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 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 exchange risk related with the translation of their financial statements in the consolidation process.

A breakdown of the current and non-current assets, liabilities and equity at 31 December 2022 denominated in the main currencies in which the Acciona Group operates is as follows (in millions of euros):

Currency	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Net assets	Sensitivity (10%)
Australian dollar (AUD)	1,789	1,595	640	1,098	1,646	165
Canadian dollar (CAD)	229	259	71	184	233	23
Chilean peso (CLP)	125	235	43	275	42	4
Brazilian real (BRL)	225	200	5	176	244	24
Mexican peso (MXN)	257	397	78	154	422	42
Zloty (PLN)	155	250	113	155	137	14
US dollar (USD)	4,957	634	1,554	850	3,187	319
S. African rand (ZAR)	189	74	199	26	38	4
Riyal (SAR)	26	405	2	311	118	12

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 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 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 hedges, a simulation was performed which assumed a 0.05% increase or decrease in exchange rates at 31 December 2022 on the amount of hedged foreign currency transactions.

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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 2022 showed the following impacts before tax from a 0.05% increase or decrease in the interest rate curve (in millions of euros):

Sensitivity +0.05%	Net debt due to derivatives	Net investment in associates	Change in other valuation adjustments	Year's profit
Group companies	-29		-1	-29
Associates (*)				
Total +0.05% sensitivity impact	-29		-1	-29

(*) Based on the percentage interests held

Sensitivity -0.05%	Net debt due to derivatives	Net investment in associates	in other valuation adjustments	Year's profit
Group companies	32		1	32
Associates (*)				
Total -0.05% sensitivity impact	32		1	32

(*) Based on the percentage interests held

Note: Positive impacts represent increases in derivatives-related debt, and negative impacts represent reductions in the debt.

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 trades and contracts 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 an investment rating that is similar to or higher than its own, and it actively seeks information on its counterparties through independent rating agencies and 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.

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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 €4,591 million available for drawing under working capital facilities at 31 December 2022. The average term of these facilities is 2.13 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 €3,500 million, as well as Euro Medium Term Notes programme for a maximum of €6,000 million euros (see Note 20).

Risk of 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 also assessed. The appropriate corrective measures are taken, where necessary.

Price risk and regulatory risk in the electricity generating industry

As explained in Note 2 above, a significant part of the CAER subgroup's electricity generating activity in Spain is subject to a regulatory framework that was initially established by Spanish Royal Decree Law 9/2013, while a new remuneration methodology was introduced by Royal Decree 413/2014 regulating electricity generating using renewable energy resources, co-generation and waste. The remuneration model established seeks to ensure predictable revenues for regulated generating facilities, and to mitigate their exposure to fluctuations in market prices via reviews of the applicable remuneration parameters every three years (the "regulatory half period"). The legislation also provides for the possibility of future remuneration parameter reviews every six years (the "regulatory period"). Any amendments arising in this respect could affect the assets and facilities subject to this regulation.

Spanish Royal Decree Law 17/2019 set the reasonable remuneration applicable to the first regulatory period, commencing in 2019, which is extensible to the following two (i.e. until 2032). The long-term target return of 7.398% established removed most of the uncertainties associated with the review of the other remuneration parameters, insofar as it guarantees a return for existing generating plants.

The current situation of energy prices, which is mainly a consequence of the Russian invasion of Ukraine, has prompted the Spanish government to launch a series of measures to hold down electricity market prices and other costs associated with the electricity bill, as follows:

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- Extraordinary update of the parameters applicable to the specific remuneration of renewable generating assets by means of an exceptional regulatory half period having a duration of just one year.

- Mechanism to cap the remuneration of non-greenhouse gas emitting generating facilities, including those using renewable technologies. This temporary measure has been extended and will now be applied until 31 December 2023.

- Temporary production costs adjustment mechanism to reduce the price of electricity in the wholesale market. Given that the measures provided in Spanish Royal Decree Law 10/2022 affect the Iberian electricity market as a whole, meanwhile, Portuguese Decree-Law no. 33/2022 of 14 May implements the same arrangements so as to harmonise the reforms implemented.

In both cases the legislation, dubbed the "Iberian exception", establishes a cost adjustment mechanism applicable throughout the year following enactment of the Royal Decree-Law with the aim of lowering the price of power by limiting the gas cost component embodied in the retail price of energy at any given moment.

The prevailing regulatory framework in Spain and the extraordinary price hikes that occurred in the first half of 2021 driven by soaring international gas prices, which affected other countries beyond Spain alone, have therefore impacted a significant part of the CAER subgroup's renewables assets that had hitherto qualified for investment remuneration but will now be exposed to fluctuations in electricity market prices beginning in the next regulatory half period (2023-2025).

Approximately 35% of the CAER subgroup's total output in the Spanish electricity market qualifies for regulated remuneration (56.6% of output in 2021), while 52% is covered by different price hedging mechanisms (41% of output in 2021) and the rest are remunerated at market prices.

The CAER subgroup has sought to reduce its exposure to market risk via private power purchase agreements (PPAs), which establish the future prices payable by buyers over the agreed term of the transaction, thereby limiting the risk of possible changes in market prices.

With regard to the overall price risk in the other electricity markets where the Corporación Acciona Energías Renovables subgroup operates, approximately 59% of production is subject to long-term purchase price agreements (PPAs or Hedges) with third parties, 12% is subject to regulated or *feed-in tariff* structures, and the remainder is sold on the free market at unrestricted prices. Almost all of the PPAs entered into by the CAER subgroup 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 subgroup measures PPAs that are not settled by means of physical delivery (Hedges) 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 the energy transition

Acciona advocates the adoption of ambitious global targets for economic decarbonisation, and the Company's business model and risk management system therefore both address the management of risks and opportunities arising in relation to climate change. This approach has been adopted in line with the European Commission *Guidelines on reporting climate-related information* and the recommendations made by the Task Force on Climate-Related Financial Disclosures (TCFD) set up by the Financial Stability Board.

Governance in matters related with climate change falls within the remit of the Audit and Sustainability Committee created by the Board of Directors, which is tasked with the following responsibilities, among others:

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- Determination and orientation of the Group's policies, targets, best practices and climate change programmes

- Assessment, tracking and review of the plans drawn up to implement strategies designed by the Group's executives

- Periodic review of internal control systems and management of the level of compliance with the strategies implemented

- Proposal of climate-related policies, targets and programmes to the Board of Directors, as well as estimated implementation budgets

Climate risks are managed by Acciona applying a special corporate procedure, which identifies, measures, prioritises and reports risks associated with climate change to the Company's executive management, where they could affect the Group and its facilities.

This process results in the implementation of policies and tolerance thresholds designed to provide reasonable assurance that objectives will be obtained with in the time horizons established in the short term (1 year), in the medium term (5 years covered by the Sustainability Master Plan) and in the long term (10 years, based on the observation of megatrends and tracking of existing science-based targets (SBTs).

A range of tools are used to identify climate-related risks and opportunities, including the digital climate change model, which is used to monitor historical and projected climate variables at all of Acciona's facilities, applying different climatic scenarios and time horizons based on recent IPCC reports. This instrument tracks production and financial variables, emissions and energy consumption, as well as developments in climate policies and carbon markets in different regions. Other tools that are not included in the digital model are also used to identify legal obligations, and the experience of the climate risk evaluation team members is likewise an indispensable input.

The annual climate risk analysis and management process is undertaken by an expert evaluation task force appointed by the Group Sustainability Department and the individual business units concerned. Using these tools, the evaluation task force prepares a battery of climate risk scenarios affecting all of the Company's facilities, CGUs and/or activities and its entire value chain based on geographical location, type of activity and vulnerability, as measured by a series of key indicators.

The climate scenarios most commonly used to identify situations of risk are contained in the latest IPCC reports and in the proposals published by the Network for Greening the Financial System (NGFS). Acciona's climate risk assessment scenarios prioritise the NGFS "Current Policies" scenario (for physical risks) and the "Delayed Transition" and "Divergent Net Zero" scenarios for transitional risks.

The most likely situations involving climate change risk in terms of occurrence and economic and financial and/or reputational impacts are treated as material, entailing the preparation of specific treatment papers to inform the Company's decision-making bodies of the current status of risks and the management options available (mitigation, adaptation, transfer or acceptance of the risk, as well as estimates of the associated costs.

Finally, the climate change exposures identified and analysed are included in the Acciona Group's general Risk Management System to determined tolerance levels based on the structure outlined above.

As part of its low-carbon business strategy, Acciona assesses key climate risks and opportunities for the Company on an annual basis. The climate risks identified in 2022 and their potential impact, time horizons and geographical scope by business, resulting in the adoption of a raft of management initiatives.

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The key risks identified in 2022 were:

- Potential increase in the cost of capital due to possible decoupling of the Company's performance from its public decarbonisation targets in the short to medium term.

- Potential increase in the cost of works (mainly in the Americas) triggered by extreme weather events in the medium to long term.

- Probable increase in the operating costs of diesel-powered heavy machinery (mainly in Oceania) caused by the likely introduction of carbon taxes in the medium term.

- Decline in hydroelectric output in Spain as a consequence of changes in seasonal rainfall in the medium term.

- Increase in the costs incurred in water treatment processes due to regulatory changes designed to raise the bar on GHG emissions from activities of this kind in the medium to long term.

- Decline in wind generating in Spain due to changes in wind patters in the medium to long term.

None of the risks identified would have a material impact on the Group's financial performance.

In general terms, the business of the Acciona Group may be considered resilient to climate change, which would have only a moderately low impact in terms of risks but a high impact in terms of opportunities.

The Acciona Group considered the impact of climate change as one of its key assumptions in relation to accounting estimates and judgments in the process of preparing the consolidated annual accounts as at and for the year ended 31 December 2022. No impairments of property, plant and equipment or intangible assets, changes in the measurement of financial instruments or additional obligations arose as a result.

22. Derivative financial instruments

The derivative financial instruments contracted and outstanding at 31 December 2022 and 2021 were recognised at market value in the accompanying consolidated balance sheet, as follows:

Millions of euros		31.12.2022			
Type of derivative	Level	Assets (Notes 12 and 13)		Equity and liabilities (Note 23)	
		Current	Non-Current	Current	Non-Current
Energy price hedges	Level 2	59	98	10	95
Interest rate hedges	Level 2		53		6
Exchange rate hedges	Level 2			0.2	
Exchange rate derivatives	Level 2	12		1	
Other energy price hedges	Level 2		14	15	17
Total derivatives		71	165	26	117

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Millions of euros		31.12.2021			
Type of derivative	Level	Assets (Notes 12 and 13)		Equity and liabilities (Note 23)	
		Current	Non-Current	Current	Non-Current
Energy price hedges	Level 2		124		36
Interest rate hedges	Level 2	6		1	48
Exchange rate hedges	Level 2			5	
Exchange rate derivatives	Level 3			22	
Other energy hedges	Level 4		40		
Total derivatives		6	164	28	84

22.1 Designated hedges

Energy price hedges

As part of their operations, the Group companies enter into long-term energy sales contracts in the course of their operations for all or part of the energy produced by their facilities in order partially or fully to mitigate the risks of fluctuations in 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 and are settled on a regular by differences between the market price and the contractually established production price.

In the latter case, the Group marks derivative instruments to market where it cannot be shown that they were contracted in accordance with the energy sales strategy established for the facility concerned. These instruments are treated as designated hedges or as derivatives 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 the electricity generated by exposed assets in Spain (see Note 21), the Group arranges short-term energy price hedges in the forward markets (chiefly OMIP, MEFF and EEX), which consist of financial contracts for differences, basically forwards and swaps, in accordance with applicable policies and in line with Group management's expectations regarding 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. Five affiliates of the Group located in Australia and one in Poland have entered into contracts allowing them to fix the forward price of electricity sales for a specified number of MWh. All of these contracts are marked to market and any changes in fair value are recognised as valuation adjustments in equity.

	2022				2021			
Electricity derivatives	Notional amount	Other liabilities	Other assets	Investments in associates (*)	Notional amount	Other liabilities	Other assets	Investments in associates (*)
Energy derivatives – hedging instruments	2,446	105	157	-2	280	36	123	-58

(*) *Amount attributed to investments in associates, net of taxes*

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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 outstanding at 31 December 2022 and 2021 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:

	2022				2021			
(millions 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				
Interest rate swap	976	6	53	50	1,086	49	6	-15
Total	976	6	53	50	1,086	49	6	-15

(*) 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 corporate debt used to finance working capital needs and projects, as well as financing arranged for wind farms and photovoltaic facilities in the energy division, and infrastructure concession financing related with water cycle activities.

The interest rate swaps held by the Group are mainly benchmarked to EURIBOR. At 31 December 2022, the fixed interest rates on EURIBOR benchmarked financial derivative instruments ranged from 1.12% to 4.83% at 31 December 2022 and from 0.02% to 5.06% at 31 December 2021.

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 (in millions of euros):

	Future settlements				
	Less than 1 month	1 - 3 months	3 months - 1 year	1 -5 years	More than 5 years
Group companies		-1	-1	31	27
Associates (*)	1	2	14	31	17

(*) 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 liability arising on recognition of these instruments was €11 million at 31 December 2022 while a deferred tax asset of €11 million was recognised at 31 December 2021. These amounts were recognised in equity (see Note 25).

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The methods and criteria applied by the Group to measure fair value are described in Note 4.2.l).

The notional amounts of the liabilities hedged by interest rate derivatives were as follows (in millions of euros):

	2022	2021
Group companies	339	462
Associates (*)	637	624
Total notional amount	976	1,086

(*) 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					
	2023	2024	2025	2026	2027	2028
Group companies	320	814	788	746	657	643
Associates (*)	668	746	443	289	267	253

(*) 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 2022 and 2021, mainly in euros, US dollars and Australian dollars.

The derivative financial instruments outstanding at 31 December 2022 and 2021 were recognised at market value under assets or liabilities in the accompanying consolidated balance sheet depending on fair value in each case, as follows (in millions of euros):

	2022				2021			
(millions of euros)	Notional amount	Financial liabilities	Financial assets	Investments in associates (*)	Notional amount	Financial liabilities	Financial assets	Investments in associates (*)
				Cash flow hedges				
Exchange rate insurance	13	0.2	0.1	0	81	5	-0	-0
Total	13	0.2	0.1	0	81	5	-0	-0

(*) Amount attributed to investments in associates, net of taxes

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The transactions outstanding at 31 December 2022 and 2021 were as follows (in millions of euros):

2022

	Currency	Final maturity	Amount contracted	Effect of measurement at market
Foreign currency purchase	EUR/USD	25/09/2023	10	0
Foreign currency purchase	AUD/EUR	30/08/2024	2	-0
Foreign currency purchase	EUR/AUD	03/07/2023	1	0
Total Group companies			13	0.1

2021

	Currency	Final maturity	Amount contracted	Effect of measurement at market
Foreign currency purchase	EUR/AUD	15/06/2022	18	-1
Foreign currency purchase	EUR/GBP	14/10/2022	21	-2
Foreign currency purchase	EUR/USD	27/03/2023	12	-1
Foreign currency purchase	USD/AUD	15/06/2022	11	-0
Foreign currency purchase	EUR/AUD	03/07/2023	17	-0
Foreign currency purchase	USD/AUD	23/08/2022	1	-0
Foreign currency purchase	AUD/EUR	30/08/2024	2	0
Total Group companies			80	-5
Foreign currency purchase	EUR/AUD	30/12/2022	1	-0
Total associates (*)			1	-0

(*) Based on the percentage interests held

The market values of foreign currency hedges at 31 December 2022 consisted mainly of the instalment terms of exchange rate insurance contracted to hedge payments to suppliers in Saudi Arabia related with the construction of two desalination plants, as well as purchases of roadbuilding 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, changes in fair value are deferred and recognised in equity.

Cash flow hedges instrumented through exchange rate insurance contracts are expected to produce positive impacts of €100,000 in the income statement at less than one month.

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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 2022 is as follows:

Millions of euros	31.12.2022
Financial liability due to interest rate hedges	6
Financial asset due to interest rate hedges	-53
Positive equity impact due to interest rate hedges contracted by associates, net of tax	-50
Net deferred tax payable on interest rate hedges	18
Impact due to frozen and pre-hedging reserves	-8
Other, mainly due to non-controlling interests in interest rate hedging transactions	-14
Adjustment due to changes in value of interest rate hedging transactions	-101
Liability under energy price hedges	105
Asset under energy price hedges	-157
Net financial settled daily in cash	-130
Net tax liability due to energy contracts	49
Negative equity impact due to energy price hedges contracted by associates, net of tax	2
Impact of ineffective hedges recognised to consolidated profit and loss	6
Other, mainly due to non-controlling interests in energy price hedging transactions	1
Adjustment due to changes in value of energy price hedges (net of non-controlling interests and tax)	-124
Adjustment due to changes in value of exchange rate hedging transactions (net of non-controlling interests and tax)	0
Other	9
Total debit balance of valuation adjustments at 31 December (Note 18)	-216

22.2. Derivatives at fair value through consolidated profit or loss

Exchange rate derivatives

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 hedged item with the derivative instrument. Derivative instruments contracted to hedge future cash inflows or contributions to international projects of the Acciona Group made in foreign currency are also recognised under this heading.

The derivative financial instruments contracted and outstanding at 31 December 2022 and 2021 were recognised at market value under assets or liabilities in the accompanying consolidated balance sheet depending on the value recognised with changes in profit and loss in each case, as follows (in millions of euros):

	2022			2021		
(millions 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 derivatives– recognised in profit or loss	606	1	-12	537	22	0
Total	606	1	-12	537	22	0

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The transactions outstanding at 31 December 2022 and 2021 were as follows (in millions of euros):

2022

	Currency	Final maturity	Amount contracted	Effect of measurement at market
		(millions of euros)		
Foreign currency purchase	AUD/EUR	03/01/2023	35	0
Foreign currency purchase	EUR/AUD	15/11/2023	291	7
Foreign currency purchase	EUR/USD	23/03/2023	91	4
Foreign currency purchase	USD/EUR	03/01/2023	188	-0
Total Group companies			606	11

2021

	Currency	Final maturity	Amount contracted	Effect of measurement at market
		(millions of euros)		
Foreign currency purchase	EUR/AUD	17/03/2022	119	2
Foreign currency purchase	EUR/USD	05/04/2022	333	20
Foreign currency purchase	USD/EUR	24/01/2022	71	0
Total Group companies			537	22

These derivative instruments were contracted to hedge short-term foreign currency exposures.

The periods in which these cash flow hedges are expected to impact the income statement are as follows (in millions of euros):

	Future settlements				
	Less than 1 month	1 - 3 months	3 months - 1 year	1 -5 years	More than 5 years
Group companies	3	8	-1		

Other 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.*

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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.

	2022			2021		
Electricity derivatives	Notional amount	Other liabilities	Other assets	Notional amount	Other liabilities	Other assets
Energy derivatives through profit and loss	380	32	14	290	–	40

Changes in value resulted in the recognition of a loss of €60 million under *Profit/(loss) from changes in value of financial instruments at fair value* in the consolidated income statement for 2022 (income of €17 million in 2021).

23. Other non-current and current liabilities

Other non-current and current liabilities at 31 December 2022 and 2021 were as follows (in millions of euros):

Other liabilities	Non-current		Current	
	2022	2021	2022	2021
Grants	94	93		
Other deferred income	27	28		
Obligations under financial leases				
Other payables for non-financial derivatives	112	35		
Salaries payable			159	156
Payable to non-controlling interests	7	9	2	
Accounts payable to suppliers of property, plant and equipment	82	26	846	501
Tax payables (Note 25)			285	269
Other non-current trade payables	812	959	506	206
Total	1,134	1,150	1,798	1,132

Other payables for non-financial derivatives at 31 December 2022 include an amount of €112 million (€35 million at 31 December 2021) relating to the fair value of non-financial commodities derivatives arranged by subsidiaries of the Energy division to fix the future sale price of electricity for a specified volume of power. These contracts are marked to market.

The main Infrastructure division balances included under *Other non-current payables* comprise a government loan of €61 million granted as part of the financing of Concesionaria A-2 Tramo 2, S.A.U., a concession operator, and an amount of €74 million (€69 million in 2021) representing the non-current part of withholdings applied to trade balances payable to construction division suppliers and subcontractors by way of guarantee for the performance of their contractual undertakings. This heading also includes advances received from customers amounting to €363 million (€243 million in 2021), 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 in Note 13, the compensation of €53.8 million already awarded by the Regional

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Government of Catalonia to ATLL Concessionària de la Generalitat de Catalunya, S.A., 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. In December 2022, the High Court of Justice of Catalonia issued its judgment upholding the concession operator's appeal and ordering the Regional Government to pay a total of €304.4 million plus interest. The concession operator will settle its obligations towards the above-mentioned third party only after legal proceedings end and the decision becomes final, and only to the extent that it may actually receive the sums claimed. The obligations arising under the agreement for the assignment of future awards in the different lawsuits and claims concerned, including the ATLL claim, were recognised under *Other current payables* in the consolidated balance sheet at 31 December 2022.

In the Energy division, *Other non-current payables* at 31 December 2021 reflect financial contributions of €206 million (€211 million at 31 December 2021) made by non-controlling interests in Group projects and facilities, basically comprising three wind farms in the United States, constructed and operated through the Tax Equity Investor structure. These loans bear annual interest at a rate equal to the contractual target return.

As explained in Note 4.2 O), *Other non-current payables* also include the cumulative liability arising from market price deviations affecting renewable generating assets subject to Spanish regulations, which totalled €34.5 million (€128.8 million at 31 December 2021). The decrease in this balance was due to the reversal of the adjustment made for all standard facilities expected by Group Management to recoup NPV before the end of their regulatory useful lives without needing any additional payments under the regulated remuneration regime.

The increase in the balance of *Current payables to suppliers of fixed assets* was mainly due to changes in accounts payable to suppliers of property, plant and equipment, mainly in the Energy division, in respect of ongoing investments outstanding in respect of wind farms under construction in the prior year in Mexico, Australia and Peru, and solar photovoltaic plants in the United States and Spain. This heading also includes outstanding balances payable in respect of the acquisition of a battery storage project in the United States (Cunningham) for a total of €211 million and the acquisition of the renewable hydrogen projects associate Nordex H2, S.L. for €68 million, of which €53 million were recognised under *Non-current payable to suppliers of fixed assets* (see Note 3.2.h).

Grants comprise mainly amounts awarded for the construction of wind farms in the United States. Changes in 2022 and 2021 were as follows (in millions of euros):

	Grants
Balance at 31.12.2020	91
Recognised in *Other revenue*	-5
Other	7
Balance at 31.12.2021	93
Additions	2
Recognised in *Other revenue*	-6
Other	5
Balance at 31.12.2022	94

There were no significant changes in 2022 and 2021. The line heading *Other* reflects mainly exchange gains arising from the appreciation of the US dollar against the euro.

24. Trade and other accounts payable

The balance of *Trade and other accounts payable* was €3,889 million at 31 December 2022 (€3,148 million at 31 December 2021). This increase was due primarily to the increment in balances due to suppliers of the Infrastructure division driven by the rise in construction activity.

Current balances in respect of advances from customers and work certified in advance recognised at 31 December 2022 and 2021 totalled €844 and €764 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	2022	2021
	Days	Days
Average payment period to suppliers	22	28
Settled transactions ratio	20	27
Outstanding transactions ratio	43	34
(millions of euros)	Amount	Amount
Total payments made	5,446	3,527
Total payments outstanding	617	635

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.

This average payment period is calculated by adding settled transactions times total payments made and outstanding transactions payable times total outstanding payments, and then dividing the result by the total payments made plus outstanding payments.

The settled transactions ratio is calculated as the sum of amounts paid times 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 times 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.

Also, the information required by Spanish Law 18/2022, of 28 September, on enterprise creation and growth with regard to invoices paid before the end of maximum period permitted by default regulations is as follows:

	2022
Payment volume (millions of euros)	5,154
Percentage of the total value of payments to suppliers	94.65%
Number of invoices paid	404,216
Percent of total invoices paid to suppliers	80.53%

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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 national or regional tax legislation, or with the tax legislation prevailing in each overseas 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 in Spain under the local laws applicable in the Navarre Region. Various international VAT groups also exist in the United Kingdom (Industrial activity), Australia (Energy and Construction activities), United Arab Emirates and Saudi Arabia (Construction, Water and Industrial activities), and Germany (Handling activity).

Years open to tax inspection

The Spanish Internal Revenue Administration (AEAT) commenced a tax audit in March 2012, as a result of which the inspectorate queried the fulfilment of the conditions required to apply the exemption for dividends paid to a non-resident shareholder, in particular with regard to the status of beneficial owner, leading to contested additional tax assessments. The Company applied for judicial review in the Central Tax Tribunal, but in May 2015 an agreement was reached with the shareholder in receipt of the dividends whereby it would proceed to pay the disputed amount and settle the tax debt upon receiving payment of the sum concerned from the shareholder. In September 2021 Spain's National High Court partially upheld the appeals filed in relation to withholding taxes on dividend payments for 2008-2013, recognising the applicability of the "beneficial owners" clause included in double taxation treaties. Meanwhile, the Spanish Supreme Court turned down the appeal filed by the State Attorney against the decision of the National High Court, which is now final.

The other tax audits concluded with the signing of uncontested Corporate Income Tax assessments for the tax years 2007-2009, which did not result in any additional tax liability, uncontested VAT assessments (without fines) and contested assessments in respect of Personal Income Tax withholdings relating to severance payments in tax years 2008-2011. The most significant additional assessments were raised in respect of Acciona Construcción. These tax assessments were appealed in the Central Tax Tribunal (TEAC) and then in judicial review proceedings in the Spanish National High Court, which set aside the fines imposed but upheld the tax demands. This ruling became final when the Supreme Court turned down an appeal and a motion to vacate the proceedings. Additional tax assessments of €413,000 raised against Acciona, S.A. and Acciona Inmobiliaria were appealed in the Spanish National High Court, which annulled the inspection reports and confirmed the settlements paid. This decision became filed when the appeal filed in the Supreme Court was turned down.

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

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Taxpayers Office on 23 December 2013 and appealed in Spain's Central Tax Tribunal on 13 January 2014. The Tribunal issued its ruling on 16 February 2017, 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. While this decision rejected the main arguments presented, 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 and concluding arguments were presented on 17 January 2023.

The petition for suspension of the contested measure also sought a full waiver of guarantees, 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 judgment 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. Finally, the National High Court issued its judgment upholding the application on 7 March 2022 (Rec. 585/2019) and ordering the suspension subject to the formalisation of the guarantee offered in the form of wind rights for 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.iii of the Spanish General Taxation Act. The TEAC has not notified its decision in the matter to date. However, the Company has been notified of the AEAT's enforcement Decision of 9 May 2022, which assesses the wind rights for a value close to that declared in 2009. A further appeal was filed in the Central Tax Tribunal against the enforcement of this Decision on 9 June 2022 on the grounds that the administrative action concerned is null and void given that the TEAC has not yet issued a ruling in the matter. In this regard, the appeal seeks suspension of the AEAT Decision guaranteed by the wind rights in question. No decision has been received in this regard.

On 1 July 2021 the Central Major Taxpayers Office inspectorate notified Acciona, S.A., as the parent company of the tax group, of the commencement of a general audit of corporate income tax for the years 2013-2017 and of VAT for all months in the second half of 2017, as well as personal income tax, non-resident income tax and investment income tax withholdings for the same period. The Central Major Taxpayers Office subsequently proceeded to notify various companies forming part of the tax Group of the start of general inspections of Corporate Income Tax for different years.

At 31 December 2022, Corporate Income Tax and the other main 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

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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 the last four years open to 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 2022 and 2021 were as follows:

	2022		2021	
	Non-Current	Current	Non-Current	Current
Receivable				
VAT and other indirect taxes		250		251
Other		391		107
Public authorities	--	641	--	358
Corporate income tax		141		90
Deferred tax assets	872		920	
Total	872	782	920	448
Payable				
Personal Income Tax withholdings		34		30
VAT and other indirect taxes		178		178
Social Security payables		30		26
Other local taxes		39		30
Other		4		4
Public authorities	--	285	--	268
Corporate income tax		74		41
Deferred tax liabilities	890		813	
Total	890	359	813	309

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Reconciliation of accounting profit and taxable income

A reconciliation of accounting profit and the income tax expense for the years ended 31 December 2022 and 2021 is as follows (in millions of euros):

	2022	2021
Consolidated profit before tax	869	575
Profit/(loss) before tax from discontinued operations		
Permanent differences	246	-202
Adjusted accounting income	1,115	372
Tax rate adjusted expense	291	88
Deductions	-12	-2
Unrecognised tax credits	68	39
Income tax expense for the year	347	125
Change in tax rate		
Unrecognised tax loss carry-forwards offset	-5	-6
Effect of prior years' tax and other adjustments	-88	51
Tax expense on the income statement (*)	254	171
Tax expense from discontinued operations	--	--

(*) The tax expense reflected in the income statement in 2022 comprise current tax of €235 million and a deferred tax expense of €19 million.

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 positive permanent differences for the year include translation differences of €92 million due to the dollarisation of companies, inflation adjustments in Mexican and Chilean companies totalling €77 million and €105 million in respect of non-deductible provisions for risks and charges.

Significant negative permanent differences for 2021 included translation differences of €144 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 million, and applications of the capitalisation reserve totalling€36 million. The main positive permanent differences in 2021 comprised inflation adjustments in Mexican and Chilean companies for a total €76 million and €33 million in respect of non-deductible provisions for risks and charges.

The *Tax rate adjusted expense* reflects the expense calculated at 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 *Effect of prior years' tax and other adjustments* reflects mainly restatements of tax credits and other deductions recognised in prior years given the existence of projects or transactions on which it is now considered that future taxable profits will be earned, as a consequence of exchange rate adjustments to deferred tax assets or liabilities associated with the value of plant owned by dollarized subsidiaries in Mexico, Chile and Costa Rica, or as a result of the adjustments for inflation made in respect of tax credits recognised in jurisdictions where this is permitted.

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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 2022 and 2021 (in millions of euros):

	2022	2021
Fair value of financial instruments	-93	-37
Financial assets with changes in equity		
Actuarial gains and losses		
Total	-93	-37

Deferred tax

Certain temporary differences arose in 2022 and 2021 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 2022 and 2021 as a result of the following (in millions of euros):

Deferred tax assets arising from	2022	2021
Tax loss carry-forwards pending offset	367	399
Deductions pending application	92	133
Derivative financial instruments	27	83
Provisions for assets	14	15
Pass-through taxation (JVs)	13	11
Other	359	279
Total deferred tax assets	872	920

Deferred tax liabilities arising from	2022	2021
Revaluation of financial assets		
Allocation of first-time consolidation differences to assets	150	129
Deferred tax liability for accelerated depreciation	517	428
Derivative financial instruments	98	105
Pass-through taxation (JVs)	26	20
Other	99	131
Total deferred tax liabilities	890	813

Deferred tax assets and liabilities presented net for accounting purposes at 31 December 2022 were as follows:

Assets	2022
Other	26
Pass-through tax advances (JVs)	8
Deferred tax assets	34

Liabilities	2022
Other	26
Pass-through taxation (JVs)	8
Deferred tax liabilities	34

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Tax loss carry-forwards generated by subsidiaries before joining the Tax Group, of which Acciona, S.A. is the parent, amounted to €26 million at 31 December 2022. Of this amount, €21 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 foreign subsidiaries have also recognised tax credits for loss carry-forwards totalling €343 million, mainly in Mexico, the USA, Chile and Australia. Unrecognised taxable income, mainly generated in the US, Australia, Chile and Mexico, totals €1,129 million.

The tax group has included offsets of loss carry-forwards totalling €234 million in the calculation of corporate income tax for 2022, leaving a remaining total deferred tax asset of €14 million.

At 31 December 2022 the maturities of tax credits recognised in respect of loss carry-forwards available to be offset were as follows (in millions of euros):

	Amount	Prescription or maturity
Acciona, S.A. Tax Group	14	Unlimited
Spanish companies outside the Tax Group	10	Unlimited
International, limited	22	2023
International, limited	5	2024
International, limited	45	2025
International, limited	43	2026
International, limited	17	2027
International, limited	14	2028
International, limited	11	2029
International, limited	20	2030
International, limited	18	2031
International, limited	15	2032
International, limited	1	2033
International, limited	0.1	2034
International, limited	0.1	2035
International, limited	0.1	2036
International, limited	0.2	2037
International, limited	0.1	2038
International, limited	0.1	2039
International, limited	0.1	2040
International, limited	0.2	2041
International, unlimited	132	Unlimited
Total	367	

The Spanish Corporate Income Tax Act (Law 27/2014 of 27 November), which entered into force on 1 January 2015, allows tax loss carry-forwards to be offset for an unlimited period.

Effective as of 1 January 2015, the Spanish Corporate Income Tax Act, 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.

Unused tax credits total €92 million and were generated mainly by the Spanish tax group (€78 million), which plans to offset tax credits amounting to €48 million arising in respect of deductions for R&D activities out of the total balance available at 31 December 2022.

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The offset periods for unused tax credits carried in the consolidated balance sheet of the Acciona Group at 31 December 2022 were as follows (in millions of euros):

	Amount	Maturity
Acciona, S.A. Tax Group	5	2029
Acciona, S.A. Tax Group	14	2030
Acciona, S.A. Tax Group	11	2031
Acciona, S.A. Tax Group	10	2032
Acciona, S.A. Tax Group	8	2033
Acciona, S.A. Tax Group	5	2034
Acciona, S.A. Tax Group	4	2035
Acciona, S.A. Tax Group	4	2036
Acciona, S.A. Tax Group	3	2037
Acciona, S.A. Tax Group	4	2038
Acciona, S.A. Tax Group	4	2039
Acciona, S.A. Tax Group	4	2040
Acciona, S.A. Tax Group	2	2041
Spanish companies outside the Tax Group	7	NO
Non-resident companies	6	NO
Total	92	

There were no material unused tax credits that had not been recognised at 31 December 2022.

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 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)	14	1 year
Tax deductions and credits, Acciona, S.A. Tax Group (Spain)	78	2 years
Loss carry-forwards, USA	93	8–10 years
Loss carry-forwards, Mexico	114	8–10 years
Loss carry-forwards, Australia	34	3–5 years
Loss carry-forwards, Chile	41	2–7 years
Loss carry-forward, United Kingdom	19	3–5 years
Loss carry-forwards, South Africa	14	5–8 years

Most of the deferred tax assets included under *Other* were related to provisions for liabilities, risks, bad debts and other non-deductible items, adjustments for non-deductible accounting amortisation of 30% applicable to Spanish companies on a temporary basis in 2013 and 2014, reversible as of 2015, and 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).

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Other deferred tax liabilities for depreciation and accelerated depreciation 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 adjustment outstanding at 31 December 2022 pending reversion by the Spanish Tax Group companies was €62 million. This heading also includes the effect of accelerated depreciation for tax purposes in Mexico (€177 million), the United States (€145 million), Chile (€47 million), South Africa (€39 million), Canada (€17 million), India (€13 million)and Australia (€12 million).

Other deferred tax liabilities comprise mostly 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 method. Income deferrals applied by several Australian companies also appear under this line, as well as the taxable income recognised on the completion of projects rather than on a percentage progress 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 2022.

The disclosures required by article 86.3 of the consolidated text of the Corporate Income Tax (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.

Other disclosures

The Value Added Tax on Electricity Generating was with effect from June 2021 by Spanish Royal Decree Law 12/2021 of 24 June adopting urgent measures in the area of energy taxes and electricity generating, and on the administration of the water regulation levy and water use rates.

Spanish Law 7/2022 on waste products and soil contamination for a circular economy made two amendments to the regulation of the water levy, expressly repealing the first transitional profession of Law 12/2015 and rewording article 112.ii of the Spanish Waters Act. These amendments will enter into force in the next tax period (2023), and the first settlement of the levy will be payable in 2024.

Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union (Pillar Two) was approved and published in the Official Journal of the European Union on 22 December 2022. This Directive must be transposed into domestic law by the member States at the latest by 31 December 2023. The Acciona Group has made an initial assessment of the Derivative and does not expect any material impacts to arise as a result of the minimum level of taxation provided for, subject to final transposition into Spanish law.

26. Guarantee commitments with third parties

The Group had issued third-party guarantees to customers, government agencies and financial institutions for a total of €6,269 million at 31 December 2022 and €5,538 million at 31 December 2021. The increase in guarantees was due to growth in the infrastructure activity in countries like Australia and Brazil where various projects are currently under construction.

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The purpose of most of the bonds 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 (in millions of euros):

	Business Model				
2022	Long-Term Asset Operation	Service Business	Greenfield Developments Business	Corporate and other	Total Revenue
Energy	2,503	70	2,008	-230	4,351
Construction		73	4,455	32	4,560
Concessions	51			1	52
Water	209	229	833	1	1,272
Urban and Environmental Services		147	0	1	148
Consolidation adjustments			0	-16	-16
Infrastructure	260	449	5,288	19	6,016
Bestinver		101	0	0	101
Real Estate	7	0	240		247
Services	0	610	0	0	610
Other		14	58	153	225
Other Activities	7	725	298	153	1,183
Consolidation adjustments				-355	-355
Total	2,770	1,244	7,594	-413	11,195

	Business Model				
2021	Long-Term Asset Operation	Service Business	Greenfield Developments Business	Corporate and other	Total Revenue
Energy	1,706	8	947	-189	2,472
Construction		59	3,544	23	3,626
Concessions	53				53
Water	149	198	697	8	1,052
Urban and Environmental Services		164		1	165
Consolidation adjustments				-26	-26
Infrastructure	202	421	4,241	6	4,870
Bestinver		128			128
Real Estate			190		190
Services		607			607
Other	29	10	60	31	131
Other Activities	29	745	250	31	1,055
Consolidation adjustments				-293	-293
Total	1,937	1,174	5,438	-445	8,104

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 portfolios of renewable electricity generating assets, civil, transport and water infrastructure concessions, and leased investment proprieties. 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 electricity 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 service 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 margins given the specialisation and value added by the business, and they also command a high level of customer loyalty despite exposure to market volatility. Revenue from mediation and consultancy services is recognised in line with the provision of services.

- **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 the Group's other 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.

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A breakdown of the Group companies' total revenues by geographical area is as follows (in millions of euros):

	Spain	European Union	OECD	Other countries	Total
2022					
Energy	3,198	358	714	81	4,351
Infrastructure	1,142	496	2,743	1,635	6,016
Other activities	914	77	98	94	1,183
Intercompany transactions	-329	-1	-24	-1	-355
Total	4,925	930	3,531	1,809	11,195
2021					
Energy	1,502	218	644	108	2,472
Infrastructure	1,109	377	2,205	1,179	4,870
Other activities	826	75	97	102	1,100
Intercompany transactions	-303	-5	-29	-1	-338
Total	3,134	665	2,917	1,388	8,104

Energy

The revenues of the Energy division were as follows (in millions of euros):

	2022	2021
Revenue		
Energy (revenues from sales to customers)	2,420	1,830
Energy (revenues from settlements of energy sales hedges)	-176	-324
Plant and equipment	3	1
Biofuels	4	3
Energy trading	1,784	775
Other revenues	253	128
Services provided	63	59
Total Energy revenues	4,351	2,472

The revenues detailed above include an estimate of unbilled energy sales to electricity marketing customers located mainly in Spain and Portugal at 31 December 2022. This estimate was calculated based on consumption finally confirmed by the system operators in the month following each monthly accounting close, when invoices are issued.

The Group recognised unbilled sales to electricity marketing customers for a total of €128 million at 31 December 2022 (€110 million at 31 December 2021). The increase in these revenues was largely due to rising energy prices.

Concessions

At 31 December 2022, the Acciona Group's main service concession contracts are in the concessions and water activities. Revenues earned by concession agreements falling within the scope of IFRIC 12 amounted to €52 million (service concessions) and €76 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* and totalled €7 million in the year ended 31 December 2022 (€5 million in 2021).

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 (in millions of euros):

	2022	2021
Civil engineering	3,645	2,897
Residential building	225	98
Non-residential building	353	273
Other construction activities	27	187
Ancillary construction activities	73	59
Engineering	237	112
Total construction revenue	4,560	3,626

Infrastructure construction revenue by type of customer was as follows (in millions of euros):

	2022	2021
Central government	143	130
Regional governments	73	77
Local authorities	49	23
Autonomous entities and state-owned corporations	198	157
Public sector	463	387
Private sector	291	327
Total Spanish customers	754	714
Total international customers	3,806	2,912
Total construction revenue	4,560	3,626

The geographical distribution of the infrastructure construction order book at 31 December 2022 and 2021 was as follows (in millions of euros):

2022	Spain	International	Total
Civil engineering	1,180	10,360	11,540
Residential building	168	41	209
Non-residential building	481	909	1,390
Other construction activities	43	6	49
Ancillary construction activities	46	154	200
Industrial activity	23	1,616	1,639
Other activities	35		35
Total construction orders	1,976	13,086	15,062

2021	Spain	International	Total
Civil engineering	978	8,609	9,587
Residential building	135	64	199
Non-residential building	379	695	1,074
Other construction activities	49	1	50
Ancillary construction activities	51	179	230
Industrial activity	37	872	909
Other Activities	38		38
Total construction orders	1,667	10,420	12,087

Other revenue

Other revenue recognised in the accompanying consolidated income statement for the year ended 31 December 2022 totalled €1,016 million (€563 million in 2021), primarily in respect of work carried out by the Group for its own property, plant and equipment, mostly comprising wind projects in the United States, Australia, the Dominican Republic and Spain, as well as work carried out for or charged on to joint venture partners in the Construction activity.

28. Expenses

The Group's expenses were as follows (in millions of euros):

	2022	2021
Cost of goods sold	3,483	1,980
Personnel expenses	2,077	1,787
Wages, salaries and similar amounts	1,750	1,522
Social security costs	285	235
Other personnel expenses	42	30
Other operating expenses	4,645	3,524
Taxes other than income tax	138	78
Other current operating expenses	31	19
Subtotal	10,374	7,389
Change in provisions	111	128
Depreciation and amortisation charge	651	587
Total	11,136	8,103

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Employees:

The average headcount in 2022 and 2021 was as follows:

	2022	2021	Variation
Executives and managers	3,008	2,714	294
Qualified line personnel	8,491	7,449	1,042
Clerical and support staff	1,780	1,423	357
Other employees	32,614	30,078	2,536
Total average headcount	45,892	41,664	4,229

The segment headcount by gender in 2022 and 2021 was as follows:

	2022			2021		
	Men	Women	Total	Men	Women	Total
Executives and managers	2,341	667	3,008	2,123	591	2,714
Qualified line personnel	5,807	2,684	8,491	5,036	2,413	7,449
Clerical and support staff	604	1,176	1,780	439	984	1,423
Other employees	24,605	8,008	32,614	22,690	7,388	30,078
Total average headcount	33,356	12,536	45,892	30,288	11,376	41,664

The Group's headcount by segment was as follows:

	2022	2021	Change
Energy	2,354	1,762	592
Infrastructure	23,070	19,914	3,156
Other Activities	20,468	19,988	480
Total average headcount	45,892	41,664	4,229

The segment headcount by gender in 2022 and 2021 was as follows:

	2022			2021		
	Men	Women	Total	Men	Women	Total
Energy	1,703	652	2,354	1,262	501	1,762
Infrastructure	19,149	3,921	23,070	16,610	3,304	19,914
Other activities	12,505	7,963	20,468	12,417	7,572	19,988
Total average headcount	33,356	12,536	45,892	30,288	11,376	41,664

The parent company employed 164 staff in 2022 (206 in 2021), and the rest were employed by the Group's subsidiaries.

The Group companies had an average of 1,000 direct and indirect employees with a disability level of 33% or over in 2022 (952 in 2021). Spanish Royal Legislative Decree 1/2013 of 29 November approving the Consolidated Text of the 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 4.37% of employees in Spain were employed under disability contracts in 2022 (3.96% in 2021).

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Lease expenses:

On 31 December 2022, the expense recognised under *Other operating expenses – Leases* in the accompanying consolidated income statement totalled €141 million (€108 million in 2021).

Variable rents incurred in 2022 amounted to €30 million (€27 million in 2021). A breakdown by division of the fixed and variable rents incurred by the Group under operating leases in the years ended 31 December 2022 and 2021 is as follows:

2022:

Division (Millions of euros)	[a] Fixed rents	[b] Variable rents	Key variable rent parameters	% [c]=[b]/[a]
Energy	53	16	MWh	31%
Infrastructure	77	14	Machine hours	18%
Other Activities	20		N/A	0%
TOTAL	149	30		

2021:

Division (Millions of euros)	[a] Fixed rents	[b] Variable rents	Key variable rent parameters	% [c]=[b]/[a]
Energy	45	16	MWh	36%
Infrastructure	47	11	Machine hours	22%
Other Activities	23		N/A	0%
TOTAL	115	27		

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 €109 million in 2022 (€81 million in 2021).

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Change in provisions:

A detail of the changes in provisions reflected in the consolidated income statement is as follows (in millions of euros):

	2022	2021
Changes in provisions for unrecoverable receivables	23	20
Changes in provisions for inventories	5	6
Other provisions	83	101
Total	111	128

Other provisions at 31 December 2022 and 2021 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.

Impairment and profit/(loss) on disposals of non-current assets

The impairment and profit/(loss) on disposals of non-current assets recognised in the consolidated income statements for 2022 and 2021 were as follows (in millions of euros):

	2022	2021
Profits/(losses) on disposal of non-current assets	34	68
Impairment of other assets (Note 5)	-19	-1
Total	15	67

Profits on disposal of non-current assets comprised mainly the gain of €21 million (CAD 28 million) obtained on the sale of 75% of the investment held in the Canadian road concession operator Windsor Essex Mobility Group Partnership. Gains totalling €8 million were also recognised in the Energy division on the sale of shareholdings in the equity accounted companies Desarrollo de Energías Renovables de Navarra, S.A., Parque Eólico Cinseiro, S.L. and Explotaciones Eólicas Sierra de Utrera, S.L. (see Note 10).

In view of the situation in Ukraine a loss of €35 million was recognised under *Impairment of other assets* at 31 December 2022 following impairment testing of PV generating assets located in that country. Meanwhile in Spain, impairments totalling €32 million were reversed given the trend in energy prices in a context driven by the trend in gas prices and in view of the economic outlook for regulated assets in the short to medium term and the regulatory changes approved over the course of the year (see Note 5).

Country	Amount
Spain	32
Ukraine	-35
Mexico	-5
Other	-12
Total	-20

The amount reflected under *Profits on disposal of non-current assets* in the year ended 31 December 2021 was obtained primarily on the agreement made 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.

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Profit/(loss) from changes in the value of financial instruments at fair value

Changes in the fair value of financial instruments at 31 December 2022 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 €154 thousand (€585 thousand in 2021) was also recognised on cash flow hedges, as well as expense of €5 million (€321 thousand in 2021) due to inefficiency of energy price derivatives (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 stock broking services, the real estate activity, manufacture of electric vehicles, motorbike sharing (*motosharing*) services, investment in the associate Nordex SE (manufacture of wind turbines), museum interior design 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.

Following the IPO carried out by Corporación Acciona Energías Renovables (CAER) in 2021, the Group modified and adapted the scope and contents of the *Energy* segment to facilitate understanding of the profits/(losses) and transactions contributed by CAER to the consolidated income statement 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. Consequently, this segment now comprises solely the contribution made by the CAER subgroup plus the imputed financial cost associated with the portion of corporate debt required to finance the 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 consolidated income statement captions *Financial income/costs* and *Income tax expense*, and the consolidated balance sheet captions *Other assets* and *Equity*.

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 in relation 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 2022 and 2021 are as follows (in millions of euros):

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Balance at 31.12.2022	Segment					
	Energy	Infrastructure	Other Activities	Intergroup transactions	Corporate transactions	Total Group
ASSETS						
Property, plant and equipment, intangible assets and investment property	8,940	638	679	-59		10,198
Rights of use	376	134	38			548
Goodwill		136	113			249
Non-current financial assets	32	49	182			263
Investments accounted for using the equity method	423	349	960	-2		1,730
Other assets	655	611	137	14		1,417
Non-current assets	10,426	1,917	2,109	-47	--	14,405
Inventories	148	270	975	-7		1,386
Trade and other receivables	631	2,782	364	-437		3,340
Other current financial assets	200	19	96			315
Other assets	204	499	105	-19		789
Cash and cash equivalents	612	1,429	319			2,360
Non-current assets classified as held for sale						--
Current assets	1,795	4,999	1,859	-463	--	8,190
Total assets	12,221	6,916	3,968	-510	--	22,595
EQUITY AND LIABILITIES						
Consolidated equity	6,223	1,054	-904	-69	--	6,304
Financial debt	2,152	861	3,151			6,164
Other liabilities	1,435	742	130	-4		2,303
Non-current liabilities	3,587	1,603	3,281	-4	--	8,467
Financial debt	681	235	848			1,764
Trade and other accounts payable	592	2,968	433	-104		3,889
Other liabilities	1,138	1,056	310	-333		2,171
Liabilities directly associated with non-current assets classified as held for sale						--
Current liabilities	2,411	4,259	1,591	-437	--	7,824
Total equity and liabilities	12,221	6,916	3,968	-510	--	22,595

Balance at 31.12.2022	Segment					
	Energy	Infrastructure	Other Activities	Intragroup Transactions	Corporate transactions	Total Group
Revenue	4,351	6,016	1,183	-355	--	11,195
Revenue	4,316	5,784	1,095	-0		11,195
Revenue to other segments	35	232	88	-355		0
Other operating income/(expenses)	-2,808	-5,699	-1,107	328		-9,286
Equity method profit/(loss) - analogous	110	51	-2			159
Gross profit/(loss) from operations	1,653	368	74	-27	--	2,068
Allowances	-434	-273	-56	1		-762
Impairment and profit/(loss) on disposals of non-current assets	-12	26	1			15
Other gains or losses	18	-4	-1			13
Profit from operations	1,225	117	18	-26	--	1,334
Financial profit/(loss)	-155	-31	-15			-201
Profit/(loss) from changes in value	-64		-6			-70
Equity method profit/(loss) – non-analogous			-194			-194
Profit before tax	1,006	86	-197	-26	--	869
Corporate income tax expense	-250	-16	5	7		-254
Consolidated profit/(loss) for the year	756	70	-192	-19	--	615
Profit/(loss) after tax of discontinued operations						--
Year's profit/(loss)	756	70	-192	-19	--	615
Non-controlling interests	-168	-5	-1			-174
Profit/(loss) attributable to the parent company	588	65	-193	-19	--	441

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Balance at 31.12.2021	Energy	Infrastructure	Other Activities	Intragroup Transactions	Corporate transactions	Total Group
	Segment					
ASSETS						
Property, plant and equipment, intangible assets and investment property	7,601	569	541	-51		8,660
Rights of use	367	115	46			528
Goodwill		136	113			249
Non-current financial assets	42	44	133			219
Equity accounted investments	302	165	861	-3		1,325
Other assets	599	510	265	14		1,388
Non-current assets	8,911	1,539	1,959	-40	--	12,369
Inventories	125	219	879	-13		1,210
Trade and other receivables	536	2,247	340	-392		2,731
Other current financial assets	172	33	13			218
Other assets	265	112	100	-23		454
Cash and cash equivalents	625	1,250	443			2,318
Non-current assets classified as held for sale		303				303
Current assets	1,723	4,164	1,775	-428	--	7,234
Total assets	10,634	5,703	3,734	-468	--	19,603
EQUITY AND LIABILITIES						--
Consolidated equity	5,334	860	-564	-73	--	5,557
Financial debt	2,153	479	2,235			4,867
Other liabilities	1,372	795	101	-4		2,265
Non-current liabilities	3,525	1,274	2,336	-4	--	7,131
Financial debt	633	112	1,269			2,014
Trade and other accounts payable	420	2,509	342	-123		3,148
Other liabilities	722	685	351	-268		1,490
Liabilities directly associated with non-current assets classified as held for sale		263				263
Current liabilities	1,775	3,569	1,962	-391	--	6,915
Total equity and liabilities	10,634	5,703	3,734	-468	--	19,603

Balance at 31.12.2021	Energy	Infrastructure	Other Activities	Intragroup Transactions	Corporate transactions	Total Group
	Segment					
Revenue	2,472	4,870	1,056	-294	--	8,104
Revenue	2,448	4,716	940			8,104
Revenue to other segments	24	154	116	-294		--
Other operating income/(expenses)	-1,448	-4,579	-951	263		-6,715
Equity method profit/(loss) - analogous	63	32	-1			94
Gross profit/(loss) from operations	1,087	323	104	-31	--	1,483
Allowances	-381	-290	-44	1		-714
Impairment and profit/(loss) on disposals of non-current assets	-1	57	11	0		67
Other gains or losses	-9	-4	-3	9		-7
Profit/(loss) from operations	696	86	68	-21	--	829
Financial profit/(loss)	-143	-17	-10			-170
Profit/(loss) from changes in value	-16	15	-2			-3
Equity method profit/(loss) – non-analogous			-81			-81
Profit before tax	537	84	-25	-21	--	575
Corporate income tax expense	-160	-25	8	6		-171
Consolidated profit/(loss) for the year	377	59	-17	-15	--	404
Profit/(loss) after tax of discontinued operations						--
Year's profit/(loss)	377	59	-17	-15	--	404
Non-controlling interests	-64	-4	-2	-2		-72
Profit attributable to the parent company	313	55	-19	-17	--	332

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Corporate transactions did not result in any material profits or losses in 2022 and 2021.

Consolidated revenues and EBITDA in the energy and infrastructure segments were as follows (in millions of euros):

31.12.2022

Division	Revenue	EBITDA
Power	2,503	1,708
Non-power	1,848	-55
Energy	4,351	1,653
Construction	4,560	227
Concessions	52	37
Water	1,272	89
Urban and Environmental Services	148	14
Consolidation adjustments	-16	
Infrastructure	6,016	368

31.12.2021

Division	Revenue	EBITDA
Power	1,706	1,115
Non-power	766	-28
Energy	2,472	1,087
Construction	3,626	163
Concessions	53	46
Water	1,052	100
Urban and Environmental Services	165	14
Consolidation adjustments	-26	
Infrastructure	4,870	323

EBITDA represents the operating profit obtained by the Group, reflecting operating profit before depreciation and amortisation charges and changes in provisions. It is calculated based on the following items reflected in the consolidated income statement (in millions of euros):

	31.12.2022	31.12.2021
Revenue	11,195	8,104
Other revenue	1,016	563
Change in inventories of finished goods and work in progress	72	110
Cost of goods sold	-3,483	-1,980
Personnel expenses	-2,077	-1,787
Other operating expenses	-4,814	-3,621
Equity method profit/(loss) - analogous	159	94
EBITDA	2,068	1,483

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Revenue and the balances of the Group's total, non-current and current assets by geographical area are as follows (in millions of euros):

	Revenue		Total assets		Non-current assets		Current assets	
	2022	2021	2022	2021	2022	2021	2022	2021
Spain	4,925	3,134	7,361	7,348	4,688	4,700	2,673	2,648
European Union	930	665	2,113	1,896	1,543	1,433	570	463
OECD	3,531	2,936	10,292	8,168	7,227	5,577	3,065	2,592
Other countries	1,809	1,369	2,829	2,191	947	659	1,882	1,531
Total	11,195	8,104	22,595	19,603	14,405	12,369	8,190	7,234

Revenue and non-current assets from significant countries other than Spain, i.e. countries where more than 10% of income is obtained from third-party customers and non-current assets represent more than 10% of total assets according to IFRS 8, were as follows (in millions of euros):

	Revenue		Non-current assets	
	2022	2021	2022	2021
Australia	1,637	1,433	1,740	1,077
Mexico	355	254	1,695	1,680
USA	125	155	2,251	1,360

30. FINANCE INCOME AND COSTS AND OTHER INCOME AND EXPENSES FOR THE YEAR

The financial income and costs of the Group were as follows (in millions of euros):

	2022	2021
Financial income	47	55
From other financial instruments – associates	1	2
Other financial income	46	52
Financial costs	-257	-235
On payables to third parties	-273	-242
Capitalisation of borrowing costs	16	7

Other finance income and capitalised of finance costs:

The Group capitalised borrowing costs amounting to €16.2 million at 31 December 2022 and €7.3 million at 31 December 2021, practically all in respect of property, plant and equipment (see Note 5). Borrowing costs capitalised in inventories totalled €3.9 million in 2022 and €1.5 million in 2021 (see Note 4.2.j).

Finance costs:

A total of €10 million payable to third parties by fully consolidated Group companies were deducted from equity and included in Finance costs in 2022 as a result of periodic settlements of hedging derivatives (€21 million in 2021).

An additional amount of €0.5 million (€9 million in 2021), also arising from periodic derivatives settlements, was recognised as a decrease in the results of companies accounted for using the equity method.

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31. Proposed application of profits

The proposed application of the profit for 2022 which the Board of Directors will submit for approval by the Shareholders at their Annual General Meeting is shown below (expressed in euros). This proposal is presented together with the actual application of the 2021 profit approved at the Annual General Meeting held on 23 June 2022.

	2022	2021
Distribution basis:		
Profit of Acciona, S.A.	74,790,478.81	850,314,721.46
Distributable voluntary reserves	180,156,231.64	
Total	254,946,710.45	850,314,721.46

	2022	2021
Distribution:		
Legal reserve		
Statutory reserve	7,479,047.88	85,031,472.15
Capitalisation reserves	612,724.07	27,981,486.23
Voluntary reserves		512,389,485.78
Dividends	246,854,938.50	224,912,277.30
Total	254,946,710.45	850,314,721.46

The proposed appropriation for 2022 envisages the distribution of a dividend of €4.50 per share.

The Company may distribute dividends only after it has appropriated funds to cover prior years' losses, set aside 10% of the profit for the year to the legal reserve (until the balance thereon is equal to 20% of the share capital) and covered all obligations specified in the Company's articles of associate.

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 €612,724.07 be made out of the profit for 2022 to the capitalisation reserve set aside in accordance with article 25 of the Spanish 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.

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32. Environmental matters

In 2022, the Group allocated €146 million to the management of environmental impacts generated by its activities (prevention, reduction or correction of impacts). A total of €139 million were applied to costs and €7 million to investments. A breakdown of these amounts is as follows (in millions of euros):

Category	2022	2021
Measures to mitigate environmental impacts	111	75
Environmental research, development and innovation	11	11
Personnel assigned to environmental activities	7	8
Investments in property, plant and equipment used to prevent environmental impacts and protect the environment	7	4
Environmental consultancy and advisory services	7	7
Other*	3	6
Total	146	111

(*) This line reflects other environmental expenses, including insurance and taxes, training, environmental management systems, and environmental communication and awareness-raising.

A firm commitment existed at 31 December 2022 to purchase a 100% electrically powered, 30-ton foundation drilling rig for use in projects undertaken in Australia and New Zealand. The expected cost of this investment is AUD 3 million. The acquisition of this rig is part of the KPI 6 undertakings made in relation to the purchase of zero or low carbon equipment in the context of the green financing arranged by Acciona, S.A.

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 2022 and 2021 were as follows:

	31/12/2022	31/12/2021
Net profit attributed to the Parent Company (euros)	440,755,671	332,047,734
Weighted average number of shares outstanding	54,684,851	54,628,413
Basic earnings per share (euros)	8.06	6.08

- 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 2022 and 2021 relates to employee incentive plans, which have no relevant effect on the calculation. Accordingly, earnings per share match diluted earnings per share.

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34. Events after the reporting period

Nordex SE drew down the remaining €275 million under the facility agreement made in June 2022 (see Note 12) on 18 January 2023.

On 15 February 2023, meanwhile, the Management Board of Nordex SE convened an Extraordinary General Meeting of the Shareholders to be held on 27 March 2023, at which the Board intends, among other matters, to propose an in-kind capital increase by issuing up to 29,260,215 new shares to be paid by offsetting loans. This capital increase will exclude preferential subscription rights for shareholders other than Acciona, S.A. The number of new shares that will finally be issued in the capital increase up to the maximum of 29,260,215 shares will be determined by dividing the total loans offset by the weighted average share price over the period between 16 February and 24 March 2023, inclusive (the Benchmark Period).

Also on 15 February 2023, the Company made a formal commitment to Nordex SE to subscribe all of the shares issued in the proposed capital increase by contributing the two outstanding loans granted by Acciona, S.A. to Nordex SE plus the balance of accrued interest payable as at 26 March 2023, resulting in a total contribution of €347 million. This commitment is conditional upon the approval of the capital increase by the shareholders of Nordex SE at their Extraordinary General Meeting. The Company may desist from its commitment to subscribe the shares if the weighted average share price for the Benchmark Period is less than €11.85 per share.

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 2022 and 2021 were as follows (in millions of euros):

Related-party transactions	2022	2021
Trade and other receivables	65	74
Trade and other accounts payable.	534	489
Loans granted	105	95
Loans received	3	18
Revenue	604	491
Expenses	337	145

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, and the ISTP Madinah projects for the construction of a series of desalination plants in Saudi Arabia.

Expenses and *Trade and other accounts payable* 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, as well as advances received in respect of the construction of line 6 of the Sao Paulo metro and the Fargo project in the United States.

Loans granted comprise basically the loan awarded by Acciona, S.A. to the associate Nordex, S.E., and loans granted to associates by Acciona Concesiones, S.A. and the CAER to finance their projects.

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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.ii, Title XIV of the Spanish Corporate Enterprises 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 report 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 every six months to prepare a report to the Audit and Sustainability Committee on the 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 2022 or 2021, whether in terms of their amount or nature.

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36. Remuneration and other benefits

A. Board of Directors

The remuneration in euros earned by the members of the Company's Board of Directors in 2022 was as described in this note, taking into consideration that the amounts mentioned refer both to the Parent and its subsidiaries.

In accordance with 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 in 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 proposed by 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.

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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 three-year period 2023, 2024 and 2025 was approved by the Shareholders at their Annual General Meeting in 2022. The new remuneration policy was approved as a separate item on the agenda for the Annual General Meeting held on 23 June 2022, in accordance with article 529.xix of the Consolidated Text of the 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.

The proposal for the new Remuneration Policy applicable to the three-year period 2023-2025 presented by the Board of Directors to the Annual General Meeting proved opportune given the legislative changes brought about by Spanish Law 5/2021 of 12 April amending the Spanish Corporate Enterprises Act and other financial legislation so as to effect the transposition into Spanish law of Directive (EU) 2017/828 of 17 May 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.

In particular, the First Transitional Provision of the aforesaid Law 5/2021 required companies to submit a remuneration policy aligned with the legislative changes enacted at the first annual general meeting after its entry into force.

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 committee will be removed; c) the remuneration payable to non-executive directors for membership of the Board will be €100,000; d) remuneration of €70,000 will be payable for membership of the Audit and Sustainability Committee and €55,000 for membership of the Appointments and Remuneration 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 committees will be €18,000 for the Audit and Sustainability Committee and €11,000 for the Appointments and Remuneration Committee.

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The total remuneration paid to the members of the Board of Directors for the discharge of their management duties in the Company in 2022 was €1,684 thousand (€1,588 thousand in 2021). An individual breakdown of this amount (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 2022	Total 2021
José Manuel Entrecanales Domecq				
Juan Ignacio Entrecanales Franco				
Daniel Entrecanales Domecq	100	70	170	164
Javier Entrecanales Franco	100	55	155	153
Karen Christiana Figueres Olsen	100	61	161	163
(**) Ana Sainz de Vicuña Bemberg	48	26	74	172
Jerónimo Marcos Gerard Rivero	100	86	186	163
(**) Juan Carlos Garay Ibargaray	48	46	94	231
Javier Sendagorta Gómez del Campillo	100	88	188	172
José Maria Pacheco Guardiola	100	55	155	153
María Dolores Dancausa Treviño	100	70	170	85
Sonia Dulá	100	70	170	135
(*) Carlo Clavarino	52	29	81	
(*) Maite Arango García-Urtiaga	52	29	81	
Total			1,685	1,591

(*) Directors appointed in 2022.
(**) Directors who stepped down in 2022.

The cash remuneration paid to Directors for the discharge of executive and senior management functions and for membership of the Board totalled €6,415 thousand in 2022 and €5,804 thousand in 2021. The Directors also received remuneration in kind amounting to €105 thousand in 2022 and €102 thousand in 2021.

The independent Director Sonia Dulá also holds office as non-executive director and chairs the boards of directors of Bestinver, S.A. and Bestinver Gestión, S.A. SGIIC, to which positions she was appointed on 22 July 2019. She receives remuneration only for her position in Bestinver, S.A., and her earnings in this respect amounted to €100 thousand in 2022.

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.

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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 the foregoing.

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 2022 and 2021 amounted to €3,763 and €5,013 thousand, respectively. The contributions made in 2022 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 2021.

The accumulated value at 31 December 2022 of the Executive Directors' savings schemes including unvested financial claims of Executive Directors was €28,442 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 2022 and 2021, including the Executive Directors of Acciona holding non-executive directorships in Corporación Acciona Energías Renovables, S.A., except Ms Sonia Dulá as explained in relation to the Bestinver subgroup. Specific information regarding the remuneration 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 2022 (José Manuel Entrecanales Domecq, Juan Ignacio Entrecanales Franco, Sonia Dulá and Karen Christiana Figueres Olsen). For further information, see the 2022 Directors Remuneration Report (*Informe de Remuneraciones de los Consejeros 2022*) 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 €8,305 thousand in 2022 and €7,597 thousand in 2021.

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 2022 and 2021, 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:

Remuneration item	2022	2021
Senior management headcount	48	51
Remuneration (thousands of euros)	26,108	30,949

The senior management headcount and remuneration were calculated without taking into consideration persons now holding senior management positions in the Acciona Energía subgroup, whose number and earnings are disclosed in the 2022 annual accounts prepared by Acciona Energía. The remuneration paid in 2022 and 2021 includes severance and additional settlements of incentive plans.

The remuneration figures for 2022 and 2021 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 2022 was €2,305,024.

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: 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.

(B) Duration: Ten years (from 1 January 2020 to 31 December 2029, inclusive).

(C) Metrics applied to value creation:

(i) Total shareholder return (TSR) is the benchmark value creation 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.

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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 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 an 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 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 plan will be accelerated for both of the 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.

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Plan for the Award of Shares and Performance Shares

- 2014 Plan

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 year. The 2014 Plan ended for the Executive Directors in 2020, when the Plan was settled.

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 through the award of a given number of treasury shares or of a cash sum. 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.

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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 payments on account of personal income tax in respect of the 2014 Plan 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 the Award of Shares and Performance Shares* by 100,000 for each year, notwithstanding any subsequent increases that might be proposed by the Board of Directors and approved by the General Meeting.

At the close of 2022 the maximum number of shares available was 360,885 after 16,935 were used during the year for awards to executives other than the executive directors.

The *2014 Plan for the Award of Shares and Performance Shares* had concluded at 31 December 2022, although certain obligations arising from the award of shares to the beneficiaries will remain until the expiry of the relevant delivery periods.

2022 Plan:

The Board of Directors considers it a strategic priority to retain and incentivise the management team effectively and to ensure the maximum alignment of their interests with those of the Group. Following the conclusion of the 2014 Plan, therefore, the Board of Directors approved a new plan for the award of shares directed at management of Acciona, S.A. and its Group (the "2022 Plan) on 24 February 2022 acting on the recommendation of Appointments and Remuneration Committee. The new Plan will permit the award of shares by way of exceptional, no-vesting, variable remuneration of its beneficiaries under the terms and conditions established in the 2022 Plan Regulations. This existence and terms of this Plan were reported to the Spanish National Securities Market Commission (CNMV) on 24 February 2022.

The main conditions of the *2022 Plan for the Award of Shares* are as follows:

A) Purpose and Duration of the Plan

The purpose of the 2022 Plan is (i) to award a given number of shares to one or more Recipients annually based on the attainment of objectives and performance over the year appraised; and (ii) to authorise the Board of Directors to decide on multi-year Share awards to be made to one or more Recipients based on the attainment of objectives and extraordinary performance over a given period of at least three years, which may not extend beyond the duration of the 2022 Plan, and to set the relevant measurement intervals. The measurement interval applied for the purposes of the 2022 Plan may be considered to commence in the year prior to its approval.

The total duration of the 2022 Plan will be five years, running from 1 January 2022 until 31 December 2026.

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B) Annual performance appraisal and allocation of Shares

Throughout the term of the 2022 Plan, the Appointments and Remuneration Committee will appraise the Plan Recipients based on each Recipient's personal performance of their duties in the preceding year; the level of fulfilment of objectives associated with each Recipient's position; and the level of fulfilment of the Acciona Group's general objectives in the prior year. The results of this appraisal process will be reported to the Board of Directors for its consideration.

C) Recipients of the Plan

The recipients of the 2022 Plan comprise those Executives of the Acciona Group selected by the Board of Directors each year for allocation of the right to receive Shares in accordance with the 2022 Plan Regulations.

By way of clarification, the 2022 Plan does not include Acciona's executive directors.

Participation in the 2022 Plan may be extended to other executive levels or specific individuals discharging positions of special responsibility at the discretion of the Board of Directors subject to a report from the Appointments and Remuneration Committee.

D) Unavailability of Shares and Buy-Back Option

The recipients of shares awarded under the 2022 Plan may not (a) transfer, charge or otherwise dispose of the same under any title (except *mortis causa*), or (b) grant any options, other restrictions on ownership, or collateral guarantees in respect thereof until a period of at least three (3) years has elapsed since the date of transfer of the Shares. This condition will differ in part in the case of multi-year share awards, since 50% of the shares concerned will be restricted for a period of one year after the award and the other 50% for two years after the award.

Meanwhile, recipients acquiring shares under the terms of the 2022 Plan will be considered to grant Acciona a buy-back option on all of the shares awarded for a period of three years after the date of the award if a recipient's professional relations with Acciona and/or its Group are terminated within said period on grounds attributable to the same (see the malus scenarios described in the *Plan Regulations*). This condition will differ in part in the case of multi-year share awards, since 100% of the shares delivered will be subject to buy-back by Acciona in the first year after the date of the award, and the option will also apply to 50% of the shares delivered in the second year after the date of the award if the recipient's professional relations with Acciona and/or its Group are terminated within the two years following the date of the award on grounds attributable to the same.

The 2022 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 payments on account of personal income tax in respect of the 2022 Plan 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.

Plan to substitute variable remuneration for shares

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 of building loyalty and retaining the Group's executives. The main characteristics of this plan are as follows:

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Objective: 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 (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 any option or made subject to any limitations on ownership or guarantees until 31 March of the third year after the year in which the shares were awarded 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 and Acciona or its Group are terminated on grounds attributable to the Beneficiary before 31 March of the third year following the year of the award.

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

The Board of Directors unanimously approved a new Shareholders Plan on the recommendation of the Appointments and Remuneration Committee, which is applicable to all employees in general who are resident in Spain for tax purposes, offering them the opportunity to redistribute a part of their variable and/or fixed cash remuneration up to a limit of €12,000 per year by means of the award of shares in the Company. The Plan was designed in accordance with the current regulatory framework, which offers favourable tax treatment for plans of this kind.

The Plan is voluntary and it offers all employees resident in Spain for tax purposes the opportunity to participate in the profits of the Company as shareholders, providing they joined any of the companies forming part of the Acciona Group before 31 December of the year prior to that in which the award is made.

The share awards made were measured at the closing market price on 31 March 2022 and were transferred in the first fortnight of April.

Finally, a total of 16,835 shares of Acciona, S.A. with a fair value of €2,356,900 were awarded to 44 Beneficiaries under the **Plan for the Award of Shares/Performance Shares** in 2022, by way of payment of a part of their variable remuneration for 2021.

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 income statement for the year ended 31 December 2022. The other two thirds will be taken to income in 2023 and 2024.

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The 2014 has now concluded and no shares remain outstanding thereunder. However, the shares transferred under said Plan will remain subject to the obligations arising in respect of the share awards made in 2022 and the following years.

Finally, 10,172 shares of the Company with a fair value of €1,765 thousand were awarded under the **Substitution Plan** in 2022 to 45 executives of Acciona and its Group, in payment of part of their variable cash remuneration for 2021.

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 2022.

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The senior managers of the Group (Parent and subsidiaries) in 2022 were as follows:

Name	Position
Ada Tutor Cosín	Investment Analysis Director
Alberto González Patiño	Communications Director
Alberto Acosta García	Consolidation and Budget Control Manager
André Lima de Angelo	Country Manager for Brazil – Infrastructure
Andrés Pan de Soraluce Muguiro	CEO - Real Estate
Bede Noonan	CEO - Infrastructure, Australia and New Zealand
Carlos Anta Callersten	Director of Organisation, Talent and Health
Carlos Planelles Fernández	US Country Manager – Infrastructure
Carlos Sotelo Rosell	CEO - Mobility and Silence
David Gutiérrez Abarquero	Economic Control and Taxation Director
Diego Marín García	CEO – Concessions
Diego Pini	Country Manager for Chile – Infrastructure
Eva García San Juan	CFO – Real Estate
Fernando Fajardo Gerez	Director of Cost Control and Risks – Infrastructure
Gabriela Sebastián de Erice Schoenborn-Buchheim	External Relations Director, Chairman's Office
Huberto José Moreno Lorente	CEO - Construction
Isabel Gistau Retes	Brand Manager
Javier Serrada Quiza	Legal Director – Infrastructure
Jesús Sancho Carrascosa	Middle East Country Manager – Infrastructure
José Joaquín Mollinedo Chocano	Institutional Relations, Communication and Brand Director
Jorge Vega-Penichet López	General Counsel
José Ángel Tejero Santos	CFSO
José Díaz-Caneja Rodríguez	CEO - Water
José Julio Figueroa Gómez de Salazar	Legal Director
José Luis Blasco Vázquez	Sustainability Director
José Luis Rodríguez Hernández	Investees Director
José Manuel Terceiro Mateos	Director of Economic Management
José María López-Galiacho González	CEO – ACCIONA Cultura
Juan Manuel Martínez Sánchez	Security Director
Juan Antonio Muro-Lara Girod	Strategy and Corporate Development Director
Justo Vicente Pelegrini	CEO – Construction, Spain, Portugal and North Africa
Luis Castilla Cámara	CEO Infrastructure
Macarena Carrión López de la Garma	Director of the Chairman's Office and Properties and Services Director
María Cordón Úcar	Director of Corporate Operations
María Pilar Alfranca Calvo	Healthcare Director
Mariano Jiménez García	Properties and Services Director
Maximiliano Antonio Ades Alsina	Facility Services Director
Miguel Ángel Heras Llorente	Country Manager for Poland – Infrastructure
Mónica Rodríguez Ramón	Business Development and Transactions Structuring Director – Real Estate
Olga Corella Hurtado	CFO – Infrastructure
Pepa Chapa Alós	Investor Relations Director
Pilar Ramón Cortasa	Internal Communications Director
Raúl Beltrán Núñez	Internal Audit Director
Roberto Fernández López	Labour Relations and OHS Director
Roberto Cabrera Ferreira	Financing Director
Sergio Eliseo Ramírez Lomelín	Country Manager for Mexico – Infrastructure
Vicente Santamaría-Paredes Castillo	Compliance Director
Iranzu Presmanes Zataraín	Compliance Director

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The senior managers of the Group (Parent and subsidiaries) in 2021 were as follows:

Name	Position
Ada Tutor Cosín	Investment Analysis Director
Alberto Enrique Gonzalez Patiño	Communications Director
Alberto Acosta García	Consolidation and Budget Control Manager
André Lima de Ángelo	Country Manager for Brazil – Infrastructure
Andrés Pan de Soraluce Muguiro	CEO - Real Estate
Bede Noonan	CEO - Infrastructure, Australia and New Zealand
Carlos Anta Callersten	Director of Organisation, Talent and Health
Carlos María Arilla de Juana	Contracting and Procurements Director - Infrastructure
Carlos Planelles Fernández	US Country Manager – Infrastructure
Carlos Sotelo Rosell	CEO - Silence
David Gutiérrez Abarquero	Economic Control and Taxation Director
Diego Marín García	CEO Concessions
Diego Pini	Country Manager for Chile – Infrastructure
Eva Garcia San Juan	Finance Director – Real Estate
Fernando Fajardo Gerez	Director of Cost Control and Risks – Infrastructure
Gabriela Sebastián de Erice	External Relations Director, Chairman's Office
Huberto José Moreno Lorente	CEO - Construction
Isabel Gistau Retes	Brand Manager
Javier Serrada Quizá	Legal Director – Infrastructure
Jesús Alcázar Viela	LATAM Business Development Director - Infrastructures
Jesús Sancho	Middle East Country Manager – Infrastructure
Jorge Vega-Penichet López	General Counsel
José Ángel Tejero Santos	CFSO
José Joaquín Mollinedo Chocano	Institutional Relations, Communication and Brand Director
José Julio Figueroa Gómez de Salazar	Legal Director
José Luis Blasco Vázquez	Sustainability Director
José Luis Díaz-Caneja Rodríguez	CEO - Water
José Luis Rodríguez Hernández	Investees Director
José Manuel Terceiro Mateos	Director of Economic Management
José María López-Galiacho González	Acciona CEO Cultural Engineering
Juan Manuel Martínez Sánchez	Security Director
Juan Muro-Lara Girod	Strategy and Corporate Development Director
Justo Vicente Pelegrini	CEO – Construction, Spain, Portugal and North Africa
Luis Castilla Cámara	CEO - Infrastructure
Macarena Carrión López de la Garma	Director of the Chairman's Office
María Cordón Ucar	Director of Corporate Operations
Mariano Jiménez García	Properties and Services Director
Maximiliano Ades Alsina	Facility Services Director
Miguel Ángel Heras Llorente	Country Manager for Poland – Infrastructure
Mónica Rodríguez Ramón	Business Development and Transactions Structuring Director
Olga Corella Hurtado	Finance Director – Infrastructure
Oscar Luis Rego Prieto	Procurements Director – Infrastructure
Pepa Chapa Alós	Investor Relations Director
Pilar Alfranca Calvo	Health Director
Pilar Ramón Cortasa	Internal Communications Director
Ramón Jiménez Serrano	CEO Industrial - Construction
Raúl Beltrán Núñez	Internal Audit Director
Roberto Cabrera Ferreira	Financing Director
Roberto Fernández López	Labour Relations and OHS Director
Sergio Eliseo Ramírez Lomelin	Country Manager for Mexico – Infrastructure
Vicente Santamaría-Paredes Castillo	Compliance Director

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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.

C. Auditor

The fees for financial audit and other services provided by the Group's auditor, KPMG Auditores, S.L. in 2022 and 2021, or by firms forming part of the KPMG network, 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 (in thousands of euros):

	Services provided by the principal auditor		Services provided by other auditors	
	2022	2021	2022	2021
Audit services	5,357	4,932	494	460
Other assurance services	655	1,124	99	1,032
Total audit and related services	6,012	6,056	593	1,492
Tax advisory services	257	259	3,338	5,108
Other services	256	713	8,052	7,993
Total other professional services	513	972	11,390	13,101

The fees for audit and other assurance services provided by KPMG Auditores, S.L. for the examination of the Group's annual accounts were:

- *Audit services:* €2,114 thousand in 2022 (€1,834 thousand in 2021), and

- *Other assurance services*: These comprise services commonly provided by the auditors in accordance with applicable legislation, including limited reviews of interim financial statements, issuance of comfort letters relating to securities, and preparation of the report on Internal Control Systems over Financial Reporting and the report on agreed upon procedures for the certification of financial ratios. Fees totalled €505 thousand in 2022 (€1,042 thousand euros in 2021).

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 in the area of corporate social responsibility, preparation of independent expert reports and other similar services.

The fees charged by other audit firms retained to examine the annual accounts of certain companies in respect of *Other assurance services* amounted to €13 thousand in 2022 and €1 thousand in 2021. Fees for *Tax advisory services* totalled €121 thousand in 2022 and €77 thousand in 2021, and fees for *Other services* were €75 thousand in 2022 and €11 thousand in 2021.

37. Other disclosures concerning the Board of Directors

Pursuant to articles 229 and 529.xx of Royal Legislative Decree 1/2010, of 2 July, approving the Consolidated Text of the Spanish Corporate Enterprises Act, the Directors were not affected by any direct or indirect conflicts of interest with the Company at 31 December 2022, according to the available information and the declarations made by the Directors and their related parties.

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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 2022 and related information are as follows:

Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
13888215 Canada Inc.	--	Canada	Water	100.00%	Subgroup Acciona Agua Internacional
Aberdeen Wind Facility 1, Pty. Ltd.	--	South Africa	Energy	82.66%	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	62.00%	Acciona Energía Internacional Subgroup
Acciona & Sogex Facility Services, LLC.	E	Oman	Services	70.00%	Subgroup Acciona Facility Services
Acciona Administración Energía Dos, S.L.	--	Madrid	Energy	82.66%	Subgroup Corp. Acciona Energias Renovables
Acciona Administración Energía Tres, S.L.	--	Madrid	Energy	82.66%	Subgroup Corp. Acciona Energias Renovables
Acciona Administración Energía, S.L.	--	Madrid	Energy	82.66%	Corporación Acciona Energías Renovables Subgroup
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 Australia
Acciona Agua Brasil - Tratamento de Agua, Ltda.	--	Brazil	Water	100.00%	Subgroup Acciona Agua
Acciona Agua Canada, Inc.	--	Canada	Water	100.00%	Subgroup Acciona Agua
Acciona Agua Corporation	--	USA	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 Australia
Acciona Agua Internacional, Inc.	--	Canada	Water	100.00%	Subgroup Acciona Agua Internacional
Acciona Agua Internacional, S.L.	--	Madrid	Water	100.00%	Subgroup Acciona Agua Internacional
Acciona Agua México, S.R.L. de C.V.	A	Mexico	Water	100.00%	Subgroup Acciona Agua México
Acciona Agua Puerto Rico LLC	--	Puerto Rico	Water	100.00%	Subgroup Acciona Agua
Acciona Agua Servicios, S.L.	A	Madrid	Water	100.00%	Subgroup Acciona Agua Servicios
Acciona Agua, S.A.	A	Madrid	Water	100.00%	Subgroup Acciona Agua
Acciona Airport Americas, SpA.	A	Chile	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Customer Services GmbH	--	Germany	Energy	82.66%	Subgroup Acciona Esco, S.L.
Acciona Airport Services Barcelona, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Aeropuertos

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Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
Acciona Airport Services Canarias, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Services Chile, SpA.	A	Chile	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Services Düsseldorf GmbH	--	Germany	Services	100.00%	Subgroup Acciona Airport Services GmbH
Acciona Airport Services Este, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Services GmbH	--	Germany	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Services Madrid, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Services República Dominicana, S.A.S.	--	Dominican Republic	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Services Sur, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Services, S.A.	A	Madrid	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Services, Sau Argentina	--	Argentina	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Biocombustibles, S.A.	--	Navarre	Energy	82.66%	Subgroup Acciona Energía
Acciona Biomasa, S.L.	--	Navarre	Energy	82.66%	Subgroup Acciona Energía
Acciona BSP Holdings, Inc.	--	Canada	Construction	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 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
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	82.40%	Subgroup Acciona Geotech
Acciona Construcción Puerto Rico, LLC.	--	Puerto Rico	Construction	100.00%	Subgroup Acciona Construcción
Acciona Construcción, 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.	A	USA	Construction	100.00%	Subgroup Acciona Construcción

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Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
Acciona Copiapó, S.A.	--	Chile	Water	100.00%	Acciona Agua Subgroup
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 Customer Services Düsseldorf GmbH	--	Germany	Services	100.00%	Subgroup Acciona Airport Services Frankfurt, G
Acciona Desarrollo Corporativo Energía, S.L.	--	Madrid	Energy	82.66%	Subgroup Corporación Acciona Energías Renovables
Acciona Desarrollo Corporativo, S.A.	--	Madrid	Other Investees	100.00%	Subgroup Finanzas y Cartera 2
Acciona Distributed Generation, S.L. (formerly Biodiesel Sagunt, S.L.)	--	Madrid	Energy	82.66%	Subgroup Acciona Distributed Generation, S.L.
Acciona Do Brasil, Ltda.	--	Brazil	Construction	100.00%	Subgroup Acciona Construcción
Acciona Energía Atlanta I, S.L.	--	Madrid	Energy	62.00%	Acciona Energía Internacional Subgroup
Acciona Energía Atlanta II, S.L.	--	Madrid	Energy	62.00%	Acciona Energía Internacional Subgroup
Acciona Energía Atlanta III, S.L.	--	Madrid	Energy	62.00%	Acciona Energía Internacional Subgroup
Acciona Energía Brasil Ltda.	--	Brazil	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energia Chile Holdings, S.A.	A	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energía Chile, SpA.	A	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energía Colombia, S.A.S.	--	Colombia	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energía Costa Rica, S.A.	--	Costa Rica	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energía Dominicana, S.R.L.	--	Dominican Republic	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energía Financiación Filiales Australia, Pty. Ltd.	--	Australia	Energy	82.66%	Subgroup Corporación Acciona Energías Renovables
Acciona Energía Financiación Filiales, S.A.	A	Madrid	Energy	82.66%	Subgroup Corporación Acciona Energías Renovables
Acciona Energía Global Egypt, LLC.	A	Egypt	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energía Global Italia, S.R.L.	A	Italy	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energía Global, S.L.	A	Madrid	Energy	82.66%	Subgroup Acciona Energía
Acciona Energía Internacional, S.A.	A	Madrid	Energy	62.00%	Subgroup Acciona Energía
Acciona Energía México, S.R.L.	A	Mexico	Energy	62.00%	Acciona Energía Internacional Subgroup
Acciona Energía Perú, S.A.C.	--	Peru	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energía Servicios México, S. de R.L. de C.V.	A	Mexico	Energy	82.66%	Subgroup Acciona Energía México Global
Acciona Energija, D.O.O.	--	Croatia	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energy North America Corp.	--	USA	Energy	62.00%	Acciona Energía Internacional Subgroup
Acciona Energy Australia Global, Pty. Ltd.	A	Australia	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energy Canada Global Corp.	--	Canada	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energy Global Poland, Sp. Z.O.O.	A	Poland	Energy	82.66%	Subgroup Acciona Energía Global Polonia

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Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
Acciona Energy India, Pvt. Ltd.	C	India	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energy Oceanía Construction, Pty. Ltd	A	Australia	Energy	82.66%	Subgroup Acciona Energía Global Australia
Acciona Energy Oceanía Financial Services PLY, Ltd.	A	Australia	Energy	82.66%	Subgroup Acciona Energía Global Australia
Acciona Energy Oceanía PLY, Ltd.	A	Australia	Energy	62.00%	Acciona Energía Internacional Subgroup
Acciona Energy Poland Maintenance Services, Sp. Z.O.O.	A	Poland	Energy	82.66%	Subgroup Acciona Energía Global Polonia
Acciona Energy Poland, Sp. Z.O.O.	A	Poland	Energy	62.00%	Acciona Energía Internacional Subgroup
Acciona Energy Singapore, Pvt. Ltd.	--	Singapore	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energy South Africa Global, Pty. Ltd.	A	South Africa	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Energy South Africa, Pty. Ltd.	A	South Africa	Energy	62.00%	Acciona Energía Internacional Subgroup
Acciona Energy USA Global, LLC.	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Acciona Engineering North America Inc.	--	USA	Engineering	100.00%	Subgroup Acciona Ingeniería
Acciona Engineering Qatar	A	Qatar	Engineering	100.00%	Subgroup Acciona Ingeniería
Acciona Eólica Calabria, S.R.L.	--	Italy	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Eólica Cesa Italia, S.R.L.	A	Italy	Energy	62.00%	Acciona Energía Internacional Subgroup
Acciona Eólica Cesa, S.L.	--	Madrid	Energy	82.66%	Subgroup Ceatesalas
Acciona Eólica de Castilla La Mancha, S.L.	A	Madrid	Energy	82.66%	Subgroup Alabe
Acciona Eólica de Galicia, S.A.	A	Madrid	Energy	82.66%	Corporación Acciona Energías Renovables Subgroup
Acciona Eólica Levante, S.L.	A	Madrid	Energy	82.66%	Subgroup Alabe
Acciona Eólica Portugal, Unipersonal Lda.	A	Portugal	Energy	62.00%	Acciona Energía Internacional Subgroup
Acciona Eólica Santa Cruz, S. de R.L. de C.V.	A	Mexico	Energy	82.66%	Subgroup Acciona Energía México Global
Acciona Esco France, S.A.S.U.	--	France	Energy	82.66%	Subgroup Acciona Esco, S.L.
Acciona Esco, S.L.	A	Madrid	Energy	82.66%	Subgroup Acciona Energía
Acciona Facility Services Canada, Ltd.	--	Canada	Services	100.00%	Acciona Facility Services Subgroup
Acciona Facility Services For Maintenance And Cleaning	--	Saudi Arabia	Services	70.00%	Acciona Facility Services Subgroup
Acciona Facility Services Germany GmbH	--	Germany	Energy	82.66%	Subgroup Acciona Esco, S.L.
Acciona Facility Services Middle East, LLC.	E	Qatar	Services	97.00%	Acciona Facility Services Subgroup
Acciona Facility Services Poland, Sp. Z.O.O.	--	Poland	Energy	82.66%	Subgroup Acciona Esco, S.L.
Acciona Facility Services Portugal, S.A.	E	Portugal	Services	100.00%	Acciona Facility Services Subgroup
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	Concessions	100.00%	Subgroup Acciona Concesiones

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Acciona Financiación de Filiales Chile, SpA	--	Chile	Corporate finance	100.00%	Acciona
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 Canarias, S.L.	A	Canary Islands	Services	100.00%	Subgroup Acciona Forwarding
Acciona Forwarding Chile, S.A.	A	Chile	Services	57.50%	Subgroup Acciona Forwarding
Acciona Forwarding do Brasil Logística e Transporte Multimodal, S.A.	A	Brazil	Services	100.00%	Subgroup Acciona Forwarding
Acciona Forwarding Mexico, S.R.L. de C.V.	--	Mexico	Services	100.00%	Subgroup Acciona 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	82.66%	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	82.66%	Subgroup Dymerka Solar Poland
Acciona Global Renewables, S.A.	--	Madrid	Energy	82.66%	Subgroup Acciona Energía
Acciona Green Energy Developments, S.L.	A	Madrid	Energy	82.66%	Subgroup Acciona Energía
Acciona Green Energy Portugal, Lda	--	Portugal	Energy	82.66%	Subgroup Acciona Energía
Acciona Ground Services, S.L	--	Madrid	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Health Care Services, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona HSR Services, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Industrial Australia, Pty. Ltd.	A	Australia	Industrial	100.00%	Subgroup Acciona Industrial
Acciona Industrial Brasil, Ltda.	--	Brazil	Industrial	100.00%	Subgroup Acciona Industrial
Acciona Industrial Kenia, Pty. Ltd.	A	Kenya	Industrial	100.00%	Subgroup Acciona Industrial
Acciona Industrial NL B.V.	--	Netherlands	Industrial	100.00%	Subgroup Acciona Industrial
Acciona Industrial UK, Ltd.	E	UK	Industrial	100.00%	Subgroup Acciona Industrial
Acciona Industrial, S.A.	A	Madrid	Industrial	100.00%	Subgroup Acciona Industrial
Acciona Infra Ventures, S.A.	--	Madrid	Construction	100.00%	Acciona
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-Elecnor, Hospital David	E	Panama	Construction	75.00%	Subgroup Acciona Construcción

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Acciona Infrastructure Asia Pacific, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Accíona Infraestructuras Asia Pacífico
Acciona Infrastructure Australia Finance, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Acciona Infraestructuras 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 Infraestructuras Australia
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 Infraestructuras Australia
Acciona Ingeniería Colombia, S.A.S.	--	Colombia	Engineering	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	Engineering	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	82.66%	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	Madrid	Other infrastructure activities	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Mobility France, S.A.S.U.	--	France	Motosharing	100.00%	Subgroup Acciona Mobility
ACCIONA MOBILITY GLOBAL, S.L.	--	Madrid	Motosharing	100.00%	Acciona
Acciona Mobility Italia, S.R.L.	--	Italy	Motosharing	100.00%	Subgroup Acciona Mobility
Acciona Mobility Portugal, Unipessoal Lda.	--	Portugal	Motosharing	100.00%	Subgroup Acciona Mobility
Acciona Mobility, S.A.	A	Madrid	Motosharing	100.00%	Subgroup Acciona Mobility
Acciona Multiservicios, S.A.	A	Madrid	Services	100.00%	Acciona Facility Services Subgroup
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%	Acciona Facility Services Subgroup
Acciona Patache S.A.	--	Chile	Water	100.00%	Acciona Agua Subgroup
Acciona Personnel Services GmbH	--	Germany	Services	100.00%	Subgroup Acciona Airport Services GmbH
Acciona Portugal II - Energía Global, Lda.	--	Portugal	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Power Marketing USA, LLC.	--	USA	Energy	82.66%	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%	Acciona Facility Services Subgroup

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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	82.66%	Subgroup Acciona Energía Global USA
Acciona Renewable Energy Canada Holdings, LLC.	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Acciona Saltos de Agua, S.L.U.	A	Madrid	Energy	82.66%	Corporación Acciona Energías Renovables Subgroup
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 Hospitalarios
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%	Acciona Facility Services Subgroup
Acciona Servicios Energéticos, S.L.R. de C.V.	--	Mexico	Energy	82.66%	Subgroup Acciona Esco, S.L.
Acciona Servicios Ferroviarios, S.L.	--	Madrid	Services	100.00%	Acciona Facility Services Subgroup
Acciona Servicios Urbanos Medio Ambiente México, S.A. de C.V.	A	Mexico	Services	100.00%	Acciona Facility Services Subgroup
Acciona Servicios Urbanos, S.L.	A	Madrid	Other infrastructure activities	100.00%	Subgroup Acciona Construcción
Acciona Sistemas de Seguridad, S.A.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Smart City Services, S.L.	--	Madrid	Other infrastructure activities	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Solar Energy, LLC.	--	USA	Energy	62.00%	Subgroup Acciona Energía North America
Acciona Solar Holdings, Pty. Ltd.	--	Australia	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Solar Power, Inc.	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Acciona Solar, Pty. Ltd.	--	Australia	Energy	82.66%	Subgroup Acciona Energía Global
Acciona Solar, S.A.	--	Navarre	Energy	82.66%	Subgroup Acciona Energía
Acciona Suministradora México, S.R.L. de C.V.	A	Mexico	Energy	82.66%	Subgroup Acciona Energía
Acciona Tecnologia y Servicios, S.L.	A	Madrid	Corporate finance	100.00%	Acciona
Acciona Waste Water Solutions LP.	--	Canada	Water	100.00%	Subgroup Acciona Agua Internacional
Acciona Wastewater Solutions GP, Inc.	--	Canada	Water	100.00%	Subgroup Acciona Agua Internacional
Acciona Wep Holdings Inc.	--	Canada	Concessions	100.00%	Subgroup Acciona Concesiones
Acciona Wind Energy USA, LLC.	--	USA	Energy	62.00%	Subgroup Acciona Energía North America
Acciona Wind Energy, Pvt. Ltd.	A	India	Energy	62.00%	Acciona Energía Internacional Subgroup
AE Mex. Global, S. de R.L. de C.V.	A	Mexico	Energy	82.66%	Subgroup Acciona Energía Global
Aepo Gabón, S.A.	--	Gabon	Engineering	100.00%	Subgroup Acciona Ingeniería
Aepo Polska, Sp. Z.O.O.	--	Poland	Engineering	100.00%	Subgroup Acciona Ingeniería

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Aerosite Energy, Pvt. Ltd.	A	India	Energy	82.66%	Subgroup Acciona Energía Global
Aeug Fleming Solar , LLC.	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Aeug Madison Solar, LLC.	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Aeug Real Estate, LLC.	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Aeug Solar Development LLC	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Aeug Solar Holdco LLC	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Aeug Union Solar, LLC.	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
AFS Efficient Energy UK, Ltd.	--	UK	Energy	82.66%	Subgroup Acciona Esco, S.L.
AFS Empleo Social Barcelona, S.L.	--	Barcelona	Services	100.00%	Acciona Facility Services Subgroup
AFS Empleo Social, S.L.	--	Madrid	Services	100.00%	Acciona Facility Services Subgroup
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	82.66%	Corporación Acciona Energías Renovables Subgroup
Ale Construction, Ltd.	--	Canada	Construction	100.00%	Subgroup Acciona Construcción
Alfa Spa	--	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Almeyda, SpA.	A	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Alsubh Solar Energy Holding S.A.	A	Madrid	Energy	82.66%	Subgroup Acciona Energía Global
Anchor Wind, LLC.	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Andes Airport Services, S.A.	A	Chile	Services	100.00%	Subgroup Acciona Aeropuertos
Andratx Obres I Sanetjament, S.L.	--	Mallorca	Water	100.00%	Acciona Agua Subgroup
Apoderada Corporativa General, S.A.	--	Madrid	Energy	82.66%	Corporación Acciona Energías Renovables Subgroup
Apoderada General de Service, S.A.	--	Madrid	Other Investees	100.00%	Acciona
Arcyz, SpA.	A	Ukraine	Energy	78.00%	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%	Acciona Agua Subgroup
Australian Precast Solutions, Pty. Ltd.	A	Australia	Construction	100.00%	Subgroup Abigroup
Bahia Eólica I Energias S.A.	--	Brazil	Energy	82.66%	Subgroup Acciona Energía Global
Bahia Eólica II Energias S.A.	--	Brazil	Energy	82.66%	Subgroup Acciona Energía Global
Bahia Eólica III Energias S.A.	--	Brazil	Energy	82.66%	Subgroup Acciona Energía Global
Bahia Eólica IV Energias S.A.	--	Brazil	Energy	82.66%	Subgroup Acciona Energía Global
Bahia Eólica IX Energias S.A.	--	Brazil	Energy	82.66%	Subgroup Acciona Energía Global

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Bahia Eólica V Energias S.A.	--	Brazil	Energy	82.66%	Subgroup Acciona Energía Global
Bahia Eólica VI Energias S.A.	--	Brazil	Energy	82.66%	Subgroup Acciona Energía Global
Bahia Eólica VII Energias, S.A.	--	Brazil	Energy	82.66%	Subgroup Acciona Energía Global
Bahia Eólica VIII Energias S.A.	--	Brazil	Energy	82.66%	Subgroup Acciona Energía Global
Baltyk Energia, Sp. Z.O.O.	--	Polonia	Energy	82.66%	Subgroup Acciona Energía Global Polonia
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	82.66%	Subgroup Acciona Energía
Biomasa Briviesca, S.A.	A	Burgos	Energy	70.26%	Subgroup Biomasa Nacional
Biomasa Miajadas, S.L.	A	Madrid	Energy	82.66%	Subgroup Biomasa Nacional
Biomasa Sangüesa, S.L.	--	Navarre	Energy	82.66%	Subgroup Acciona Energía
Blue Falcon 140 Trading, Pty. Ltd.	A	South Africa	Energy	34.04%	Subgroup Acciona Energy South Africa Global
Bt Cunningham Storage LLC	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Compañía Anónima de Puertos, estructuras y vías (CAPEV)	E	Venezuela	Construction	100.00%	Subgroup Acciona Construcción
Cargacoches Cantabria, S.L.U.	--	Santander	Energy	75.48%	Subgroup Cargacoches, S.L.
Cargacoches, S.L.	A	Madrid	Energy	75.48%	Subgroup Cargacoches, S.L.
Ce Oaxaca Cuatro, S. de R.L. de C.V.	A	Mexico	Energy	62.00%	Subgroup Acciona Energía
Ce Oaxaca Dos, S. de R.L. de C.V.	A	Mexico	Energy	62.00%	Subgroup Acciona Energía México
Ce Oaxaca Tres, S. de R.L. de C.V.	A	Mexico	Energy	62.00%	Subgroup Acciona Energía México
Ceatesalas, S.L.	--	Madrid	Energy	82.66%	Corporación Acciona Energías Renovables Subgroup
Ceólica Hispania, S.L.	A	Madrid	Energy	82.66%	Subgroup Acciona Eólica Cesa
Cesa Eolo Sicilia, S.R.L.	A	Italy	Energy	62.00%	Subgroup Cesa Italia
Charge and Parking, S.L.U.	--	Valencia	Energy	75.48%	Subgroup Cargacoches, S.L.
Cia. de Agua del Municipio de Boca de Río, S.A.P.I. de C.V.	A	Mexico	Water	70.00%	Subgroup Agua Boca de Río
Cirtover, S.L.	--	Madrid	Corporate finance	100.00%	Acciona
Civerzba Itg, S.L.	A	Madrid	Energy	82.66%	Subgroup Acciona Energía Global
Coleman Rail, Pty. Ltd.	A	Australia	Construction	82.40%	Subgroup Acciona Geotech
Compañia de Aguas Paguera, S.L.	--	Mallorca	Water	100.00%	Subgroup Acciona Agua Servicios
Compañía Eólica Granadina, S.L.	A	Madrid	Energy	41.33%	Subgroup Ceólica

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Compañia Internacional de Construcciones, S.L.	--	Madrid	Corporate finance	100.00%	Acciona
Concesionaria Transmisora Reque Tumbes S.A.C.	--	Peru	Concessions	100.00%	Subgroup Acciona Concesiones
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
Consorcio Constructor Araucaria, Ltda.	--	Chile	Construction	60.00%	Subgroup Acciona Construcción
Consorcio Eólico Chiripa, S.A.	A	Costa Rica	Energy	53.73%	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%	Subgroup 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	82.66%	Acciona
Corporación Acciona Eólica, S.A.	A	Madrid	Energy	82.66%	Corporación Acciona Energías Renovables Subgroup
Corporación Acciona Hidráulica, S.A.	A	Madrid	Energy	82.66%	Corporación Acciona Energías Renovables Subgroup
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	91.33%	Subgroup Ceólica
Corporación Eólica de Valdivia, S.L.	A	Madrid	Energy	82.66%	Subgroup Ceólica
Corporación Eólica La Cañada, S.L.	--	Madrid	Energy	82.66%	Subgroup Ceatesalas
Corporativo Horacio 1750, S.A. de C.V.	--	Mexico	Real Estate	100.00%	Subgroup Parque Reforma
Csf Almodovar, Unipessoal Lda.	--	Portugal	Energy	82.66%	Subgroup Acciona Energía Global Portugal II
Cwien Australia, Pty. Ltd.	--	Australia	Engineering	100.00%	Subgroup Acciona Ingeniería
Demsey Ridge Wind Farm, LLC.	A	USA	Energy	62.00%	Subgroup Acciona Wind Energy USA
Depurar 7B, S.A.	A	Zaragoza	Water	100.00%	Acciona Agua Subgroup
Depurar 8B, S.A.	--	Zaragoza	Water	100.00%	Acciona Agua Subgroup

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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
Desarròllos Renovables del Norte, S.L.	--	Madrid	Energy	82.66%	Subgroup Acciona Energía
Desarrollos Renovables Eólicos Y Solares, S.L.	--	Madrid	Energy	82.66%	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	82.66%	Subgroup Dymerka Solar Poland
Dymerka Solar Poland, Sp. Z.O.O.	--	Polonia	Energy	82.66%	Subgroup Dymerka Solar Poland
Dymerska Photovoltaic Power Plant-2, LLC.	A	Ukraine	Energy	82.66%	Subgroup Dymerka Solar Poland
Dymerska Photovoltaic Power Plant-3, LLC.	A	Ukraine	Energy	82.66%	Subgroup Dymerka Solar Poland
E.S. Legarda, S.L.	--	Navarre	Energy	82.66%	Subgroup Biocombustibles
Ecogrove, LLC.	A	USA	Energy	62.00%	Subgroup Acciona Wind Energy USA
Efrato Itg, S.L.	A	Madrid	Energy	82.66%	Subgroup Acciona Energía Global
Efw Ness, Ltd.	E	UK	Construction	100.00%	Subgroup Acciona Industrial
El Romero, SpA.	A	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Empordavent S.L.U.	A	Madrid	Energy	82.66%	Subgroup Acciona Energía
Empreendimientos Eólicos do Verde Horizonte, S.A.	A	Portugal	Energy	62.00%	Subgroup Acciona Eólica Portugal
Empreendimientos Eólicos Ribadelide, S.A.	A	Portugal	Energy	62.00%	Subgroup Acciona Eólica Portugal
Energea Servicios y Mantenimiento, S.L.	A	Madrid	Energy	82.66%	Subgroup Terranova Energy Corporation
Energia de Vila Pouca, Unipessoal Lda.	--	Portugal	Energy	82.66%	Subgroup Acciona Energía Global Portugal II
Energia do Alqueva, Unipessoal Lda.	--	Portugal	Energy	82.66%	Subgroup Acciona Energía Global Portugal II
Energia Renovable del Istmo II, S.A. de C.V.	A	Mexico	Energy	82.66%	Subgroup Acciona Energía México Global
Energía Renovable del Sur, S.A.	--	Peru	Energy	82.66%	Subgroup Acciona Energía Global
Energía Renovables de Barazar, S.L.	--	Madrid	Energy	82.66%	Subgroup Ceatesalas
Energías Alternativas de Teruel, S.A.	--	Zaragoza	Energy	82.66%	Subgroup Acciona Energía
Energías Eólicas de Catalunya, S.A.	A	Madrid	Energy	82.66%	Subgroup Acciona Energía
Energías Renovables de Ricobayo, S.A.	--	Madrid	Energy	41.33%	Subgroup Ceólica
Energías Renovables El Abra, S.L.	--	Vizcaya	Energy	82.66%	Subgroup Ceólica
Energías Renovables Operación y Mantenimiento, S.L.	A	Madrid	Energy	82.66%	Subgroup Acciona Energía
Energías Renovables Peña Nebina, S.L.	A	Madrid	Energy	82.66%	Subgroup Ceólica
Enren, S.R.L.	--	Dominican Republic	Energy	82.66%	Subgroup Acciona Energía Global

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Eólica de Rubió, S.A.	A	Madrid	Energy	82.66%	Subgroup Acciona Energía
Eólica de Zorraquín, S.L.	A	Madrid	Energy	54.56%	Subgroup Acciona Energía
Eólica Villanueva, S.L.	A	Navarre	Energy	55.10%	Subgroup Acciona Energía
Eólico Alijar, S.A.	--	Madrid	Energy	82.66%	Subgroup Acciona Energía
Eólicos Breogan, S.L.	--	Madrid	Energy	82.66%	Subgroup Ceólica
Eqinov, S.A.S.	E	France	Energy	70.26%	Subgroup Acciona Esco, S.L.
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	58.28%	Subgroup Acciona Energía México
Ferral Energia Real, Unipessoal Lda.	--	Portugal	Energy	82.66%	Subgroup Acciona Energía Global Portugal II
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
Firefly Investments 238, Pty. Ltd.	C	South Africa	Energy	66.13%	Subgroup Acciona Energy South Africa Global
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 Aeropuertos
Fort Bend Solar, LLC.	--	USA	Energy	82.66%	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	82.66%	Subgroup Acciona Energía Global
Generación de Energia Renovable, S.A.	--	Alava	Energy	82.66%	Subgroup Ceólica
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
Gestión de Recursos Corporativos, S.L.	--	Madrid	Energy	82.66%	Corporación Acciona Energías Renovables Subgroup
Gestión de Servicios Urbanos Baleares, S.A.	--	Mallorca	Water	100.00%	Subgroup Acciona Agua Servicios
Golice Wind Farm, Sp. Z.O.O.	A	Polonia	Energy	62.00%	Subgroup Acciona Energía Polonia
Grupo Ambiental Proveracruz, S.A.P.I. de C.V.	A	Mexico	Water	100.00%	Subgroup Acciona Agua México
Grupo Metropolitano de Agua y Saneamiento, S.A.P.I. de C.V.	A	Mexico	Water	100.00%	Subgroup Acciona Agua México
Guadalaviar Consorcio Eólico, S.A.U.	--	Madrid	Energy	82.66%	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	62.00%	Subgroup Gunning Wind Energy

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Gunning Wind Energy Holdings, Pty. Ltd.	--	Australia	Energy	62.00%	Subgroup Acciona Energía Oceanía
Hidroeléctrica del Serradó, S.L.	--	Madrid	Energy	82.66%	Subgroup Acciona Saltos de Agua
High Point Solar, LLC.	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Hospital de León Bajio, S.A. de C.V.	--	Mexico	Concessions	100.00%	Acciona
Hudzovka Solar 1, LLC.	A	Ukraine	Energy	76.17%	Subgroup Dymerka Solar Poland
Hudzovka Solar 2, LLC.	A	Ukraine	Energy	73.25%	Subgroup Dymerka Solar Poland
Iberinsa Do Brasil Engenharia, Ltda.	--	Brazil	Engineering	100.00%	Subgroup Acciona Ingeniería
Inetime, S.A.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Ineuropa Proyectos Renovables, S.A.	--	Madrid	Energy	82.66%	Corporación Acciona Energías Renovables Subgroup
Infraestructuras Ayora, S.L.	--	Madrid	Energy	70.03%	Subgroup Guadalaviar
Ingenieria Especializada Obra Civil e Industrial, S.A	A	Madrid	Engineering	100.00%	Subgroup Acciona Ingeniería
Inmobiliaria Parque Reforma, S.A. de C.V.	A	Mexico	Real Estate	100.00%	Subgroup Parque Reforma
Interurbano de Prensa, S.A.	--	Barcelona	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Irrigation Solar Farm, S.L.U.	--	Madrid	Energy	82.66%	Subgroup Acciona Distributed Generation, S.L.
Jerson Itg, S.L.	--	Madrid	Energy	82.66%	Subgroup Desarrollos Renovables Eólicos y Solares, S.L.
John Beever, Pty. Ltd.	A	Australia	Construction	82.40%	Subgroup Acciona Geotech
Kirov Itg, S.L.	--	Madrid	Energy	82.66%	Subgroup Desarrollos Renovables Eólicos y Solares, S.L.
Kw Tarifa, S.A.	A	Madrid	Energy	82.66%	Corporación Acciona Energías Renovables Subgroup
La Chalupa Finance, LLC.	--	USA	Energy	82.66%	Subgroup Acciona Concesiones
La Chalupa Holding, LLC.	A	USA	Energy	82.66%	Subgroup Acciona Concesiones
La Chalupa, LLC.	A	USA	Energy	82.66%	Subgroup Acciona Energy Usa Global
La Favorita Real Estate, Unipessoal Lda.	--	Portugal	Real Estate	94.00%	Subgroup First Lusitanian
Acciona Infraestructuras Gabón, S.A.	--	Gabon	Construction	100.00%	Subgroup Acciona Construcción
Lameque Wind Power LP.	A	Canada	Energy	62.00%	Subgroup Acciona Wind Energy Canadá
Langhoogte Wind Farm (Pty) Ltd	--	South Africa	Energy	82.66%	Subgroup Acciona Energy South Africa Global
Lewin Brzeski Wind Farm Sp Zoo	--	Polonia	Energy	82.66%	Subgroup Acciona Energía Global Polonia
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	82.66%	Subgroup Acciona Energy South Africa Global
Lusonecso Promoção Imobiliária, Sociedade Unipessoal Lda	--	Portugal	Real Estate	100.00%	Subgroup Acciona Inmobiliaria
Macintyre UJV Operator, Pty. Ltd.	--	Australia	Energy	82.66%	Subgroup Acciona Solar Holding

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Macintyre Wind Farm Holding, Pty. Ltd.	--	Australia	Energy	82.66%	Subgroup Acciona Energía Global
Macintyre Wind Farm, Pty. Ltd.	A	Australia	Energy	82.66%	Subgroup Acciona Energía Global
Malgarida I, SpA.	A	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Malgarida II, SpA.	A	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Meltemi, Sp. Z.O.O.	A	Polonia	Energy	62.00%	Subgroup Acciona Energía Polonia
Mortlake South Wind Farm Holdings, Pty. Ltd.	--	Australia	Energy	82.66%	Subgroup Acciona Energía Global
Mortlake South Wind Farm, Pty. Ltd.	A	Australia	Energy	82.66%	Subgroup Acciona Energía Global
Mostostal Warszawa, S.A.	A	Polonia	Construction	62.13%	Subgroup Acciona Construcción
Moura Fabrica Solar, Lda.	--	Portugal	Energy	82.66%	Subgroup Acciona Energía Global
Mt Gellibrand Wind Farm Holding, Pty. Ltd.	--	Australia	Energy	82.66%	Subgroup Acciona Energía Global
Mt Gellibrand Wind Farm, Pty. Ltd.	A	Australia	Energy	82.66%	Subgroup Acciona Energía Global
Multiservicios Grupo Ramel, S.A.	--	Barcelona	Services	100.00%	Acciona Facility Services Subgroup
Munditrade, S.L.	--	Andorra	Construction	100.00%	Subgroup Acciona Construcción
Mysliborz Wind Farm, Sp. Z.O.O.	--	Polonia	Energy	82.66%	Subgroup Acciona Energía Global Polonia
Narzym Wind Farm Spólka Zoo	--	Polonia	Energy	82.66%	Subgroup Acciona Energía Global Polonia
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.	--	USA	Energy	62.00%	Subgroup NVS1 Investment Group
Northwinds Trading, Pty. Ltd.	--	South Africa	Construction	100.00%	Subgroup Acciona Industrial
Notos Produçao de Energia, Lda.	A	Portugal	Energy	43.40%	Subgroup Sayago
Nvs1 Investment Group, LLC.	--	USA	Energy	62.00%	Subgroup Acciona Solar Energy
Oakleaf Investment Holdings 86, Pty. Ltd.	C	South Africa	Energy	82.66%	Subgroup Acciona Energía Global Sudáfrica
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	82.66%	Subgroup Palmas Wind Finance Llc
Palmas Wind Holding, LLC.	A	USA	Energy	82.66%	Subgroup Palmas Wind Finance Llc
Palmas Wind, LLC.	A	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Páramo de los Angostillos, S.L.	A	León	Energy	82.66%	Subgroup Acciona Energía
Parco Eólico Cocullo, S.P.A.	A	Italy	Energy	62.00%	Subgroup Cesa Italia
Parque Eólico da Costa Vicentina, S.A.	A	Portugal	Energy	62.00%	Subgroup Acciona Eólica Portugal

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Parque Eólico da Raia, S.A.	A	Portugal	Energy	62.00%	Subgroup Acciona Eólica Portugal
Parque Eólico de Manrique, S.A.	A	Portugal	Energy	62.00%	Subgroup Acciona Eólica Portugal
Parque Eólico de Pracana, S.A.	A	Portugal	Energy	62.00%	Subgroup Acciona Eólica Portugal
Parque Eólico do Marao, S.A.	A	Portugal	Energy	62.00%	Subgroup Acciona Eólica Portugal
Parque Eólico do Outeiro, S.A.	A	Portugal	Energy	62.00%	Subgroup Acciona Eólica Portugal
Parque Eólico dos Fiéis, S.A.	A	Portugal	Energy	62.00%	Subgroup Acciona Eólica Portugal
Parque Eólico El Chaparro, S.L.	--	Madrid	Energy	82.66%	Subgroup Alabe
Parque Eólico Escepar, S.A.	A	Madrid	Energy	82.66%	Subgroup Ceólica
Parque Eólico La Esperanza, S.L.	A	Madrid	Energy	82.66%	Subgroup Ceólica
Parque Eólico Peralejo, S.A.	--	Madrid	Energy	82.66%	Subgroup Ceólica
Parque Eolico San Gabriel, SpA.	A	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Parque Eólico Villamayor, S.L.	A	Madrid	Energy	82.66%	Subgroup Ceólica
Parques Eólicos Celadas, S.L.	A	Madrid	Energy	82.66%	Subgroup Ceólica
Parques Eólicos de Ciudad Real, S.L.	A	Madrid	Energy	82.66%	Subgroup Ceólica
Parques Eólicos de San Lazaro, S.A. de C.V.	A	Mexico	Energy	82.66%	Subgroup Acciona Energía México Global
Parques Eólicos del Cerrato, S.L.	A	Madrid	Energy	82.66%	Subgroup Ceólica
Pia. Cos, S.R.L.	--	Italy	Water	100.00%	Acciona Agua Subgroup
Pichilingue, SpA.	--	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Pililin, SpA.	--	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Pitagora, S.R.L.	A	Italy	Energy	62.00%	Subgroup Cesa Italia
Pleiades S.A.	--	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Pofadder Wind Facility 1, Pty. Ltd.	--	South Africa	Energy	82.66%	Subgroup Acciona Energy South Africa Global
Press Cargo Colombia, S.A.S.	E	Colombia	Services	100.00%	Subgroup Acciona Forwarding
Pridagua Tratamiento de Aguas y Residuos, Lda.	--	Portugal	Water	100.00%	Acciona Agua Subgroup
Proyectos Logísticos San Esteban, S.L.U.	--	Madrid	Real Estate	90.00%	Subgroup Acciona Inmobiliaria
Proyectos Renovables Innovadores, S.A.	--	Madrid	Energy	82.66%	Subgroup Acciona Energía
Punta Palmeras, S.A.	A	Chile	Energy	62.00%	Acciona Energía Internacional Subgroup
Pyrenees Wind Energy Developments, Pty. Ltd.	A	Australia	Energy	62.00%	Subgroup Acciona Energía Oceanía
Pyrenees Wind Energy Holdings, Pty. Ltd.	--	Australia	Energy	62.00%	Subgroup Pyrenees Wind Energy
Ramwork, S.A.	--	Barcelona	Services	99.98%	Acciona Facility Services Subgroup
Rec Energy Solutions, S.L.U.	--	Barcelona	Energy	75.48%	Subgroup Cargacoches, S.L.

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Red Hills Finance, LLC.	A	USA	Energy	62.00%	Subgroup Acciona Wind Energy USA
Red Hills Holding, LLC.	A	USA	Energy	58.90%	Subgroup Red Hills Finance
Red Hills Wind Project, LLC.	A	USA	Energy	58.90%	Subgroup Acciona Wind Energy Usa, Llc
Red Tailed Hawk LLC	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
Renovables del Penedés, S.A.U.	--	Madrid	Energy	82.66%	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 Construcción
Ripley Windfarm JV.	A	Canada	Energy	62.00%	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	Madrid	Energy	82.66%	Subgroup Acciona Saltos de Agua
Saltos y Centrales de Catalunya, S.A.	A	Madrid	Energy	82.66%	Subgroup Acciona Saltos de Agua
San Roman Finance, LLC.	--	USA	Energy	82.66%	Subgroup Acciona Energía Global USA
San Roman Holding, LLC.	A	USA	Energy	82.66%	Subgroup San Roman Holding Llc
San Roman Wind I, LLC.	A	USA	Energy	82.66%	Subgroup San Roman Holding Llc
San Solar Energy Facility, Pty. Ltd.	--	South Africa	Energy	82.66%	Subgroup Acciona Energy South Africa Global
SC Acciona Facility Services Automotive, S.R.L.	--	Romania	Services	100.00%	Acciona Facility Services Subgroup
Scutum Logistic, S.L.	A	Barcelona	EV Manufacturing	77.61%	Subgroup Acciona Mobility
Sierra de Selva, S.L.	A	Navarre	Energy	82.66%	Subgroup Acciona Energía
Sistemas Energéticos Sayago, S.L.	--	Madrid	Energy	62.00%	Acciona Energía Internacional Subgroup
Sistemas Energéticos Valle de Sedano, S.A.	A	Madrid	Energy	82.66%	Subgroup Ceólica
Smart Pixel Exhibitions, S.L.	--	Madrid	Museum Interiors	100.00%	Subgroup Acciona Cultural Engineering, S.A.
Sociedad Concesionaria Hospital de La Serena, S.A.	--	Chile	Concessions	100.00%	Subgroup Acciona Concesiones
Sociedad Empresarial de Financiación y Comercio, S.L.	--	Madrid	Corporate finance	100.00%	Acciona
Sociedad Explotadora de Recursos Eólicos, S.A.	A	Portugal	Energy	62.00%	Subgroup Acciona Eólica Portugal
Sociedad Istmeña Desarrollo Eólico, S.R.L. de C.V.	--	Mexico	Energy	82.66%	Subgroup Acciona Energía México Global
Sociedad Levantina de Obras y Servicios, S.A.	--	Madrid	Construction	100.00%	Subgroup Acciona Construcción
Sociedad San Rafael Hidráulica, S.A. de C.V.	--	Mexico	Engineering	100.00%	Subgroup Acciona Ingeniería
Soconfil, S.A.	--	Madrid	Other Investees	100.00%	Subgroup Finanzas y Cartera 2
Solar Bolarque, S.L.	--	Madrid	Energy	82.66%	Subgroup Acciona Energía
Solar PDV, SpA.	--	Chile	Energy	82.66%	Subgroup Acciona Energía Global

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Solbioext 1, S.L.	--	Madrid	Energy	62.00%	Subgroup Acciona Energía
Solbioext 2, S.L.	--	Madrid	Energy	62.00%	Subgroup Acciona Energía
Sun Photo Voltaic Energy India, Pvt. Ltd.	C	India	Energy	82.66%	Subgroup Acciona Energía Global
Surya Energy Photo Voltaic India, Pvt. Ltd.	A	India	Energy	82.66%	Subgroup Acciona Energía Global
Tatanka Finance, LLC.	--	USA	Energy	62.00%	Subgroup Acciona Wind Energy USA
Tatanka Holding, LLC.	--	USA	Energy	26.00% (100% class B shares)	Subgroup Tatanka
Tatanka Wind Power, LLC.	A	USA	Energy	26.00% (100% class B shares)	Subgroup Tatanka
Tecniomnia Española, S.L.	--	Barcelona	Services	100.00%	Acciona Facility Services Subgroup
Terranova Energy Corporation, S.A.	--	Madrid	Energy	82.66%	Subgroup Ceólica
Tibest Cuatro, S.A.	--	Madrid	Corporate finance	100.00%	Acciona
Tictres, S.A.	--	Madrid	Other Investees	100.00%	Acciona
Tlaui Aqua, S.A. de C.V.	A	Mexico	Water	70.00%	Subgroup Agua Boca de Río
Tolpan Sur, SpA.	A	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Torre Lugano, S.L.	--	Madrid	Real Estate	100.00%	Subgroup Acciona Real Estate
Towarowa Park, Sp. Z.O.O.	--	Poland	Real Estate	100.00%	Subgroup Acciona Inmobiliaria
Transurme, S.A.	--	Barcelona	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Tuppadahalli Energy India, Pvt. Ltd.	C	India	Energy	62.00%	Acciona Energía Internacional Subgroup
Usya, SpA.	A	Chile	Energy	82.66%	Subgroup Acciona Energía Global
Valdivia Energía Eólica, S.A.	A	Madrid	Energy	82.66%	Subgroup Acciona Energía
Velva Windfarm, LLC.	--	USA	Energy	62.00%	Subgroup Acciona Wind Energy USA
Ventos de Santa Bibiana Energias Renovaveis S.A.	--	Brazil	Energy	82.66%	Subgroup Acciona Energía Global
Ventos de Santa Edna Energias Renovaveis S.A.	--	Brazil	Energy	82.66%	Subgroup Ventos de Santa Bibiana (Brazil)
Ventos de Santa Ida Energias Renovaveis S.A.	--	Brazil	Energy	82.66%	Subgroup Ventos de Santa Bibiana (Brazil)
Ventos de Santa Iria Energias Renovaveis S.A.	--	Brazil	Energy	82.66%	Subgroup Ventos de Santa Bibiana (Brazil)
Ventos de Santa Karolina Energias Renovaveis S.A.	--	Brazil	Energy	82.66%	Subgroup Ventos de Santa Bibiana (Brazil)
Ventos de Santa Lindalva Energias Renovaveis S.A.	--	Brazil	Energy	82.66%	Subgroup Ventos de Santa Bibiana (Brazil)
Ventos de Santa Paulina Energias Renovaveis S.A.	--	Brazil	Energy	82.66%	Subgroup Ventos de Santa Bibiana (Brazil)
Ventos de Sao Carlos Energias Renovaveis S.A.	--	Brazil	Energy	82.66%	Subgroup Acciona Energía Global
Ventos de Sao Getulio Energias Renovaveis S.A.	--	Brazil	Energy	82.66%	Subgroup Ventos de Sao Carlos (Brazil)
Ventos de Sao James Energias Renovaveis Ltda	--	Brazil	Energy	82.66%	Subgroup Ventos de Sao Carlos (Brazil)
Ventos de Sao Jordao Energias Renovaveis S.A.	--	Brazil	Energy	82.66%	Subgroup Ventos de Sao Carlos (Brazil)

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Ventos de Sao Josef Energias Renovaveis Ltda	--	Brazil	Energy	82.66%	Subgroup Ventos de Sao Carlos (Brazil)
Ventos de Sao Juan Energias Renovaveis Ltda	--	Brazil	Energy	82.66%	Subgroup Ventos de Sao Carlos (Brazil)
Ventos de Sao Miguel Energias Renovaveis Ltda	--	Brazil	Energy	82.66%	Subgroup Ventos de Sao Carlos (Brazil)
Ventos de Sao Narciso Energias Renovaveis Ltda	--	Brazil	Energy	82.66%	Subgroup Ventos de Sao Carlos (Brazil)
Ventos de Sao Nicolau Energias Renovaveis S.A.	--	Brazil	Energy	82.66%	Subgroup Ventos de Sao Carlos (Brazil)
Ventos de Sao Peregrino Energias Renovaveis Ltda	--	Brazil	Energy	82.66%	Subgroup Ventos de Sao Carlos (Brazil)
Ventos de Sao Pio X Energias Renovaveis, Ltda	--	Brazil	Energy	82.66%	Subgroup Ventos de Sao Carlos
Ventos de Sao Ranieri Energias Renovaveis Ltda	--	Brazil	Energy	82.66%	Subgroup Ventos de Sao Carlos (Brazil)
Ventos de Sao Xisto Energias Renovaveis Ltda	--	Brazil	Energy	82.66%	Subgroup Ventos de Sao Carlos (Brazil)
Vientos Bajo Hondo I, S.A.	--	Argentina	Energy	82.66%	Subgroup Acciona Energía Global
Vientos Bajo Hondo I, S.A.	--	Argentina	Energy	82.66%	Subgroup Acciona Energía Global
Vjetroelektrana Čemernica, D.O.O.	--	Croatia	Energy	82.66%	Subgroup Acciona Energía Global
Vjetroelektrana Jelinak, D.O.O.	A	Croatia	Energy	62.00%	Acciona Energía Internacional Subgroup
Vjetroelektrana Opor, D.O.O.	--	Croatia	Energy	82.66%	Subgroup Acciona Energía Global
Voltser Serviços de Operaçao e Manutençao de Centrais Fotovoltaicas	--	Portugal	Energy	82.66%	Subgroup Acciona Energía Global Portugal II
Windfall 59 Properties, Pty. Ltd.	A	South Africa	Energy	34.04%	Subgroup Acciona Energy South Africa Global
Wolseley Wind Farm, Pty. Ltd.	--	South Africa	Energy	82.66%	Subgroup Acciona Energy South Africa Global

(*) 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 2022 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	Engineering	30.00%	Subgroup Acciona Ingeniería
Chin Chute Windfarm JV.	B	Canada	Energy	20.66%	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 Acciona Pizzarotti Dc Chile Spa	--	Chile	Construction	50.00%	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.	--	Navarre	Energy	41.33%	Subgroup Acciona Energía
Liciastar, Pty. Ltd.	C	South Africa	Engineering	50.00%	Subgroup Acciona Ingeniería
Magrath Windfarm JV.	B	Canada	Energy	20.66%	Subgroup Acciona Wind Energy Canadá
MAJV Aviation, Pty. Ltd.	--	Australia	Construction	50.00%	Subgroup Abigroup
Ouarzazate Solar 1, S.A.R.L.	--	Morocco	Engineering	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 2022 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%	Acciona Agua Subgroup
Acciona Agua Sardinia Infraestructure, S.R.L.	--	Italy	Water	10.00%	Acciona Agua Subgroup
Acciona CMS JV, LLC	--	USA	Construction	50.00%	Subgroup Acciona Construcción
Acciona Concesiones P2W Investment, Ltd.	A	New Zealand	Concessions	10.00%	Subgroup Accìona Concesiones
Acciona Plug, S.L.	--	Madrid	Energy	41.33%	Subgroup Acciona Energía
Acciona Waste Water Treatment Plant, Ltd.	--	Trinidad & Tobago	Water	70.00%	Acciona Agua Subgroup
Acciones Urbanas, Servicios y Medio Ambiente, S.L.	--	Murcia	Other infrastructure activities	50.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
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%	Acciona Agua Subgroup
Aleqad Treatment Company LLC	A	Saudi Arabia	Water	35.00%	Acciona Agua Subgroup
Algerian Water Investment, S.L.	--	Madrid	Water	50.00%	Subgroup Algerian Water Investment
Alsubh Solar Power, S.A.E.	-	Egypt	Energy	50.00%	Alsubh Solar Energy Holdings, S.A.
Altrac Light Rail Holdings 1, Pty. Ltd.	A	Australia	Concessions	5.00%	Subgroup Acciona Concesiones
Amper Central Solar Moura	A	Portugal	Energy	40.67%	Acciona Energía Internacional Subgroup
Aprofitament D'Energies Renovables de L´Ebre, S.L.	--	Barcelona	Energy	8.07%	Subgroup Acciona Energía
Ardemer Itg, S.L.	--	Teruel	Energy	41.33%	Subgroup Acciona Energía
Arratil Independent Tretament Company, LLC	A	Saudi Arabia	Water	35.00%	Acciona Agua Subgroup
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	41.33%	Subgroup Acciona Energía México Global
AT Solar I, S.A.P.I. de C.V.	--	Mexico	Energy	41.33%	Subgroup Acciona Energía México Global
AT Solar II, S.A.P.I. de C.V.	--	Mexico	Energy	41.33%	Subgroup Acciona Energía México Global
AT Solar III, S.A.P.I. de C.V.	--	Mexico	Energy	41.33%	Subgroup Acciona Energía México Global
AT Solar V, S.A.P.I. de C.V.	A	Mexico	Energy	41.33%	Subgroup Acciona Energía México Global
Baja California Power, S.A. de C.V.	--	Mexico	Engineering	65.00%	Subgroup Acciona Ingeniería
Brazilian Real State Project Holding, Ltda.	--	Brazil	Real Estate	50.00%	Brazilian Subgroup
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	20.25%	Subgroup Eurovento
CAT 2022 Office Complex, S.L.	B	Madrid	Real Estate	32.00%	Subgroup Acciona Real Estate
Cathedral Rocks Construcc. and Management, Pty. Ltd.	--	Australia	Energy	41.33%	Subgroup Acciona Energía Global Australia
Cathedral Rocks Holdings 2, Pty. Ltd	--	Australia	Energy	31.00%	Subgroup Cathedral Rocks Holdings
Cathedral Rocks Holdings, Pty. Ltd.	--	Australia	Energy	31.00%	Subgroup Acciona Energía Oceanía
Cathedral Rocks Wind Farm, Pty. Ltd.	A	Australia	Energy	31.00%	Subgroup Cathedral Rocks Holdings 2
Chinook Highway Operations, Inc.	C	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%	Acciona Agua Subgroup

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Company	Audit	Location	Activity	% Ownership (direct and Indirect)	Shareholder
Concesionaria de Desalación de Ibiza, S.A.	E	Ibiza	Water	50.00%	Acciona Agua Subgroup
Concesionaria La Chira, S.A.	E	Peru	Water	50.00%	Acciona Agua Subgroup
Concessionaria Linha Universidade, S.A.	A	Brazil	Concessions	59.99%	Subgroup Acciona Concesiones
Consorcio Cadebac, S.A. de C.V.	--	Mexico	Water	50.00%	Acciona Agua Subgroup
Consorcio Operador de Atotonilco, S.A. de C.V.	C	Mexico	Water	24.50%	Acciona Agua Subgroup
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 Electromecánicas, S.A. de C.V.	E	Mexico	Water	24.50%	Subgroup Aguas Hispano Mexicana
Constructora Necso Sacyr Chile, S.A.	--	Chile	Construction	50.00%	Subgroup Acciona Concesiones Chile
Cotoperí Solar Fv, S.R.L.	--	Dominican Republic	Energy	42.16%	Subgroup Acciona Energía Global
Depurar P1, S.A.	--	Zaragoza	Water	50.00%	Acciona Agua Subgroup
Desarrollo del Sureste Playa del Carmen Tulum, S.A. de C.V.	C	Mexico	Construction	50.00%	Subgroup Acciona Construcción
Desert Well Treatment Company LLC	A	Saudi Arabia	Water	35.00%	Acciona Agua Subgroup
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 Mediterráneas, S.A.	C	Valencia	Energy	41.33%	Subgroup Acciona Energía
Energy Corp Hungary, Kft.	E	Hungary	Energy	41.33%	Subgroup Acciona Eólica Cesa
Entorno Urbano y Medio Ambiente, S.L.	E	Murcia	Other infrastructure activities	50.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Eólicas Mare Nostrum, S.L.	--	Valencia	Energy	41.33%	Subgroup Acciona Energía
Eolink, S.A.S.	--	France	Energy	20.09%	Subgroup Acciona Energía Global
Eurovento, S.L.	--	La Coruña	Energy	41.33%	Subgroup Tripower
Eve Holding, Inc	--	USA	Other Investees	1.14%	Subgroup Acciona Logística
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%	Brazilian Subgroup
Infraestructuras de Movilidad Urbana Sostenible Aq JV, S.L.	--	Madrid	Energy	42.16%	Subgroup Acciona Energía
Infraestructuras San Serván 220, S.L.	--	Madrid	Energy	21.16%	Subgroup Acciona Energía
Infraestructuras Villanueva, S.L.	--	Madrid	Energy	33.50%	Subgroup Guadalaviar
Líneas Eléctricas Asturianas, S.L.	--	Madrid	Energy	41.33%	Subgroup Eurovento
Líneas Eléctricas Gallegas II, S.L.	--	La Coruña	Energy	41.33%	Subgroup Eurovento
Líneas Eléctricas Gallegas III, S.L.	--	La Coruña	Energy	41.33%	Subgroup Eurovento
Líneas Eléctricas Gallegas, S.L.	--	La Coruña	Energy	28.93%	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%	Brazilian Subgroup
Mov-R H1 Szeleromu Megujulo Energia Hasznosito, Kft.	E	Hungary	Energy	40.71%	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 H2, S.L.U.	--	Navarre	Energy	50.00%	Subgroup Acciona Energía
Nordex, SE.	B	Germany	Wind turbine manufacturing	40.97%	Acciona
Nova Dársena Esportiva de Bara, S.A.	E	Tarragona	Concessions	50.00%	Subgroup Acciona Concesiones
Operador del Mercado Ibérico - Polo Español, S.A.	D	Madrid	Energy	4.13%	Subgroup Acciona Energía
P2W Services, Ltd.	A	New Zealand	Concessions	50.00%	Subgroup Acciona Concesiones
Parque Eólico A Runa, S.L.	C	La Coruña	Energy	41.33%	Subgroup Ceólica
Parque Eólico Adrano, S.L.	C	La Coruña	Energy	41.33%	Subgroup Ceólica
Parque Eólico Ameixenda Filgueira, S.L.	C	La Coruña	Energy	41.33%	Subgroup Ceólica

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Company	Audit	Location	Activity	% Ownership (direct and indirect)	Shareholder
Parque Eólico Curras, S.L.	C	La Coruña	Energy	41.33%	Subgroup Ceólica
Parque Eólico de Abara, S.L.	C	Madrid	Energy	41.33%	Subgroup Ceólica
Parque Eólico de Barbanza, S.L.	A	La Coruña	Energy	10.33%	Subgroup Eurovento
Parque Eólico de Bobia y San Isidro, S.L.	C	Madrid	Energy	41.33%	Subgroup Ceólica
Parque Eólico de Deva, S.L.	C	La Coruña	Energy	41.33%	Subgroup Ceólica
Parque Eólico de Tea, S.L.	C	La Coruña	Energy	41.33%	Subgroup Ceólica
Parque Eólico Vicedo, S.L.	C	La Coruña	Energy	41.33%	Subgroup Ceólica
Parque Eólico Virxe do Monte, S.L.	C	La Coruña	Energy	41.33%	Subgroup Ceólica
Parques Eólicos de Buio, S.L.	C	La Coruña	Energy	41.33%	Subgroup Ceólica
Polígono Romica, S.A.	--	Albacete	Real Estate	50.00%	Subgroup Acciona Inmobiliaria
Port City Water Services, Inc.	A	Canada	Water	50.00%	Acciona Agua Subgroup
Power to Green Hydrogen Mallorca, S.L.	--	Palma De Mallorca	Energy	36.37%	Subgroup Acciona Energía
QEV Extreme, S.L.	--	Barcelona	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 Accìona Agua Servicios
Renen Services, LLC.	--	Egypt	Energy	41.33%	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	41.33%	Subgroup Acciona Energía Global
Selvademar Properties, S.L.	--	Madrid	Real Estate	32.00%	Subgroup Acciona Real Estate
Servicio de Tratamiento de Aguas PTAR Caracol, S.A. de C.V.	--	Mexico	Water	48.98%	Acciona Agua Subgroup
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%	Acciona Agua Subgroup
Shuqaiq Three Company for Water	C	Saudi Arabia	Water	10.00%	Acciona Agua Subgroup
Sistemes Electrics Espluga, S.A.	--	Barcelona	Energy	41.33%	Subgroup Acciona Energía
Sociedad de Aguas Hispano Mexicana, S.A. de C.V.	C	Mexico	Water	50.00%	Subgroup Aguas Hispano Mexicana
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
South Cluster Spv LLC	--	Saudi Arabia	Water	25.00%	Acciona Agua Subgroup
Sunrise Energy, S.A.E.	A	Egypt	Energy	41.33%	Subgroup Acciona Energía Global
The Blue Circle Pte. Ltd.	E	Singapore	Energy	41.32%	Subgroup Acciona Energía Global
Tranvías 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	41.33%	Subgroup Acciona Energía México Global
Tuto Energy II, S.A.P.I. de C.V.	--	Mexico	Energy	41.33%	Subgroup Acciona Energía México Global
Vento Mareiro, S.L.	--	La Coruña	Energy	20.25%	Subgroup Eurovento
Ventos e Terras Galegas II, S.L.	--	La Coruña	Energy	41.33%	Subgroup Tripower
Ventos e Terras Galegas, S.L.	--	La Coruña	Energy	41.33%	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 2022 were as follows:

Company	Location	Activity	Change	Consolidation method
Acciona CMS JV, LLC	USA	Construction	Addition	Associate
Aleqad Treatment Company LLC	Saudi Arabia	Water	Addition	Associate
Ardemer Itg, S.L.	Teruel	Energy	Addition	Associate
Arratil Independent Tretament Company, LLC	Saudi Arabia	Water	Addition	Associate
Cotoperí Solar Fv, S.R.L.	Dominican Republic	Energy	Addition	Associate
Desert Well Treatment Company LLC	Saudi Arabia	Water	Addition	Associate
Eolink, S.A.S.	France	Energy	Addition	Associate
Eve Holding, Inc	USA	Other Investees	Addition	Associate
Infraestructuras de Movilidad Urbana Sostenible Aq JV, S.L.	Madrid	Energy	Addition	Associate
Nordex H2, S.L.U.	Navarre	Energy	Addition	Associate
Power to Green Hydrogen Mallorca, S.L.	Palma De Mallorca	Energy	Addition	Associate
South Cluster Spv LLC	Saudi Arabia	Water	Addition	Associate
The Blue Circle Pte. Ltd.	Singapore	Energy	Addition	Associate
13888215 Canada Inc.	Canada	Water	Addition	Group
Acciona Agua Puerto Rico LLC	Puerto Rico	Water	Addition	Group
Acciona Airport Services República Dominicana, S.A.S.	Dominican Republic	Airport services	Addition	Group
Acciona Customer Services Düsseldorf GmbH	Germany	Airport services	Addition	Group
Acciona Energía Brasil Ltda.	Brazil	Energy	Addition	Group
Acciona Engineering North America Inc.	USA	Engineering	Addition	Group
Acciona Facility Services For Maintenance And Cleaning	Saudi Arabia	Urban services	Addition	Group
Acciona Green Energy Portugal, Lda	Portugal	Energy	Addition	Group
Acciona Industrial NL B.V.	Netherlands	Industrial	Addition	Group
Acciona Personnel Services GmbH	Germany	Airport services	Addition	Group
Acciona Waste Water Solutions LP.	Canada	Water	Addition	Group
Aeug Solar Development LLC	USA	Energy	Addition	Group
Aeug Solar Holdco LLC	USA	Energy	Addition	Group
Alfa Spa	Chile	Energy	Addition	Group
Bahia Eólica I Energias S.A.	Brazil	Energy	Addition	Group
Bahia Eólica II Energias S.A.	Brazil	Energy	Addition	Group
Bahia Eólica III Energias S.A.	Brazil	Energy	Addition	Group
Bahia Eólica IV Energias S.A.	Brazil	Energy	Addition	Group
Bahia Eólica Ix Energias S.A.	Brazil	Energy	Addition	Group
Bahia Eólica V Energias S.A.	Brazil	Energy	Addition	Group
Bahia Eólica Vi Energias S.A.	Brazil	Energy	Addition	Group
Bahia Eólica VII Energias, S.A.	Brazil	Energy	Addition	Group
Bahia Eólica VIII Energias S.A.	Brazil	Energy	Addition	Group
Bt Cunningham Storage LLC	USA	Energy	Addition	Group
Concesionaria Transmisora Reque Tumbes S.A.C.	Peru	Concessions	Addition	Group
Enren, S.R.L.	Dominican Republic	Energy	Addition	Group
Eqinov, S.A.S.	France	Energy efficiency services	Addition	Group
Jerson Itg, S.L.	Madrid	Energy	Addition	Group
Kirov Itg, S.L.	Madrid	Energy	Addition	Group
Langhoogte Wind Farm (Pty) Ltd	South Africa	Energy	Addition	Group
Lewin Brzeski Wind Farm Sp Zoo	Poland	Energy	Addition	Group
Narzym Wind Farm Spólka Zoo	Poland	Energy	Addition	Group
Pleiades S.A.	Chile	Energy	Addition	Group

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Company	Location	Activity	Change	Consolidation method
Red Tailed Hawk LLC	USA	Energy	Addition	Group
Sociedad Concesionaria Hospital de La Serena, S.A.	Chile	Concessions	Addition	Group
Ventos de Santa Bibiana Energias Renovaveis S.A.	Brazil	Energy	Addition	Group
Ventos de Santa Edna Energias Renovaveis S.A.	Brazil	Energy	Addition	Group
Ventos de Santa Ida Energias Renovaveis S.A.	Brazil	Energy	Addition	Group
Ventos de Santa Iria Energias Renovaveis S.A.	Brazil	Energy	Addition	Group
Ventos de Santa Karolina Energias Renovaveis S.A.	Brazil	Energy	Addition	Group
Ventos de Santa Lindalva Energias Renovaveis S.A.	Brazil	Energy	Addition	Group
Ventos de Santa Paulina Energias Renovaveis S.A.	Brazil	Energy	Addition	Group
Ventos de Sao Carlos Energias Renovaveis S.A.	Brazil	Energy	Addition	Group
Ventos de Sao Getulio Energias Renovaveis S.A.	Brazil	Energy	Addition	Group
Ventos de Sao James Energias Renovaveis Ltda	Brazil	Energy	Addition	Group
Ventos de Sao Jordao Energias Renovaveis S.A.	Brazil	Energy	Addition	Group
Ventos de Sao Josef Energias Renovaveis Ltda	Brazil	Energy	Addition	Group
Ventos de Sao Juan Energias Renovaveis Ltda	Brazil	Energy	Addition	Group
Ventos de Sao Miguel Energias Renovaveis Ltda	Brazil	Energy	Addition	Group
Ventos de Sao Narciso Energias Renovaveis Ltda	Brazil	Energy	Addition	Group
Ventos de Sao Nicolau Energias Renovaveis S.A.	Brazil	Energy	Addition	Group
Ventos de Sao Peregrino Energias Renovaveis Ltda	Brazil	Energy	Addition	Group
Ventos de Sao Pio X Energias Renovaveis, Ltda	Brazil	Energy	Addition	Group
Ventos de Sao Ranieri Energias Renovaveis Ltda	Brazil	Energy	Addition	Group
Ventos de Sao Xisto Energias Renovaveis Ltda	Brazil	Energy	Addition	Group
Acciona Campus, S.L.	Madrid	Concessions	Disposal	Group
Acciona Facility Services Italia, S.R.L.	Italy	Services	Disposal	Group
Coefisa, S.A.	Switzerland	Corporate finance	Disposal	Group
Desarrollo de Energías Renovables de Navarra, S.A.	Pamplona	Energy	Disposal	Group
Explotaciones Eólicas Sierra de Utrera, S.L.	Madrid	Energy	Disposal	Group
Generica de Construcción y Mantenimiento Industrial, S.A.	Zaragoza	Construction	Disposal	Group
Parque Eólico Cinseiro, S.L.	Zamora	Energy	Disposal	Group
Tateldaco, S.L.	Madrid	Real Estate	Disposal	Group
Ternua Holdings, B.V.	Netherlands	Energy	Disposal	Group
Windsor Essex Mobility Group, GP	Canada	Concessions	Disposal	Group
Acciona Wastewater Solutions GP, Inc.	Canada	Water treatment	Change in consol. method	Group
Firefly Investments 238, Pty. Ltd.	South Africa	Energy	Change in consol. method	Group
Oakleaf Investment Holdings 86, Pty. Ltd.	South Africa	Energy	Change in consol. method	Group
Páramo de los Angostillos, S.L.	León	Energy	Change in consol. method	Group

Changes in the consolidation perimeter in 2021 were as follows:

Company	Location	Activity	Change	Consolidation method
Acciona Plug, S.L.	Madrid	Energy	Addition	Associate
Consorcio Cadebac, S.A. de C.V.	Mexico	Water	Addition	Associate
Desarrollo del Sureste Playa del Carmen Tulum, S.A. de C.V.	Mexico	Construction	Addition	Associate
Infraestructuras San Serván 220, S.L.	Madrid	Energy	Addition	Associate
QEV Extreme, S.L.	Madrid	Other Investees	Addition	Associate
Red River Valley Alliance, LLC.	USA	Concessions	Addition	Associate
Ampliación Facultad Dret, S.A.	Barcelona	Concessions	Disposal	Associate
Gran Hospital Can Misses, S.A.	Ibiza	Concessions	Disposal	Associate
Nuevo Hospital De Toledo, S.A.	Toledo	Concessions	Disposal	Associate
Operadora Can Misses S.L.	Ibiza	Concessions	Disposal	Associate
S.C. Autovía De La Plata S.A.	Madrid	Concessions	Disposal	Associate
S.C. De La Zona Regable Del Canal De Navarra, S.A.	Pamplona	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
S.C. Puente Del Ebro, S.A.	Aragon	Concessions	Disposal	Associate
Sociedad Operadora Novo Hospital De Vigo S.A.	Pontevedra	Concessions	Disposal	Associate
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 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
Csf Almodovar, Unipessoal Lda.	Portugal	Energy	Addition	Group
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
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
Rec Energy Solutions, S.L.U.	Barcelona	Energy	Addition	Group
Scutum Logistic, S.L.	Barcelona	EV Manufacturing	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
Acciona Airport Services S.A.S.	Colombia	Services	Disposal	Group
Aguas Pilar De La Horadada S.L.	Madrid	Water	Disposal	Group
Desarrollos Revolt Del Llobregat,S.L.	Madrid	Real Estate	Disposal	Group
Metrologia y Comunicaciones, S.A.	Madrid	Construction and engineering	Disposal	Group
Servicios Hospitalarios Chut, S.L.	Madrid	Concessions	Disposal	Group
Terranova Energy Corporation	USA	Energy	Disposal	Group
Tolchén Transmisión Spa	Chile	Energy	Disposal	Group
3240934 Nova Scotia Company	Canada	Energy	Disposal due to merger	Group
Acciona Energy Development Canada Inc	Canada	Energy	Disposal due to merger	Group
Acciona EPC North America LLC	USA	Energy	Disposal due to merger	Group
Aulac Wind Power Lp	Canada	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
Heartland Windpower, LLC	USA	Energy	Disposal due to merger	Group

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Company	Location	Activity	Change	Consolidation method
Pacific Renewable Energy Generation LLC	USA	Energy	Disposal due to merger	Group
Table Mountain Wind LLC	USA	Energy	Disposal due to merger	Group
Wind Contruction, Lp	Canada	Energy	Disposal due to merger	Group
Wind Farm 66, LLC	USA	Energy	Disposal due to merger	Group
Windfarm Bear Creek, Llc	USA	Energy	Disposal due to merger	Group
Zurich Wind Power Lp Inc	Canada	Energy	Disposal due to merger	Group

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APPENDIX V

OVERVIEW OF THE MAIN CONCESSION ARRANGEMENTS

Water Division

Name	Description	Period	Country	ACCIONA	Status	Accounting method	Asset type
EDAR 8B	Construction, operation and maintenance of the wastewater treatment plant in "Zone 08B" of the Aragon Water Treatment Plan	2008 - 2031	Spain	100%	In operation	Full consolidation	Intangible asset
EDAR 7B	Construction, operation and maintenance of the wastewater treatment plant in "Zone 07B" of the Aragon Water Treatment Plan	2011 - 2031	Spain	100%	In operation	Full consolidation	Intangible asset
IDAM Javea	Construction, operation and maintenance of the seawater desalination plant in Javea	2001 - 2023	Spain	100%	In operation	Full consolidation	Financial asset
IDAM Fouka	Construction, operation and maintenance of the seawater desalination plant in Tipaza	2008 - 2036	Algeria	26%	In 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%	In operation	Equity consolidation	Financial asset
PTAR Atotonilco	Construction, operation and maintenance of the wastewater treatment plant in Atotonilco	2010 - 2035	Mexico	24%	In operation	Equity consolidation	Financial asset
WWTP Mundaring	Construction, operation and maintenance of the wastewater treatment plant in Mundaring	2011 - 2048	Australia	25%	In operation	Equity consolidation	Financial asset
PTAR La Chira	Construction, operation and maintenance of the wastewater treatment plant in La Chira	2011 - 2037	Peru	50%	In operation	Equity consolidation	Financial asset
IDAM Arucas Moya	Construction, operation and maintenance of the seawater desalination plant in Arucas / Moya	2008 - 2024	Spain	100%	In operation	Full consolidation	Intangible asset
Andratx sewage system	Construction, operation and maintenance of the sewage system in Andratx	2009 - 2044	Spain	100%	In 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%	In operation	Equity consolidation	Financial asset
Sercomosa	Public-private responsible for delivering the water supply service in Molina de Segura	1998 - 2040	Spain	49%	In operation	Equity consolidation	Intangible asset
Somajasa	Public-private partnership responsible for management of the integrated water cycle for public services in some municipalities in Jaen province	2007 - 2032	Spain	60%	In operation	Equity consolidation	Intangible asset
Gesba	Water supply service in Andratx and Deiá (Mallorca)	1994 - 2044	Spain	100%	In operation	Full consolidation	Intangible asset
Costa Tropical	Integrated water cycle service in Costa Tropical (Granada)	1995 - 2045	Spain	49%	In operation	Proportional consolidation	Intangible asset
Boca del Rio	Integrated water cycle service in Boca del Río (Veracruz)	2018 - 2047	Mexico	70%	In operation	Full consolidation	Intangible asset
Shuqaiq 3	Development, design, financing, construction, commissioning, operation and maintenance of the SWRO plant	2019 - 2046	Saudi Arabia	10%	In operation	Equity consolidation	Financial asset
Veracruz	Public integrated water cycle and sewage services in Veracruz and Medellín	2016 - 2046	Mexico	100%	In operation	Full consolidation	Intangible asset
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	2023 - 2048	Mexico	50%	Construction	Equity consolidation	Financial asset
Madinah 3	Development, design, financing, construction, commissioning, operation and maintenance of the ISTP plant	2022 - 2049	Saudi Arabia	35%	Construction	Equity consolidation	Financial asset
Buraydah 2	Development, design, financing, construction, commissioning, operation and maintenance of the ISTP plant	2022 - 2049	Saudi Arabia	35%	Construction	Equity consolidation	Financial asset
Tabuk 2	Development, design, financing, construction, commissioning, operation and maintenance of the ISTP plant	2022 - 2049	Saudi Arabia	35%	Construction	Equity consolidation	Financial asset

Infrastructure Division

	Name	Description	Period	Country	ACCIONA	Status	Accounting method	Asset type
Roads	A2 - Tramo 2	Redesign, renovation, operation and maintenance of a 76.5 km stretch (Tramo 2) of the A2 motorway between km 62 and km 139 (Soria-Guadalajara). Shadow toll	2007 - 2026	Spain	1	In operation	Full consolidation	Intangible asset
Roads	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 via Charlton. Availability payment (25 years as from end of construction)	2015 - 2043	Australia	0.2	In operation	Equity consolidation	Financial asset
Roads	Puhoi to Warkworth	Financing, design, construction and maintenance of the new motorway from Puhoi to Warkworth. This project will extend the four-lane SH-18.5km (Northern Motorway) 18.5 km from the Johnstone's tunnels to the north of Warkworth.	2016 - 2046	New Zealand	0.1	Construction	Equity consolidation	Financial asset
Rail	Consorcio Traza (Zaragoza Tramway)	Construction and operation of the north-south tramway in the city of Zaragoza (12.8 km)	2009 - 2044	Spain	0.166	In operation	Equity consolidation	Dual intangible/financial asset
Rail	Concessionaria Linha Universidade	Construction of civil works and systems, supply of rolling stock, operation, upkeep, maintenance and expansion of public transport services for Metro Line 6 - Laranja in São Paulo.	2020 - 2044	Brazil	0.48	Construction	Equity consolidation	Financial asset
Rail	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. The concession includes operation of the existing Inner West line.	2014 - 2034	Australia	0.05	In 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	0.425	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 m^2)	2005 - 2035	Spain	0.5	In operation	Equity consolidation	Financial asset
Hospital	Hospital de Leon Bajio	Design, construction, fitting-out and hospital O&M (184 beds)	2005 - 2030	Mexico	1	In operation	Full consolidation	Financial asset
Hospital	Hospital La Serena	Design, construction, fitting-out and hospital O&M (668 beds)	2022 - 2042	Chile	1	Construction	Full consolidation	Financial asset
Plant	East Rockingham	Design, construction, operation and maintenance of a waste processing and management plant	2019 - 2052	Australia	0.1	Construction	Equity consolidation	n.a.
LT	LT Reque - Nueva Carhuaquero LT Nueva Tumbes - Tumbes	Design, construction, operation and transfer of two transmission lines and two substations, and extension of two existing substations	2022 - 2056	Peru	1	Construction	Full consolidation	Financial asset

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ACCIONA reports in accordance with International Financial Reporting Standards (IFRS) under a corporate structure comprising three divisions:

- Energy: instrumented through the majority shareholding in Corporación Acciona Energías Renovables, S.A. (CAER or Acciona Energía). 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 and turn-key (EPC) projects for power generating 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 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 of the water cycle.
  - Concessions: consists mainly of the operation of transport and hospital concessions.
  - Urban and Environmental Services: primarily delivery of Citizen Services.

- Other activities: comprising 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 such as facility management and airport handling.

Recurrent Alternative Performance Measures (APMs) used in this and other reports by the ACCIONA Group are defined in Appendix I of this Directors' Report.

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Executive Summary

Period highlights

ACCIONA´s revenue in 2022 increased by 38.1% compared to 2021, to €11,195 million, EBITDA rose by 39.4% to €2,068 million, EBIT by 60.7% to €1,333 million, profit before tax reached €869 million, an increase of 51.1% compared to 2021, and net profit increased by 32.7% to €441 million.

These growth rates, achieved in a complex situation, were mainly due to the good management of our energy asset base, which enabled us to capture higher prices than in the previous year, and of construction contracts, a result of the excellent quality of our portfolio.

Starting with **ACCIONA Energia**, which accounts for 79% of ACCIONA's EBITDA, its results in 2022 show strong growth as a result of the high energy price environment across its markets, effective energy/risk management, and stable financial costs. The good results contribute to strengthening the company's financial position to face a complex global backdrop characterised by strong investment needs for decarbonisation and energy independence.

- Revenues amounted to €4,351 million (+76.0%), EBITDA reached €1,653 million (+52.2%) and Net Attributable Profit increased to €759 million (+109.0%). The results are also driven by the effect of reversing the regulatory banding mechanism in respect of all of the group's standard regulated facilities (IT) under the Spanish regulatory framework, except for the biomass generation plants.

- ESG indicators - on the social side include the increase of women in management and executive positions to 26.0%, the significant increase in projects with social impact management, and an accident frequency index of 0.39, lower than in 2021. In terms of Environmental indicators, CAPEX remained practically fully aligned with the Taxonomy, and CO2 emissions and water consumption fell by 39.5% and 2.5%, respectively. ACCIONA Energía is the most sustainable company within the utilities sector in Spain, and the second most sustainable in the world, according to S&P's Global Corporate Sustainability Assessment Questionnaire (CSA). In addition, MSCI, Sustainalytics and CDP analysed ACCIONA Energía for the first time in 2022, placing the company in a leading position in its first year, which is unprecedented in the sector.

- In 2022, Acciona Energía's first full year as a listed company, the stock was included in major stock market indices such as S&P Global Clean Energy Index, IBEX 35 and Stoxx Europe 600, among others.

- With respect to the most relevant operating figures, total installed capacity reached 11,826 MW at December 2022 compared to 11,245 MW at the end of the previous year. This implies a net increase of 581 MW, reflecting on the one hand new capacity of 706 MW and, on the other, the exit of 124 MW due to changes in consolidation perimeter and the end of a hydro concession in Spain. In consolidated terms, capacity stood at 9,884 MW, a net increase of 715 MW, with 622 MW of new capacity, 99 MW due to changes in the consolidation perimeter, and a reduction of 5 MW due to the end of the hydro concession mentioned above. Capacity under construction as of 31 December 2022 stood at 2.2 GW, including the MacIntyre wind farm in Australia (912 MW under construction) and nearly 1.3 GW of solar PV generation in the US (Fort Bend, High Point, Union and Red Tailed Hawk).

- ACCIONA Energía's total output during the year fell by 2.6% to 23,910 GWh, mainly due to generally low renewable energy resource particularly in hydro, but also due to curtailments and certain assets with low availability following technical incidents. Consolidated production fell by 2.2% to 19,657 GWh. In the Spanish market, consolidated production fell by 3.0%, with wind decreasing by 1.2% and hydro by 11.7%, in a year that has been extremely dry, even more so than the previous year. International consolidated production fell by 1.5%. Overall, 2022 has been the worst energy resource year in the last 50 years.

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- The average generation price rose by 51.0% to €114.0/MWh and compares to €75.5/MWh in the previous year.

- Generation revenues rose 47.7% to reach €2,240 million, while the rest of the revenue base, mainly representing the Supply business, increased by 120.9% to €2,111 million. As a result, ACCIONA Energía's total revenues amounted to €4,351 million, an increase of 76.0% on the previous year.

- ACCIONA Energía's EBITDA reached €1,653 million, 52.2% higher than the previous year. EBITDA from the Generation business stood at €1,708 million (+53.2%) and Supply and Others recorded a negative EBITDA of €55 million on aggregate (-€29 million in 2021).

- In Spain, EBITDA reached €1,255 million (+136.4%) compared to €531 million in 2021.

- The average Spanish pool price in 2022 was €167.5/MWh, compared to €111.9/MWh in 2021. The 'Iberian mechanism for the temporary adjustment of production costs to reduce the price of electricity in the wholesale market' - the gas cap - came into force in 14 June 2022 and had a depressing effect on wholesale prices during the second half of the year: monthly average prices from July to December fell below the average prices of the same period last year.

- ACCIONA Energía's average captured price in the Spanish market - including hedging, regulated revenues, the regulatory banding mechanism and the gas clawback windfall tax - reached €167.6/MWh and compares to €83.6/MWh in 2021. The regulatory banding mechanism contributed €10.2/MWh (€94 million) to the average price, mainly due to the effect of reversing the banding adjustment for all of the company's facilities (IT) within the regulatory framework except for the biomass plants.

- EBITDA in the International business amounted €398 million (28.3% lower than in 2021), mainly due to the non-recurrence of higher prices in Texas, lower prices in Chile, and the negative consequences of the war on the Ukrainian generation business. Mexico and Australia improved their results.

- ACCIONA Energía recorded a negative result of €21 million in the asset impairment line in the income statement, which includes impairments of €74 million relating to certain international and Spanish generation and development assets, as well as the reverting of impairments totalling €53 million on certain generation assets in Spain. The impairments include the write-down of more than 60% of the capital invested in generation assets in Ukraine due to the war in the country (€35 million).

- The income statement also includes the Results on Non-Current Assets as well as Other Gains and Losses totalling €27 million in aggregate, arising from the sale of shares in associates in Spain and the cancellation of the financial lease of a generation asset in the US.

- The variation in the Value of Instruments at fair value recorded in the income statement was related to certain international energy contracts resulted in a negative result of €64 million compared to a charge of €16 million in the financial year 2021, reflecting the high power price environment.

- Net investment cash flow for the year amounted to €1,279 million, primarily related to the construction of generation assets in the United States, Australia and Spain.

- In terms of sustainable financing, the company issued its second public green bond (€500 million) in January and its first US private placement (USPP) in green format (US$200 million) in April. Also noteworthy are two innovative double-impact banking transactions signed in December, both in green format with an additional local impact feature - totalling AU$1.5bn and mainly directed at financing the MacIntyre wind project in Australia; the first instrument is an AU$400m three-year bank syndicated facility, and the second is an AU$1.1bn syndicated ECA facility covered under Cesce's new green

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investment policy, with a term of approximately 16 years. ACCIONA Energía also closed a new €450 million 3-year revolving credit facility in Club Deal format and linked to sustainability targets.

Moving on to the **Infrastructure** division (which includes the construction, concessions, water and urban & environmental services businesses), revenues increased by 23.5% in FY2022, with notable revenue growth in Brazil, Australia, Canada and Saudi Arabia. EBITDA increased by 14.2% to €369 million, due to higher production and better margins in international construction.

- Within the Infrastructure division, construction revenues increased by 25.8% to €4,560 million and its EBITDA increased by 39.4% to €227 million, reaching an EBITDA margin of 5.0%, compared to 4.5% in 2021. This increased profitability was mainly driven by the international business, which accounts for 83% of the group's construction revenues. By country, the largest contributors to construction revenues were Australia (34%), Spain (17%) and Brazil (9%).

- In the Concessions business, the results obtained in 2022 (€52 million in revenues and €37 million in EBITDA) were lower than in 2021 due to the divestment of a portfolio of assets in Spain, which was completed last year. The group continues with the construction of its main concession project, the Orange section of Line 6 of the Sao Paulo metro in Brazil, and it was awarded its first power transmission line concession in Peru in 2022, which includes two projects (Reque-Nueva Carhuaquero and Nueva Tumbes-Tumbes) and will require a combined investment of USD54 million.

- The Water business has achieved revenues of €1,272 million in 2022, which represents 20.9% growth compared to the revenue obtained in 2021, but its profitability has been negatively affected by higher energy costs in operation and maintenance activities and by the regularisation of margins in some desalination plant projects.

- Urban & Environmental services revenues amounted to €148 million, 10.3% lower than in 2021, due to the inclusion of the healthcare and energy efficiency businesses last year. However, EBITDA stood at €15 million, 10.9% higher than in 2021, with a stable margin at 10.4%. The backlog has increased by +118%. The renewal of the €332 million contract with Torrevieja city council stands out.

- With regard to the infrastructure backlog, 2022 was a record year for contracting new projects, some of which were highly technical. The total infrastructure portfolio at 31 December 2022 reached a new all-time high of €22,020 million (€30,394 million if we include projects accounted for using the equity method), with €9,142 million of contracts awarded in the year as a whole. Notably, ACCIONA was awarded the contract for the design and construction of the Western Harbour Tunnel, valued at around AUD 4,240 million (€2,746 million), the largest construction contract in the Group's history. This contract consolidates Australia and New Zealand as the most important geographic area for the infrastructure business, accounting for 29% of the total portfolio at 31 December 2022, followed by Spain (18%), Mexico (8%) and Brazil (8%).

In **Other Activities**, revenues increased by 12.1% compared to 2021, driven by the Property Development, airports and facility services businesses.

- Property Development revenues increased by 30.5% compared to 2021, to €247 million, with the completion of 617 homes deliveries, 39% more than the previous year, including a 395-unit rental building (BTR) in Valdebebas, Madrid. Regarding rental assets, in 2022, construction was completed and the lease contract signed for an office building on Calle Ombú in Madrid, which will generate rental income of more than €5 million per annum, and work has continued on the office complex on Calle Mesena in Madrid. ACCIONA's Gross Asset Value (GAV) at 31 December 2022 stood at €1,541 million, 13% higher than in December 2021.

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- Bestinver experienced a 21.0% decline in revenues and a 30.4% decline in EBITDA compared to 2021, as a result of the decrease in average assets under management, which reached €5,929 million in 2022 compared to €7,078 million in the previous year. At the end of December 2022, assets under management reached €5,117 million, a decrease of 27.4% compared to December 2021, mainly due to the portfolio performance.

- Corporate and Others includes various businesses such as urban electric mobility, airport handling, facility services and ACCIONA Culture. It is worth highlighting the good performance in airport sales, due to the increase in the number of weighted flights (+33%) compared to the previous year, and Silence, the electric vehicle manufacturer, sold 12,826 units in 2022, 43% more than in 2021.

Profit before taxes reached €869 million, a 51.1% yoy increase. This figure includes an impairment of our energy assets in Ukraine for €35 million and a negative contribution from ACCIONA's stake in the German wind turbine manufacturer Nordex which amounted to -€194 million in 2022 compared to -€81 million in 2021. Excluding Nordex, ACCIONA's profit before tax would have amounted to €1,063 million, up 62% compared to 2021.

ACCIONA's Attributable net profit amounted to €441 million, a 32.7% increase versus 2021.

In 2022 ACCIONA increased its stake in Nordex from 33.63% to 40.97% at 31 December 2022. On 26 June 2022, ACCIONA subscribed a capital increase in Nordex for 10% of its share capital, excluding the pre-emptive subscription rights of the remaining shareholders. This transaction involved an investment of €139 million for ACCIONA and, as a result, ACCIONA's stake in Nordex increased from 33.63% to 39.66%, with a subscription price of €8.7 per share. In July, Nordex carried out a second capital increase, with subscription rights, ACCIONA increased its investment by €104 million and ACCIONA's stake in the share capital of Nordex increased to the current 40.97%. ACCIONA invested a total of €243 million in Nordex in 2022.

On 15 February 2023, Nordex's Board of Directors proposed a capital increase to convert a loan granted by ACCIONA to Nordex for €347 million, with a maximum of 29.26 million shares. The transaction will be put to a vote at Nordex's next extraordinary shareholders' meeting, to be held on 27 March 2023.

ACCIONA's **net financial debt** (including IFRS 16) reached €5,253 million at December 2022, a €909 million increase versus December 2021. The net debt/EBITDA ratio was 2.54x, down from 2.93x in the previous year. The good results obtained and the good working capital management have contributed to further strengthening the company's financial position compared to the previous year.

Net investment cash flow in 2022 amounted to €2,004 million. This figure includes ordinary investment by ACCIONA Energía of €1,279 million, €244 million invested in Infrastructure, €421 million in other activities and €61 million in property development inventories. Regarding the €421 million invested in other activities, €243 million were invested in Nordex, as part of the two capital increases carried out in June and July 2022 mentioned above.

In terms of **sustainability**, the company also made significant progress during 2022 in terms of its main ESG indicators. On the **social side**, there was an increase in the percentage of women in executive and management positions up to a 22.2%, an increase in projects with social impact management and a lower accident frequency rate, 9.5% less than that registered in 2021. In terms of **environmental indicators**, Scope 1 and 2 CO_2 emissions have decreased by 3.3% and the CAPEX aligned with Taxonomy amounts to 98%, in line with the commitments made.

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Income Statement

(Millions of euros)	FY 2022	FY 2021	Change (%)
Revenue	11,195	8,104	38.1%
EBITDA	2,068	1,483	39.4%
EBT	869	575	51.1%
Attributable net profit	441	332	32.7%

Balance Sheet and Capital Expenditure

(Millions of euros)	31-Dec-22	31-Dec-21	Change (%)
Attributable equity	4,885	4,312	13.3%
Net financial debt excluding IFRS 16	4,742	3,847	23.3%
Net financial debt	5,253	4,344	20.9%
NFD/EBITDA	2.54x	2.93x	-13.3%

(Millions of euros)	31-Dec-22	31-Dec-21	Change (%)
Ordinary CAPEX	1,943	1,320	47.3%
Net investment cash flow	2,004	20	n.m.

Operating Data

	31-Dec-22	31-Dec-21	Change (%)
Infrastructure backlog (millions of euros)	22,020	18,096	21.7%
Average headcount	45,892	41,664	10.1%

(Millions of euros)	31-Dec-22	31-Dec-21	Change %
Total capacity (MW)	11,826	11,245	5.2%
Consolidated capacity (MW)	9,884	9,169	7.8%
Total production (GWh)	23,910	24,541	-2.6%
Consolidated production (GWh)	19,657	20,093	-2.2%
Bestinver assets under management (millions of euros)	5,117	7,046	-27.4%

ESG Data

	FY 2022	FY 2021	Change (%)
Executive and manager women (%)	22.2%	21.7%	+0.5pp
CAPEX aligned with EU low-carbon taxonomy (%)	98%	93%	+4.8pp
Emissions avoided (CO_2 million tons)	13.2	13.4	-1.0%
Scope 1 + 2 GHG emissions (CO_2 thousand tons)	167,173	172,792	-3.3%
Water consumed (hm^3)	6.8	5.0	36.0%

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Consolidated Income Statement

(Millions of euros)	FY 2022	FY 2021	Change (€m)	Change (%)
Revenue	11,195	8,104	3,091	38.1%
Other revenues	1,016	563	453	80.4%
Change in inventories of finished goods and work in progress	72	110	-39	-35.1%
Cost of goods sold	-3,483	-1,980	-1,502	-75.9%
Personnel expenses	-2,077	-1,787	-289	16.2%
Other operating expenses	-4,814	-3,621	-1,193	32.9%
Equity method profit/(loss) - analogous	159	94	65	68.9%
Gross operating profit (EBITDA)	2,068	1,483	585	39.4%
Depreciation and amortisation and change in provisions	-762	-714	-47	6.6%
Impairment and profit/(loss) on disposals of non-current assets	15	67	-52	-77.1%
Other gains or losses	13	-7	19	n.a.
Operating profit (EBIT)	1,334	829	505	60.8%
Net financial result	47	55	-8	-14.1%
Financial costs	-256	-235	-21	
Exchange differences (net)	8	10	-1	-15.0%
Profit/(loss) from changes in the value of financial instruments at fair value	-70	-3	-66	n.a.
Equity method profit/(loss) – non-analogous	-194	-81	-113	-138.7%
Profit before tax from continuing operations (EBT)	869	575	294	51.1%
Income tax expense	-254	-171	-84	49.1%
Year's profit from continuing operations	615	404	211	52.2%
Non-controlling interests	-174	-72	-101	140.7%
Attributable net profit	441	332	109	32.7%

Revenue

(Millions of euros)	FY 2022	FY 2021	Change (€m)	Change (%)
Energy	4,351	2,472	1,878	76.0%
Infrastructure	6,016	4,870	1,146	23.5%
Other Activities	1,183	1,055	128	12.1%
Consolidation adjustments	-355	-293	-62	-20.8%
Total revenues	11,195	8,104	3,091	38.1%

Revenues increased by 38.1% to €11,195 million with the following evolution in the different areas of activities:

- Increase in Energy revenues of 76.0% compared to 2021, with €2,240 million of Generation revenues (+47.7%) and Supply & others of €2,111 million (+120.9%) mainly related to the Supply activity in Iberia.

- 23.5% increase in *Infrastructure* revenues due to a combination of 25.8% growth in construction, +1.8% in concessions, +20.9% in water and -10.3% in urban & environmental services.

- Revenues from Other Activities increased by 12,1%, driven by the strong performance in urban electric mobility, airports and facility services.

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Gross operating profit (EBITDA)

(Millions of euros)	FY 2022	EBITDA (%)	FY 2021	EBITDA (%)	Change (€m)	Change (%)
Energy	1,653	79%	1,086	72%	567	52.2%
Infrastructure	369	18%	323	21%	46	14.2%
Other Activities	73	3%	104	7%	-30	-29.3%
Consolidation adjustments	-27	n.a.	-30	n.a.	3	8.4%
Total EBITDA	2,068	100%	1,483	100%	585	39.4%
Margin (%)	*18.5%*		*18.3%*			*+0.2pp*

Note: EBITDA contributions calculated before consolidation adjustments

ACCIONA Group's EBITDA in 2022 increased by 39.4% to €2,068 million. ACCIONA Energía EBITDA increased to €1,653 million (+52.2%). EBITDA in the Infrastructure business increased by 14.2%, mainly driven by the improved profitability of the construction activity. Other Activities EBITDA decreased by 29.3%, to €73 million in 2022.

Operating profit (EBIT)

EBIT amounted to €1,334 million, 60.7% higher than the €829 million reported at 31 December 2021, having accounted for a €35 million impairment of our assets in Ukraine. *Results on non-current assets* amounted to €34 million at 31 December 2022, including a €20 million capital gain obtained with a partial sale of the stake in Windsor Essex Parkway concession.

Profit before income tax (EBT)

(Millions of euros)	FY 2022	FY 2021	Change (€m)	Change (%)
Energy	1,007	536	471	88.0%
Infrastructure	87	83	4	4.6%
Other Activities	-199	-24	-175	n.a.
Consolidation adjustments	-26	-20	-7	-32.7%
Total EBT	869	575	294	51.1%
Margin (%)	*7.8%*	*7.1%*		*+0.7pp*

Earnings before taxes grew by 51.1% in 2022 compared to last year, to €869 million, with a (-€194 million) negative contribution from the stake in Nordex, versus -€81 million the previous year.

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Consolidated Balance Sheet and Cash Flow

(Millions of euros)	31-Dec-22	31-Dec-21	Change (€m)	Change (%)
Property, plant and equipment	9,485	8,066	1,419	17.8%
Investment property	168	141	27	19.0%
Rights of use	548	528	20	3.8%
Goodwill	249	249	1	0.3%
Other intangible assets	545	453	92	20.4%
Non-current financial assets	263	219	44	20.3%
Investments accounted for using the equity method	1,730	1,325	405	30.6%
Deferred tax assets	872	920	-48	-5.2%
Other non-current assets	545	468	77	16.5%
NON-CURRENT ASSETS	14,405	12,369	2,038	16.5%
Inventories	1,386	1,210	176	14.5%
Trade and other receivables	3,340	2,731	608	22.3%
Other current financial assets	315	218	97	44.3%
Current income tax assets	141	90	51	56.5%
Other current assets	648	364	284	78.0%
Cash and cash equivalents	2,360	2,318	42	1.8%
Assets held for sale		303	-303	-100.0%
CURRENT ASSETS	8,190	7,234	954	13.2%
TOTAL ASSETS	22,595	19,603	2,992	15.3%
Share capital	55	55		0.0%
Reserves	4,631	4,245	386	9.1%
Profit attributable to the parent company	441	332	109	32.7%
Treasury shares	-17	-18	1	-4.9%
Translation differences	-225	-302	77	-25.6%
ATTRIBUTABLE EQUITY	4,885	4,312	574	13.3%
NON-CONTROLLING INTERESTS	1,419	1,245	174	13.9%
EQUITY	6,304	5,557	747	13.4%
Debentures and other marketable securities	3,101	2,364	737	31.2%
Current bank borrowings	2,624	2,073	552	26.6%
Lease obligations	439	430	9	2.1%
Deferred tax liabilities	890	813	78	9.6%
Provisions	279	301	-22	-7.3%
Other non-current liabilities	1,134	1,150	-16	-1.4%
NON-CURRENT LIABILITIES	8,467	7,131	1,336	18.7%
Debentures and other marketable securities	1,139	1,666	-527	-31.6%
Current bank borrowings	553	280	273	97.3%
Lease obligations	72	68	4	6.1%
Trade and other accounts payable	3,889	3,148	741	23.5%
Provisions	299	317	-18	-5.7%
Current income tax liabilities	74	41	33	81.7%
Other current liabilities	1,798	1,132	666	58.9%
Liabilities associated with assets held for sale		263	-263	-100.0%
CURRENT LIABILITIES	7,824	6,915	910	13.2%
TOTAL EQUITY AND LIABILITIES	22,595	19,603	2,992	15.3%

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(Millions of euros)	FY 2022	FY 2021	Var.(€m)	Change(%)
EBITDA	2,068	1,483	585	39.4%
Financial results (*)	-169	-182	13	7.1%
Change in working capital	196	-117	313	267.8%
Other operating cash flow	-434	-433	-1	-0.2%
Operating cash flow	1,661	751	910	n.a.
Ordinary CAPEX	-1,943	-1,319	-624	-47.3%
Divestments		1,523	-1,523	n.a.
Real estate inventories	-61	-224	162	72.6%
Net investment cash flow	-2,004	-20	-1,985	n.a.
Share buy-back programme	-1	-1		13.7%
Derivatives debt	89	20	70	355.8%
Exchange rate differences debt	-16	-8	-8	-106.1%
Dividends	-225	-214	-11	-5.1%
Perimeter changes and other	-399	-137	-262	-192.2%
Financing and other cash flow (*)	-552	-340	-212	-62.5%
Change in net debt excluding IFRS 16 + Decr./-Incr.	-895	392	-1,287	n.a.

Note: IFRS16 lease payments totalled €146 million in 2022, of which €26 million is reflected in Financial results (net interest) and €120 million are reflected in Financing and other cash flow.

Attributable Equity

ACCIONA's attributable equity at 31 December 2022 was €4,885 million, 13.3% higher than 31 December 2021.

Net Financial Debt

	31-Dec-22		31-Dec-21		Change (€m)	Change (%)
(Millions of euros)	Amount	% of Total	Amount	% of Total		
Project debt (non-recourse)	631	9%	850	13%	-219	-25.8%
Corporate debt (with recourse)	6,786	91%	5,533	87%	1,253	22.7%
Total interest-bearing debt	7,417		6,383		1,034	16.2%
Cash and cash equivalents	-2,675		-2,536		139	5.5%
Net financial debt, excl. IFRS 16	4,742		3,847		895	23.3%
Net financial debt	5,253		4,344		909	20.9%

Net financial debt at 31 December 2022 totalled €5,253 million (including €511 million from the IFRS16 effect), a €909 million increase due to a combination of the following factors:

- Operating cash flow of €1,661 million, which includes a €196million positive variation in working capital. *Other operating cashflow* includes mainly taxes, non-controlling interests and *Profit/(loss) of equity accounted companies - analogous.*

- Net investment cash flow of -€2,004 million, including -€1,279 million in Energy, -€244 million in infrastructure, -€421 million in Other Activities, and -€61 million in Real Estate.

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- Financing and other cash flow totalled -€552 million, including dividend payments of -€225 million, forex impacts and IFRS16 lease payments.

Financial gearing was as follows:

	31-Dec-22	31-Dec-21
Gearing (Net Debt/Equity)	83%	78%

Capital Expenditure

(Millions of euros)	FY 2022	FY 2021	Change (€m)	Change (%)
Energy	1,279	819	460	56.2%
Infrastructure	244	185	58	31.5%
Construction	128	127		0.2%
Concessions	92	8	84	n.a.
Water	14	41	-27	-66.9%
Urban and Environmental Services	10	9	2	17.8%
Other Activities	421	316	105	33.4%
Ordinary CAPEX	1,943	1,320	624	47.3%
Real estate	61	224	-162	73%
Divestments		-1,523	1,523	n.a.
Net investment cash flow	2,004	20	1,985	n.a.

Ordinary capex across ACCIONA's various businesses in 2022, excluding real estate investments, amounted to €1,943 million, compared to the €1,320 million in 2021.

Energy invested €1,279 million, representing 66% of the Group's total ordinary capex mainly corresponding to projects under construction in Australia (MacIntyre), in the US (Red Tailed Hawk, Fort Bend, High Point and Union) and in Spain (San Serván and Bolarque), as well as the acquisition in the US of the Cunningham battery energy storage (BESS) project (190 MW).

Infrastructure invested €244 million, including around €112 million of equity invested in transport concessions and a €20 million divestment of the Windsor Essex Parkway concession.

Other Activities include the €243 million investment in Nordex, in the context of two capital increases carried out in June and July 2022. As a result, ACCIONA's stake in the share capital of Nordex at 31 December 2022 stood at 40.97%. *Other Activities* also includes investments made in the development of real estate assets.

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Results by Division

Energy

(Millions of euros)	FY 2022	FY 2021	Change (€m)	Change (%)
Generation Spain	1,555	799	756	94.6%
Generation International	685	718	-33	-4.6%
Intragroup adjustments, Supply and other	2,111	956	1,155	120.9%
Revenue	4,351	2,472	1,878	76.0%
Generation – Spain	1,272	573	698	121.9%
Generation – International	436	542	-106	-19.5%
Intragroup adjustments, Supply and other	-55	-29	-26	90.4%
EBITDA	1,653	1,086	567	52.2%
Generation margin (%)	76.2%	73.5%		

Spain

(Millions of euros)	FY 2022	FY 2021	Change (€m)	Change (%)
Power	1,555	799	756	94.6%
Intragroup adjustments, Supply and other	1,643	703	940	133.8%
Revenue	3,198	1,502	1,696	113.0%
Power	1,153	522	631	120.8%
Generation – equity accounted	119	51	68	132.8%
Total Generation	1,272	573	698	121.9%
Intragroup adjustments, Supply and other	-17	-42	25	60.0%
EBITDA	1,255	531	724	136.4%
Generation margin (%)	81.8%	71.7%		

Revenues in Spain amounted to €3,198 million in the period, 113.0% higher than in 2021, as a result of higher volumes and prices in the Supply business and higher prices in Generation. EBITDA increased by 136.4% to €1,255 million.

Generation revenues increased 94.6% to €1,555 million, while Generation EBITDA was €1,272 million, 121.9% higher than in 2021. In 2021, the hydro levy rebate ruling produced non-recurring EBITDA of €77 million. The factors behind the performance of Generation EBITDA were as follows:

- Consolidated installed capacity in Spain at 31 December 2022 stood at 4,775 MW compared to 4,496 MW at December 2021.
- Consolidated production in Spain decreased by 3.0% in the period (9,278 GWh).
- The average Spanish pool price in 2022 was €167.5/MWh, compared to €111.9/MWh in 2021. The entry into force on 14 June 2022 of the *Iberian gas cap* had a depressing effect on wholesale prices during the second half of the year, with monthly average prices from July to December falling below the average prices of the same period last year.
- ACCIONA Energía's average captured price in the Spanish market— including hedging, regulated revenues, the regulatory banding mechanism and the gas clawback windfall tax– reached €167.6/MWh compared to €83.6/MWh in 2021.
    - The average price achieved for the sale of energy on the market reached €166.9/MWh.

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- Hedging lowered the average price by €17.8/MWh, less than in the previous year (-€27.0/MWh), mainly due to a smaller difference between the average price of the hedges and the market price in 2022.

- Regulated revenues (€77 million) added €8.3/MWh in 2022 compared to €20.8/MWh (€199 million) in 2021 as a consequence of the extraordinary review of regulatory parameters applicable to 2022.

- The regulatory banding mechanism contributed €10.2/MWh (€94 million) to the average price, mainly due to the effect of reversing the banding adjustment for all of the company's facilities (IT) within the regulatory framework except for the biomass plants. This is due to the fact that practically all of the company's regulated assets (IT) will cease to receive regulated investment income at least during the next regulatory period 2023-25, and that the foreseeable evolution of energy prices anticipates the depletion of the Regulatory Net Asset Value of all the relevant facilities before the end of their corresponding regulated useful life.

Spain – Revenue Drivers and Price Composition

	Consol. prod. (GWh)	Achieved price (€/MWh)					Generating revenues (€)				
		Market	Rinv +Ro	*Banding*	*Gas Clawback*	Total	Market	Rinv +Ro	*Banding*	*Gas Clawback*	Total
FY 2022											
Regulated	3,212	165.6	24.1	29.4		219.0	532	77	94		703
Wholesale - hedged	4,844	133.7				133.7	647				647
Wholesale - unhedged	1,223	167.8			-0.7	167.1	205			-1	204
Total Generation	9,278	149.2	8.3	10.2	-0.1	167.6	1,385	77	94	-1	1,555
FY 2022											
Regulated	5,413	103.2	36.7	-23.0		116.9	559	199	-125		633
Wholesale - hedged	3,947	38.4				38.4	152				152
Wholesale - unhedged	202	103.9			-30.3	73.6	21			-6	15
Total Generation	9,561	76.5	20.8	-13.0	-0.6	83.6	731	199	-125	-6	799
Var.(%)											
Regulated	-40.7%					87.4%					11.2%
Wholesale - hedged	22.7%					247.9%					326.9%
Wholesale - unhedged	506.2%					127%					1276%
Total Generation	-3.0%					100.5%					94.6%

(€/MWh)	FY 2022	FY 2021	Change (€m)	Change (%)
Achieved market price	166.9	102.9	64.1	62.3%
Hedging	-17.8	-27.0	9.2	-34.1%
Achieved market price with hedging	149.1	75.8	73.3	96.6%
Regulatory income	8.3	20.8	-12.4	-59.9%
Banding (estimated)	10.2	-13.0	23.2	-178.0%
Average price	167.6	83.6	84.0	100.5%

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International

(Millions of euros)	FY 2022	FY 2021	Change (€m)	Change (%)
Power	685	718	-33	-4.6%
USA	101	144	-42	-29.5%
Mexico	211	178	33	18.4%
Chile	54	103	-49	-47.8%
Other Americas	47	42	5	12.0%
Americas	413	466	-54	-11.5%
Australia	69	54	14	26.3%
Rest of Europe	129	121	8	6.3%
Rest of the world	251	239	11	4.8%
Intragroup adjustments, Supply and other	468	253	215	84.9%
Revenue	**1,153**	**971**	**182**	**18.7%**
Power	451	531	-81	-15.2%
USA	50	98	-48	-49.0%
Mexico	157	133	24	18.4%
Chile	17	77	-61	-78.1%
Other Americas	35	31	3	11.2%
Americas	258	339	-80	-23.7%
Australia	41	34	7	21.1%
Rest of Europe	96	101	-5	-5.0%
Rest of the world	186	190	-4	-2.0%
Generation – equity accounted	-15	11	-25	-237.3%
Total Generation	436	542	-106	-19.5%
Intragroup adjustments, Supply and other	-38	13	-51	-381.3%
EBITDA	**398**	**555**	**-157**	**-28.3%**
Generation margin (%)	*63.7%*	*75.5%*		

Revenues in the International portfolio increased by 18.7% thanks to higher Supply prices, while Generation revenues fell by 4.6% to €685 million, mainly due to the non-recurring nature of revenues in Chile and the USA.

EBITDA for the International business as a whole decreased by 28.3% to €398 million. Generation EBITDA was €436 million, a decrease of 19.5% mainly due to the non-recurrence of high prices in Texas in 2021, lower prices in Chile, and the negative consequences of the war on the Ukrainian business. Mexico and Australia improved their results.

- Consolidated International installed capacity at 31 December 2022 stood at 5,109 MW.

- Total consolidated production decreased by 1.5% to 10,378 GWh.

- All markets experienced price increases except for the US - extraordinary prices reached in Texas in the first quarter of 2021 - and the decrease in prices in Chile. The average International price fell by 3.2%, with the prices achieved in the US and Chile decreasing by 36.8% and 49.1%, respectively. The exchange rate has been a positive contributor to the average price.

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International – Revenue Drivers

	Consolidated production (GWh)	Achieved price (€/MWh)	Generation revenues (€ million)
FY 2022			
USA (*)	2,078	48.8	101
Mexico	2,887	73.1	211
Chile	2,137	25.0	54
Other Americas	621	76.0	47
Americas	7,723	53.5	413
Australia	940	72.9	69
Rest of Europe	877	147.0	129
Rest of the world	838	88.9	75
Total Generation	10,378	66.0	685
FY 2021			
USA (*)	1,862	77.1	144
Mexico	3,137	56.8	178
Chile	2,085	49.2	103
Other Americas	607	69.5	42
Americas	7,690	60.7	466
Australia	1,030	52.7	54
Rest of Europe	918	132.3	121
Rest of the world	894	84.7	76
Total Generation	10,532	68.1	718
Change (%)			
USA (*)	11.6%	-36.8%	-29.5%
Mexico	-8.0%	28.6%	18.4%
Chile	2.5%	-49.1%	-47.8%
Other Americas	2.4%	9.4%	12.0%
Americas	0.4%	-11.8%	-11.5%
Australia	-8.7%	38.4%	26.3%
Rest of Europe	-4.4%	11.2%	6.3%
Rest of the world	-6.2%	5.0%	-1.6%
Total Generation	-1.5%	-3.2%	-4.6%

Note: 436 MW located in the USA also receive a "normalised" PTC of $26/MWh.

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Breakdown of Installed Capacity and Production by Technology

	Total		Consolidated		Net	
31-Dec-22	MW installed MW	GWh produced	MW installed	GWh produced	MW installed	GWh produced
Spain	5,796	11,720	4,775	9,278	5,243	10,385
Wind	**4,681**	**9,713**	**3,674**	**7,285**	**4,138**	**8,405**
Hydropower	**868**	**1,532**	**868**	**1,532**	**868**	**1,532**
Solar PV	**186**	**24**	**172**	**11**	**178**	**17**
Biomass	**61**	**450**	**61**	**450**	**59**	**430**
International	6,030	12,191	5,109	10,378	4,787	9,485
Wind	**4,100**	**9,162**	**3,815**	**8,709**	**3,250**	**7,270**
Mexico	1,076	2,887	1,076	2,887	925	2,413
USA	1,062	2,067	990	1,985	851	1,745
Australia	603	1,075	539	940	504	822
India	164	354	164	354	142	308
Italy	156	240	156	240	117	180
Canada	181	524	141	395	106	297
South Africa	138	303	138	303	57	125
Portugal	120	276	120	276	84	193
Poland	101	217	101	217	76	163
Costa Rica	50	226	50	226	32	147
Chile	312	817	312	817	301	790
Croatia	30	70	30	70	23	52
Hungary	24	40	0	0	12	20
Vietnam	84	67	0	0	21	17
Solar PV	**1,676**	**2,936**	**1,040**	**1,577**	**1,299**	**2,145**
Chile	610	1,321	610	1,321	610	1,321
South Africa	94	182	94	182	39	75
Portugal	46	88	0	0	23	43
Mexico	405	836	0	0	202	418
Egypt	186	435	0	0	93	217
Ukraine	100	74	100	74	97	71
USA	177	0	177	0	177	0
Dominican Republic	58	0	58	0	58	0
Solar Thermoelectric (USA)	**64**	**93**	**64**	**93**	**48**	**70**
Storage (USA)	**190**	**0**	**190**	**0**	**190**	**0**
Total Wind	8,781	18,876	7,489	15,994	7,388	15,675
Total other technologies	3,045	5,035	2,395	3,663	2,642	4,195
Total Energy	11,826	23,910	9,884	19,657	10,030	19,870

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Infrastructure

(Millions of euros)	FY 2022	FY 2022	Change (€m)	Change (%)
Construction	4,560	3,626	934	25.8%
Concessions	52	53	-1	-1.8%
Water	1,272	1,052	220	20.9%
Urban and Environmental Services	148	165	-17	-10.3%
Consolidation adjustments	-16	-26	10	37.3%
Revenue	6,016	4,870	1,146	23.5%
Construction	227	163	64	39.4%
Concessions	37	46	-9	-18.8%
Water	89	100	-11	-11.2%
Urban and Environmental Services	15	14	1	10.9%
EBITDA	369	323	46	14.2%
Margin (%)	*6.1%*	*6.6%*		
EBT	87	83	4	4.6%
Margin (%)	*1.5%*	*1.7%*		

Infrastructure revenues in 2022 reached €6,016 million, 23.5% higher than in 2021, and EBITDA stood at €369 million, up 14.2% compared to 2021. Profit before tax amounted to €87 million, 4.6% higher than in 2021. The lower growth in EBIT compared to EBITDA is due to €48 million of capital gains in 2021 from the sale of a portfolio of concession assets in Spain, while €20 million of capital gains were generated in 2022 from the partial sale of the stake in the Windsor Essex Parkway concession.

By geographic region, particularly noteworthy was the revenue growth in Brazil, Australia, Saudi Arabia and Canada. The most important geographical region for the Infrastructure division as a whole is Australia, which accounted for 26% of revenues. Revenue in Spain (€1,161 million) remained at very similar levels to the previous year, contributing 19% of the region's revenue.

Construction

(Millions of euros)	FY 2022	FY 2021	Change (€m)	Change (%)
Revenue	4,560	3,626	934	25.8%
EBITDA	227	163	64	39.4%
Margin (%)	*5.0%*	*4.5%*		

In 2022, Construction revenues increased by 25.8% to €4,560 million and EBITDA increased by 39.4% to €227 million, compared to €163 million in 2021.

In terms of revenue, there was a notable increase in Brazil (which accounted for 9% of Construction division revenues), driven by the work on Line 6 of the Sao Paulo metro, which is at an optimum level of activity, and Canada (which accounted for 9% of revenues), due to the Broadway underground extension works. Australia continues to be the most important country for ACCIONA's construction activity, accounting for 34% of revenues. These three countries, together with Spain, account for nearly 70% of ACCIONA's construction revenues in 2022.

In terms of EBITDA, the construction activity's EBITDA margin increased to 5.0% in 2022, compared to 4.5% in the previous year, despite the inflationary environment during the year. This increase in profitability has been possible thanks to the excellent quality of the portfolio contracted in previous years being reflected in the income statement - with an increasing weight of collaborative contracts -, the strict cost control carried out in the execution of projects, the greater weight of large machinery-intensive contracts and the successful completion of certain important projects, such as the Cebu Bridge in the Philippines.

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Concessions

(Millions of euros)	FY 2022	FY 2021	Change (€m)	Change (%)
Revenue	52	53	-1	-1.8%
EBITDA	37	46	-9	-18.8%
Margin (%)	71.5%	86.5%		

Concessions revenues declined by 1.8% and EBITDA decreased by 18.8% due to the divestment of a portfolio of assets in Spain, which was completed in 2021.

ACCIONA continues to work at a good pace on the construction of Line 6 of the Sao Paulo metro in Brazil, the largest public-private partnership infrastructure project under construction in Latin America. In August, ACCIONA and its consortium partners closed a 20-year non-recourse financing deal with Banco Nacional de Desenvolvimento Econômico e Social (BNDES) for the project. The loan is an example of sustainable financing, based on criteria related to taxonomy, female and local employment, electric mobility and local entrepreneurship.

In terms of new projects, in 2022 ACCIONA was awarded its first electric transmission line concession in Peru, which includes two projects (Reque-Nueva Carhuaquero and Nueva Tumbes-Tumbes), which will require a combined investment of USD54 million.

ACCIONA's equity investment in transport concessions in 2022 amounted to €112m. This brings the book value of the equity invested in transport concessions at 31 December 2022 to €185 million.

Water

(Millions of euros)	FY 2022	FY 2021	Change (€m)	Change (%)
Revenue	1,272	1,052	220	20.9%
EBITDA	89	100	-11	-11.2%
Margin (%)	7.0%	9.5%		

Water revenues increased by 20.9% in 2022 but EBITDA decreased by 11.2%, penalised by higher energy costs in operation and maintenance activities and by the regularisation of margins carried out in some desalination plant projects. The Water division includes both Design and Construction (D&C) and Operation and Maintenance (O&M) activities, which now account for 34% of revenues.

In terms of geographic regions, ACCIONA Water maintains a strong presence in the Middle East (Saudi Arabia, United Arab Emirates and Qatar), which accounts for 51% of revenues.

Urban and Environmental Services

(Millions of euros)	FY 2022	FY 2021	Change (€m)	Change (%)
Revenue	148	165	-17	-10.3%
EBITDA	15	14	2	10.9%
Margin (%)	*10.4%*	*8.4%*		

Urban and Environmental Services revenue in 2021 included the healthcare and energy efficiency businesses, which explains the -10.3% drop in revenue in 2022. On a like-for-like basis, Urban Services and Environment's own activity increased by 21.8% to €148 million in revenues, with a stable EBITDA margin of 10.4%.

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Infrastructure Backlog

(Millions of euros)	31-Dec-22	31-Dec-21	Change (%)	Weight (%)
Construction	15,061	12,087	24.6%	68%
Concessions	769	206	272.9%	3%
Water	5,446	5,462	-0.3%	25%
Urban and Environmental Services	744	341	118.1%	3%
Total	22,020	18,096	21.7%	100%

(Millions of euros)	31-Dec-22	31-Dec-21	Change %	Weight (%)
Other Infrastructure Activities	16,314	13,719	18.9%	74%
O&M Water	4,193	3,830	9.5%	19%
Concessions	769	206	272.9%	3%
Urban and Environmental Services	744	341	118.1%	3%
Total	22,020	18,096	21.7%	100%

(Millions of euros)	31-Dec-22	31-Dec-21	Change %	Weight (%)
Spain	4,042	3,315	21.9%	18%
International	17,977	14,781	21.6%	82%
Total	22,020	18,096	21.7%	100%

The total Infrastructure backlog increased by 21.7% compared to 31 December 2021 to reach €22,020 million, and the construction and water projects backlog totalled €16,314 million, 18.9% higher than at 31 December 2021, both reaching a new all-time high. During 2022, new projects worth €9,142 million were secured:

- €7,788 million correspond to construction projects, including the €2,746 million award for the construction of the second phase of the Western Harbour Tunnel, the largest contract ever awarded in the company's history. The contract is for the design and construction of the second phase of the Western Harbour Tunnel, which is scheduled to start construction in late 2023 and will take around five years to complete. ACCIONA has explored an alternative design using tunnel boring under the harbour floor with a tunnel boring machine, avoiding the need for dredging. This is a collaborative contract under the Incentivised Target Price (ITP) format. Other major works awarded in the year include the North London waste treatment and power generation plant (€954 million), the MacIntyre wind farm in Australia (€381 million), the Palma de Mallorca airport expansion (€218 million) in Spain, the modernisation of Melbourne's rail transport system (€198 million), the modernisation of the S19 motorway tunnels in Poland (€184 million), Madrid Metro Line 11 (€176 million), La Serena hospital in Chile (€134 million) and the Collahuasi desalination plant in Chile (€122 million).

- €759 million for Water projects, including the award for the Medina, Tabuk and Buraida wastewater treatment plants in Saudi Arabia for €281 million and €478 million for the Collahuasi desalination plant in Chile.

- €595 million of new Urban & Environmental Services projects, including the cleaning and maintenance of the Torrevieja coastline in Spain for €332 million.

If we include ACCIONA's stakes in equity accounted projects, total Infrastructure backlog amounts to €30,394 million.

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Other Activities

(Millions of euros)	FY 2022	FY 2021	Change (€m)	Change (%)
Real Estate	247	190	58	30.5%
Bestinver	101	128	-27	-21.0%
Corporate and other	834	738	97	13.1%
Revenue	1,183	1,055	128	12.1%
Real Estate	13	27	-15	-53.4%
Margin (%)	*5.2%*	*14.4%*		
Bestinver	47	67	-20	-30.4%
Margin (%)	*46.2%*	*52.4%*		
Corporate and other	14	9	5	48.6%
EBITDA	73	104	-30	-29.4%
EBT	-199	-24	-175	n.a.

Real Estate

Property development revenues increased by 30.5% compared to 2021, to €247 million, due to the higher number of residential units delivered: 617 units in 2022, compared to 443 in 2021. A 395 unit Build-to-Rent project in Valdebebas, Madrid, was delivered in the last quarter of the year.

In terms of supply activity, in 2022 ACCIONA pre-sold 618 units, 78% in Spain and 22% abroad. Consequently, as a result of the net movement between pre-sales and deliveries, the pre-sales backlog at 31 December 2022 stood at 1,473 units, very similar to the figure of 1,472 in December 2021. In economic terms, these 1,473 units are equivalent to €467 million in revenues, which will be reflected in ACCIONA's income statement over the next three years. BTR (Build-to-Rent) projects account for 31% of the pre-sales portfolio.

ACCIONA had 2,065 units under commercialisation at 31 December 2022. The pre-sales stock, therefore, represents 71% of the units under commercialisation.

With regard to rental assets, in 2022, construction was completed and the lease contract signed for the office building located on Calle Ombú in Madrid, which will generate rental income of over €5 million per year. Works have continued on the office complex located on Calle Mesena in Madrid.

ACCIONA's investment in the property development business in 2022 amounted to €133 million, €61 million corresponds to inventories and around €72 million to fixed assets.

The Gross Asset Value (GAV) of ACCIONA's property development portfolio stands at €1,541 million at December 2022, an increase of 13.2% compared to 31 December 2021. Some 69% of the GAV corresponds to residential development and 31% to rental assets, including the office buildings developed on Calle Mesena - ACCIONA Campus - and Calle Ombú, in Madrid.

Bestinver

Bestinver's revenues fell by 21.0% and EBITDA by 30.4% as a result of the lower average Assets Under Management, which reached €5,929 million in 2022 versus €7,078 million in 2021, which have been affected by the negative evolution of the equity and bond markets and the negative performance of our funds. Despite this, Bestinver Infra FCR Fund performed positively, having committed €240 million of capital at the end of the year, of which €203 million is already invested. In addition, a new investment area focused on alternative assets in the real estate sector was launched in December 2022.

At 31 December 2022, assets under management reached €5,117 million, a 27.4% decrease compared to 31 December 2021.

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Corporate and Other Activities

Corporate and Other Activities include certain activities such as Airport Handling, Urban Electric Mobility, Facility Services and ACCIONA Cultura. Total revenues in 2022 increased by 13.1%, driven by a better evolution of Facility Services (with a 9.4% increase in revenues) and a good performance in airport revenues, with 33% more weighted flights compared to the previous year. In December, ACCIONA renewed one of the three handling licences at Dusseldorf airport (Germany) for a period of seven years. ACCIONA has been operating at this airport since 2016.

In Urban Electric Mobility, Silence increased the number of vehicles sold in 2022 by 43.0% compared to 2021, to 12,826 units.

COMMUNICATIONS TO CNMV, DIVIDEND AND SHARE DATA

Material Events in the period

- 19 January 2022: ACCIONA submits details of the transactions under the Liquidity Agreement between 19/10/2021 and 18/01/2022, both included.
    - Details of transactions in the eighteenth quarter of the aforementioned agreement (from 19 October 2021 to 18 January 2022, inclusive).
- 24 February 2022: The Board of Directors of ACCIONA, S.A., on the recommendation of the Appointments and Remuneration Committee, approves a new plan for the award of shares to management of the ACCIONA Group (the "2022 Plan"), which will allow its beneficiaries to receive shares as an exception that does not create vested rights. This plan aims to:
    - Deliver a certain number of shares each year to one or more of the recipients based on the achievement of targets and job performance in the financial year reviewed; and to
    - Authorise the Board of Directors to approve multi-annual share awards to one or more of the recipients based on achievement of targets and extraordinary job performance for a specific multi-year period of at least three years and not exceeding the duration of the 2022 Plan, subject to the recommendation of the Appointments and Remuneration Committee, and to establish the periods to be reviewed.
- 20 April 2022: ACCIONA publishes information on the liquidity contract transactions carried out between 19/01/22 and 10/04/22, inclusive.
    - Details of transactions in the nineteenth quarter of the aforesaid agreement (from 19 January 2022 to 10 April 2022, inclusive).
- 23 June 2022: At today's General Shareholders Meeting, held on second call, with the attendance of 87.19% of the Company's share capital (including treasury shares), shareholders have approved with, at least 82.45% 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 19 May 2022 with registration number 16359.
- 23 June 2022: As a result of the resolutions approved at the General Shareholders Meeting held today and at the meeting of the Board of Directors which followed, ACCIONA reports the new composition of the

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Board of Directors. The number of members of the Board of Directors is set at twelve. Furthermore, the Board of Directors at its meeting held after the General Shareholders' Meeting, approved the following resolutions:

- To amend the composition of the Audit and Sustainability Committee, which shall be comprised of the following five members: Mr Javier Sendagorta Gómez del Campillo (Chairman), Mr Jerónimo Marcos Gerard Rivero (Member), Ms María Dolores Dancausa Treviño (Member), Ms Sonia Dulá (Member), and Mr Daniel Entrecanales Domecq (Member).

- To amend the composition of the Appointments and Remuneration Committee, which shall be comprised of the following five members: Ms Karen Christiana Figueres Olsen (Chairman); Mr José María Pacheco Guardiola (Member); Ms Maite Arango García-Urtiaga (Member); Mr Carlo Clavarino (Member) and Mr Javier Entrecanales Franco (Member).

- 23 June 2022: ACCIONA informs of the resignation presented today, by means of a letter addressed to the Board from the independent director Ms Ana Sainz de Vicuña Bemberg for personal reasons. Ms Sainz de Vicuña was also a member of the Appointments and Remuneration Committee.

- 26 June 2022: ACCIONA has subscribed a capital increase in the German wind turbine manufacturer Nordex SE (NDX1) for 10% of its share capital, excluding the pre-emptive subscription right of the rest of the shareholders. This transaction resulted in an investment of €139 million and increased ACCIONA's shareholding in Nordex SE from 33.6% to 39.6%. The subscription price was EUR 8.7 per share.

- 29 June 2022: ACCIONA reports that the General Shareholders Meeting held on 23 June 2022 resolved that the dividend for the financial year 2021 would be paid on 7 July 2022 via the member entities of Sociedad de Gestión de los Sistemas de Registro Compensación y Liquidación de Valores. The relevant dates for the dividend distribution are:

  - Last Trading Date: 4 July 2022

  - ExDate: 5 July 2022

  - Record Date: 6 July 2022

  - Payment Date: 7 July 2022

  The EUR 4.1 per share gross dividend approved by the Annual General Shareholders Meeting has been slightly increased to the amount of EUR 4.11264818 per share due to the direct treasury shares adjustment.

  The relevant tax withholding, if any, will be deducted from this amount.

- 10 July 2022: ACCIONA reports that today, the Management Board of NORDEX, SE, with the approval of the Supervisory Board, resolved to launch a capital increase, with preferential subscription rights for shareholders, by issuing up to 35,923,089 shares at a value of EUR 5.90 per share. ACCIONA will subscribe shares in proportion to its current stake of 39.66% of NORDEX SE's share capital.

  - As a result of this capital increase, NORDEX SE's share capital amounts to a total of EUR 211,946,227 divided into the same number of shares.

- 21 July 2022: ACCIONA publishes information on the liquidity contract transactions carried out between 20/04/22 and 20/07/22, inclusive.

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- The transactions corresponding to the twentieth quarter of the aforementioned agreement (from 20 April 2022 to 20 July 2022, inclusive) are detailed.

- 1 September 2022: DBRS Ratings GmbH (DBRS Morningstar) has confirmed ACCIONA's Issuer Rating at BBB, as well as its Short-Term Issuer Rating at R-2 (middle). All Trends are Stable. These credit ratings are within the Investment Grade category.

- 24 October 2022: the company submits a detail of transactions under the Liquidity Agreement between 21/07/2022 and 21/10/2022, inclusive.

    - The transactions corresponding to the twentieth-first quarter of the aforementioned agreement (from 21 July 2022 to 20 October 2022, inclusive) are detailed.

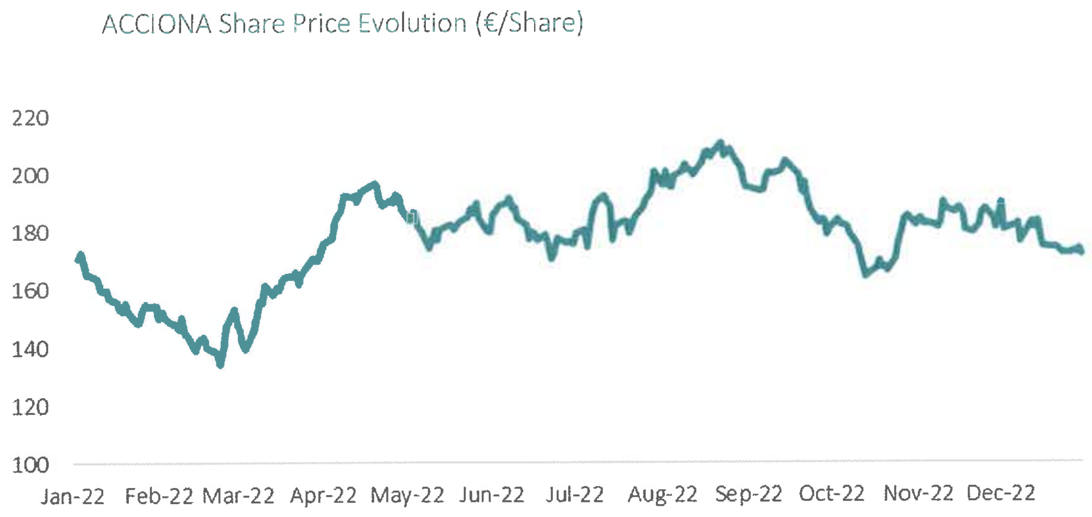
- 15 December 2022: the High Court of Justice of Catalonia has rendered a decision ordering the Regional Government of Catalonia to pay to ATLL Concesionaria de la Generalitat de Catalunya, SA (in liquidation) (a 100% affiliate company of ACCIONA Agua) the amount of €304,417,248.14 plus interest. An extraordinary appeal in cassation may be filed against the decision. ATLL is analyzing the grounds of the Catalan High Court of Justice's decision to determine what further legal or judicial actions, if any, may be instituted.

Dividend

On the 23 June 2022, ACCIONA's General Shareholders Meeting approved the payment of a dividend corresponding to the 2021 financial year, payable on 7 July 2022 for €4.10 per share for a total amount of €224.9 million.

On the 23 February 2023, ACCIONA's Board of Directors proposed the distribution of a dividend of €226,5 million (€4.50 per share) charged to the results of the 2022 financial year.

Share data and share price performance



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Key Share Data

	31-Dec-22
Price at 31 December 2022 (€/share)	171.90
Price at 31 December 2021 (€/share)	168.10
Low in FY 2021 (23/02/2022)	134.10
High in FY 2022 (22/08/2022)	210.20
Average daily trading (shares)	109,763
Average daily trading (€)	22,021,763
Number of shares	54,856,653
Market capitalisation at 31 December 2022 (€ million)	9,430

Share capital

As of 31 December 2022 and 2021, ACCIONA's share capital amounted to €54,856,653, represented by 54,856,653 ordinary shares of €1 par value each.

As of 31 December 2022 and 2021, the Group held 167,109 treasury shares representing 0.3046% of the share capital.

Changes in treasury shares in 2022 were as follows:

	2022		2021	
	Number of shares	Cost	Number of shares	Cost
Opening balance	206,199	18	296,422	22
Additions	1,558,733	277	1,555,373	218
Retirements	-1,552,717	-275	-1,549,009	-215
Liquidity contract movements	6,016	2	6,364	3
Other additions				
Other retirements	-45,106	-3	-96,587	-7
Other movements	-45,106	-3	-96,587	-7
Closing balance	167,109	17	206,199	18

Events after the reporting period

Nordex SE drew down the remaining €275 million under the facility agreement made in June 2022 (see Note 12 to the consolidated annual accounts) on 18 January 2023.

On 15 February 2023, meanwhile, the Management Board of Nordex SE convened an Extraordinary General Meeting of the Shareholders to be held on 27 March 2023, at which the Board intends, among other matters, to propose an in-kind capital increase by issuing up to 29,260,215 new shares to be paid by offsetting loans. This capital increase will exclude preferential subscription rights for shareholders other than Acciona, S.A. The number of new shares that will finally be issued in the capital increase up to the maximum of 29,260,215 shares will be determined by dividing the total loans offset by the weighted average share price over the period between 16 February and 24 March 2023, inclusive (the Benchmark Period).

Also on 15 February 2023, the Company made a formal commitment to Nordex SE to subscribe all of the shares issued in the proposed capital increase by contributing the two outstanding loans granted by Acciona, S.A. to Nordex SE plus the balance of accrued interest payable as at 26 March 2023, resulting in a total contribution of €347 million. This commitment is conditional upon the approval of the capital increase by the shareholders of Nordex SE at their Extraordinary General Meeting. The Company may desist from its commitment to subscribe the shares if the weighted average share price for the Benchmark Period is less than €11.85 per share.

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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 2022 annual accounts includes details of current and non-current assets and liabilities and equity at 31 December 2022 in the main currencies in which the Group operates.

The interest rate risk primarily affects borrowings and debt issues, in particular as regards the financing 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. The risk is mitigated by maintaining an adequate balance between fixed and floating-rate debt in line with Group risk management policies established by the Group and by contracting hedging derivatives, basically interest rate swaps (IRS), in order to convert floating-rate to fixed-rate debt and vice versa.

The Group addresses credit and liquidity risks by trading exclusively with solvent third parties. Meanwhile, sufficient guarantees are sought from suppliers to mitigate the risk of financial losses in the event of non-performance.

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 condition ACCIONA's growth and result in failure to meet objectives because the company 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.

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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, data protection issues and cybersecurity incidents, among other exposures.

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.

The ESG risk assessment process establishes, in the first place, an analysis of the materiality of the ACCIONA Group's exposure to risks relating to the environment, social responsibility and governance, at the same time throwing light on the possible economic impacts that could arise for the company were any risks to materialise and providing a basis for the on-site risk response measures implemented or planned at operational facilities.

ACCIONA continued with the development of its ESG Risk Management System in 2022. Key new measures implemented during the year were as follows:

- Increase in the level of granularity obtained locally at all of the company's facilities
- Increase in the ESG variables subject to standard assessment (28 variables)
- Increase in the volume of information obtained at the local level, focusing in particular on facilities presenting higher levels of inherent risk
- More detailed reporting in relation to risk mitigation measures implemented or planned at the project level

All of ACCIONA's 1,000 or so facilities were assessed for the probability of risks depending on their geographical location, and an objective indicator of economic and financial outcomes was applied to each potential risks determined in relation to the 28 ESG variables analysed. This initial analysis ensured the identification of facilities exposed to high probability risks, and in these cases a second analysis was performed locally to refine preliminary findings, investigate the risk mitigation measures already implemented and propose new preventive expedients.

Key findings from the ESG risk consultation and analysis process carried out are as follows:

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- The number of the company's facilities presenting a high level of ESG risk represents less than 0.5% of total plant. These plants belong to the Infrastructure division.

- The most significant risks affecting the company's facilities overall concern corruption (21%), biodiversity and protected areas (14%), health and safety at work (12%), water stress (10%) and corporate ethics (10%).

- At the country level, the facilities with the highest average levels of risk are located in Paraguay, Kenya and the Dominican Republic.

Other key issues in addition to the foregoing are as follows:

All of the company's activities are encompassed in its ISO 14001 certified environmental management system. The ACCIONA Group applies its own Social Impact Management (SIM) methodology, which is used to identify the social risks that its works, operations and services could drive 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 the environment in the places where it operates. ACCIONA has also established a Social Safeguards Internal 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 (CPAC) system 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 duly aligned and audited.

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 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 it establishes the controls in place to detect and manage the types of conduct associated with compliance risks. The effectiveness of the Internal Control for Financial Reporting (ICFR) system 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, internal control or audit matters to be confidentially passed on, as well as information regarding non-compliance with the Code or irregularities at any level. Regular oversight procedures are carried out in relation to the controls established in the CPAC with the direct involvement of the Compliance and Internal Audit departments and the external auditors.

Social, environmental and governance risks are identified, assessed and managed on a priority basis by Acciona, so as to improve sustainability performance, improve the Group's response 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.

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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 is currently passing through a stage of significant turbulence. The highest inflation in decades, tougher financial conditions in most regions, the Russian invasion of Ukraine and the persistence of COVID-19 have all contributed to a worsening outlook. The normalisation of the monetary and tax policies that provided unprecedent support for the economy during the pandemic has led to cooling demand as the economic authorities strive to bring inflation back down to target levels. Ever more economies are now undergoing slower growth, however, or are already shrinking. The future health of the world economy will depend primarily on careful calibration of monetary policy, the course of the war in Ukraine and the possibility of further COVID-induced turbulence on the supply side, not least in China.

World growth is expected to dip from 3.4% in 2022 to an estimated 2.9% in 2023 and then to climb back to around 3.1% in 2024. The outlook for 2023 is currently 0.2% higher than anticipated in the World Economic Outlook (WEO) report published in October 2022, but it remains below the historical average of 3.8% (2000-2019). The interest rate hikes applied by central banks to combat inflation and Russia's war against Ukraine continue to hobble the economy. Meanwhile, the rapid spread of COVID-19 in China paralysed growth in 2022, although the recent reopening of the economy has cleared the way for a faster than anticipated recovery. World inflation is predicted to drop from 8.8% in 2022 to 6.6% in 2023 and to 4.3% in 2024, although these levels are still above the levels of around 3.5% seen before the pandemic (2017-19).

On balance, downside risks continues to decline, although there has been some moderation in risks since the publication of the WEO report in October 2022. Key upside risks include stronger growth in demand, which has been significantly repressed in numerous economies, and a sharp fall in inflation. Meanwhile, key downside risks include the possibility that adverse public health developments in China might put a brake on economic recovery, the chance of an intensification of fighting between Russian and Ukraine, and debt-related tensions driven by tighter financial conditions worldwide. The financial markets could suddenly reset the price of money in response to adverse inflationary trends, while geopolitical fragmentation could also hinder economic progress.

Given the cost of living crisis, the priority for most economies is to achieve a sustained fall in prices. This scenario of tighter monetary conditions and slower growth could adversely affect financial stability and debt markets, making it necessary to resort to macroprudential tools and strengthen debt restructuring frameworks. Faster COVID-19 vaccination in China should protect economic recovery, which would have positive knock-on effects internationally. Fiscal measures should focus primarily on the social groups who have been hardest hit by rising food and energy prices, resulting in the removal of broader tax-cutting measures. Meanwhile, close multilateral cooperation will be essential to conserve the advantages of a rules-based multipolar system and to mitigate climate change by limiting emissions and fostering green investment.

Growth of 1.2% is expected in the advanced economies in 2023 and 1.4% in 2024. Growth of 1.4% is forecast in the United States in 2023 (0.6% less than in 2022) and 1.0% in 2024, while Japan is expected to grow at a rate of 1.8% in 2023 and 0.9% in 2024.

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The Eurozone as a whole is forecast to grow at a rate of 0.7% in 2023 and 1.6% in 2024. Spain is tipped to be the fastest growing Eurozone economy in 2023 (+1.1%), and the country is forecast to continue growing at rates above the European average in 2023 (+2.4% compared to an estimated +1.6% for the Eurozone as a whole). After growing at a forecast rate of 4.1% in 2022, meanwhile, the United Kingdom's growth is expected to slow to 0.6% in 2023 and 0.9% in 2024.

Emerging markets are forecast to grow by around 4.0% in 2023 and 4.2% in 2024, although significant differences between countries are likely. Growth of 5.2% is forecast for China in 2023 and 4.5% in 2024. Meanwhile, a sharp uptick in the Indian economy is also expected in 2023 (+6.1%) and 2024 (+6.8%).[2] In this context, overall growth of 1.8% is expected in Latin America and the Caribbean in 2023, followed by 2.1% growth in 2024. Brazil is forecast to grow by 1.2% in 2023 and 1.5% in 2024, compared to growth of 1.7%· and 1.6% respectively in Mexico. The growth forecast for Russia is 0.3% in 2023, meanwhile, because the oil-price cap applied by the Group of Seven does not appear likely to have much impact on exports of Russian crude, while the country continues to shift trade from markets where sanctions have ben imposed to those where they have not.

SUSTAINABILITY

Sustainable finance

Maximising the capacity of sustainable finances enhances the company's value and the competitive advantage of the regenerative power of its projects. For this reason, ACCIONA promotes innovative solutions for sustainable financing which make it possible to provide these infrastructures with distinctive, clearly beneficial features, while taking advantage of the interest of the capital markets in financing the existing gaps in the fulfilment of the Sustainable Development Goals.

ACCIONA uses two sustainable financing mechanisms: one aimed at projects or activities that by their very nature have a positive impact, and another of a corporate nature that involves taking on commitments to improve ESG performance throughout the company.

Sustainable financing operations

Sustainable financing operations

Type of financing	Total outstanding financing instruments	Financing operations arranged in 2022	Total amount (€M)[1]
Project-oriented green financing	48[2]	9[2]	3,966
Corporate financing linked to sustainability commitments	11	9	5,038[3]
Total	59	18	9,005[3]

1. For transactions in currencies other than EUR, the amount is considered at the exchange rate in effect at year-end 2022

2. Includes "Taps".

3. Includes the principal amount of bonds issued as well as the initial amount of loans and credit facilities. The outstanding amount between bonds issued and available limits of loans and credit lines corresponds to: €3,788 €M in the case of corporate financing with sustainable commitments and €7,755 €M for total sustainable financing

2 These forecasts and data are based on India's fiscal year, commencing in April 2022 for fiscal 2022/2023. India is forecast to grow by 6.1% in calendar year 2023 and 6.8% in 2024.

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Green financing

ACCIONA has a Green Financing Framework whose eligible activities are those aligned with a low-carbon economy. As a result, ACCIONA's total financing instruments under its Green Financing Framework total €3,966 million as of December 31, 2022..

The ACCIONA green financing framework was reviewed by Sustainalytics, which issued a second-party opinion supporting compliance with the ICMA Green Bond Principles and the LMA Green Loan Principles.

Sustainability-linked finance

On the other hand, ACCIONA receives financing linked to the achievement of environmental, social and governance performance improvement objectives at the corporate level. At this time, in its Sustainability-linked Financing Framework, ACCIONA has committed to comply with 7 sustainable performance objectives linked to this financing, initially amounting to a sum of €5,038 million, with an outstanding balance of €3,788 million at 31 December 2022.

During 2022, ACCIONA has developed new objectives focused on decarbonising the value chain and other key actors in the environments where it operates. This year, the Financing Framework has expanded its scope with 3 new indicators:

- KPI 5: Number of decarbonisation plans for small and medium-sized enterprises in ACCIONA's value chain. It focuses on supporting these companies, especially those that are more sensitive and have tighter resources, in developing a plan that allows them to successfully transition to a decarbonised economy.

Thanks to the Sustainability-linked Schuldscheindarlehen operation, for an amount of 325 million euros, ACCIONA will develop 51 decarbonisation plans for SME suppliers of the company.

- KPI 6: "Early adopter" programme: : This focuses on promoting the development of decarbonised alternatives for some of the most emissions-intensive supplies for the energy, steel, cement/concrete and machinery. ACCIONA commits to making purchases of these supplies for a determined amount.

The RIN Facility Refinancing ASPAC operation involves making purchases of zero or low-emissions supplies in Australia for AUD3.78 million.

Several bilateral financing operations, for an amount of €420 million, involve making purchases worth €1.89 million in zero or low-emissions supplies.

- KPI 7: Number of decarbonisation plans for local farmers within the MacIntyre windfarm project context. This action is aimed at supporting a fundamental sector for the local economy and society in transitioning to a decarbonised economy in line with the goals of the state of Queensland. It also aims to reduce the weight of agricultural emissions in the state inventory.

Several sustainable financing operations, for an amount of AUD 1,603.6 million, will result in the development of decarbonisation plans for a minimum of 150 local farmers.

The monitoring of sustainable performance objective compliance, along with external verification, as well as other reporting requirements linked to sustainable financing, are made public in the Sustainable Financing Report, available in the Sustainable Financing section of the ACCIONA website.

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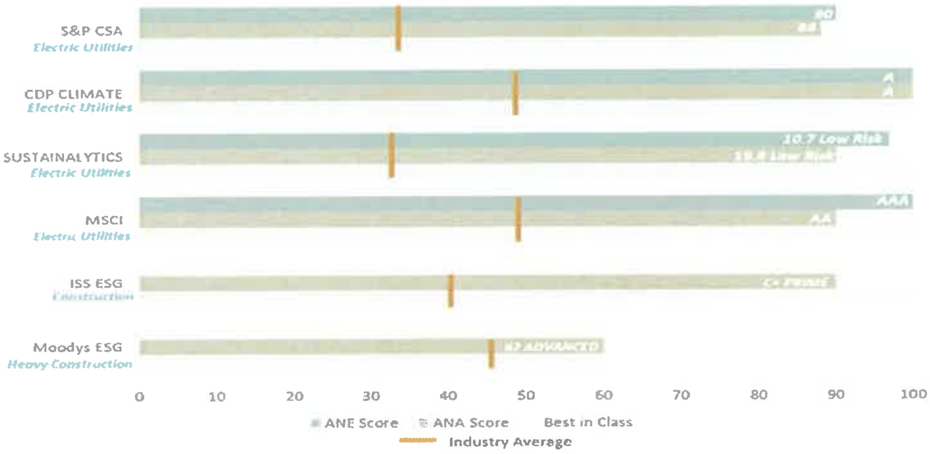
More information on green finance instruments and the projects to which they are allocated: https://www.acciona.com/es/accionistas-inversores/informacion-bursatil/financiacion-sostenible/

External ESG rating

ACCIONA has been evaluated during 2022 in terms of sustainability by various ESG analysts. The company once again stood out as a sector leader in the main ratings:



ACCIONA, member of Dow Jones Sustainability World Index (DJSI)

ACCIONA has been included in the DJSI since December 19, 2022. The index is composed of global sustainability leaders identified by S&P Global through the Corporate Sustainability Assessment (CSA). It represents the top 10% of the 2500 largest companies in the S&P Global BMI according to long-term economic, environmental, and social criteria. ACCIONA obtained a score of 88 points out of 100. Due to the result of this assessment, ACCIONA has also been recognised in the S&P Sustainability Yearbook 2023, which aims to distinguish those companies that, within their sectors, stand out for the strength and consistency of their corporate sustainability strategy. For the preparation of this yearbook, S&P has evaluated more than 7,800 international companies from 61 sectors of activity, selecting the 708 companies with the best results.

ACCIONA is among only six companies in the Electric Utilities sector to make it into the Top 5%, consolidating its global leadership in sustainability, and among only nine Spanish companies.

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Presence in sustainability indexes

ACCIONA is part of several sustainability stock market indexes that include leading companies in this field.

Supplier	Index name
Fidelity, Solactive, Bloomberg, vigeoeiris, STOXX	Fidelity Clean Energy ESG Tilted Index PR Fidelity Clean Energy ESG Tilted Index NR Solactive Clean Energy Index NTR Solactive European Renewables Stock NTR Index J.P. Morgan QUEST Renewable Energy Index Solactive Candriam Factors Sustainable Europe Equity Index Solactive ISS ESG Screened Europe Small Cap Index NTR Euronext Vigeo Europe 120 Index Bloomberg Goldman Sachs Global Clean Energy Index Price Return STOXX Sustainability Index STOXX Europe 600 ESG Broad Market MSCI EAFE Choice ESG Screened Index MSCI World Custom ESG Climate Series A Net in EUR

Presence in rankings and others sustainability acknowledgements

Recognition	Organisation	Position	Details
Europe's Climate Leaders 2022	Financial Times	Among the 300 most decarbonised companies	**Ranking of the companies with the greatest reduction in their emissions intensity between 2015 and 2020.**
New Energy Top 100 Green Utilities	Energy Intelligence	1st utility in the world	ACCIONA Energy has reaffirmed its position as the world's "greenest" electricity generation company for the eighth consecutive year.
Diversity Leaders	Financial Times	N/A	ACCIONA has been recognised for having diversity and inclusion as a top priority in its strategy. The ranking is carried out by interviewing more than 10,000 employees from different companies.
CDP Climate Change	CDP	Leader (A list)	ACCIONA and ACCIONA Energía part of A List. A 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.
Gaïa Rating	EthiFinance	N/A	The social, environmental, and good governance practices of companies are evaluated. The score is 65 out of 100 (2021), above the average for the sector and with outstanding results in governance, social, environmental and external stakeholders.
CDP Water	CDP	A-	List of companies with the best practices and results in terms of water safety, production and reduction of environmental impacts.
Nature Benchmark	World Benchmarking Alliance	1st in the sector	Nature Benchmark measures and ranks the world's most influential companies according to their efforts to protect our environment and its biodiversity.
SE Index Member	Standard Ethics	EE- Sustainable Grade	The Index aims to measure, over time, stock market confidence in the OECD, EU and UN voluntary guidelines and guidance on Sustainability and Corporate Governance.

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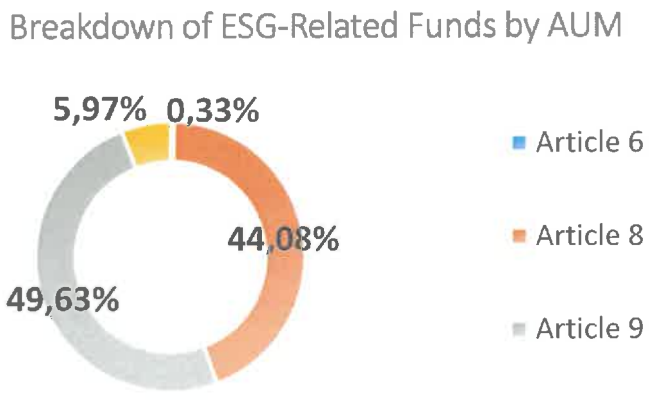
ESG fund classification according to the new SFDR Regulation



Source: Bloomberg Finance L.P. Data as of 31.12.2022
**SFDR is a European regulation, not all ESG-related funds have to be classified under these Articles.*

Of ACCIONA's total Free-Float Market Cap, 20% is held by funds with ESG attributes, a sign of investor confidence in the company's sustainable strategy. Half of these ESG funds are classified under Article 9 of the SFDR, the most stringent classification. This is defined as "a Fund that has as its objective sustainable investment or carbon emissions reduction." As regulation regarding the classification of ESG Funds develops, ACCIONA actively engages with investors to provide the necessary information on the Principal Adverse Impacts (PAI) in an exercise of full transparency.

More information on SFDR regulation and fund classification: https://www.eurosif.org/policies/sfdr/

SUSTAINABLE TRANSFORMATIONAL INNOVATION

Innovation is an key driver of ACCIONA's corporate strategy, enabling the company to increase the positive impacts produced by its operations on the economy, the environment and society in general. Sustainable transformational innovation paves the way for industry leadership in terms of business sustainability through a portfolio of 100% sustainable solutions.

Innovation in ACCIONA is open, disruptive and digital, covering and implemented at all levels of the company. It enables the development of the capacity, products, processes and services needed to design a sustainable reality that is accessible to everyone and respectful of the environment and the communities affected by each of the company's projects.

In 2022, ACCIONA invested €262,.8 million in innovation, 5% more than in the prior year. The backlog includes 185 projects, 67 of them in R&D and 118 in innovation. The company has completed 16 projects outside Spain worth €115.4 million, representing 44% of the total reported innovation investment.

Innovation investment in Acciona

Millions of euros	2019	2020	2021	2022
R&D + innovation (millions of €)	230.4	237.0	250.2	262.8

AVERAGE PAYMENT PERIOD TO SUPPLIERS

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

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contained in Note 24 to the financial statements. The information disclosed in this Consolidated Directors' Report is also available online on the Company's website (www.acciona.es).

ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report, which forms part of this Consolidated Directors' 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 Annual Directors Remuneration Report, which forms part of this Consolidated Directors' 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.

STATEMENT OF NON-FINANCIAL INFORMATION

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 -Financial Information Statement will also be communicated to the National Securities Market Commission as a Material Event.

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APPENDIX I

Definition of Alternative Performance Measures (APMs)

This Consolidated Directors' Results Report contains certain measures of financial performance and situation meeting the definition of APMs included in the ESMA Guidelines. The reconciliations of these APMs with reported figures provided below include certain abbreviations and expressions, the meanings of which are as follows:

Expression	Meaning
P&L	Consolidated income statement
BS	Consolidated balance sheet
CHQ	Consolidated statement of changes in total equity
CFS	Consolidated statement of cash flow
APM	Alternative Performance Measure as defined above
Note xx	Reference to the accompanying Notes to the Consolidated Annual Accounts
NOD	Non-observable data

It should be noted that certain APMs relating to cash flow are calculated using the indirect method (i.e. on the basis of changes in balances). This complicates the calculation and requires a level of detail that makes it impractical to obtain it exclusively from directly observable data contained in the financial statements. Among data that are not directly observable, it is worth mentioning for example, the adjustments made to offset changes in balances that do not represent cash flows, such as reclassifications, which, because of their immateriality, are not explained in the notes to the consolidated annual accounts. However, the use of data that are not directly observable represents a non-significant proportion. These non-observable data are identified by the expression NOD. These non-observable data are identified by the expression *NOD*.

EBITDA or gross operating profit: This is a measure of operating performance (before provisions and accruals) that is widely used in the business world as an approximate measure of the capacity to generate operating cash flow, before income taxes, and allows for like-for-like comparisons between businesses, both sectoral and cross-sectoral. It is also useful as a measure of solvency, especially when related to *Net financial debt* (see definition below).

A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	2022	2021
Revenue	P&L	11,195	8,104
Other revenue	P&L	1,016	563
Changes in inventories of finished goods and work in progress	P&L	72	110
Cost of goods sold	P&L	-3,483	-1,980
Personnel expenses	P&L	-2,078	-1,787
Other operating expenses	P&L	-4,814	-3,621
Equity method profit/(loss) - analogous	P&L	159	94
Gross operating profit (EBITDA)		2,068	1,483

EBITDA Margin: Ratio expressing the profitability of operating activities in relation to sales. It is an indicator used by management to compare the Group's ordinary results over time and is widely used in the capital markets to compare the results of different companies. It is calculated as the ratio of EBITDA to revenue. It is calculated as the ratio of EBITDA to revenue.

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A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	2.022	2.021
EBITDA	APM	2,068	1,483
Revenue	P&L	11,195	8,104
EBITDA Margin (%)		18.5%	18.3%

EBT Margin: Ratio expressing the profitability of all activities, taking into account total costs in relation to sales. It is an indicator used by management to compare the Group's ordinary results over time and is widely used in the capital markets to compare the results of different companies. It is calculated as the ratio between profit before tax from continuing operations and revenues.

A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	2.022	2.021
Profit before tax from continuing operations (EBT)	P&L	869	575
Revenue	P&L	11,195	8,104
EBT Margin (%)		7.8%	7.1%

Net financial debt (NFD): It expresses the Group's borrowings to finance assets and operations expressed on a net basis, i.e. net of balances held in cash and cash equivalents as well as current financial assets, as these are liquid items with a virtual capacity to reduce indebtedness. It is a widely used indicator in capital markets to compare companies and analyse their liquidity and solvency.

A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	31.12.2022	31.12.2021
Non-current bank borrowings	BS	2,624	2,073
Non-current debentures and other marketable securities	BS	3,101	2,364
Current bank borrowings	BS	553	280
Current debentures and other marketable securities	BS	1,139	1,666
Total interest-bearing debt		**7,417**	**6,383**
Non-current lease obligations	BS	439	430
Current lease obligations	BS	72	68
Lease obligations		**511**	**497**
Other current financial assets	BS	-315	-218
Cash and cash equivalents	BS	-2,360	-2,318
Cash and current financial assets		**-2,675**	**-2,536**
Net financial debt		5,253	4,344

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Net financial debt excluding IFRS 16 (NFD excl. IFRS16): This is another debt measurement that differs from *Net financial debt* as it does not include *Lease obligations*. This measurement is used to measure the level of the Group's borrowings via debt instruments, expressed on a net basis.

A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	31.12.2022	31.12.2021
Net financial debt	APM	5,253	4,344
Non-current and current lease obligations	BS	-511	-497
Net financial debt, excl. IFRS 16		4,742	3,847

Non-recourse debt (project debt): Debt that is not secured by corporate guarantees, so that recourse is limited to the debtor's assets and cash flows.

A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	31.12.2022	31.12.2021
Non-current and current non-recourse bank borrowings	Note 20	436	654
Non-recourse debentures, bonds and marketable securities	Note 20	195	196
Non-recourse debt (project debt)		631	850

Recourse debt (corporate debt): is debt secured by a corporate guarantee of some kind.

A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	31.12.2022	31.12.2021
Non-current and current recourse bank borrowings	Note 20	2,741	1,698
Recourse debentures, bonds and marketable securities	Note 20	4,045	3,834
Recourse debt (corporate debt)		6,786	5,533

Financial gearing: This measure shows the relationship between the Group's financial debt and its equity, and it is an indicator of solvency and capital structure in comparison with other companies widely used in the capital markets. It is calculated by dividing *Net financial debt* (calculated as explained above) by *Equity*.

A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	31.12.2022	31.12.2021
Net financial debt	APM	5,253	4,344
Equity	BS	6,304	5,557
Financial gearing		83%	78%

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Divestments: Expresses the sale price obtained for the disposal of significant businesses or cash-generating units (CGUs) which, given that they are carried out within the framework of a divestment strategy, are reported separately so as not to distort the calculation of *Ordinary investment* (gross or net), as defined below. For each period, the notes to the consolidated annual accounts identify the sales transactions that meet the *Divestment* criteria and the consideration obtained, as well as the other circumstances in which these significant divestments are made.

A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	2022	2021
CAER subgroup IPO (disposal of a 17.28% interest)	Note 3.2.h)		1,449
Sale of concession assets	Note 3.2.h)		62
Other	NOD		11
Divestments		--	1,523

Gross ordinary CAPEX: Expresses the amounts applied to acquisitions during the period, for property, plant and equipment, investment property, rights of use under financial leasing contracts, goodwill, other intangible assets, non-current financial assets and investments accounted for using the equity method, necessary for the maintenance and growth of operations. It shows the Group's ability to grow as a result of increased cash generation capacity and earnings from investments in non-current assets.

A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	2022	2021
Period change in:			
Property, plant and equipment	BS	-1,419	-637
Investment property	BS	-27	-96
Rights of use	BS	-20	-31
Goodwill	BS		-19
Other intangible assets	BS	-92	-54
Non-current financial assets	BS	-44	-30
Investments accounted for using the equity method	BS	-405	-98
Systematic adjustments:			
Depreciation and amortisation charge	Note 28	-651	-587
Impairments	Note 28	-19	-1
Profit/(loss) on disposal of non-current assets	Note 28	34	68
Equity method Profit/(Loss) after tax	Note 10	-65	12
Dividends distributed by companies accounted for using the equity method	Note 10	-103	-47
Translation differences and other	Notes 5,6,8,9,10	279	208
Other corrections/adjustments:			
Restatement of rights of use under operating leases	NOD	144	99
Transfers from real estate inventory	Note 14		283
Purchase of additional % interests in AEI[1]	Note 18.f)		-113
Other	NOD	48	8
Gross ordinary capex		-2,341	-1,035

(1) Payments made to non-controlling interests in consideration of acquisitions of additional equity instruments without triggering a change in the consolidation method

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Ordinary CAPEX: Measurement equivalent to *Gross ordinary CAPEX* but expressed on a net basis, i.e. excluding the variation in accounts *Payable to suppliers of property, plant and equipment*, net of exchange rate fluctuations, and including other residual movements associated with investment flows. This ratio represents the variation of *NFD excl. IFRS16* effectively applied to gross ordinary CAPEX in the reporting period.

A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	2022	2021
Gross ordinary capex		**-2,341**	**-1,035**
Changes in suppliers of property, plant and equipment	Note 23	348	-410
Purchase of additional % interests in AEI[1]	Note 18.f)	--	113
Other	NOD	50	12
Deferred investments		**398**	**-285**
Ordinary CAPEX		-1,943	-1,320

(1) Payments made to non-controlling interests in consideration of acquisitions of additional equity instruments without triggering a change in the consolidation method

Net Investment Cash flow or net investment: It represents the cash flow of *Net Financial Debt excluding IFRS 16* used/obtained in/by all investment/divestment activities, including the property development business, as it is in a phase of expansion and its inclusion in the investment heading makes it possible to capture the Group's total investment activity (*Real estate inventory*).

A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	2022	2021
Ordinary CAPEX	APM	**-1,943**	**-1,320**
Change in real estate inventories	Note 14	-91	56
Change in provisions for real estate inventories	Note 14	17	22
Change due to translation differences and other real estate inventories	Note 14	9	4
Transfers from real estate inventories	Note 14		-283
Other	NOD	4	-23
Real estate inventories		**-61**	**-224**
Divestments	APM		**1,523**
Net investment cash flow		-2,004	-20

Operating Cash Flow: Represents the ability of assets to generate resources in terms of *Net financial debt excluding IFRS16*. This APM also contains data that are not directly observable in the annual accounts, although the amount is not material.

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A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	2022	2021
EBITDA	APM	**2,068**	**1,483**
Interest paid/received	CFS	-169	-183
Financial results		**-169**	**-183**
Changes in working capital	CFS	135	-340
Real estate inventories	APM	61	224
Change in total working capital		**196**	**-116**
Systematic adjustments:			
Equity method profit/(loss) - analogous	P&L	-159	-94
Dividends received	CFS	89	49
Income tax recovered/(paid)	CFS	-215	-82
Change in other amounts received/(paid) relating to operating activities	CFS	12	-162
Dividends paid to non-controlling interests	Note 18.f)	-28	-8
Other operating flows	NOD	-114	-110
Other corrections/adjustments:			
Capital returned to AXA	Note 18.f)	-18	-25
Other operating cash flows		**-433**	**-432**
Operating cash flow		1,662	752

Financing and other Cash Flow: Generally, represents the variation in *Net financial debt excluding IFRS16* due to causes other than operating and investing activities. Among other items, it includes: (i) dividend payment to the shareholders of the Group's parent company; (ii) payment of the principal portion of the operating lease payments recognised by the application of IFRS 16; (iii) additions/retirements of *Net financial debt excluding IFRS16* due to inclusion/derecognition to/from the consolidation perimeter of companies; (iv) changes due to variations in the value of debt and exchange rate derivative financial instruments; and (v) other residual variations.

A reconciliation with the consolidated annual accounts is as follows:

Millions of euros	Source	2022	2021
Proceeds and payments relating to equity instruments	CFS	**-1**	**-1**
Change in value of current and non-current financial liabilities for interest and exchange rate hedges	Note 22	69	38
Change in value current financial assets due to interest and exchange rate hedges	Note 22	6	-26
Other	NOD	14	8
Change in NFD excl. IFRS16 due derivatives		**89**	**20**
Change in NFD exc. IFRS16 due to exchange differences	NOD	**-16**	**-8**
Dividends paid	CHQ	**-225**	**-214**
Transfer to NFD excl. IFRS16 from assets held for sale	Note 20	-255	
Payments under operating leases	CFS	-120	-90
Other	NOD	-25	-47
Perimeter changes and other		**-400**	**-137**
Financing and other cash flow		-553	-340

Backlog: Future revenues relating to orders and contracts entered into with customers. It is calculated as the difference between the amount, expressed in monetary units, of orders and service contracts entered into

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with customers that have not yet been fully completed/performed less the portion that has already been accounted for as income in the *Revenue* heading in the current or previous years.

Management uses these APMs to make financial, operational and planning decisions, and to evaluate the performance of the Group and its subsidiaries.

Management considers that the APMs provide useful additional financial information to evaluate the performance of the Group and its subsidiaries, and for decision-making by the users of the Group's financial information.

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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 2022 at their meeting held on 27 February 2023:

Mr José Manuel Entrecanales Domecq
Chairman

____

Mr Juan Ignacio Entrecanales Franco
Vice-Chairman

____

Mr Javier Entrecanales Franco
Member

____

Mr Jerónimo Marcos Gerard Rivero
Member

____

Mr Daniel Entrecanales Domecq
Member

____

Ms Karen Christiana Figueres Olsen[3]
Member

____

Mr Javier Sendagorta Gómez del Campillo
Member

____

Mr José Maria Pacheco Guardiola
Member

____

Ms Maite Arango García-Urtiaga
Member

____

Ms Sonia Dulá
Member

____

Mr Carlo Clavarino
Member

____

Ms María Dolores Dancausa Treviño
Member

____

[3] Note: The Director Karen Christiana Figueres Olsen was unable to attend in person to sign this Declaration, which was signed on her behalf and with her conformity by the Secretary to the Board of Directors Mr Jorge Vega-Penichet López following the express instruction issued by the Director for that purpose.

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Doña Francisca Gómez Molina, Traductora-Intérprete Jurada de inglés número 1138, nombrada por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación certifica que la que antecede en 232 páginas es traducción fiel al inglés de un documento escrito en español. En caso de discrepancia o ambigüedad, prevalecerá lo indicado en el original.
En Madrid, a 13 de abril de 2023.

I, Francisca Gómez Molina, Sworn Translator and Interpreter of English no. 1138, authorised by the Spanish Ministry of Foreign Affairs, European Union and Cooperation, hereby certify that the foregoing text, consisting of 232 pages, is a faithful translation into English of a document written in Spanish. In event of any discrepancy or ambiguity, the original document will prevail.
Madrid, 13 April 2023.

FRANCISCA GÓMEZ MOLINA
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