



Auditor's Report on Acciona, S.A.

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

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



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

Auditor's Report on the Annual Accounts issued by an Independent Auditor

(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 ANNUAL ACCOUNTS

Opinion

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

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the accompanying annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

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

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

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

Key Audit Matters

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

Valuation of investments in Group companies and associates

See notes 4.5.1 and 8.2.1 to the annual accounts

Key audit matter	How the matter was addressed in our audit
<p>The Company, which is the parent of the Acciona Group, has various investments in Group companies and associates, for which impairment provisions totalling Euros 738 million have been recognised at 31 December 2021. (Euros 993 million at 31 December 2020).</p> <p>At each reporting date, management and the Directors assess whether there is objective evidence that these investments may be impaired. If this is the case, they test them for impairment and determine the need to record new impairment provisions, or to increase or decrease the provisions recognised for impairment of these investments.</p> <p>To this end, the recoverable amount of investments in Group companies and associates is determined by applying valuation techniques that require the exercising of judgement by management and the Directors and the use of estimates, considering certain assumptions that analyse macroeconomic trends, internal circumstances of the investees, discount rates, growth rates and forecast future business performance, among other aspects.</p> <p>Moreover, changes in the key assumptions considered by management and the Directors in the impairment tests could entail substantial modifications to the recoverable amount of the investments and, therefore, their carrying amount at year end.</p> <p>Due to the uncertainty and judgement associated with these estimates, as well as the significance of the carrying amount of the investments in Group companies and associates, we have considered this valuation to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We assessed the processes followed by the Company in identifying objective evidence of impairment of investments in Group companies and associates and, where applicable, in estimating their recoverable amount, and we tested the design and implementation of the key controls established by the Company in relation to these processes. • We assessed the reasonableness of the methodology and assumptions used by the Company in estimating the recoverable amount of investments in Group companies and associates, in collaboration with our corporate valuation specialists. In this respect, we evaluated the information contained in the valuation models, as well as aspects such as the business plans of the investees used by the Company, considering the estimated and forecast future performance of the industry in which these investees operate, valuations of certain assets of investees or estimates of fair value less costs to sell. <p>In addition, we evaluated the growth rates and discount rates that were used as a basis to calculate the recoverable amounts, and the sensitivity of those recoverable amounts to changes in the key assumptions, in order to determine their impact on the valuation.</p> <ul style="list-style-type: none"> • We also assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.



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

Other Information: Directors' Report

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

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

- a) Determine, solely, whether 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 directors' report with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned annual accounts. Also, assess and report on whether the content and presentation of this part of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described 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 directors' report is consistent with that disclosed in the annual accounts for 2021, and that the content and presentation of the report are in accordance with applicable legislation.

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

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

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

The Audit and Sustainability Committee is responsible for overseeing the preparation and presentation of the 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 Annual Accounts

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

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

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

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Audit and Sustainability Committee of Acciona S.A. 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.



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

We also provide the Company'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 Company, we determine those that were of most significance in the audit of the annual accounts of the current period and which are therefore the key audit matters.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital file of Acciona, S.A. for 2021 in European Single Electronic Format (ESEF) comprising an XHTML file with the annual accounts for the aforementioned year, which will form part of the annual financial report.

The Directors of Acciona, S.A. are responsible for the presentation of the 2021 annual financial report in accordance with the format 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 directors' report.

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

In our opinion, the digital file examined fully corresponds to the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Additional Report to the Audit and Sustainability Committee

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



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

Contract Period

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

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

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

(Signed on original in Spanish)

Borja Guinea López
On the Spanish Official Register of Auditors ("ROAC") with No. 16210
24 February 2022

ACCIONA, S.A.

ANNUAL ACCOUNTS

AND

DIRECTORS' REPORT

2021

ACCIONA, S.A.
BALANCE SHEET AT 31 DECEMBER 2021 AND 2020
(thousands of euros)

ASSETS	Notes	31/12/2021	31/12/2020	EQUITY AND LIABILITIES	Notes	31/12/2021	31/12/2020
NON-CURRENT ASSETS		8,256,886	6,742,455	EQUITY			
Intangible assets	Note 5	25,185	16,325	SHAREHOLDERS' EQUITY	Note 10	4,459,886	3,811,486
Computer software		3,363	2,472	Share capital		4,459,886	3,811,666
Intangible assets in progress		21,822	13,853	Share premium		54,857	54,857
Property, plant and equipment	Note 6	8,863	9,611	Reserves		170,110	170,110
Land and buildings		6,277	6,764	Legal and statutory reserves		3,402,894	3,348,589
Other technical installations and furniture		82	133	Other reserves		770,931	744,916
Other property, plant and equipment		1,812	1,881	Treasury shares		2,631,963	2,603,673
Non-current assets under construction and advances		692	833	Year's profit		(18,290)	(22,049)
Non-current investments in group companies and associates	Notes 8.2.1 & 16.2	7,999,893	6,502,498	VALUATION ADJUSTMENTS		850,315	260,159
Equity instruments		7,950,862	6,476,887			--	(180)
Loans to group companies and associates		49,031	25,611	NON-CURRENT LIABILITIES			
Non-current financial assets	Note 8.1	11,286	10,653	Non-current provisions	Notes 11 & 16.3	716,840	527,532
Equity instruments		5,993	5,993	Other provisions		48,702	41,702
Loans to third parties		4,213	4,210			48,702	41,702
Other financial assets		1,080	450	Non-current debt		336,919	386,571
Deferred tax assets	Note 13.5	211,659	203,368	Debentures and other marketable securities	Note 12.2	142,363	142,213
CURRENT ASSETS		129,821	301,567	Bank borrowings	Note 12.1	194,541	244,343
Trade and other accounts receivable				Other non-current financial liabilities		15	15
Group companies and associates receivables	Note 16.2	71,275	56,764	Payables to group companies, jointly controlled entities and associates	Notes 12.3 & 16.2	331,219	99,259
Sundry accounts receivable		42,933	41,293			3,209,981	2,705,004
Personnel		2,931	2,422	CURRENT LIABILITIES		3,024	10
Current income tax assets	Note 13.1	1,537	798	Current provisions		208,140	401,395
Other accounts receivable from Public Entities	Note 13.1	23,750	12,057	Current debt		206,313	203,349
Current investments in Group companies and associates	Notes 8.2.2 & 16.2	58,282	174,820	Debentures and other marketable securities	Note 12.2	1,566	159,794
Loans to group company and associates and other financial assets		5,424	5,876	Bank borrowings	Note 12.1	261	38,252
Other current financial assets		52,858	168,944	Other current financial liabilities	Note 12.4		
Current prepayments		16	1,773	Current payables to group companies and associates	Notes 12.3 & 16.2	2,957,458	2,254,683
Cash and cash equivalents	Note 9	248	68,210	Trade and other accounts payable		41,359	48,916
Cash		248	68,210	Suppliers		18,007	21,080
TOTAL ASSETS		8,386,707	7,044,022	Suppliers, Group companies and associates	Note 16.2	2,766	2,332
				Sundry payables		14,079	10,312
				Personnel	Note 16.3	215	241
				Other accounts payable to Public Entities	Note 13.1	6,292	14,951
						8,386,707	7,044,022

The accompanying Notes 1 to 20 are an integral part of the balance sheet at 31 December 2021.

ACCIONA, S.A.
INCOME STATEMENT FOR THE FINANCIAL YEARS 2021 AND 2020
(thousands of euros)

	Notes	2021	2020
Revenue			
Services provided	Note 15.1	140,074	245,066
Revenue from investments in equity instruments		87,085	59,749
Revenue from marketable securities and other financial instruments		42,101	184,197
Own work for non-current assets	Note 16.1	10,888	1,120
Other operating income	Notes 5 & 6	9,354	4,195
Non-core and other current operating income		313	158
Personnel expenses	Note 15.2	(52,777)	(50,175)
Wages, salaries and similar amounts		(42,685)	(42,789)
Social security costs		(10,092)	(7,386)
Other operating expenses		(98,710)	(81,066)
External services		(94,762)	(80,857)
Taxes other than income tax		(3,198)	(160)
Losses, impairments and change in provisions for trade receivables		--	(49)
Other operating expenses		(750)	--
Depreciation and amortisation of assets	Notes 5 & 6	(1,349)	(1,183)
Impairment and profit/(loss) on disposals of financial instruments	Note 8.2.1	898,082	193,719
Surplus provisions	Note 11	—	656
OPERATING PROFIT		894,987	311,370
Financial income		3	3
From marketable securities and other financial instruments		3	3
Financial costs		(79,007)	(88,487)
On payables to Group companies, jointly controlled entities and associates	Note 16.2	(67,361)	(74,700)
On payables to third parties		(11,646)	(13,787)
Change in fair value of financial instruments		—	(3,960)
Held-for-trading financial assets and other		--	(3,960)
Foreign exchange rate changes		75	2,577
NET FINANCIAL LOSS		(78,929)	(89,867)
PROFIT BEFORE TAX		816,058	221,504
Income tax expense	Note 13.4	34,257	38,655
YEAR'S PROFIT		850,315	260,159

The accompanying Notes 1 to 20 are an integral part of the income statement for 2021.

ACCIONA, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS 2021 AND
2020
A) STATEMENT OF COMPREHENSIVE INCOME
(thousands of euros)

	2021	2020
YEAR'S PROFIT (I)		
Income and expenses recognised directly in equity		
- Revaluation of financial instruments	--	--
- Cash flow hedges	240	(80)
- Grants, donations and bequests received	--	--
- Actuarial gains or losses and other adjustments	--	--
- Tax effect	(60)	20
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II)	180	(60)
Transfers to the income statement		
- Revaluation of financial instruments	--	--
- Cash flow hedges	--	--
- Grants, donations and bequests received	--	--
- Tax effect	--	--
TOTAL TRANSFERS TO THE INCOME STATEMENT (III)	--	--
TOTAL RECOGNISED INCOME / (EXPENSE) (I+II+III)	850,495	260,099

The accompanying Notes 1 to 20 are an integral part of the statement of comprehensive income for 2021.

ACCIONA, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS 2021 AND 2020
B) COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY
(thousands of euros)

	Share capital	Share premium	Reserves	Treasury shares	Year's profit	Valuation adjustments	TOTAL
BALANCE AT 31/12/2019	54,857	170,110	3,190,133	(28,633)	260,044	(120)	3,646,391
Total recognised income and expenses	--	--	--	--	260,159	(60)	260,099
Transactions with shareholders	--	--	158,456	6,584	(260,044)	--	(95,004)
- Capital increases / (reductions)	--	--	--	--	--	--	--
- Application of results / dividends (Note 3)	--	--	154,445	--	(260,044)	--	(105,599)
- Treasury share transactions (net)	--	--	4,011	6,584	--	--	10,595
BALANCE AT 31/12/2020	54,857	170,110	3,348,589	(22,049)	260,159	(180)	3,811,486
Total recognised income and expenses	--	--	--	--	850,315	180	850,495
Transactions with shareholders	--	--	54,305	3,759	(260,159)	--	(202,095)
- Capital increases / (reductions)	--	--	--	--	--	--	--
- Application of results / dividends (Note 3)	--	--	46,218	--	(260,159)	--	(213,941)
- Treasury share transactions (net)	--	--	8,087	3,759	--	--	11,846
BALANCE AT 31/12/2021	54,857	170,110	3,402,894	(18,290)	850,315	--	4,459,886

The accompanying Notes 1 to 20 form an integral part of the comprehensive statement of changes in equity for 2021.

ACCIONA, S.A.
STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEARS 2021 AND 2020
(thousands of euros)

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		(144,610)	228,959
Profit before tax		816,058	221,503
Adjustments for:		(870,825)	(292,920)
Depreciation and amortisation charges		1,349	1,183
Other adjustments to profit (net)		(872,174)	(294,103)
Change in provisions	Notes 8.2.1 & 11	(245,328)	(197,773)
Profit/(loss) on disposal of non-current assets	Note 8.2.1	(652,786)	1,352
Financial income	Note 16.1	(10,891)	(1,120)
Dividends	Note 16.1	(42,101)	(184,197)
Financial costs	Notes 16.1 & 12.3	79,007	87,129
Foreign exchange rate changes		(75)	506
Changes in working capital		(178,749)	118,829
Other cash flows from operating activities:		88,906	181,547
Interest paid		(77,542)	(91,206)
Dividends received		181,101	275,797
Interest received		13,552	43
Income tax recovered/(paid)	Note 13	(28,205)	(3,087)
CASH FLOWS FROM INVESTMENT ACTIVITIES		(543,332)	(39,274)
Payments due to investment:		(2,074,999)	(39,467)
Group companies, associates and business units	Note 8.2.1	(2,065,538)	(35,263)
Property, plant and equipment, and intangible assets	Notes 5 & 6	(9,461)	(4,204)
Proceeds from disposal:		1,531,667	66
Group companies, associates and business units	Note 8.2.1	1,531,635	--
Property, plant and equipment, and intangible assets	Notes 5 & 6	32	66
Other amounts received/(paid) relating to investment activities		—	127
CASH FLOWS FROM FINANCING ACTIVITIES		619,980	(830,279)
Proceeds and payments relating to group equity instruments and loans:	Note 8.2.2	1,026,576	(958,210)
Purchases		1,753,748	384
Disposals		(727,172)	(958,594)
Proceeds and payments relating to financial liability instruments:	Notes 12.1 & 12.2	(204,501)	222,935
- Issue of debentures and other marketable securities		378,605	230,009
- Issue of bank borrowings		25,000	121,000
- Repayment and amortisation of debentures and other marketing securities		(375,633)	--
- Repayment and amortisation of bank borrowings		(232,473)	(128,074)
Dividends and returns paid on other equity instruments	Note 3	(213,941)	(105,599)
Cash flows arising on treasury stock transactions	Note 10.5	11,846	10,595
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		—	—
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(67,962)	(640,593)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		68,210	708,803
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		248	68,210
COMPONENTS OF CASH AND CASH EQUIVALENTS AT YEAR END		248	68,210
Cash on hand and at banks		248	68,210
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END		248	68,210

The accompanying Notes 1 to 20 form an integral part of the statement of cash flows for 2021.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

ACCIONA, S.A. NOTES TO THE ANNUAL ACCOUNTS

1 Company activities

Acciona, S.A. is the Parent Company of the Acciona Group. It was established for an indefinite period in Barcelona on 16 June 1916 under then prevailing Spanish law. It conducts its business from its registered and head office, which is situated at Avenida de Europa 18, Alcobendas (Madrid). The Company is registered under Spanish Classification of Economic Activities (CNAE) code no.6420. Acciona S.A. is listed on the Madrid and Barcelona stock exchanges.

The Company is the parent of a Group of companies operating in various industries, chiefly:

- Energy: This business, which is instrumented through the majority shareholding in Corporación Acciona Energías Renovables, S.A. (CAER), encompasses the development, construction, operation and maintenance of renewable generating plants and sale of the energy produced. All of the power generated by Acciona Energía is renewable.
- Infrastructure comprises the following activities:
 - Construction: This activity includes infrastructure projects, as well as turnkey (EPC) projects for power generation plants and other facilities.
 - Water: This 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 of the water cycle.
 - Concessions: This activity consists mainly of the operation of transport and hospital concessions.
 - Other infrastructure activities: Delivery of Citizen Services and Healthcare services.
- Other activities: This business includes fund management and stock broking services, real estate, manufacture of electric vehicles, motorbike sharing services, investment in the associate Nordex SE (a manufacturer of wind turbines), museum interior design, and the provision of other services like facility management and airport handling.

The Company may undertake any and all activities necessary for, or ancillary to, the aforementioned businesses, and it may also hold shares in other companies by way of investments.

The Company is the parent of a Group of subsidiaries and, in accordance with prevailing regulations, it is therefore required to prepare separate consolidated annual accounts under the International Financial Reporting Standards adopted by the European Union (IFRS-UE). Key consolidated figures are as follows (expressed in thousands of euros):

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

	2021	2020*
Total assets	19,602,762	18,206,631
Equity	5,557,331	3,711,387
Revenue	8,104,304	6,481,972
Consolidated profit attributable to the parent company	332,048	387,052

(*) Restated information

The individual and consolidated annual accounts were prepared by the Directors at a meeting of the Board held on 24 February 2022.

The individual and consolidated annual accounts for 2020 were approved at the Annual General Meeting held on 30 June 2021 and were duly filed in the Madrid Companies Register.

2 Basis of presentation of the annual accounts

2.1 Regulatory framework for financial reporting applicable to the Company

These annual accounts were formally prepared by the Directors in accordance with the regulatory financial reporting framework applicable to the Company, as established in:

- a) The Spanish Commercial Code and other mercantile legislation.
- b) The Spanish General Accounting Plan, as approved by Royal Decree 1514/2007 and amended by Royal Decree 1/2021 of 12 January.
- c) The mandatory standards approved by the Spanish Institute of Accounting and Auditing (ICAC) for the implementation of the General Accounting Plan and related secondary regulations.
- d) Other accounting regulations applicable in Spain.

2.2 True and fair view

The accompanying annual accounts, which are expressed in thousands of euros, the Company's functional currency, were obtained from the accounting records of Acciona, S.A., and they are presented in accordance with the applicable regulatory framework for financial reporting and, in particular, with the accounting principles and measurement bases contained therein, so as to present a true and fair view of the Company's equity, financial position, results of operations and cash flows for 2021. These financial statements, as formally prepared by the Company's Directors, will be submitted for approval by the shareholders at the Annual General Meeting. It is considered that they will be approved without change.

The 2021 annual accounts include the joint ventures (see Note 4.13 and Note 8.2.3) in which Acciona, S.A. participates applying the proportional consolidation method, that is by including the Company's ownership interests in the joint ventures, in terms of earnings, assets and liabilities, and eliminating all trade receivables, payables and transactions with the joint ventures in the year.

2.3 Non-mandatory accounting principles applied

Only mandatory accounting principles in force at the date of preparation of these annual financial statements were applied. Also, the Directors formally prepared these annual accounts taking into consideration all mandatory accounting principles and standards with a significant effect thereon. All mandatory accounting principles were applied.

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

Certain estimates made by the Company's Directors were used in the preparation of the annual accounts in order to measure some of the assets, liabilities, income, expenses and obligations reported therein. These estimates relate basically to the following:

- Assessment of possible losses due to impairment of certain assets, in particular investments in Group companies and associates showing signs of impairment (see Notes 4.3 and 4.5.1)
- Fair value of certain financial instruments (see Note 4.5)
- The calculation of provisions and the evaluation of possible contingencies in respect of legal and tax risks (see Note 4.9)
- The taxable income and recovery of deferred tax assets expected to be declared to the tax authorities in the future, which were taken as the basis for the recognition of tax balances in these annual accounts (Note 4.7)

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

The accounting estimates were made on the basis of the best available information at 31 December 2021, but it is nevertheless possible that future events may make it necessary to change the same (upwards or downwards) in coming years. If so, changes would be made prospectively.

2.5 Comparative information

The information referring to financial year 2021 contained in these notes is presented together with comparative figures for 2020.

Royal Decree 1/2021 of 12 January, which amends the General Accounting Plan approved by Royal Decree 1514/2007 of 16 November, includes certain changes to bring the accounting standards and measurement bases applicable to "Financial instruments" into line with IFRS 9, IFRS 7 and IFRS 13, and "Revenue from sales and services" into line with IFRS 15. Also, the Spanish Institute of Accounting and Auditing (ICAC) issued a Resolution on 10 February 2021, which establishes

ACCIONA S.A.*Notes to the annual accounts for the year ended 31/12/2021*

accounting standards, measurement bases and rules for the preparation of the annual accounts relating to the recognition of revenues from the sale of goods and provision of services.

The date of first application of these new criteria was 1 January 2021. The Company has opted not to restate the comparative information for 2020 but to apply the changes prospectively.

The impacts on the Company arising from the adoption of Royal Decree 1/2021 and the ICAC Resolution of 10 February 2021 were as follows:

— Financial instruments

A reconciliation between each class of financial assets and financial liabilities affected at the date of first application is as follows:

Financial Assets

31 December 2020		1 January 2021	
Asset class	Thousands of euros		Asset class
	Amount	Amount	
Loans and receivables	249,226	248,683	Financial assets carried at amortised cost
Investments held to maturity	378		
Equity investments in Group companies, jointly-controlled entities, and associates	6,482,880	6,483,801	Financial assets carried at cost
TOTAL	6,732,484	6,732,484	
DIFFERENCE	--		

Financial liabilities

31 December 2020		1 January 2021	
Liability class	Thousands of euros		Liability class
	Amount	Amount	
Debts and accounts payable	821,931	821,931	Financial liabilities at amortised cost
TOTAL	836,882	836,882	
DIFFERENCE	--		

The application of the new recognition standards and measurement bases had no impact on equity, resulting only in the reclassification of amounts already recognised under different account headings.

2.6 *Grouping of items*

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate understanding. However, when the amounts involved are significant, the information is separately broken down in these Notes.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

2.7 Correction of errors

No material errors were found in the preparation of the 2021 annual accounts that would have made it necessary to restate the amounts reflected in the 2020 annual accounts.

2.8 Functional currency and presentation

The annual accounts are presented in thousands of euros (rounded to the nearest thousand), which is the Company's functional and reporting currency.

3 Proposed application of profit

The proposed application of the profit for 2021 which the Board of Directors will submit for approval by the Shareholders at their Annual General Meeting (expressed in euros) is shown below. This proposal is presented together with the actual application of the 2020 profit approved at the Annual General Meeting held on 30 June 2021:

	2021	2020
Distribution basis:		
Profit of Acciona, S.A.	850,314,721.46	260,158,548.23
Application:		
Legal reserve	---	---
Statutory reserve	85,031,472.15	26,015,854.82
Capitalisation reserves	27,981,486.23	7,935,804.75
Voluntary reserves	512,389,485.78	12,265,941.96
Dividends	224,912,277.30	213,940,946.70
Total	850,314,721.46	260,158,548.23

The proposed application of 2021 profit includes the distribution of €4.10 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 association.

In accordance with the Articles of Association, the Company must in any event allocate 10% of net profit to the legal and statutory reserves. Any remainder of said 10% appropriation after the legal reserve is fully covered (balance equal to 20% of share capital) must be applied to the statutory reserve, which is unrestricted.

The Board of Directors proposes that an appropriation of €27,981,486.23 be made out of the profit for 2021 to the capitalisation reserve set aside in accordance with article 25 of the Spanish 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 entitles the Company to reduce its corporate income tax base by the same amount, up to a limit of 10% of the tax group's assessment basis for the year. If this limit is exceeded, the remainder 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.

4 Recognition and measurement standards

The recognition and measurement standards applied by the Company to prepare the annual accounts, in accordance with the General Accounting Plan, were as follows:

4.1 Intangible assets

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses incurred, in accordance with the criteria described in Note 4.3 below. These assets are amortised over their years of useful life. Where the useful life of an asset cannot be reliably estimated, it is amortised over a period of ten years.

a) Patents, licenses, trademarks and similar items

This account reflects amounts paid to acquire title to or the rights to use industrial property (patents and trademarks), or costs incurred to register rights developed by the Company. Industrial property is amortised on the straight-line basis over a period of five years.

b) Computer software

The Company recognises costs incurred in the acquisition and development of computer programs, including website development costs, in this account. Software maintenance costs are expensed in the year in which they are incurred. Computer software is amortised on the straight-line basis over a period of four to six years.

c) Intangible assets in progress

This account is used to record all actions aimed at the digital transformation of the Company, which will drive and enhance the use of technology to streamline administrative tasks and production processes carried out within the Group. All items recorded are currently under development. When the development process is concluded and an application is implemented, the costs incurred are transferred to “Computer software” and amortisation begins.

4.2 Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost of acquisition and are thereafter carried at cost less accumulated depreciation and impairment losses, if any, recognised as described in Note 4.3.

Upkeep and maintenance expenses incurred in respect of property, plant and equipment are recognised in the income statement for the year in which they are incurred. However, the cost of improvements is capitalised where they increase capacity or efficiency or lengthen the useful lives of the assets concerned.

The Company depreciates property, plant and equipment over the years of estimated useful life applicable in each case (or over the remaining period in which an asset will be utilised in operations, if shorter). The percentage depreciation rates applicable in 2021 were as follows:

	Percentage depreciation rate
Buildings	2% - 7%
Tools and fixtures and fittings	10% - 15%
Computer hardware	25% - 50%
Other property, plant and equipment	10% - 20%

4.3 Impairment of intangible assets and property, plant and equipment

At the year end, the Company analyses assets for evidence of possible impairments that would reduce their recoverable value to below the carrying amount. This analysis is performed systematically for all goodwill and intangible assets with indefinite useful lives, and for the remaining assets whenever there is objective evidence that impairment losses could exist.

For the purposes of these “impairment tests”, the recoverable amount is taken to be the higher of fair value less estimated costs to sell and value in use. The procedure established by Management in this connection consists of calculating the value in use of the assets affected based on the present value of the estimated future cash flows obtainable on each asset, discounted at a rate representative of the Company’s cost of capital.

Impairment tests are applied to each asset separately, where possible, or to groups of assets forming a “cash generating unit”.

Where it may be necessary to recognise an impairment loss on a cash generating unit to which all or part of goodwill is assigned, the goodwill recognised in respect of that unit is written down first. If impairment exceeds the amount of goodwill recognised in respect of a cash generating unit, the rest of the CGU assets are then written down in proportion to their carrying amounts up to the higher of fair value less costs to sell or value in use, or they are written off entirely.

Where an impairment loss subsequently reverses (which is not permitted in the case of goodwill), 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 in previous years. Reversals of impairment losses are taken to income for the year.

It was not found necessary to allocate additional amounts to the impairments recognised in previous years as a result of the impairment tests applied (see Notes 5 and 6).

4.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. The Company only has operating leases.

Operating leases

Expenses resulting from operating leases are recognised in the income statement in the year in which

they are incurred.

Any amounts received or paid to arrange an operating lease are treated as prepaid lease income or prepayments on the lease, which are recognised in profit or loss over the lease term in line with the benefits provided or received in respect of the leased asset.

4.5 Financial instruments

Recognition and classification of financial instruments

The Company classifies financial instruments upon initial recognition as financial assets, financial liabilities or equity instruments on the basis of the economic substance of the contract and the definitions of financial assets, financial liabilities and equity instruments.

A financial instrument is recognised when the Company enters into a contract or legal transaction either as the issuer of a liability or as the holder or acquirer of a debt.

4.5.1. Financial assets

Classification

The financial assets normally held by the Company are classified in the following categories:

a) Financial assets carried at amortised cost:

Financial assets carried at amortised cost are initially recognised at fair value, including any transaction costs incurred, and are subsequently measured at amortised cost using the effective interest rate method.

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

b) Financial assets carried at cost:

This category includes investments in group companies and associates, as well as investments in other equity instruments where fair value cannot be determined by reference to the price at which identical instruments are traded on an active market or cannot be reliably estimated.

The Company measures the instruments included in this category at cost, which is taken as the fair value of the consideration paid or received, plus or minus any directly applicable transaction costs, less the cumulative amount of any impairment losses recognised. The initial measurement of equity instruments includes the amount of any preferential subscription or similar rights acquired.

The Company measures shareholder loans granted at cost, which is equal to the fair value of the consideration paid, plus any directly applicable transaction costs, less the cumulative amount of any impairment losses recognised. Where the Company agrees both contingent interest and an

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

irrevocable fixed rate of interest, the latter is recognised as financial income on the accrual basis. Transaction costs are expensed through the income statement on the straight-line basis over the term of the shareholder loan.

Group companies are defined as those in which the company exercises direct or indirect control within the meaning of article 42 of the Spanish Commercial Code, and those that are controlled in any other way by one or more natural or legal persons acting in concert or are managed on a unified basis in accordance with shareholder agreements or statutory clauses.

Control means the power to direct a company's financial and operating policies to obtain benefits from its activities, considering for these purposes any potential voting rights held by the Company or third parties that are exercisable or convertible at the end of the year.

Associates are companies in which the Company exercises significant influence, either directly or indirectly via subsidiaries. Significant influence is the power to participate in decisions affecting the financial and operating policy of a company, where such power does not entail the existence of control or joint control. The existence of significant influence is established on the basis of the potential voting rights exercisable or convertible at the end of each financial year, taking into consideration all such potential voting rights, whether held by the Company or by any other entity.

Jointly controlled companies are those that are jointly managed by the Company and one or more Group companies, including parent entities (whether bodies corporate or natural persons), and one or more third parties.

Subsequent measurement

Impairment of financial assets carried at amortised cost

The amount of impairment losses on financial assets measured at amortised cost is the difference between the carrying amount of the financial asset and the present value of the estimated future cash flows, excluding unincurred future credit losses, discounted at the original effective interest rate of the asset. In the case of floating rate assets, the effective interest rate used is that prevailing at the measurement date in accordance with contractual terms and conditions. However, the Company also utilises the market value of assets, where sufficiently reliable as a representative measure of the value recoverable.

Impairment losses are charged to income and are reversible in subsequent years, if the write-back can be objectively connected to an event occurring subsequent to the recognition of impairments. Nevertheless, reversals are limited to the amortised cost that the relevant assets would have had, if no impairment losses had been recognised.

The Company directly writes down the carrying amount of a financial asset where it has no reasonable expectation of recovery, whether in whole or in part.

Impairment of investments in Group companies, associates and jointly controlled entities, and equity instruments valued at cost

Impairment is calculated by comparing the carrying amount of the investment with its recoverable value, understood as the higher of the present value of the future cash flows on the investment and

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

fair value less costs to sell.

Impairment losses may be reversed in subsequent years to the extent of any increase in the recoverable amount of the instrument and to the limit of the carrying amount the investment would have had if no impairment loss had been recognised.

Impairment losses and reversals are recognised through the income statement.

Derecognition of financial assets

The Company derecognises a financial asset when it expires or when the rights to the cash flows arising thereon are transferred together with substantially all the risks and rewards of ownership.

Derecognition of a financial asset in its entirety implies recognition of gains or losses calculated as the difference between the carrying amount and the sum of the consideration received net of transaction costs, including any assets obtained and liabilities assumed, and any deferred gains or losses recognised directly in equity.

However, the Company does not derecognise financial assets when substantially all risks and rewards of ownership are retained, but rather recognises a financial liability for an amount equal to the consideration received in transfers of financial assets.

4.5.2 Financial liabilities

Financial liabilities at amortised cost

Financial liabilities carried at amortised cost are initially recognised at fair value, including any transaction costs incurred, and are subsequently measured at amortised cost using the effective interest rate method.

Derecognition and modification of financial liabilities

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

Exchanges of debt instruments between the Company and a counterparty, or any substantial modifications made to the liabilities initially recognised, are booked by cancelling the original and recording a new financial liability, provided the terms of the instruments concerned are substantially different.

The Company considers that terms are substantially different where the present value of the cash flows under the new conditions, including any fees paid net of fees received, discounted at the original effective interest rate differs by at least 10% from the present value of the future cash flows remaining on the original financial liability.

Costs and fees incurred are recognised in profit and loss where the exchange is accounted for by cancelling the original financial liability. Otherwise, the carrying amount of the liability is adjusted to include costs and fees, which are amortised over the remaining term of the modified liability. In

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

such case, a new effective interest rate is determined at the date of the modification, which will be the rate that equalises the present value of cash flows payable under the new terms with the carrying amount of the financial liability at said date.

The Company recognises the difference between the carrying amount of a financial liability, or part thereof, cancelled or transferred to any third party and the consideration paid, including any assets other than cash that may be transferred or liabilities that may be assumed, with a credit or debit to the income statement. Where the Company may transfer non-monetary assets in payment of debts, it recognises the difference between fair value and carrying amount in operating profit, and the difference between the face value of the debt cancelled and the fair value of the assets as a financial gain or loss. Where the Company transfers inventory for this purpose, the transaction is recognised as a sale at fair value with a change in inventories equal to the carrying amount of the inventories concerned.

4.5.3 Equity instruments

An equity instrument represents a residual investment in the Company's equity once all of its liabilities have been deducted.

Capital instruments issued by the Company are recognised in equity for the amount of proceeds received, net of issue costs.

Treasury shares acquired by the Company in the year are recognised directly as a reduction in equity for the value of the consideration paid. Gains or losses arising on the purchase, sale, issue or redemption of treasury shares are recognised directly in equity, and no amounts are recognised in the income statement in this respect.

At 31 December 2021, Acciona, S.A. held 206,199 treasury shares representing 0.3759% of share capital at that date. The acquisition cost of these shares was €18,290 thousand. The acquisition cost of the treasury shares and the gains or losses arising on transactions involving them were recognised directly in equity (see Note 10.5).

At 31 December 2020, Acciona, S.A. held 296,422 treasury shares representing 0.5404% of share capital at that date. The acquisition cost of these shares was €22,049 thousand. The acquisition cost of the treasury shares and the gains or losses arising on transactions involving them were recognised directly in equity (see Note 10.5).

4.6 Foreign currency transactions

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

At the year end, monetary assets and liabilities denominated in foreign currencies are translated to euros at the balance sheet date. Any resulting gains or losses arising are recognised directly in profit or loss for the year in which they arise.

4.7 Income tax

The corporate income tax expense (tax income) comprises both the current tax expense (current tax income) and the deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given fiscal year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively applied in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences, which are amounts expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and the related assessment bases, as well as unused tax loss carryforwards and tax credits. These amounts are measured at the tax rates that are expected to apply to the temporary differences or tax credits concerned when recovered or settled.

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

Deferred tax assets, however, are only recognised to the extent that it is considered likely that the Company will have future taxable profits against which the deferred tax assets can be utilised within a period of no more than 10 years, unless otherwise shown.

Deferred tax assets and liabilities are measured at the tax rates that will apply in the year in which it is expected that assets will be realised and liabilities settled, based on prevailing tax rates and tax legislation enacted or substantively enacted, taking into consideration any tax consequences arising from the manner in which the Company expects to recover the assets or settle the liabilities.

The Company only offsets tax assets and liabilities where it has a legal right to do so and intends to settle any debts arising with the tax authorities at their net amount, or to realise tax assets and settle liabilities simultaneously.

Deferred tax assets and liabilities are recognised as non-current assets or liabilities in the balance sheet regardless of the expected date of realisation or settlement.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

Acciona, S.A. files consolidated corporate income tax returns as part of Consolidated Tax Group no. 30/96, of which it is the parent.

4.8 Income and expenses

The Company recognises revenues earned in the ordinary course of its business when control of the services provided is transferred to customers. Income is measured at this moment for the amount of the consideration expected to be received in respect of the services.

In order to apply these fundamental income recognition criteria, the Company follows an exhaustive process comprising successive stages:

- a) Identification of the contract (or contracts) with the customer
- b) Identification of the contractual obligation or obligations
- c) Determination of the transaction price
- d) Allocation of the transaction price to the contractual obligations
- e) Recognition of income from ordinary activities in line with the performance of contractual obligations by the Company

In general, revenues earned from the ongoing provision of services over time are recognised based on the percentage of completion or progress towards the performance in full of contractual obligations, provided the Company has reliable information against which to measure percentage completion.

Where the Company is unable reasonably to measure the percentage completion of an obligation at a given date (for example in the early stages of a contract) but nevertheless expects to recover the costs incurred to perform its obligations, revenues and the related consideration delivered are recognised only for an amount equal to the costs actually incurred up to that date. In the case of contractual obligations that are performed at a specified time, revenues are recognised at the date of performance.

If there is any uncertainty as to the collection of receivables previously recognised as sales or service revenues, the resulting impairment losses are recognised as valuation adjustments and not as a reduction in revenue.

The ordinary activity of the Company consists of holding shares in group companies and associates, on which it earns periodic income. In accordance with the published criteria of the Spanish Institute of Accounting and Auditing (ICAC) in relation to the calculation of revenue in holding companies (consultation no. 2, Official Bulleting of the Institute of Accounting and Auditing, no. 79), dividends received from group companies and associates, and interest earned on loans granted to group companies and associates are recognised as "Revenue". Meanwhile, amounts recognised under "Impairment and profit/(loss) on disposals of equity instruments in group companies and associates" are considered operating results.

Interest received on financial assets is recognised applying the effective interest method and dividends are recognised when the shareholder's right to receive them is declared. In any event, interest and dividends from financial assets accruing after the date of acquisition are recognised as income in profit and loss. Where dividends are unequivocally related to earnings generated before the date of acquisition, because the distribution exceeds the profits obtained by the investee since its acquisition, the amount of such dividends is recognised as a diminution in the carrying amount of the investment.

4.9 Provisions and contingencies

When preparing the annual accounts, the Company's directors distinguished between:

- a) Provisions: balances payable in respect of present obligations arising from past events, the cancellation of which is likely to give rise to outflows of resources which are undetermined as regards the amount and/or timing of settlement.
- b) Contingent liabilities: possible obligations that could arise from past events, the future materialisation of which is conditional upon the occurrence or non-occurrence of one or more future events beyond the Company's control.

The annual accounts include all provisions with respect to which it is considered more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the balance sheet but are disclosed in the Notes, unless they are considered remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest costs on an accrual basis.

4.10 Termination benefits

In accordance with prevailing legislation in Spain, the Company is required to pay compensation to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is adopted. The accompanying annual accounts do not include any provision in this connection, since no situations of this nature are expected to arise.

4.11 Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Company's operations, the main purpose of which is to minimise environmental impacts and protect and restore the environment, including reduction or elimination of future pollution.

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

4.12 Share-based payments

The Company recognises goods and services received as an asset or an expense, depending on their nature, at the time of their acquisition and the appropriate increase in equity, if the transaction is settled with equity instruments, or the applicable liability if the transaction is settled with an amount based on the value of equity instruments.

In the case of transactions settled with equity instruments, both services rendered and the increase in equity are measured at the fair value of the equity instruments transferred as at the date of the award. If transactions are settled in cash, meanwhile, goods and services received and the related liability are recognised at the fair value of the latter at the date on which the conditions for recognition are met.

4.13 Joint arrangements

The Company records investments in Joint Ventures (JVs) in the balance sheet on a proportional basis, recognising only the pertinent part of jointly controlled assets and jointly incurred liabilities based on the percentage interest held in the venture concerned. The relevant proportion of revenues generated and expenses incurred by a joint venture is likewise recognised in the income statement. Finally, the statement of changes in equity and the statement of cash flows reflect the proportional part of amounts arising in respect of joint ventures based on the interests held therein by the Company.

Joint arrangements are undertakings in which control over an economic activity is shared based on clauses in the articles of association or a contractual agreement requiring the unanimous consent of the Company and the other parties for the adoption of strategic decisions of a financial or operational nature.

Transactions, balances, income, expenses and reciprocal cash flows were eliminated proportionally based on the percentage interests held by the Company in joint arrangements.

4.14 Related-party transactions

The Company performs all transactions with related parties on an arm's length basis. Also, transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

Except where they are related with mergers, spin-offs and in-kind contributions of businesses, transactions with group companies are recognised at the fair value of the consideration paid or received. The difference between fair value and the agreed amount of the transaction is recognised on the basis of its underlying economic substance.

4.15 Current / Non-Current classification

Assets are classified as current when they are linked to the Company's normal operating cycle, which is considered to be one year, or when maturity, disposal or realisation of the assets is expected to occur in the short term. Current assets also include cash and cash equivalents. Assets that do not meet the foregoing conditions are classified as non-current.

Likewise, liabilities are classified as current when they are linked to the normal operating cycle, including all obligations maturing in the short term in general. All other liabilities are classified as non-current.

4.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits at banks. This heading also includes other highly liquid short-term investments, provided they are easily convertible into determinable cash amounts and are not subject to any significant risk of changes in value, as well as investments maturing within three months of their acquisition date.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

4.17 Defined contributions

The Company records the contributions made to defined contribution plans in line with services rendered by employees. The amount of the accrued contributions is recorded as an employee benefit expense and as a liability, from which amounts paid are deducted. When the amounts paid exceed the accrued expense, the related assets are recognised only to the extent to which they can be applied to reduce future payments or could produce any cash refund.

If the contributions will be paid in a period of more than twelve months, they are discounted at a rate determined by reference to market yields on high quality corporate bonds.

5 Intangible assets

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

	COST			ACCUMULATED AMORTISATION			Total amortisation
	Patents	Computer software	Intangible assets in progress	Total cost	Patents	Computer software	
Balance at 31/12/19	535	2,833	13,786	17,154	(535)	(2,610)	(3,145)
Additions/Charge for the year	--		2,767	2,767	--	(451)	(451)
Transfers	--	2,700	(2,700)	--	--	--	--
Balance at 31/12/2020	535	5,533	13,853	19,921	(535)	(3,061)	(3,596)
Additions/Charge for the year	--	10	9,495	9,505	--	(645)	(645)
Transfers	--	1,526	(1,526)	--	--	--	--
Balance at 31/12/2021	535	7,069	21,822	29,426	(535)	(3,706)	(4,241)
Total intangible assets		Cost	Amortisation	Net total			
Balance at 31/12/2020		19,921	(3,596)	16,325			
Balance at 31/12/2021		29,426	(4,241)	25,185			

As explained in Note 4.1, additions to intangible assets at 31 December 2021 and 2020 comprise mainly software developed within the framework of the Group's digital transformation process, which were initially recognised as an expense due to their nature but were later capitalised via the income statement heading "Own work for non-current assets".

At 31 December 2021 and 2020, the Company had the following fully amortised intangible assets still in use (expressed in thousands of euros):

Description	Carrying amount (gross) 2021	Carrying amount (gross) 2020
Computer software	2,566	2,566
Patents	535	535
Total	3,101	3,101

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

6 Property, plant and equipment

Changes in 2021 and 2020 and key information regarding this heading are as follows (expressed in thousands of euros):

	COST				ACCUMULATED DEPRECIATION				
	Land and buildings	Other installations and furniture	Other property, plant and equipment	Non-current assets under construction	Total cost	Land and buildings	Other installations and furniture	Other property, plant and equipment	Total depreciation
Balance at 31/12/2019	8,146	6,519	2,807	699	18,171	(896)	(6,309)	(2,061)	(9,266)
Additions/Charge for the year	--	--	1,305	134	1,439	(486)	(77)	(170)	(733)
Balance at 31/12/2020	8,146	6,519	4,112	833	19,610	(1,382)	(6,386)	(2,231)	(9,999)
Additions/Charge for the year	--	--	98	280	378	(487)	(51)	(167)	(705)
Transfers and disposals	---	---	---	(421)	(421)	---	---	---	---
Balance at 31/12/2021	8,146	6,519	4,210	692	19,567	(1,869)	(6,437)	(2,398)	(10,704)
Total property, plant and equipment				Cost	Depreciation	Net total			
Balance at 31/12/2020				19,610	(9,999)	9,611			
Balance at 31/12/2021				19,567	(10,704)	8,863			

The carrying amounts of land and buildings comprising the properties owned by the Company at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

Description	Carrying amount (gross) 2021	Carrying amount (gross) 2020
Land	4,466	4,466
Buildings	3,680	3,680
Total	8,146	8,146

Increases in property, plant and equipment recognised under the balance sheet heading “Other property, plant and equipment” in 2021 and 2020 consisted mainly of data processing technology and equipment.

The amounts capitalised under “Non-current assets under construction” in 2021 and 2020 comprise primarily work related with the creation of the Acciona Group historical archive.

At 31 December 2021 and 2020, the Company had the following fully depreciated items of property, plant and equipment still in use (expressed in thousands of euros):

Description	Carrying amount (gross) 2021	Carrying amount (gross) 2020
Furniture and other installations	6,329	6,178
Other property, plant and equipment	2,045	2,043
Total	8,374	8,221

The Company is currently examining the possibility of retiring certain items of property, plant and equipment included in the captions discussed above.

There were no firm commitments to purchase property, plant and equipment or to sell any assets at

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

31 December 2021. Moreover, no litigation, garnishments, fixed-term leases or other special circumstances existed at the date of preparation of these annual accounts which could affect the disposal of any items of property, plant and equipment.

The Company arranges insurance to cover the possible risks to which its property, plant and equipment are exposed. The Directors consider that the policies contracted at 31 December 2021 and 2020 is appropriate in relation to the risks covered.

7 Leases

At 31 December 2021 and 2020, the Company had entered into operating leases involving the following minimum payments to lessors over the future years covered by the contracts currently in force (expressed in thousands of euros):

Minimum payments under operating leases	Nominal value 2021	Nominal value 2020
Less than one year	240	122
Between one and five years	231	2
More than five years	--	--
Total	471	124

These amounts do not include contingent payments such as charges for common expenses, future inflation-linked rent rises, or future contractually agreed rent increases.

The Company's leases are not subject to any contingent charges, and annual rents are increased in line with inflation (CPI), where applicable.

The main operating leases entered into by the Company as lessee at 31 December 2021 and 2020 relate to vehicles.

8 Financial assets

Financial assets classified by class and category at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

	Non-current financial instruments				Current financial instruments		TOTAL	
	Equity instruments		Loans, derivatives and others		Loans, derivatives and others			
	2021	2020	2021	2020	2021	2020	2021	2020
Investments in Group companies and associates	7,950,862	6,476,887	--	--	1,358	921	7,952,220	6,477,808
Financial investments	5,993	5,993	--	--	--	--	5,993	5,993
Financial assets carried at cost	7,956,855	6,482,880	--	--	1,358	921	7,958,213	6,483,801
Investments in Group companies and associates	--	--	49,031	25,611	\$6,924	173,899	105,955	199,510
Financial investments	--	--	5,293	4,660	--	--	5,293	4,660
Trade and other receivables	--	--	--	--	47,401	44,513	47,401	44,513
Financial assets carried at amortised cost	--	--	54,324	30,271	104,325	218,412	158,649	248,683
Total financial assets	7,956,855	6,482,880	54,324	30,271	105,683	219,333	8,116,862	6,732,484

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

There were no material differences between the carrying amounts and fair value of financial assets carried at amortised cost.

8.1 Non-current financial assets

Changes in 2021 and 2020 and key information regarding this heading are as follows (expressed in thousands of euros):

	Equity instruments			Loans, derivatives and other	Total
	Cost	Impairments	Carrying amount		
Balance at 31/12/2019	1,058	(1,058)	--	4,749	4,749
Additions	5,993	--	5,993	45	6,038
Disposals	--	--	--	(134)	(134)
Balance at 31/12/2020	7,051	(1,058)	5,993	4,660	10,653
Additions	--	--	--	660	660
Disposals	--	--	--	(27)	(27)
Balance at 31/12/2021	7,051	(1,058)	5,993	5,293	11,286

The main changes in non-current financial assets in 2021 relate to the addition of non-current prepayments.

Following the settlement of the Long-Term Incentive Plan for the Company's executive directors (see Note 16.3) in 2020, which resulted in the award of 81.48% of the shares of the investee company Grupo Bodegas Palacio 1894 S.A. to the Plan's beneficiaries, the remaining shares (equal to 18.52% of capital based on the valuation carried out for the purposes of the settlement) were recognised under "Non-current financial assets".

8.2 Group companies, jointly controlled entities and associates

8.2.1 Non-current investments in Group companies, jointly controlled entities and associates

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

	Balance at 31/12/2019	Additions	Disposals	Balance at 31/12/2020	Additions	Retirements	Balance at 31/12/2021
Shares	7,486,722	16,575	(33,804)	7,469,493	2,055,846	(836,892)	8,688,447
Impairment	(1,190,379)	--	197,773	(992,606)		255,021	(737,585)
Equity instruments	6,296,343	16,575	163,969	6,476,887	2,055,846	(581,871)	7,950,862
Loans	36,547	18,591	--	55,138	226,570	(206,172)	75,536
Impairment	(29,527)	--	--	(29,527)	--	3,022	(26,505)
Loans to group companies and associates	7,020	18,591	--	25,611	226,570	(203,150)	49,031
Total	6,303,363	35,166	163,969	6,502,498	2,282,416	(785,021)	7,999,893

The were no material differences between the carrying amounts and fair value of these financial assets.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Investments in Group companies, jointly controlled entities and associates

Details of investments in Group companies, joint ventures and associates at 31 December 2021 and 2020 are shown in Appendix I.

Increases and decreases in investments in Group companies and associates in 2021 were as follows:

- Corporación Acciona Energías Renovables S.A. (CAER)
 - In March 2021 Acciona, S.A. was subrogated to loans totalling €1,859 million granted by Acciona Financiación de Filiales, S.A. and Acciona Financiación de Filiales Australia Pty Ltd. to various Energy Division companies. These loans were then assigned to CAER as a contribution in kind for the same amount.
 - The initial public offering (IPO) announced by the Company in early 2021 was finally carried out in the month of June. This operation resulted in the placement of 17.25% of CAER's shares, which were listed on the Spanish stock exchanges, and the award of 87,734 shares to Group executives as an incentive linked to the IPO. The total value of these shares was €1,520 million. Meanwhile, the cost of the investment derecognised by the Company was €825 million, and the individual gain arising on the IPO was €653 million.
 - The share price on the *Mercado Continuo* automated quotation system was €32.58 at 31 December 2021, and the average price for the last quarter was €30.29.
- Nordex SE: In July 2021, the Company subscribed a capital increase proposed by Nordex SE, which was paid in kind by means of the contribution of a part of the loan granted to this associate. The increase subscribed raised the value of the shares held by Acciona, S.A. in Nordex SE by €196,579 thousand. Nordex SE's share price on the Frankfurt Stock Exchange was €13.91 at 31 December 2021 and the average share price for the last quarter of the year was €14.77.
- Entidad Efinen, S.A.: The whole of this investment was sold to another Group company in June 2021. The carrying amount of the shares on the Company's books was €1,571 thousand, including a provision for impairment of €2,937 thousand.
- Concesionaria Puente del Ebro, S.A.: Zaragoza Commercial Court No. 2 issued its concluding decision in the insolvency proceedings relating to this subsidiary in December 2021, resulting in its extinction. The investment was fully provided for. The Company derecognised both the investment of €6,693 thousand and the associated impairment provision for the same amount.
- Other investments:
 - In June 2021, all of the shares held by the Company in Apoderada Corporativa General, S.A. and Gestión de Recursos Corporativos, S.L. were transferred to another Group entity. This transaction resulted in the recognition of losses totalling €482 thousand and €12 thousand, respectively.
 - Prior to the transfer, in-kind contributions were made to both of the subsidiaries in the

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

form of loans for €485 thousand and €12 thousand, respectively.

Changes in “Investments in Group companies and associates” in 2020 were as follows:

- Nordex SE:
 - January 2020: The public offer made for this investee was finalised. The bid was accepted for a total of 149,399 shares representing 0.14% of capital, and the acquisition cost, including transaction costs, was €2,592 thousand. The Company's investment in Nordex SE following the public offer rose to 36.41%.
 - December 2020: subscription and payment of 614,068 shares at €18.90 per share in the capital increase carried out by the investee. The acquisition cost of this package was €11,606 thousand. The Company's shareholding in Nordex SE following this capital increase was 33.63%.
- Grupo Bodegas Palacio 1894 S.A.: contribution of €2,059 thousand and derecognition of 100% of the investment for a total of €33,769 thousand (see Notes 8.1 and 16.3).
- Acciona Mobility Global S.L.: acquisition of 100% of the shares of Acciona Service S.L. for €319 thousand.
- CICSA Infraestructuras y Obras S.L.: restatement of the investment upon the transfer of the company to Spain (conversion from USD to EUR), resulting in a translation loss of €35 thousand.

Provisions for investments

Following the CAER IPO, the Company decided to reverse the provision for impairment of €245,328 thousand recognised in respect of this investment in view of the market share price obtained.

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

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

The methodology used to calculate value in use 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. For the discount, a cash flow projection covering a five-year period (2022-2026) was calculated together with a terminal value representing the value of cash flows as of the sixth year, which was determined based on estimates of normalised cash flows.

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

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

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

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

Provisions of €60 thousand and €3 thousand, respectively, existed for the investments in Apoderada Corporativa General S.A and Gestión de Recursos Corporativos S.L., which were transferred to another Group entity in 2021.

The Company updated its impairment test of the investment in Acciona Inmobiliaria, S.L. at 31 December 2021 based on property appraisals prepared by independent experts. The findings from this analysis showed that no reversals or further allowances for impairment were required in addition to the provisions made in respect of the investment in prior years.

At 31 December 2020, the projections for Corporación Acciona Energías Renovables S.L. were revised to update impairment testing of its activity based on new forecasts, which resulted in value in use of €2,704 million (€2,672 million in 2019). In view of the findings obtained, the Company does not consider it necessary to adjust the provision already recognised, insofar as the difference between value in use and the carrying amount is within a reasonable margin given the high sensitivity to the discount rate (WACC) applied.

In relation to Nordex SE, the impairment test established value in use of €1,022 million for the investment, which is well above the carrying amount of the holding. In view of the findings obtained from this impairment test, the Company decided to fully reverse the provision made for the investment, which amounted to €198 million.

The methodology used to calculate value in use employed the discounted cash flows approach calculated at a rate (WACC) established in view of the inherent risks of the company's business and

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

the different markets where it operates. For discounting purposes, a cash flow projection covering a five-year period (2021-2025) was calculated together with a terminal value representing the value of cash flows as of the sixth year, which was determined based on estimates of normalised cash flows.

The Company updated its impairment test of the investment in Acciona Inmobiliaria, S.L. at 31 December 2020 based on property appraisals prepared by independent experts. The findings from this analysis showed that no reversals or further allowances for impairment were required in addition to the provisions made in respect of the investment in prior years.

Long-term loans to Group companies, jointly controlled entities and associates

“Long-term loans to Group companies, jointly controlled entities and associates” consist mainly of the following subordinated and shareholder loans granted to investees, in all cases at market rates of interest:

- Loan to Nordex SE:
 - o A second tranche of €215 million was drawn down in 2021 to reach the loan limit of €232 million. This loan is convertible into shares under certain conditions, matures in 2025, and earns fixed interest of 10% per annum.
 - o In accordance with the terms of the loan agreement, the Company subscribed the capital increase carried out by Nordex SE in June 2021. As a consequence, the Company converted €196,580 thousand into shares, leaving a remaining balance of €45,288 thousand on the loan.
 - o Under the terms of the loan, Nordex SE may opt either to pay or to capitalise the interest due at the maturity of each interest period. Interest totalling €9,668 thousand was capitalised in September 2021.
- Shareholder loan of €3 million granted to Concesionaria Puente del Ebro, S.A., maturing 30 December 2033. This company has been wound up, and the loan, which was fully provided for, was therefore written off.
- Subordinated loan of €26.5 million granted to Infraestructuras y Radiales, S.A. This company is in the process of liquidation, and the balance due on the loan has been fully provided for.
- Loan of MXN 85 million (€3,665 thousand) granted to the Mexican company Hospital de León Bajío, S.A. de C.V. within the framework of the financing operation entered into with the borrower to fund the construction and operation of the hospital of the same name. This loan matures in a lump sum on 10 October 2027 and earns interest based on the Mexican interbank reference rate (TIIE) plus a market spread. The loan was increased by MXN 37.5 million in 2020, which was repaid in full in 2021.

Financial income recognised on the loans included under this heading in 2021 amounted to €10,858 thousand (€1,079 thousand in 2020), and no additional impairments were recognised.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

8.2.2 Short-term loans to Group companies, jointly controlled entities and associates and other current financial assets

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

	Loans	Other current financial assets	Total
Balance at 31/12/2019	3,321	301,553	304,874
Additions	2,555	139,000	141,555
Disposals	--	(271,609)	(271,609)
Balance at 31/12/2020	5,876	168,944	174,820
Additions	1,870,138	22,914	1,893,052
Disposals	(1,870,590)	(139,000)	(2,009,590)
Balance at 31/12/2021	5,424	52,858	58,282

There were no material differences between the carrying and recoverable amounts of “Loans to Group companies, jointly controlled entities and associates and other current financial assets”.

Financial income from short-term loans to group companies totalled €30 thousand in 2021 (€35 thousand in 2020).

In 2021 Acciona Financiación de Filiales, S.A. and Acciona Financiación de Filiales Australia Pty Ltd. assigned loans granted to various Energy Division companies to the Company for a total of €1,859 million, which were contributed in kind to CAER to increase the investment held therein by Acciona, S.A. (see Note 8.2.1).

Loans totalling €470 thousand were also assigned by Acciona Financiación de Filiales, S.A., which were contributed in kind, together with other loans amounting to €28 thousand granted by the Company, to increase the investments held in Apoderada Corporativa General S.A. and Gestión de Recursos Corporativos S.L. (see Note 8.2.1).

The Company granted new shareholder loans of €500 thousand and €40 thousand to the investees Acciona Mobility S.A. and Acciona Corporación, S.A., respectively. Both loans mature in one year and earn fixed interest of 2.50% plus additional remuneration equal to 0.5% of profit after taxes, if any.

The Company also recognised amounts receivable in respect of interest accruing on loans with Group companies and associates, principally the loan granted to Nordex SE, in respect of which interest totalling €9,668 thousand was capitalised in 2021, while the balance of outstanding interest receivable was €1,377 thousand.

Movements in the current account maintained by the Company with Bestinver Sociedad de Valores S.A. in relation to the liquidity contract entered into between the two companies resulted in a net credit balance of €1,027 thousand (see Note 10.5).

The main changes in “Loans to Group companies and associates” in 2020 were related to accrued interest receivable generated mainly on the loan granted to Nordex SE for a total of €702 thousand (see Note 8.2.1) and movements in the current account maintained by the Company with Bestinver

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Sociedad de Valores S.A. in relation to the liquidity contract entered into between the two companies, which resulted in a net debit balance of €1,568 thousand (see Note 10.5).

The main movements in “Other financial assets” in 2021 and 2020 comprised:

- Dividends earned in 2020 but collected in 2021, were as follows:

Dividends	
Corporación Acciona Energías Renovables, S.A.	100,000
Acciona Inmobiliaria S.L.	9,000
Corporación Acciona Infraestructuras S.L.	30,000
Total dividends receivable	139,000

- Dividends earned in 2019 but collected in 2020, were as follows:

Dividends	
Acciona Financiación Filiales S.A	100,000
Corporación Acciona Energías Renovables, S.A.	75,000
Acciona Inmobiliaria S.L.	45,000
Corporación Acciona Infraestructuras S.L.	10,000
Acciona Producciones y Diseño S.A	500
Grupo Bodegas Palacios 1894 S.A	100
Total dividends receivable	230,600

- There were no dividends receivable at 31 December 2021.
- Increase of €22,914 thousand in current income tax assets. The balance of current tax assets at 31 December 2021 was €52,857 thousand (€29,943 thousand in 2020).

8.2.3 Joint ventures

The Company held the following percentage interests in joint ventures (JVs) at 31 December 2021 and 2020:

Name of Joint Venture	Activity	% Interest	Location
Ineuropa Handling, U.T.E	Airport services	80%	Santa Cruz de Tenerife
Ineuropa Handling, Alicante U.T.E	Airport services	80%	Madrid
Ineuropa Handling, Madrid U.T.E	Airport services	80%	Madrid
Ineuropa Handling, Mallorca U.T.E	Airport services	80%	Madrid
Pasarela Barajas, U.T.E	Airport services	10%	Madrid

The above Handling JVs are in the process of liquidation as a result of failure to secure the renewal of licences to operate at the airports of Madrid, Alicante and Tenerife, and the transfer of the activities carried on by the remaining JVs whose concessions were maintained (Mallorca, Menorca and Ibiza) to the wholly owned subsidiary Acciona Airport Services, S.A. The liquidation process is not expected to result in any material losses for the Company.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

The following table shows the balances attributable to the JVs included in the financial statements of Acciona, S.A., at 31 December 2021 and 2020 (expressed in thousands of euros). All of the Handling JVs were grouped together to present this information, as their individual balances are largely immaterial due to the aforementioned liquidation process.

2021

ASSETS	Amount	LIABILITIES	Amount
TOTAL NON-CURRENT ASSETS	74	SHAREHOLDERS' EQUITY	12
Trade and other accounts receivable	876	TOTAL EQUITY	12
Cash and cash equivalents	3	Trade and other accounts payable	941
TOTAL CURRENT ASSETS	879	TOTAL CURRENT LIABILITIES	941
TOTAL ASSETS	953	TOTAL LIABILITIES	953

2020

ASSETS	Amount	LIABILITIES	Amount
TOTAL NON-CURRENT ASSETS	74	SHAREHOLDERS' EQUITY	12
Trade and other accounts receivable	876	TOTAL EQUITY	12
Cash and cash equivalents	3	Trade and other accounts payable	941
TOTAL CURRENT ASSETS	879	TOTAL CURRENT LIABILITIES	941
TOTAL ASSETS	953	Total liabilities	953

8.3 Information on the nature and level of risk of financial instruments

8.3.1 Liquidity risk

The Acciona Group manages liquidity risk prudently, ensuring that it holds sufficient cash and marketable securities and arranging appropriate facilities to cater for all projected needs.

The Company's working capital at 31 December 2021 was negative by €3,080 million (€2,403 million at 31 December 2020). As explained in Note 1, however, Acciona, S.A. is the parent of a Group of companies that operate in diverse industries, and the balance of working capital reflected in its consolidated annual accounts was positive at 31 December 2021.

Current liabilities include financial debts with group companies totalling €2,687 million (€1,891 million in 2020), comprising loans and interest payable to companies forming part of the Group controlled by Acciona, S.A. as the Parent Company, and in particular to Acciona Financiación de Filiales S.A., which pools the financing of the Group (see Note 12.3).

The gross operating profit reported by the Group of which Acciona, S.A. is the parent for the year ended 31 December 2021 was €1,483 million (€1,133 million in 2020), and the consolidated profit attributable to the Company, as parent of the Group, was €332 million (€387 million in 2020) (see Note 1). As explained in Note 17 to the consolidated annual accounts of the Acciona Group, the Group companies had total cash in hand and at banks of €2,318 million at 31 December 2021, as well as additional unutilised facilities available for a total of €2,901 million (Note 20 to the consolidated annual accounts).

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

In light of the foregoing, the Directors of the Company consider that liquidity risk is sufficiently mitigated.

Ultimate responsibility for liquidity risk management rests 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.

8.3.2 Interest rate risk

Bank borrowings arranged by the Company mean that it is exposed to fluctuations in interest rates, the impact of which may be reduced by contracting derivative financial instruments for hedging. This risk is managed by the Group's General Business, Finance and Sustainability Department applying non-speculative hedging criteria.

A simulation was performed to analyse the effects that possible fluctuations in interest rates could have on the Company's financial statements, assuming a ±50 basis point increase/decrease in the interest rates applicable to floating-rate debt at 31 December 2021.

Based on this sensitivity analysis, an upward or downward swing of 0.50% in floating benchmark rates (Euribor) would increase or decrease the interest expense by €828 thousand (€1,220 thousand at 31 December 2020).

8.3.3 Credit risk

Credit risk refers to the likelihood of default by the counterparty to a contract, resulting in financial losses for the Company. Given that the Company acts as the holding entity for the Acciona Group, accounts receivable were related in most cases to Group companies and associates, which are not generally considered to present a material credit risk. In those cases where evidence of impairment is found, however, the pertinent tests are carried out to determine the recoverability of the balances concerned.

9 Cash and cash equivalents

Cash and cash equivalents at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

	31/12/2021	31/12/2020
Cash and banks	248	68,210
Total	248	68,210

At 31 December 2020, the Company had pledged an amount of €67,938 thousand euros to a Group company. This pledge matured in the first quarter of 2021.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

10 Equity

Equity	31/12/2021	31/12/2020
Shareholders' equity	4,459,886	3,811,666
Share capital	54,857	54,857
Share premium	170,110	170,110
Legal reserve	11,452	11,452
Statutory reserve	759,479	733,464
Other reserves	2,631,963	2,603,673
Capitalisation reserve	15,652	7,716
Other reserves	2,616,311	2,595,957
Treasury shares	(18,290)	(22,049)
Year's profit	850,315	260,159
VALUATION ADJUSTMENTS	--	(180)
TOTAL EQUITY	4,459,886	3,811,486

10.1 Share capital

At 31 December 2021 and 2020, the Company's share capital totalled €54,857 thousand, represented by 54,856,653 shares of 1 euro par value each, fully subscribed and paid.

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

	31/12/2021	31/12/2020
Tussen de Grachten, BV	29.02%	29.02%
Wit Europees Investering, BV	26.10%	26.10%
Invesco LTD	--	1.04%

In April 2021, Invesco LTD ceased to be a significant shareholder and the Spanish National Securities Market Commission (CNMV) was notified accordingly.

In December 2020, La Verdosa, S.L. sold 3.85% of the share capital of Acciona, S.A. through a private placement to qualified investors and a further 1.75% to other shareholders of the Company.

10.2 Legal reserve

In accordance with the Consolidated Text of the Spanish Corporate Enterprises Act, 10% of net profit for each year must be transferred to the legal reserve until the balance thereon is equal to at least 20% of share capital. The legal reserve can be used to increase capital provided that the remaining balance on the reserve is not less than 10% of share capital after the increase. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses if other available reserves are not sufficient for this purpose.

The legal reserve had been set aside in full at 31 December 2021 and 2020.

10.3 Share premium

The balance on the "Share premium" account at 31 December 2021 and 2020 arose as a result of capital increases carried out on various dates in the past. The Consolidated Text of the Spanish

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

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.

10.4 Statutory reserve, capitalisation reserve and other reserves

The changes in these reserves in 2021 arose from the distribution of profit for 2020, the dividend distributed in July 2021 and the proceeds of the treasury share transactions mentioned in Note 10.5.

Statutory reserve: The Company is required to transfer 10% of net profits to the statutory reserve, once the legal reserve has been set aside in full. This reserve is unrestricted.

Capitalisation Reserve: as a condition of the tax benefits provided for in the Spanish Corporate Income Tax Act (Law 27/2014, of 27 November), appropriations made to this reserve must be kept restricted for a period of five years as of the date on which they are made (see Note 3).

10.5 Treasury shares

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

	Number of shares	Cost
Balance at 31/12/2019	398,641	28,633
Liquidity contract additions	1,797,781	174,343
Liquidity contract retirements	(1,811,840)	(174,879)
Liquidity contract movements	(14,059)	(536)
Other additions	--	--
Other retirements	(81,160)	(6,048)
Other movements	(88,160)	(6,048)
Balance at 31/12/2020	296,422	22,049
Liquidity contract additions	1,555,373	217,587
Liquidity contract retirements	(1,549,009)	(214,721)
Liquidity contract movements	6,364	2,866
Other additions	--	--
Other retirements	(96,587)	(6,625)
Other movements	(96,587)	(6,625)
Balance at 31/12/2021	206,199	18,290

The Company held the following treasury shares at 31 December 2021 and 2020:

	Number of shares	Par value (euros)	Average price per share (euros)	Total acquisition cost (thousand of euros)
Treasury shares at 31/12/2020	296,422	296,422	74.38	22,049
Treasury shares at 31/12/2021	206,199	206,199	88.70	18,290

On 2 July 2015 Acciona, S.A. subscribed a liquidity contract with Bestinver Sociedad de Valores, S.A. for the management of its treasury stock. Trading in the Company's shares by Bestinver within the framework of this contract is transacted entirely on the Spanish stock exchanges in order to ensure liquidity and the stability of the share price. Acciona, S.A. cancelled the contract on 10 July 2017 and immediately entered into a new liquidity contract under the terms established in Circular 1/2017

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

issued by the Spanish National Securities Market Commission (CNMV) in order to ensure its acceptance as being in line with market practice. The cash accounts and securities accounts that were associated with the former liquidity contract, which amounted to 44,328 shares and €3,539,114.85, were used to allocate cash and securities to the new liquidity contract. In this connection, the cash sum was adjusted to align with the share price of the stock allocated to the new contract in accordance with the limits established in the new CNMV Circular, which were set at 44,328 shares and €3,340,000.

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

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

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

On 27 March 2018, the Board of Directors of Acciona, S.A. established a time-scheduled share buy-back programme as approved by the shareholders at the Annual General Meeting held on 18 May 2017 under point six of the agenda (the “Buy-back Programme”), and in accordance articles 2.2 and 2.3 of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016, supplementing Regulation (EU) No 596/2014 on market abuse with regard to regulatory technical standards applicable to buy-back programmes and stabilisation measures. The liquidity contract was therefore temporarily suspended.

The time-scheduled buy-back programme agreed by the Company’s Board of Directors as described in the preceding paragraph would apply to a maximum of 2,862,978 shares, representing 5% of share capital, with a maximum cash value of €233,332,707. The purpose of this time-scheduled share buy-back programme was basically to reduce capital by amortising shares, and to a lesser extent, to fulfil the obligations assumed by Acciona, S.A. under the Plan for the Award of Shares to directors and executives.

11 Provisions and contingencies

Provisions at 31 December 2021 and 2020 and the main changes in each year were as follows (expressed in thousands of euros):

Non-current provisions	Amount
Balance at 31/12/2019	97,489
Allowances	6,536
Applications and reversals	(62,323)
Balance at 31/12/2020	41,702
Allowances	7,000
Applications and reversals	--
Balance at 31/12/2021	48,702

Provisions include allowances made for eventual liabilities arising from outstanding litigation,

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

appeals, disputes and obligations at the year end.

The allowances made in 2021 arose in respect of the Long-Term Incentive Plan created in 2020, as explained in Note 16.3 below.

A risk provided for under this heading in connection with an international lawsuit materialised in 2020, resulting in application of the provision to settle and recognise a short-term debt (see Note 12.4), leaving a surplus of €656 thousand.

Allowances were made in 2020 in connection with the Long-Term Incentive Plan, and a provision was also set aside to cover certain contingencies considered probable following the sale of a shareholding.

Finally, Acciona S.A. appears as a defendant together with Acciona Construcción, S.A. and the other shareholders of its investee Infraestructuras y Riales 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 €551.5 million (approximately €138 million from the Acciona Group) as compensation for alleged breaches of shareholder undertakings. This claim has been answered and the Company now awaits notice from the Court of the date for the preliminary hearing. The Group does not consider it likely that any liability will arise from this litigation and, therefore, no provision has been recognised.

12 Financial liabilities

Financial liabilities classified by class and category at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

	2021		2020	
	Non-Current	Current	Non-Current	Current
Debentures and other marketable securities	142,363	206,313	142,213	203,349
Current bank borrowings	194,541	1,566	244,343	159,794
Other financial liabilities	15	261	15	38,252
Trade and other accounts payable	--	35,067	--	33,965
Financial liabilities at amortised cost	336,919	243,207	386,571	435,360

12.1 Bank borrowings

Non-current and current bank borrowings (including accrued interest payable) at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

	2021		2020	
	Non-Current	Current	Non-Current	Current
Bank borrowings	194,541	1,566	244,343	159,794

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

A detail by due date of the debts included under “Non-current bank borrowings” at 31 December 2021 and 2020 is as follows (expressed in thousands of euros):

2021:

	2023	2024	2025	2026	2027 and thereafter	Total
Bank borrowings	85,214	19,915	43,439	45,973	--	194,541

2020:

	2022	2023	2024	2025	2026 and thereafter	Total
Bank borrowings	49,734	85,304	19,889	43,444	45,972	244,343

Changes in bank borrowings in 2021 and 2020 were as follows:

	Balance at 31/12/2019	Additions	Retirements	Transfers	Balance at 31/12/2020	Additions	Retirements	Transfers	Balance at 31/12/2021
Non-current:									
Bank borrowings	294,879	40,000	--	(90,536)	244,343	--	--	(49,802)	194,541
Total non-current	294,879	40,000	--	(90,536)	244,343	--	--	(49,802)	194,541
Current:									
Bank borrowings	114,374	81,000	(128,075)	90,536	157,835	25,000	(232,473)	49,802	164
Interest payable	2,718	6,801	(7,560)	--	1,959	5,027	(5,584)	--	1,402
Total current	117,092	87,801	(135,635)	90,536	159,794	30,027	(238,057)	49,802	1,566
Total	411,971	127,801	(135,635)	--	404,137	30,027	(238,057)	--	196,107

The Company contracted a fixed-rate short-term loan of €25,000 thousand in 2021, maturing in three months. This loan had been repaid at 31 December 2021.

The loans arranged by the Company bear interest at fixed rates (Euribor plus a market spread) of between 1.20% and 1.80% depending on their term.

Retirements of bank borrowings in 2021 reflect scheduled repayments and include the amortisation of a €50 million loan arranged in the context of the reorganisation of the Group's debt undertaken in connection with the IPO carried out by CAER.

Two long-term loans were arranged in 2020 for a total of €40 million. These loans bear interest at floating rates and mature in 2023 and 2024.

Additions to current bank borrowings reflect working capital facilities drawn down mainly in euros, which bear interest at both fixed and floating rates. The balance at 31 December 2020 comprised mainly €91 million in respect of loans falling due in the year and transferred to current liabilities, and the remaining amount related to loans contracted in 2020 and expected to be repaid in 2021.

The above-mentioned items included a loan granted to the Company by the European Investment Bank, the outstanding balance on which was €12 million at 31 December 2020. This loan was repaid in full in 2021.

The loans contracted earned interest at fixed and floating interest rates (Euribor plus a market spread) varying between 0.78% and 2.53% depending on the term of the operation.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

The Company is contractually obliged to comply with certain financial and equity ratios based on the Group's consolidated accounts. These ratios were met at 31 December 2021 and 2020, and no default is expected in 2022.

The finance costs associated with the above bank borrowings totalled €5,225 thousand in 2021 (€7,398 thousand in 2020).

At 31 December 2021 and 2020, none of the subsidiaries guaranteed by Acciona, S.A. 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, interests or repayments in 2021 or 2020.

12.2 Debentures, bonds and marketable securities

The current and non-current balances of debentures, bonds and marketable securities at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

	2021		2020	
	Non-Current	Current	Non-Current	Current
Debentures, bonds and marketable securities	142,363	206,313	142,213	203,349

A detail by due date of the debts included under "Debentures and other marketable securities" at 31 December 2021 and 2020 is as follows (expressed in thousands of euros):

2021:		2023	2024	2025	2026	2027 and thereafter	Total
Debentures and other marketable securities	--	63,363	--	--	--	80,000	143,363
2020:							
	2022	2023	2024	2025	2026	2026 and thereafter	Total
Debentures and other marketable securities	--	--	62,213	--	--	80,000	142,213

Changes in debentures and other marketable securities in 2021 and 2020 were as follows:

	Balance at 31/12/2019	Additions	Retirements	Balance at 31/12/2020	Additions	Retirements	Balance at 31/12/2021
Non-current							
Debentures and other marketable securities	112,063	30,150	--	142,213	1,150	--	143,363
Total non-current	112,063	30,150	--	142,213	1,150	--	143,363
Current							
Debentures and other marketable securities	—	200,003	--	200,003	378,605	(375,633)	202,975
Interest on debentures and other marketable securities	2,657	5,484	(4,795)	3,346	5,588	(5,696)	3,338
Total current	2,657	205,487	(4,795)	203,349	384,293	(381,329)	206,313
Total	114,720	235,637	(4,795)	345,562	385,443	(381,329)	349,676

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

The main issues of debentures, bonds and other marketable securities at 31 December 2021 and 2020 were as follows:

- 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. The debentures have a par value of €100,000 each and carry a fixed coupon 5.55% per annum payable yearly. The non-current balance of these ordinary debentures at 31 December 2021, net of transaction costs and interest accruals, was €62.4 million, and the current balance was €2.4 million (€62.2 and €2.4 million respectively at 31 December 2020). The fair value of the debentures was €69 million.
- A €50 million bilateral bond was issued through a Namensschuldverschreibung (NSV) format private placement carried out in October 2019 under the Acciona Group's Green Financing Framework. The bond matures in October 2034 and carries a coupon of 2.632% per annum payable annually. The non-current balance of this bond at 31 December 2021, net of transaction costs and interest accruals, was €50 million, and the current balance was €0.3 million (€50 and €0.3 million respectively at 31 December 2020).
- A €30 million bilateral bond was issued through a Namensschuldverschreibung (NSV) format private placement carried out in March 2020 under the Acciona Group's Green Financing Framework. The bond matures in March 2035 and carries a coupon of 3.00% per annum payable annually. The non-current balance of this bond at 31 December 2021, net of transaction costs and interest accruals, was €30 million, and the current balance was €0.7 million (€30 and €0.7 million respectively at 31 December 2020).
- On 18 May 2020 the Group launched a new Euro Commercial Paper (ECP) Programme registered in Euronext Dublin and underwritten directly by Acciona, S.A. as issuer for a maximum amount of €1,000 million. This programme was set up with the aim of broadening the investor base and meeting the eligibility criteria established by the Eurosystem for asset purchases (specifically purchases of commercial paper) under the "Pandemic Emergency Purchase Programme" (PEPP) announced by the European Central Bank in March 2020. The balance recognised under current debentures and bonds in respect of this programme was €203 million at 31 December 2021 (€200 million at 31 December 2020).
- Euro Medium Term Note (EMTN) Programme for a maximum of €1,000 million. This Programme was renewed by Acciona Financiación de Filiales, S.A. in 2015 and it is currently guaranteed by Acciona, S.A. The initial prospectus for the Programme was approved by the Central Bank of Ireland. The securities issued may accrue fixed or variable interest, may be issued in euros or in any other currency, at or below par, or with a premium, and may have different maturity dates for principal and interest. At 31 December 2020, all amounts outstanding under this EMTN programme had been cancelled in full. The notes issued paid annual interest at rates ranging from 3.6% to 4.625%.

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 Acciona, S.A.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

The finance costs associated with the above debt issues totalled €5,943 thousand in 2021 (€5,998 thousand in 2020).

12.3 Non-current and current payables to Group companies

Non-current and current accounts payable to Group companies at 31 December 2021 and 2020 were as follows:

	Net balance at 31/12/2021	Net balance at 31/12/2020
Loans and facilities	331,219	99,259
Total, non-current	331,219	99,259
Loans and facilities	2,663,314	1,868,938
Interest payable	24,110	22,231
Tax consolidation payables	270,034	363,514
Total, current	2,957,458	2,254,683
Total payables to Group companies	3,288,677	2,353,942

The majority of the above loans and facilities were granted by Acciona Financiación de Filiales, S.A. (AFF), a wholly owned subsidiary of Acciona, S.A. which acts as the Group finance company.

In 2021 AFF financed the contribution by the Company of a €232 million loan to Nordex SE (see Note 8.2.1).

AFF also financed the Company's assignment of loans made to the Energy Division, which were subsequently contributed to CAER as an increase in the equity investment held at a cost of €1,859 million (see Note 8.2.1).

AFF has granted the Company a short-term credit facility, the outstanding balance on which was €861 million at 31 December 2021 (€1,602 million in 2020), as well as a dollar-denominated short-term facility for a total of USD 1,715 thousand (equal to €1,440 thousand), the balance on which was USD 471 thousand at 31 December 2020 (equal to €384 thousand at 31 December 2020).

A short-term loan of €708 million arranged with the finance company in November 2019 to meet the obligations arising from the public offer made for shares of the investee Nordex SE was repaid in 2020.

These loans bear interest at both fixed rates (2.5% per annum as of 1 January 2021 and 4% up to 31 December 2020) and floating rates (Euribor plus a spread of 200 basis points). The short-term loans mature annually, subject to tacit renewal, and the long-term loans mature in 2024 and 2025.

The financial costs associated with loans granted by Group companies totalled €67,361 thousand in 2021 (€74,700 thousand in 2020).

With regard to consolidated tax liabilities, the Spanish tax authorities have authorised the Company to file consolidated Corporate Income Tax and Value Added Tax returns as part of a Group of which it is the parent. The tax consolidation payables included under this heading reflect debts contracted in this connection with the tax group companies.

12.4 Other current financial liabilities

At 31 December 2020, this heading reflected an outstanding balance of €38,252 thousand payable as a result of international litigation (see Note 11).

12.5 Average payment period to suppliers

The information required by the second Final Provision of Spanish Law 31/2014, of 3 December, was prepared in accordance with the Resolution of 29 January 2016 of the Spanish Institute of Accounting and Audit (ICAC). This information refers only to Spain, where this legislation is applicable:

Average payment period and payments made and outstanding at the reporting date	2021	2020
	Days	Days
Average payment period to suppliers	44.93	45.64
Settled transactions ratio	44.85	45.77
Outstanding transactions ratio	45.89	44.22
Total payments made	142,749	87,225
Total payments outstanding	11,902	8,071

The *Average payment period to suppliers* is the period of time between the delivery of goods or provision of services by a supplier and payment of the transaction.

The average payment period to suppliers is calculated by adding the product of settled transactions multiplied by total payments made and the product of outstanding transactions payable multiplied by total outstanding payments, and dividing the result by the total payments made plus outstanding payments.

The settled transactions ratio is calculated as the sum of amounts paid multiplied by the number of payment days (i.e. calendar days elapsed between inception and payment of transaction), divided by the total amount of payments made.

The outstanding transactions ratio is calculated as the sum of amounts outstanding multiplied by the number of pending payment days (i.e. calendar days elapsed between inception of the payment period and the reporting date), divided by the total amount of outstanding payments.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

13 Public Entities and Tax Matters

13.1 Current tax receivables and payables

Current tax receivables and payables at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

Receivable

	2021	2020
Current tax assets	23,750	12,057
VAT recoverable	124	194
TOTAL	23,874	12,251

Current tax assets comprise the projected amounts recoverable in respect of taxes filed in 2021 and 2020.

Payable

	2021	2020
Withholdings	1,357	14,623
Social Security payables	264	328
VAT payable	4,671	—
TOTAL	6,292	14,951

13.2 Reconciliation of accounting profit and taxable income

A reconciliation of accounting profit and individual taxable income for the years ended 31 December 2021 and 2020 is as follows:

2021	Increases	Decreases	TOTAL
Accounting profit before tax			816,058
Permanent adjustments to tax base	2,383	(930,137)	(927,754)
Temporary adjustments to tax base	12,984	(111)	12,873
<i>Arising in the year</i>	<i>12,984</i>	<i>—</i>	<i>12,984</i>
<i>Arising in prior years</i>	<i>—</i>	<i>(111)</i>	<i>(111)</i>
Taxable income			(98,823)

The positive permanent adjustments to the tax base for 2021 relate mainly to the reversal of certain donations made to non-profit organisations, which meet the conditions established in Spanish Law 49/2002 of 23 December on the tax regime applicable to non-profit organisations and sponsorship-related tax incentives.

Permanent negative adjustments included exemptions for both dividends recognised in the year and gains generated on the transfer of shares (sale of a percentage of the investment in Corporación Acciona Energías Renovables, S.A.), as well as the reversal of a provision for investments that was not originally allowable for tax purposes (Corporación Acciona Energías Renovables S.A.).

Positive temporary adjustments to the tax base for 2021 were related to provisions set aside for long-term employee remuneration, which has not yet been paid (see Note 16.3). Meanwhile, negative temporary adjustments comprised mainly reversals of positive tax adjustments applied in 2013 and 2014 in connection with the 30% of depreciation and amortisation charges not allowable for tax purposes (Spanish Law 16/2012).

2020	Increases	Decreases	TOTAL
Accounting profit before tax			221,504
Permanent adjustments to tax base	10,556	(382,494)	(371,938)
Temporary adjustments to tax base	9,384	(38,303)	(28,919)
<i>Arising in the year</i>	9,384	--	9,384
<i>Arising in prior years</i>		(38,303)	(38,303)
Taxable income			(179,343)

Positive permanent adjustments to the tax base for 2020 relate mainly to the reversal of investment provisions allowable under Royal Decree Law 3/2016. Negative permanent adjustments comprised the exemption of dividends accounted for in the year and the reversal of an investment portfolio provision that was not originally tax deductible (Nordex SE).

Positive temporary adjustments to the tax base for 2020 were related to provisions set aside for long-term employee remuneration, which has not yet been paid. Negative temporary adjustments consisted mainly of applications of other non-deductible provisions.

13.3 Reconciliation of accounting profit to the income tax expense

A reconciliation of accounting profit and the income tax expense for the years ended 31 December 2021 and 2020 is as follows (expressed in thousands of euros):

	2021	2020
Accounting profit before tax	816,058	221,504
Tax at 25%	204,015	55,376
Impact from permanent differences	(231,939)	(92,984)
Deductions	(1,022)	(586)
Corporation tax expense paid abroad	395	--
Adjustment to final tax expense (*)	(5,706)	(461)
Total recognised income tax expense	(34,257)	(38,655)

(*) This item includes differences with the final corporate income tax for 2020 and 2019, and capitalisation of the balance on the capitalisation reserve applicable in 2021.

13.4 Breakdown of the corporate income tax expense

A breakdown of the corporate income tax expense/income for the fiscal years 2021 and 2020 is as follows (expressed in thousands of euros):

	2021	2020
Current tax	(25,653)	(45,885)
Deferred tax	(8,604)	7,230
Total tax expense/(income)	(34,257)	(38,655)

13.5 Deferred tax assets

Deferred tax assets recognised at 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

Temporary differences (prepaid taxes)	2021	2020
Provisions for liabilities and other adjustments	16,580	7,963
Unused tax credits and other	125,154	124,647
Tax credits for losses carried forward	69,925	70,758
Total deferred tax assets	211,659	203,368

The estimated recovery periods for tax credits in respect of losses carried forward and other deductions are 3 and 7 years, respectively.

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

	2020 Balance	Additions	Disposals	2021 Balance	Application period
Double taxation relief	6,731	5,625	(11,678)	678	Indefinite
Reinvestment credit	23,146	---	---	23,146	+15 years
R&D+I credit	84,662	1,968	(5,839)	80,791	+15 years
Environmental credits	1,066	---	---	1,066	+18 years
Other deductions	9,042	1,481	--	10,523	+15 years
TOTAL	124,647	9,074	(17,517)	116,204	

The deferred tax assets indicated above were recognised in the balance sheet because the Company's Directors considered, based on their best estimate of future earnings, that these assets were likely to be recovered.

The Spanish Corporate Income Tax Act (Law 27/2014 of 27 November) eliminated the limit of 18 years to offset tax loss carryforwards with effect from 1 January 2015.

The Act also removed the limited offset period for double-taxation deductions pending application from previous years, and established an unlimited offset period (article 39 of Law 27/2014) while extending the general period allowed for the application of other deductions to 15 years, except in the case of R&D+I deductions, for which the period was extended to 18 years.

13.6 Years open for review and tax inspections

As mentioned in Note 4.7, Acciona, S.A. is authorised to apply the special consolidated Corporate Income Tax regime established by prevailing Spanish tax legislation. Accordingly, it files returns as the Parent Company of Tax Group 30/96 together with subsidiaries meeting the applicable regulatory conditions.

With effect from 1 January 2008, the Company has 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.

Years open to tax inspection

On 10 March 2012 the Central Major Taxpayers Office of the Spanish Internal Revenue Administration (AEAT) commenced an audit of Corporate Income Tax returns filed by Acciona, S.A., as the parent, and other subsidiaries of the Corporate Tax Group for the fiscal years from 2007 to 2009. Meanwhile, the 2008 and 2009 Value Added Tax returns filed by the Corporate VAT Group and certain other taxes declared in the same years by the companies forming the tax group were also audited, in addition to the review of the tax group's corporate income tax returns for 2007-2009.

The inspectorate queried the fulfilment of the conditions required, in particular with regard to the status of beneficial owner, to apply for an exemption in respect of the payment of dividends to a non-resident shareholder, leading to contested additional tax assessments. On 3 and 17 July 2014 the Company appealed against these tax assessments in Spain's Central Tax Tribunal. The Company reached an agreement with the shareholder in receipt of the dividends on 29 May 2015, whereby it would proceed to pay the disputed amount and settle the tax debt upon receiving payment from the shareholder. These matters are currently pending a decision by Spain's National High Court.

On 1 July 2021 the Central Major Taxpayers Office inspectorate notified Acciona, S.A., as the parent company of the tax group, of the inception of a general audit of Corporate Income Tax for the years 2013-2017 and of VAT for the period 06-12/2017, as well as personal income tax, non-resident income tax and capital investment income tax withholdings (2017).

At 31 December 2021, Corporate Income Tax and the main other taxes declared by Acciona, S.A. for all unprescribed and unaudited years remain open to inspection by the Spanish tax authorities, as well as the principal taxes applicable to the companies forming part of its consolidated tax group. In general, the other Spanish consolidated companies have the main taxes applicable in the last four years open for inspection by the tax authorities.

Given the different possible interpretations of tax legislation, eventual future inspections by the tax authorities of the years open to review 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.

13.7 Information regarding operations subject to preferential tax treatment disclosed pursuant to article 86 of the Spanish Corporate Income Tax Act (Law 27/2014)

In accordance with article 86 of the Spanish Corporate Income Tax Act (Law 27/2014), certain Group companies applied the special tax conditions applicable to mergers, spin-offs, asset contributions and securities swaps in respect of the operations described below, in which Acciona, S.A. took part in the capacity of contributing company and corporate shareholder.

- Absorption with backdated effect as of 1 January 2008 of Eólica de Belorado, S.L. and Energías del Cantábrico, S.L. (absorbed companies) by Eólica de Sanabria, S.L. (absorbing company)

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

- Absorption with backdated effect as of 1 January 2008 of Explotaciones Eólicas Monte Endino, S.L. (absorbed company) by Corporación Eólica de Zamora, S.L. (absorbing company)
- Absorption with backdated effect as of 1 January 2008 of Ensenada de Renovables, S.L. (absorbed company) by Corporación Eólica Manzanedo, S.L. (absorbing company)
- Absorption with backdated effect as of 1 January 2008 of Corporación Eólica Palentina, S.L. (absorbed company) by Corporación Eólica de Barruelo, S.L. (absorbing company)
- Absorption with backdated effect as of 1 January 2008 of Corporación Eólica del Duero, S.L. (absorbed company) by Sistemas Energéticos Valle del Sedano, S.A. (absorbing company)
- Absorption with backdated effect as of 1 January 2008 of Energea Cogeneración y Térmico, S.L., Argoras Energía, S.L. and Asturalter, S.L. (absorbed companies) by Terranova Energy Corporation, S.A. (absorbing company)
- Absorption with backdated effect as of 1 January 2008 of Yagonova, S.L., Parque Eólico de Fonteavia, S.L., Parque Eólica de Goa, S.L., Parque Eólico Celada III,S.L., Parque Eólico Celada V, S.L., Parque Eólico Encinedo, S.L., Parque Eólico El Cuadrón, S.L., El Endino Eólica, S.L., Parque Eólico de Angostillos, S.L., Eólicas de Montellano, S.L., Renovables de Valdeoléa, S.L., Corporación Eólica Los Alfañices, S.L., Ingeniería de Energía Renovable, S.A.U and Eólica de Pisuerga, S.L. (absorbed companies) by Ceólica Hispania, S.L. (absorbing company)
- Absorption with backdated effect as of 1 January 2008 of Sistemas Energéticos de Roa, S.L.U. (absorbed company) by Parque Eólico Cinseiro, S.L. (absorbing company)
- In-kind contribution of assets with backdated effect as of 2 October 2008 by Acciona, S.A. (contributing company) to Acciona Aparcamientos, S.L. (acquiring company).
- In-kind contribution of a business unit with backdated effect as of 31 March 2008 by Acciona Biocombustibles, S.A. (contributing company) to Estación de Servicio Legarda, S.L. (acquiring company).
- In-kind contribution of assets with backdated effect as of 1 October 2008 by Acciona Inmobiliaria, S.A. (contributing company) to Valgrand 6, S.A.U. (acquiring company).
- Partial financial split of the shareholding in Acciona Windpower, S.A. with backdated effect as of 1 January 2008 by Acciona Energía, S.A. (transferor) to Corporación Acciona Windpower, S.L. (acquiring company).
- Partial financial split of the shareholding in Acciona Eólica de Galicia, S.A. with backdated effect as of 1 September 2008 by Ineuropa de Cogeneración, S.A.U. (transferor) to Corporación Acciona Energías Renovables, S.L.U. (acquiring company), formalised in a public deed made on 16 January 2009.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

- In-kind contribution of shareholdings in Ceatesalas, S.L.U, Acciona Energía, S.A.U., KW Tarifa, S.A.U., Alabe Sociedad de Cogeneración, S.A.U. and Ineuropa de Cogeneración, S.A.U., by Acciona, S.A. (transferor) to Corporación Acciona Energías Renovables, S.L.U. (acquiring company), formalised in a public deed made on 7 April 2009, effective 1 January 2009 for accounting purposes.
- Absorption with backdated effect as of 1 January 2009 of Altai Hoteles Condal, S.L.U., Barcelona 2 Residencial, S.A.U., Construcciones Gumi, S.L., Gestión de Servicios y Conservación de Infraestructuras, S.L.U., Grupo Lar Gran Sarriá, S.L.U., Montaña Residencial, S.A.U. and Necsohenar, S.A.U. (absorbed companies) by Acciona Inmobiliaria, S.L.U. (absorbing company), formalised in a public deed made on 7 August 2009.
- Absorption with retroactive effect as of 1 January 2010 of Caserío de Dueñas, S.A. by Hijos de Antonio Barceló, S.A., formalised in a public deed made on 17 September 2010.
- Absorption with backdated effect as of 1 January 2010 of AEPO, S.A.U. by Acciona Ingeniería, S.A. (formerly Ibérica de Estudios e Ingeniería), formalised in a public deed made on 24 September 2010.
- Absorption with backdated effect as of 1 January 2011 of Grupo Entrecanales, S.A, Servicios Urbanos Integrales, S.A., Tivafen, S.A.U. and Osmosis Internacional, S.A.U. by Acciona, S.A, formalised in a public deed made on 11 July 2011.
- In-kind contribution with backdated effect as of 1 January 2014 of shareholdings in Acciona Servicios Urbanos, S.L and Corporación de Explotaciones y Servicios, S.A. by Acciona, S.A. to Acciona Service, S.L., formalised in a public deed made on 31 March 2014.
- Partial split with carve-out of assets and liabilities of Acciona Agua, S.A. to Acciona Agua Servicios, S.L.U., formalised in a public deed made on 30 June 2014 with backdated effect as of 1 January 2014.
- Absorption with backdated effect as of 1 January 2014 of P.E. Topacios, S.A. by Alabe Sociedad de Cogeneración, S.A., formalised in a public deed made on 18 September 2014.
- Absorption with backdated effect as of 1 January 2014 of C.E. de Puerto Llano, S.L. by Global de Energías Eólicas Al Ándalus, S.A., formalised in a public deed made on 18 September 2014.
- Absorption with backdated effect as of 1 January 2014 of Eólica Gallega del Atlántico, S.L. by Eólica Breogán, S.L., formalised in a public deed made on 18 September 2014.
- Absorption with backdated effect as of 1 January 2014 of C.E. de Barruelo, S.L. and C.E. de Manzanedo, S.L. Puerto Llano, S.L. by Sistemas Energéticos Valle de Sedano, S.A., formalised in a public deed made on 18 September 2014.
- Absorption with retroactive effect as of 1 January 2014 of Toyonova, S.L. by Eurovento, S.L., formalised in a public deed made on 19 December 2014.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

- Spin-off of the company Acciona Inmobiliaria, S.L. by segregation of the assets and liabilities comprising a business unit, pursuant to article 71 of Spanish Law 3/2009, of 3 April, on structural changes in commercial companies, which was transferred to the beneficiary Acciona Real Estate, S.A.U., as formalised in a public deed made on 30 September 2015.
- Absorption with retroactive effect as of 1 January 2015 of Global de Energías Eólicas Al Andalus, S.A. by Ceólica Hispania, S.L., formalised in a public deed made on 11 September 2015.
- Special in-kind contribution by Acciona, S.A. to Acciona Service, S.L. of shareholdings in Acciona Producciones y Diseño, S.A., Inetime, S.A., Acciona Airport Services, S.A., Interurbano de Prensa, S.A., Acciona Forwarding, S.A. Transurme, S.A. and Paktivity, S.A., formalised in a public deed made on 14 July 2016.
- Absorption with backdated effect 1 January 2016 of Eólica de Sanabria, S.L., Eólica de Moncayo, S.L., Parque Eólico de Tortosa, S.L., Sistemas Energéticos El Granado, S.L. and Corporación Eólica Zamora, S.L. and Sistemas Energéticos Valle de Sedano, S.A., formalised in a public deed dated 8 September 2016.
- Special in-kind contribution by Acciona, S.A. to Corporación Acciona Infraestructuras, S.A. of shareholdings in Acciona Infraestructuras, S.A., Acciona Service, S.L. and Acciona Agua, S.A., formalised in a public deed made on 2 December 2016.
- Absorption with backdated effect as of 1 January 2017 of Acciona Energía Solar, S.L. and Acciona Solar Canarias, S.A. and Acciona Solar, S.A., formalised in a public deed made on 27 July 2017.
- Special in-kind contribution by Acciona Service, S.L. to Acciona Aeropuertos, S.L. of the shareholding in Acciona Airport Services, S.A., formalised in a public deed made 28 July 2017.
- Special in-kind contribution by Acciona, S.A. to Acciona Concesiones, S.L. of shareholdings in Sociedad Concesionaria Novo Hospital de Vigo, S.A., Acciona Servicios Concesionales, S.L., Sociedad Concesionaria Hospital del Norte, S.A., Nova Darsena Esportiva de Bara, S.A., Autovía de los Viñedos, S.A., Sociedad Anónima Concesionaria de la Junta de Comunidades de Castilla La Mancha, Gran Hospital Can Misses, S.A. and Sociedad Concesionaria de la Zona Regable del Canal de Navarra, S.A., formalised in a public deed made on 21 December 2017.
- Special in-kind contribution by Acciona, S.A. to Corporación Acciona Infraestructuras, S.A. of the shareholding in Acciona Concesiones, S.L., formalised in a public deed made on 28 December 2018.
- Absorption of Fidentiis Gestión S.G.I.I.C., S.A. by Bestinver Gestión S.G.I.I.C., S.A., formalised in a public deed made on 11 December 2020.
- Absorption of Bestinver Sociedad de Valores S.A. by Fidentiis Equities, S.V. S.A., and change of corporate name, formalised in a public deed made on 11 December 2020.

The disclosures required by article 86.3 of the Consolidated Text of the Spanish Corporate Income Tax Act (Law 27/2014) in relation to transactions carried out in prior years are provided in the accompanying notes to the individual annual accounts subsequently approved by the companies concerned.

13.8 Information on deductions for impairment losses on securities representing equity investments in other undertakings disclosed pursuant to article 12.3 of the Consolidated Text of the Spanish Corporate Income Tax Act and the 16th Transitional Provision of Law 27/2014, as amended by Royal Legislative Decree 3/2016 of 2 December

Spanish Royal Legislative Decree 3/2016, of 2 December amended the 16th Transitional Provision of the Corporate Income Tax Act (Law 27/2016), which regulated the system for the inclusion in the tax assessment basis of impairment losses on investments in group companies, jointly controlled entities and associates (art. 12.3 of the former Consolidated Text of the Corporate Income Tax Act) deducted in tax periods commencing before 1 January 2013. This amendment requires minimum annual reversion of the balance at 31 December 2015 over five years (i.e. 20% per year), unless reversals due to the recovery of capital and reserves in investees and/or dividends received exceed said minimum.

The disclosures required under the applicable tax legislation in relation to the amounts deducted, the difference in the capital and reserves of investees in the year, and the amounts included in tax assessment basis in 2020, the last year for inclusion, are as follows:

Amounts reversed in 2020:

Investee company	Reversion	Pending at 31/12/2020
MDC Airport Consult	190	—
Mostotal Warszawa	2,295	—
Infraestructuras y Radiales S.A.	4,086	—
Nova Darsena Sportiva de Bara, S.A.	251	—
Sociedad Conc. Puente del Ebro, S.A.	532	—
Ecología del Agua, S.A.	4	—
Cía Tratamiento y Gestión Residuos Murcia	3	—
Parque Isla Mágica, S.A.	130	—
Unión Deportiva Las Palmas	1	—

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

14 Foreign currency

The main balances and transactions in foreign currency in 2021 and 2020, measured at the closing exchange rate and average exchange rate, respectively, were as follows:

2021	MXN	USD	CAD	CLP	AUD	CHF	PLN	GBP
Loans granted, Group	3,742	--	--	--	--	--	--	--
Cash	--	--	1	1	22	--	--	--
Trade payables	--	(17)	--	--	--	--	--	(89)
Trade payables, Group	--	(164)	(4)	--	--	--	--	--
Expenses for services received	--	(659)	(27)	(272)	--	(291)	(164)	--
Financial expenses	--	(105)	--	--	--	--	--	--
Financial income	515	8	--	--	--	--	--	--

2020	MXN	USD	CAD	CLP	AUD	CHF	PLN	GBP
Loans granted, Group	8,411	--	--	--	--	--	--	--
Cash	--	--	1	1	22	--	--	--
Trade payables	(48)	(61)	--	(58)	--	(92)	--	--
Trade payables, Group	--	--	(4)	(2)	--	--	--	--
Expenses for services received	(172)	(1,301)	(29)	(228)	(28)	(228)	--	(79)
Financial expenses	(2)	(3,173)	(7)	(8)	(9)	--	(4)	(6)
Finance income	377	1	--	--	--	--	--	--

Foreign exchange gains/(losses) recognised in 2021 and 2020 were as follows:

Foreign exchange gains/(losses)	2021	2020
Transactions settled in the year	(235)	(2,118)
Transactions outstanding	310	(439)
Total	75	(2,577)

15 Income and expenses

15.1 Revenue

The Company is the parent of the consolidated Group, and in 2021 and 2020 it carried on basically the activities typical of a holding company and did not engage as such in any significant commercial activity. Accordingly, the revenue recognized in the income statement comprises mainly services rendered to Group companies, dividends received from subsidiaries, and financial income associated with Group financing activities.

Revenues for the years ended 31 December 2021 and 2020 were as follows:

	2021	2020
Services rendered	87,085	59,749
Revenue from investments in equity instruments	42,101	184,197
Revenue from marketable securities and other financial instruments	10,888	1,120
TOTAL	140,074	245,066

ACCIONA S.A.*Notes to the annual accounts for the year ended 31/12/2021***15.2 Personnel expenses**

Personnel expenses for the years ended 31 December 2021 and 2020 were as follows (expressed in thousands of euros):

	2021	2020
Wages, salaries and similar amounts	42,685	42,789
Social security costs	10,092	7,386
TOTAL	52,777	50,175

Wages, salaries and similar expenses included severance payments totalling €722 thousand in 2021 and €1,424 thousand in 2020.

Social security costs in 2021 and 2020 were as follows (expressed in thousands of euros):

	2021	2020
Social Security paid by the company	2,829	3,087
Other employee benefit costs	7,263	4,299
TOTAL	10,092	7,386

16 Transactions and balances with group companies and associates**16.1 Transactions with group companies and associates**

Transactions with related parties in 2021 and 2020 and were as follows (expressed in thousands of euros):

2021	Group companies	Associates	Total
Services provided	86,534	(23)	86,511
Services received	(13,347)	115	(13,232)
Interest income	545	10,343	10,888
Interest expense	(67,361)	--	(67,361)
Dividends	42,101	--	42,101

2020	Group companies	Associates	Total
Services provided	59,111	--	59,111
Services received	(10,031)	--	(10,031)
Interest income	418	702	1,120
Interest expense	(74,700)	--	(74,700)
Dividends	184,197	--	184,197

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

16.2 Balances with Group companies and associates

Balances with Group companies and associates at 31 December 2021 and 2020 were as follows (expressed in thousand euros):

2021	Group companies	Associates	Total
Non-current investments	7,993,245	6,648	7,999,893
Equity instruments (Note 8.2)	7,944,214	6,648	7,950,862
Cost	8,655,870	32,578	8,688,448
Provisions	(711,656)	(25,930)	(737,586)
Loans (Note 8.2)	49,031	--	49,031
Loans to Group companies and associates	49,031	26,505	75,536
Provisions	--	(26,505)	(26,505)
Accounts receivable	42,933	--	42,933
Current investments	58,282	--	58,282
Loans to Group companies and associates	5,424	--	5,424
Other current financial assets	52,858	--	52,858
Non-current accounts payable	(331,219)	--	(331,219)
Current payables	(2,957,458)	--	(2,957,458)
Trade payables	(2,761)	(6)	(2,766)

2020	Group companies	Associates	Total
Non-current investments	5,611,493	891,005	6,502,498
Equity instruments (Note 8.2)	5,603,082	873,805	6,476,887
Cost	6,563,100	906,394	7,469,494
Provisions	(960,018)	(32,588)	(992,606)
Loans (Note 8.2)	8,411	17,200	25,611
Loans to Group companies and associates	8,411	46,727	55,138
Provisions	--	(29,527)	(29,527)
Accounts receivable	41,212	81	41,293
Current investments	174,820	--	174,820
Loans to Group companies and associates	5,876	--	5,876
Other current financial assets	168,944	--	168,944
Non-current accounts payable	(99,259)	--	(99,259)
Current payables	(2,254,683)	--	(2,254,683)
Trade payables	(1,513)	(819)	(2,332)

The heading “Other current financial assets” reflects dividends receivable (€139,000 thousand euros in 2020) and recoverable corporate income tax (€52,857 thousand euros in 2021 and 29,943 thousand euros in 2020). Meanwhile, “Accounts receivable” comprises amounts billed to group companies and associates in respect of management fees and expenses paid on account. “Current payables to group companies” include mainly balances arising from the corporate tax settlements of the member companies of tax group 30/96, the Parent Company of which is Acciona, S.A., (Note 4.7 and Note 13.3), as well as loans received by Acciona, S.A.

16.3 Remuneration of directors and senior management personnel

ACCIONA, S.A. is the Parent of the Group, and its activity is confined to managing its investments and providing support services to its investees. Accordingly, the remuneration of the Directors and Senior Management should be interpreted from the perspective of a parent company and subsidiaries.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Transactions with shareholders

There were no significant transactions involving transfers of resources or obligations between the Parent Company or Group companies and significant shareholders of the Company in 2021 and 2020.

Transactions with shareholders, directors and executives, and other related parties

Spanish Law 5/2021 of 12 April provided for the inclusion in Chapter VII.two, Title XIV of the Consolidated Text of the Spanish Corporate Entities 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 per quarter to prepare a report to the Board of Directors on any related-party transactions approved under the delegation conferred.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

No material transactions were carried out between the Company and its subsidiaries with directors, shareholders or other related parties in 2021, whether in terms of their amount or nature.

Transactions with directors, executives and companies related with the same reported in 2020, which are detailed below, consisted largely of purchases of shares in companies related with executive directors by Acciona Agua, S.A. (ATLL Concesionaria de la Generalitat de Catalunya, S.A. (in liquidation)), as well as the settlement of the 2014-2019 Long-term Incentive Plan.

A summary of transactions subject to the internal reporting procedure carried out in 2020 with executive directors or companies related with the same is as follows:

Income and expenses	Thousands of euros 31.12.2020				
	Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total
Expenses:					
Financial expenses	--	--	--	--	--
Leases:					
Services received	--	--	--	114	114
Purchases of goods	--	--	--	--	--
Other expenses	--	--	--	--	--
Revenue:					
Financial income	--	--	--	--	--
Dividends received	--	--	--	--	--
Services provided	--	--	--	139	139
Sale of goods	--	--	--	--	--
Other revenue	--	--	--	--	--
Other transactions					
Thousands of euros 31.12.2020					
Other transactions	Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total
Financing agreements: loans and capital contributions (lender)	--	--	--	--	--
Financing agreements: loans and capital contributions (borrower)	--	--	--	--	--
Guarantees and sureties extended	--	--	--	--	--
Guarantees and sureties received	--	--	--	--	--
Obligations acquired	--	--	--	--	--
Dividends and other distributions	--	--	--	--	--
Other transactions (purchases)	--	--	--	22,800	22,800
Other transactions (sales)	--	--	--	26,357	26,357

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Balances at 31.12.20	Thousands of euros				
	Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total
Trade receivables	--	--	--	--	--
Loans and facilities granted	--	--	--	--	--
Other receivables	--	--	--	125	125
Total balances receivable	--	--	--	125	125
Loans and facilities received	--	--	--	--	--
Other payment obligations	--	--	--	--	--
Total balances payable	--	--	--	--	--

Remuneration and other benefits

A. Board of Directors

The remuneration in euros earned by the members of the Company's Board of Directors in 2021 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, at the proposal of the Appointments and Remuneration Committee for the discharge of other executive or senior management functions in the Company aside from the joint oversight and decision-making duties incumbent upon the members of the Board.

Subject to a prior resolution of the Shareholders General Meeting, executive directors may also receive remuneration in the form of share awards or stock options, or under any other share-based remuneration scheme.

In accordance with article 54 of the Board Regulation, the Board of Directors is responsible for establishing the system applicable to the distribution of the directors' remuneration within the framework of the Company's Bylaws.

The decision in this respect must be based on a report issued by the Appointments and Remuneration Committee.

The Board of Directors endeavours to ensure that the directors' remuneration is moderate and in line with the amounts paid in the market to directors of similar-sized companies engaging in comparable businesses, with preference for remuneration formats linking a significant portion of remuneration to the directors' dedication to Acciona.

The system for remuneration of independent directors is intended to serve as a sufficient incentive to foster dedication without compromising their independence.

The remuneration paid to proprietary directors for the discharge of their functions as such must be proportional to that of other directors and it may not entail any unfair remuneration of the shareholder appointing such directors. The remuneration system will establish similar remuneration for comparable functions and dedication.

As regards remuneration of executive directors, article 55 of the Board Regulation further requires the Board of Directors to ensure that the remuneration policies in force from time to time include appropriate technical safeguards to align variable remuneration with the beneficiaries' professional performance, and that it does not arise merely from general market trends, developments in the Company's business sector or other similar circumstances. The remuneration of directors will be transparent at all times.

The Directors Remuneration Policy for the period 2021-2023 was approved by the Shareholders at their General Meeting, and the changes established therein apply to remuneration earned as of the date of approval. In this regard, the directors remuneration policy for 2021, 2022 and 2023 was approved as a separate item on the agenda for the Shareholders General Meeting held on 28 May 2020, in accordance with article 529.xix of the Consolidated 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.

All remuneration received by the directors must in any event comply with the Directors Remuneration Policy in force from time to time, except for remuneration expressly approved by the Shareholders at their General Meeting.

In accordance with article 31 of Acciona's Bylaws, the Remuneration Policy approved at the General Meeting establishes: a) that the maximum annual remuneration payable to all of the directors for the discharge of their duties will be €1,700,000; and b) that the remuneration will be distributed among the directors at the discretion of the Board, unless otherwise decided by the Shareholders at their General Meeting, having regard to the functions and responsibilities of each director, membership of Board committees, and any other objective circumstances that may be considered relevant.

At the proposal of the Appointments and Remuneration Committee, the Board of Directors resolved to establish the annual remuneration for membership of the Board of Directors and Board Committees subject to the following terms: a) executive directors will not receive remuneration for their membership of the Board of Directors, and therefore their remuneration will consist of their executive pay; b) if any executive committee is dissolved, the remuneration payable for membership of such a

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

committee will be removed; c) remuneration for non-executive directors' membership of Board will be €100,000; d) remuneration will be €70,000 for membership of the audit and sustainability committee, €55,000 for membership of the appointments and remuneration committee, and €50,000 for membership of the sustainability committee; e) additional remuneration of €30,000 will be paid to the holder of the position of Independent Coordinating Director; and f) the additional remuneration for chairing the committees will be €18,000 for the audit committee, €11,000 for the appointments and remuneration committee, and €8,000 for the sustainability committee.

On 30 June 2021, the Board of Directors decided to combine the Audit Committee and the Sustainability Committee into a single Audit and Sustainability Committee with the same remit and powers as the two former committees. The unification of these committees did not result in any change in the above-mentioned amounts, except for the elimination of the remuneration payable for membership of the sustainability committee.

Following a detailed study of the remuneration paid at international and IBEX 35 companies, the Appointments and Remuneration Committee found that the Directors' remuneration was in line with the amounts paid in the market by similar-sized companies operating comparable businesses, that similar remuneration was paid for comparable functions and dedication, and that the remuneration provided an adequate incentive for the dedication of directors sitting on the different committees without compromising their independence.

Notwithstanding the foregoing, the Board of Directors will present a proposal for the new Remuneration Policy applicable to the three-year period 2023-2025 to the Annual General Meeting to replace the policy currently in force in the event of approval by the Shareholders. The timing of this proposal is opportune given the legislative changes brought about by Spanish Law 5/2021 of 12 April amending the Consolidated Text of 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.

The total remuneration paid to the members of the Board of Directors for the discharge of their management duties in the Company in 2021 was €1,588 thousand (€1,496 thousand in 2020). An individual breakdown of this amount (expressed in thousands of euros) for each member of the Board of Directors is as follows (differences with the amounts indicated above and the remuneration reflected in the table is due to rounding of decimal points):

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

	Fixed remuneration	Remuneration for membership of Board committees	Total for 2021	Total for 2020
José Manuel Entrecanales Domecq	--	--	--	--
Juan Ignacio Entrecanales Franco	--	--	--	--
Daniel Entrecanales Domecq	100	64	164	158
Javier Entrecanales Franco	100	53	153	150
Karen Christiana Figueres Olsen	100	63	163	170
Ana Sainz de Vicuña Bemberg	100	72	172	195
Jerónimo Marcos Gerard Rivero	100	63	163	155
Juan Carlos Garay Ibargaray	100	131	231	263
Javier Sendagorta Gómez del Campillo	100	72	172	155
José María Pacheco Guardiola	100	53	153	150
(*) María Dolores Dancausa Treviño	50	35	85	--
Sonia Dulá	100	35	135	100
Total			1,591	1,496

(*) Director appointed in 2021.

The cash remuneration paid to Directors for the discharge of executive and senior management functions and for membership of the Board totalled €5,804 thousand in 2021 and €27,357 thousand in 2020. The Directors also received remuneration in kind amounting to €102 thousand in 2021 and €97 thousand in 2020.

The independent Director Sonia Dulá also holds office as an independent director and chairs the boards of directors of the companies forming the Bestinver subgroup, to which position she was appointed on 22 July 2019. In the Bestinver subgroup she receives remuneration only for her position in Bestinver, S.A. Her earnings in this respect amounted to €100 thousand in 2021 and 2020.

In 2014 the Company set up a savings plan linked to term life assurance, with cover for the risks of permanent total, absolute or severe disability and death (the "Savings Plan") aimed exclusively at the Company's Executive Directors. Key terms of this plan are as follows:

- a) It is a defined contributions prudential scheme.
- b) The scheme is endowed externally through the payment of annual premiums by the Company to an insurance company with the Savings Plan member as the beneficiary, covering survival and the insured risk contingencies of (i) death and (ii) permanent disability in the degrees established in the Regulations.
- c) Where a member may cease to hold office as an executive director of Acciona for any reason, the company will discontinue payment of the Savings Plan premiums as of the date on which such member officially steps down, notwithstanding any financial claims recognised in favour of the same.
- d) Savings Plan benefits will be paid directly by the insurer to the members, net of the applicable withholdings and payments on account of Personal Income Tax, which will be payable by the beneficiary. Benefits in respect of other contingencies will also be paid directly by the insurer to the beneficiary or beneficiaries concerned.
- e) Members of the Savings Plan will lose their status as such in any of the following circumstances: i) occurrence of any of the risk contingencies covered and collection of the benefit; ii) when they reach the age of 65 years; iii) upon removal from the position of

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Executive Director of Acciona for any reason other than as indicated above.

- f) Vesting conditions. The Company will be the beneficiary of the Savings Plan in either of the following cases:
 - a. If a member resigns or otherwise voluntarily steps down as an Executive Director of Acciona.
 - b. If a member is removed from the office of Executive Director for any breach of their duties or any act or omission adversely affecting the Company, or if a member is convicted of an offence by the courts. In such cases, the member concerned will lose all vested financial claims under the Savings Plan and will therefore receive no benefits thereunder.

The contributions made to the Savings Plan on behalf of the Executive Directors in 2021 and 2020 amounted to €5,013 thousand and €2,613 thousand, respectively. The contributions made in 2021 were equal to 100% of fixed annual salary plus an additional amount in respect of extraordinary contributions to the Savings Plan forming part of the variable remuneration for 2020.

The accumulated value at 31 December 2021 of the Executive Directors' savings schemes, including unvested financial claims of Executive Directors, was €33,050 thousand.

The Company has not contracted any pensions obligations with former or current members of the Board of Directors, and no advances, loans or guarantees have been granted to current Board members, except as mentioned in this Note.

The directors of the Parent Company did not receive any remuneration for membership of other boards and/or senior management of Group companies in 2021 or 2020, except Ms Sonia Dulá as explained in relation to the Bestinver subgroup. Specific information regarding the remuneration earned by the non-executive directors of Acciona, S.A. holding seats on the board of Corporación Acciona Energías Renovables, S.A. is disclosed in the annual accounts of that company. Four directors of Acciona, S.A. held proprietary seats on the board of Corporación Acciona Energías Renovables, S.A. in 2021 (José Manuel Entrecanales Domecq, Juan Ignacio Entrecanales Franco, Sonia Dulá and Karen Christiana Figueres Olsen). For further information, see the 2021 Directors Remuneration Report (*Informe de Remuneraciones de los Consejeros 2021*) available online on the Company's website (www.accion-energia.com) and the website of the Spanish National Securities Market Commission (CNMV).

The total remuneration paid to the members of Acciona's Board of Directors, including compensation for executive functions, was €7,597 thousand in 2021 and €56,388 thousand in 2020.

B. Senior Management

Senior Management includes employees holding senior management positions in the Acciona Group and the corporate internal audit director. This classification is made for information purposes only and should not under any circumstances be considered an interpretation or evaluation of the concept of senior management within the meaning of prevailing legislation, and in particular of Spanish Royal Decree 1382/1985.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

The remuneration of persons holding senior management positions in 2021 and 2020, excluding members of the Board of Directors (whose remuneration is disclosed above), from the perspective of the Parent Company and its subsidiaries, was as follows:

	2021	2020
Senior management headcount	51	38
Remuneration (thousands of euros)	30,949	24,385

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

The remuneration figures for 2021 and 2020 include severance paid upon the termination of employment relations with executives leaving the Company in each year.

The directors' and executives' civil liability premium paid in 2021 was €1,931,374.

2020-2029 Long-Term Incentive Plan Linked to the Creation of Value

At their General Meeting held on 28 May 2020 the Shareholders approved a long-term incentive plan linked to the creation of value aimed at the executive directors of Acciona, S.A. The main conditions of the *2020-2029 Long-Term Incentive Plan Linked to the Creation of Value directed at the Executive Directors of Acciona, SA or 2020 LTIP* are as follows:

(A) Beneficiaries of the plan: The directors of Acciona, S.A. discharging key senior management functions as executive directors of the Acciona Group at the date of the Plan's approval.

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

(C) Metrics used to measure value creation:

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

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

(ii) The weighted average cost of capital (WACC) as minimum rate of return, i.e. the minimum TSR above which value will be deemed to have been created for the shareholders of Acciona, S.A.

WACC will be calculated as the mean WACC required to finance the consolidated assets and activity of Acciona, S.A. and its group in each of the ten years covered by the plan. In this regard, annual WACC will be calculated at 31 December each year as the WACC in each of the twelve months of the year in question (calculated on annual basis on the last day of each month).

(D) Calculation of the incentive: Both measures (TSR and WACC) will be calculated at the end of the plan for the period 2020-2029. If and only if TSR exceeds WACC, the Board of Directors, acting at the proposal of the Appointments and Remuneration Committee, will (i) determine the aggregate amount of the incentive payable to the executive directors, which will be equal to 1% of the actual TSR achieved at the end of the period, and (ii) decide on the distribution of the resulting amount among the executive directors based on criteria designed to weight the relative contribution of each executive director to the achievement of value creation for the shareholders of Acciona, S.A. over the term of the Plan.

(E) Payment of the incentive and deferral: The incentive will be paid in cash as follows: (i) 80% in 2030, after preparation of the 2029 consolidated financial statements of Acciona and its group certified by the auditors without qualification, and (ii) the remaining 20% in 2031, after preparation of the 2030 consolidated financial statements of Acciona and its group certified by the auditors without qualification, provided that none of the malus scenarios mentioned in point (F) below arises in the deferral period in the opinion of the Board of Directors, acting at the proposal of the Appointments and Remuneration Committee.

(F) Malus and clawback: Acciona, S.A. may claw back all or part of the part of the incentive paid from the executive directors within three (3) years of the date of each incentive payment (including payment of the deferred portion of the incentive), if any of the following malus scenarios arises in the three (3) year period in question, in the opinion of the Board of Directors, acting at the proposal of 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 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

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Appointments and Remuneration Committee, may decide whether to continue the plan for the executive director who is unaffected, in view of the best interests of Acciona at such time.

The incentive will accrue only if TSR exceeds WACC for the benchmark period in question at 31 December of the year prior to that in which the director concerned is removed on grounds beyond his/her control or voluntarily steps down.

Other possible extraordinary incentives

At the proposal of the Appointments and Remuneration Committee, the Board of Directors may submit other extraordinary incentive plans for approval by the General Meeting of the Shareholders in response to the circumstances of the business or corporate operations that would justify such incentives.

Plan for the Award of Shares and Performance Shares

The Shareholders adopted the following resolution at their General Meeting held on 24 June 2014:

A) To extend the term of the Shares and Options Award Plan to management of the Acciona group, including executive directors, as approved by the General Meeting of the Shareholders of Acciona, S.A. on 4 June 2009, for application in financial years 2014-2019, and to increase the maximum number of shares available by 200,000 shares.

B) To authorise the Board of Directors of the Company to amend the Plan Regulations under the terms and conditions considered appropriate by the Board, to the full extent required by law and at the proposal of the Appointments and Remuneration Committee, establishing award conditions and periods, accrual periods, allocation criteria and limits and any other matters that the Board considers relevant, in order to align as far as possible the long-term interests of the executive directors and other executives of the Acciona Group with those of the shareholders of Acciona, S.A., and thereby incentivise them to maximise value creation and the long-term stability of the group, and consolidate their loyalty and permanence in the Group.

Pursuant to the above authorisation, the Board of Directors agreed on 26 February 2015 at the proposal of the Appointments and Remuneration Committee to amend the Plan Regulations, preparing a new plan, the term of which would cover the six-year period from 2014 to 2019, inclusive. As approved by the Shareholders at their General Meeting held on 18 May 2017, the Board of Directors approved an additional amendment to the Plan Regulations at their meeting held on 14 December 2017 as proposed by the Appointments and Remuneration Committee, with the aim of bringing the plan into line with best corporate governance practices regarding deferral, malus and clawback of the variable remuneration paid to executive directors, and with the principles and guidelines contained in the Directors Remuneration Policy approved by the General Meeting. Furthermore, the term of the Plan was extended for an additional two years (i.e. up to and including 2021) for directors only (excluding executive directors), and a clause was added allowing the possibility of extraordinary allocations and awards of Acciona shares to one or more beneficiary directors (other than executive directors) for achieving extraordinary results in multi-year periods (a minimum of three (3) years) at the full discretion of the Board of Directors and subject to a report from the Appointments and Remuneration Committee.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

In relation to long-term variable remuneration, the minority shareholders had repeatedly shown a preference in their votes at General Meetings for the variable remuneration of the Executive Chairman not to be paid in shares of Acciona, S.A., as recommended by the Proxy Advisors, since they considered in this case that such remuneration system offered no advantages given that the interests of the executive directors were already aligned with the interests of the Company.

In response to this recommendation and the vote of the minority shareholders, the 2020 General Meeting agreed on item four of the agenda with the votes in favour of 99.84% of the share capital present or represented at the Meeting equal to 83.4%, providing for modification, where applicable, of the settlement system for the 2014 Plan for the Award of Shares and Performance Shares. The purpose of this modification is to allow the incentive to be settled on an annual or multi-year basis for beneficiaries entitled to receive Company shares through the award of other Company assets, such as shareholdings in Bestinver Investment Funds, listed shares of other companies in which Acciona holds significant interests, or any other asset that the Board of Directors may consider appropriate at market value according to an independent expert's valuation, as well as in cash, thereby avoiding effects on the liquidity of the Company's shares in the market. The remaining terms and conditions established in the 2014-2019 LTI Plan remained in force.

The main conditions of the Plan for the Award of Shares and Performance Shares are as follows:

A) Purpose of the Plan

The purpose of the 2014 Plan for the Award of Shares and Performance Shares is to remunerate management of the Company and its Group, including the executive directors of Acciona, in such a manner as to incentivise the attainment of strategic business objectives to the benefit of 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.

Performance shares allocation: At the end of each financial year, the Board of Directors may assess the extent to which the long-term strategic objectives have been achieved up to that point.

The final allocation of treasury shares to the *Executive Directors* will be made (a) at the end of the whole term of the 2014 Plan (in 2020) in light of the assessment made for the whole 2014-2019 period, and (b) at a midpoint milestone (in 2017) upon completion of the first three years (2014-2016), in light of the assessment made for the first three-year period from 2014 to 2016.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Permanence condition: Delivery of the shares finally allocated to the executive directors is subject, in accordance with the Plan Regulations, to the condition that the *Executive Director* should not have ceased to discharge senior management duties in Acciona or its Group for reasons attributable to such director.

The number of shares allocated together with those allocated under the 2014 Plan may not under any circumstances exceed the maximum number available as approved by the General Meeting.

The specific date set for delivery of the shares in accordance with the provisions described above will be determined by the Board of Directors, but delivery will in any case occur after the Annual General Meeting for the year in which the shares are due to be delivered. Delivery of 20% of the shares to which the Executive Directors are entitled will be subject to a minimum deferral period of one (1) year, and the award will be subject to the permanence of the executive director as mentioned in the Regulations and on the absence of any grounds, in the opinion of the external auditors, for material restatement of the Acciona Group's consolidated financial statements, as determined by the Board of Directors at the proposal by the Appointments and Remuneration Committee, except where such restatement may arise from any amendment to accounting standards.

Acciona buy-back option for shares awarded in 2017: Treasury shares awarded to executive directors in 2017 (in respect of 2014, 2015 and 2016) were subject to a buy-back option, which Acciona may exercise if the executive director acquiring the shares ceases to discharge senior management duties in Acciona or its group before 31 March 2020 for breach of his/her contractual obligations or by resignation.

In addition, during the three (3) years following the date of delivery of the shares, Acciona could demand that the *Executive Directors* (i) return the shares and/or amounts paid where the calculations were made on the basis of data shown to be manifestly inaccurate, or (ii) return the shares and/or amounts paid, and/or could withhold payment of the amounts to which an *Executive Director* might be entitled, in cases where such director had incurred a serious breach in their duties of diligence or loyalty in the discharge of their office in Acciona, or for any other serious or negligent breach of the obligations incumbent upon them under the executive contracts signed with Acciona.

With regard to the shares delivered to the *Executive Directors* in 2020, a number of Shares equating to two times the director's fixed annual remuneration may not be (a) disposed of, encumbered or transferred under any title (except mortis causa), and (b) may not be included in any option until three (3) years have elapsed since the allocation of the shares.

The *Executive Directors* may, however, contribute the shares awarded to them to companies they control, or in which they may hold ownership interests. In these cases, Acciona will adopt the necessary guarantees, including collateral guarantees, to ensure compliance with the regulations, and in any event, the beneficiary company receiving the shares and or owned by an *Executive Director* will expressly acknowledge and undertake to be bound by any guarantees or restrictions granted in favour of Acciona.

C.2. – Group Executives

In the case of other beneficiaries who are not executive directors, the Board of Directors will approve, having considered the proposal made by the Appointments and Remuneration Committee, the amount

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

of separate variable remuneration to be paid through the award of the Acciona treasury shares allocated for each financial year to each executive benefitting from the 2014 Plan, other than the executive directors.

The allocation may be formulated as a given number of treasury shares or a cash sum. In the latter case, the specific number of shares allocated to the payment will depend on the closing share price on the last day's trading in March of the year when the Board of Directors decides the award. The number of shares allocated, quantified on the aforementioned basis, together with those allocated under the 2014 Plan may not under any circumstances exceed the maximum number available as approved by the General Meeting.

Treasury shares delivered to these beneficiaries are subject to a buy-back right for Acciona, which may be exercised if the beneficiary acquiring the shares ceases his/her professional engagement with Acciona or its Group before 31 March of the third year following the year when delivery takes place, for reasons attributable to the beneficiary. The Board of Directors may extend the performance shares and/or share allocation system established for the executive directors to a limited group of executives, subject to such changes as may be proposed by the Appointments and Remuneration Committee regarding provisional allocation, taxation, objectives, interim milestones and delivery periods, in order to incentivise such executives to maximise value creation and foster the long-term stability of the Group, as well as enhancing their loyalty and permanence in Acciona.

The 2014 Plan does not provide for the possible sale of shares delivered in order to cover taxes incurred by the beneficiary as a result of awards. The cost of the payments on account made in respect of 2014 Plan performance will not be passed on to the beneficiaries, and the Company will assume the tax cost of such payments on account in the personal income tax returns of the beneficiaries within the permitted limits.

D) Number of shares available for the Plan

The maximum number of shares that could be allocated to the beneficiaries under the 2014 Plan was initially fixed at 258,035, notwithstanding any increase that might subsequently be agreed by the General Meeting.

In this regard, the Shareholders resolved at their General Meetings held on 11 June 2015, 10 May 2016, 18 May 2017 and 30 May 2018 to increase the maximum number of shares available for the *2014-2019 Plan for 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.

The amount of the 2014 Plan was paid to the Executive Directors in the form of treasury shares of the Company and shares of Grupo Bodegas Palacio 1894.

At the close of 2021 the maximum number of shares available was 377,720, after 55,566 were used in 2021 for awards to executives other than the executive directors.

The 2014 Plan has now concluded for the executive directors with no shares outstanding.

E) Recipients

The annual number of Recipients may not exceed 100.

Corporación Acciona Energías Renovables, S.A. IPO Incentives Plan:

At the proposal of the Appointments and Remuneration Committee, the Board of Directors of Acciona, S.A. agreed an incentives plans based on the award of shares of Corporación Acciona Energías Renovables, S.A. in connection with the initial public offering. This plan was settled in July 2021.

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 building loyalty and retaining the Group's executives. The main characteristics of this plan are as follows:

Aim: To retain and motivate the management team effectively and to improve the alignment of their interests with those of the Company and its Group.

Initial duration: Six years (from 2021-2026)

Purpose: Discretionally to offer certain executives of Acciona and its Group the option of replacing or exchanging all or part of the variable remuneration receivable by them in cash for shares in the Company based on the exchange ratio determined each year. The exchange ratio approved from 2015 to date has included an incentive equal to 25% of the variable remuneration substituted.

Beneficiaries: Executives discretionally proposed by the Board of Directors. The executive directors are excluded from this Plan.

Restrictions on the shares delivered: In general terms, the shares delivered (a) cannot be disposed of, encumbered or transferred under any title (except *mortis causa*), and (b) may not be included in any option or subjected to any limitations on ownership or guarantees until 31 March of the third year after the year in which the shares were delivered to the Beneficiary.

In accordance with the amendment of the plan approved by the Board of Directors on 29 February 2016, treasury shares transferred to the Beneficiaries in respect of the incentive and not the shares directly awarded in proportion to the remuneration substituted are subject to a buy-back right in favour of Acciona, which may be exercised if professional relations between the beneficiary acquiring the shares ceases and Acciona or its Group are terminated before 31 March of the third year following the year of the award for reasons attributable to the beneficiary.

The Acciona share price taken as the benchmark to determine the exchange ratio will be the closing price on the last day's trading in March of the year when the Board of Directors determines the award of the substitution option.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Shareholders Plan

In order to facilitate employee ownership of Company shares, the Board of Directors approved a new Plan on 28 February 2017, at the proposal by the Appointments and Remuneration Committee, which is designed to redistribute a part of the variable and/or fixed cash remuneration paid up to a limit of €12,000 per year through the delivery of shares in the Company 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 of participating in the Company's results by becoming shareholders. This Plan does not affect executive directors, whose relations with the company are of a commercial nature and are not based on a contract of employment. The shares were measured at the closing stock market price on 31 March 2021.

Finally, a total of 55,566 shares of Acciona, S.A. with a fair value of €7,012,429 were awarded to beneficiaries other than executive directors (56 Beneficiaries) under the **Plan for the Award of Shares/Performance Shares** in 2021, by way of payment of variable remuneration for 2020 and maturity of the 2017-2020 long-term incentives plan. Of this total, 16,581 shares with a fair value of €2,092,522 were delivered to 17 executives of Acciona Energy.

Given that this plan accrues on a three-year basis, one third of the fair values mentioned above is reflected under "Personnel expenses" in the accompanying income statement for the year ended 31 December 2021. The other two thirds will be taken to income in 2022 and 2023.

Finally, 12,676 shares of the Company with a fair value of €1,811 thousand were awarded under the **Substitution Plan** in 2021 to 55 executives of Acciona and its Group, in payment of part of their variable cash remuneration for 2020. Of this total, 838 shares with a fair value of €119,750 were delivered to eight executives of Acciona Energy.

The Company determined the fair value of the goods and services received by reference to the fair value of the shares awarded.

There were no outstanding options at 31 December 2021.

The senior managers of the Group (Parent and subsidiaries) in 2021 were as follows:

Name	Position
Acosta García, Alberto	Consolidation and Budget Control Manager
Ades Alsina, Maximiliano	Facility Services Director
Alcázar Viela, Jesús	LATAM Business Development Director - Infrastructures
Alfranca Calvo, Pilar	Health Director
Anta Callersten, Carlos	Director of Organisation, Talent and Health
Arilla de Juana, Carlos María	Contracting and Procurements Director - Infrastructure
Beltrán Núñez, Raúl	Internal Audit Director
Blasco Vázquez, José Luis	Sustainability Director
Cabrera Ferreira, Roberto	Finance Director
Carrión López de la Garma, Macarena	Director of the Chairman's Office
Castilla Cámara, Luis	CEO Infrastructure
Chapa Alós, Pepa	Director of Investor Relations

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Name	Position
Cordón Ucar, María	Director of Corporate Operations
Corella Hurtado, Olga	Finance Director – Infrastructure
Díaz-Caneja Rodríguez, José Luis	CEO Water
Fajardo Gerez, Fernando	Director of Cost Control and Risks – Infrastructure
Fernández López, Roberto	Labour Relations and OHS Director
Figuerola Gómez de Salazar, José Julio	Legal Director
García San Juan, Eva	Finance Director – Real Estate
Gistau Retes, Isabel	Brand Manager
González Patiño, Alberte Enrique	Communications Director
Gutiérrez Abarquero, David	Economic Control and Taxation Director
Heras Llorente; Miguel Ángel	Country Manager for Poland – Infrastructure
Jiménez García, Mariano	Properties and Services Director
Jiménez Serrano, Ramón	CEO Industrial - Construction
Lima da Ángelo, André	Country Manager for Brazil – Infrastructure
López-Galiacho González, José María	Acciona CEO Cultural Engineering
Marín García, Diego	CEO Concessions
Martínez Sánchez, Juan Manuel	Security Director
Mollinedo Chocano, José Joaquín	Institutional Relations, Communication and Brand Director
Moreno Lorente, Huberto José	CEO Construction
Muro-Lara Girod, Juan	Strategy and Corporate Development Director
Noonan, Bede	CEO Infrastructure, Australia and New Zealand
Pan de Soraluce Muguiro, Andrés	CEO Real Estate
Pini, Diego	Country Manager for Chile – Infrastructure
Planellies Fernández, Carlos	US Country Manager – Infrastructure
Ramírez Lomelin, Sergio Eliseo	Country Manager for Mexico – Infrastructure
Ramón Cortasa, Pilar	Internal Communications Director
Rego Prieto, Oscar Luis	Procurements Director – Infrastructure
Rodríguez Hernández, José Luis	Investees Director
Rodríguez Ramón, Mónica	Business Development and Transactions Structuring Director
Sancho, Jesús	Middle East Country Manager – Infrastructure
Santamaría-Paredes Castillo, Vicente	Compliance Director
Sebastián de Erice, Gabriela	External Relations Director, Chairman's Office
Serrada Quiza, Javier	Legal Director – Infrastructure
Sotelo Rosell, Carlos	CEO Silence
Tejero Santos, José Ángel	CFSO
Terceiro Mateos, José Manuel	Director of Economic Management
Tutor Cosín, Ada	Investment Analysis Director
Vega-Penichet López, Jorge	General Counsel
Vicente Pelegrini, Justo	CEO of Construction, Spain

The information presented in the above table does not include six executives who switched to senior management positions in Acciona Energy in 2021. Details of these executives are disclosed in the notes to the annual accounts of Corporación Acciona Energías Renovables, S.A.

The senior managers of the Group (Parent and subsidiaries) in 2020 were as follows:

Name	Position
Alcázar Viela, Jesús	LATAM Business Development Director - Infrastructures
Ancín Viguristi, Joaquín	Director of Engineering & Construction - Energy
Anta Callersten, Carlos	Director of Organisation, Talent and Health

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Name	Position
Arilla de Juana, Carlos	Operations Director - Infrastructure
Beltrán Núñez, Raúl	Internal Audit Director
Callejo Martínez, Alfonso	General Manager - Corporate Resources
Carrión López de la Garma, Macarena	Director of the Chairman's Office
Castilla Cámara, Luis	CEO Infrastructure
Castillo García, Joaquín	Development Director - Energy
Claudio Vázquez, Adalberto	Director of Studies and Contracting - Construction
Corella Hurtado, Olga	Finance Director – Infrastructure
Corral Fernández, Nicolás	CEO Services
Cruz Palacios, Juan Manuel	Labour Relations and OSH Director - Infrastructure
Díaz-Caneja Rodríguez, José Luis	CEO Water
Ezpeleta Puras, Arantza	Technology and Innovation Director
Fajardo Gerez, Fernando	Business Development Director - Infrastructure
Fernández López, Roberto	Labour Relations and OHS Director
Fernández-Cuesta Laborde, Raimundo	Markets and Investor Relations Director
Figueroa Gómez de Salazar, José Julio	Legal Director
Gutiérrez Abarquero, David	Economic Control and Taxation Director
Jiménez Serrano, Ramón	CEO Industrial
Marín García, Diego	CEO Concessions
Martínez Sánchez, Juan Manuel	Security Director
Mateo Alcalá, Rafael	CBO Energy
Mollinedo Chocano, José Joaquín	Institutional Relations, Sustainability, Communications and Brand Director
Moreno Lorente, Huberto José	CEO Construction
Muro-Lara Girod, Juan	Strategy and Corporate Development Director
Noonan, Bede	CEO Infrastructure, Australia and New Zealand
Otazu Aguerri, Juan	Production Director - Energy
Pan de Soraluce Muguiro, Andrés	CBO Real Estate
Rego Prieto, Oscar Luis	Procurements Director – Infrastructure
Rodríguez Hernández, José Luis	Investees Director
Santamaría-Paredes Castillo, Vicente	Compliance Director
Soto Conde, Antonio	CEO Bodegas Palacio
Tejero Santos, José Ángel	CFO
Terceiro Mateos, José Manuel	Director of Economic Management
Vega-Penichet Lopez, Jorge	General Counsel
Vicente Pelegrini, Justo	CBO of Construction, Spain

16.4 Other information relating to Directors. Statement regarding conflicts of interest

Pursuant to article 229 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 2021 and 2020, according to the available information and the declarations made by the Directors and their related parties.

17 Environmental matters

Given its activity, the Company has no liabilities, expenses, assets, provisions or contingencies of an environmental nature that could be material in relation to the Group's equity, financial position and results. Accordingly, these Notes contain no specific disclosures in this regard.

18 Guarantee commitments with third parties

The Company has arranged guarantees with various financial institutions for a total of €59,521 thousand at 31 December 2021 (€41,479 thousand at 31 December 2020). This total comprises €55,794 thousand in respect of guarantees extended for obligations contracted by Group companies and €3,727 thousand extended in connection with ongoing administrative proceedings involving the Company (€37,725 thousand and €3,754 thousand, respectively, at 31 December 2020).

The Company also appears as guarantor in the loan agreements made by the affiliate Acciona Financiación de Filiales, S.A. with divers banks.

19 Other disclosures**19.1 Personnel**

The average headcount by employee category in 2021 and 2020 was as follows:

Category	2021	2020
Executives and managers	97	96
Qualified line personnel	73	93
Clerical and support staff	26	31
Other employees	10	13
Total	206	233

The year-end headcount by gender and category in 2021 and 2020 was as follows:

Category	2021		2020	
	Men	Women	Men	Women
Executives and managers	52	45	56	41
Qualified line personnel	33	40	47	46
Clerical and support staff	2	24	6	24
Other employees	9	1	11	2
Total	95	111	120	113

Some 3.96% of the Group's employees had a disability equal to or over 33% in 2021 (3.97% in 2020), most of them assigned to clerical and support roles.

ACCIONA S.A.*Notes to the annual accounts for the year ended 31/12/2021***19.2 Audit fees**

The fees paid in 2021 and 2020 for financial audit and other services provided by the Company's auditor, KPMG Auditores, S.L., or by firms belonging to the KPMG network were as follows:

	Services provided by the principal auditor		Services provided by other auditors	
	2021	2020	2021	2020
Audit services	746	578	--	--
Other assurance services	287	268	--	93
Total audit and related services	1,033	846	--	93
Tax advisory services	80	80	1,206	252
Other services	260	263	4,555	3,845
Other assurance services	340	343	5,761	4,097

The fees paid for services provided by the auditor, KPMG Auditores, S.L. in 2021, comprised €746 thousand (€578 thousand in 2020) for the audit of the annual accounts, and €287 thousand (€268 thousand in 2020) in respect of other verification services and other services provided by the auditors, including services provided by the auditors on a mandatory basis in accordance prevailing legislation, which consisted of limited reviews of interim financial statements, the issue of comfort letters relating to securities, agreed procedures reports for the certification of financial ratios, and the review of section F of the ICFR System.

Information regarding non-audit services provided by KPMG Auditores, S.L. to companies controlled by Acciona, S.A. in the years ended 31 December 2021 and 2020 is included in the consolidated financial statements of Acciona, S.A. and subsidiaries at 31 December 2021.

20 Events after the reporting period

The Company continued with the ordinary course of its activity and no material events occurred between 31 December 2021 and the date of preparation of these annual accounts.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

APPENDIX I

GROUP COMPANIES

The subsidiaries of ACCIONA, S.A. considered Group companies within the meaning of the Spanish General Accounting Plan, Standard 13 on the Preparation of Annual Accounts, and article 42 of the Spanish Commercial Code, and key information thereon at 31 December 2021, are as follows (expressed in thousands of euros):

NAME	LOCATION	DIVISION	AUDITOR (*)	INVEST-MENT	PROVISION	NET CARRYING AMOUNT	DIRECT	INDIRECT	TOTAL SHAREHOLDING	DIVIDENDS RECEIVED	SHARE CAPITAL	RESERVES	OPERATING PROFIT/(LOSS)	ATTRIBUTED RESULT	INTERIM DIVIDEND	TRANSLATION DIFFERENCES	NON-CONTROLLING INTERESTS
ACCIONA AIRPORT SERVICES FRANKFURT, GMBH	GERMANY	SERVICES	A	5,637	—	5,637	100.00%	0.0%	100.00%	—	4,627	(4,345)	3,399	3,236	—	—	
ACCIONA CULTURAL ENGINEERING S.A.	MADRID	OTHER ACTIVITIES	A	6,671	—	6,671	100.00%	0.0%	100.00%	501	1,052	9,984	3,032	4,056	—	1,234	
ACCIONA FINANCIACIÓN FILIALES S.A.	MADRID	OTHER ACTIVITIES	A	411,826	—	411,826	100.00%	0.0%	100.00%	—	82,413	623,440	(261)	(9,048)	—	—	
ACCIONA INMOBILIARIA, S.L.	MADRID	OTHER ACTIVITIES	A	1,434,454	(462,393)	972,062	100.00%	0.0%	100.00%	—	285,192	574,854	16,029	33,271	—	—	
ACCIONA LOGÍSTICA, S.A.	MADRID	OTHER ACTIVITIES		326,888	(194,123)	132,765	100.00%	0.0%	100.00%	—	75,700	56,663	(47)	(544)	—	—	
ACCIONA MOBILITY GLOBAL, S.L.	MADRID	OTHER ACTIVITIES		319	—	319	100.00%	0.0%	100.00%	—	3	314	(203)	(644)	—	—	
ACCIONA TECNOLOGÍA Y SERVICIOS S.L.	MADRID	OTHER ACTIVITIES	A	1,703	—	1,703	100.00%	0.0%	100.00%	—	88	1,356	166	54	—	—	
APODERADA GENERAL DE SERVICE, S.A.	MADRID	OTHER ACTIVITIES		18,720	(18,526)	194	100.00%	0.0%	100.00%	—	206	(15)	(5)	(4)	—	—	
BESTINVER, S.A.	MADRID	OTHER ACTIVITIES	A	6,114	—	6,114	96.83%	0.0%	96.83%	41,600	5,07	35,384	(5,363)	44,619	(42,963)	—	—
CICSA INFRAESTRUCTURAS Y OBRAS S.L.	MADRID	OTHER ACTIVITIES		1,318	—	1,318	100.00%	0.0%	100.00%	—	1,318	5,544	—	(2)	—	—	
CIRTOVER, S.L.	MADRID	OTHER ACTIVITIES		3	(3)	—	100.00%	0.0%	100.00%	—	3	92	—	—	—	—	
COEFISA, S.A.	SWITZERLAND	OTHER ACTIVITIES		711	—	711	100.00%	0.0%	100.00%	—	785	393	4	(56)	—	83	
COPANE VALORES, S.L.	MADRID	OTHER ACTIVITIES		55,779	—	55,779	100.00%	0.0%	100.00%	—	2,383	55,229	—	613	—	—	
CORPORACIÓN ACCIONA ENERGÍAS RENOVABLES, S.L.	MADRID	ENERGY	A	3,950,861	—	3,950,861	82.72%	0.0%	82.72%	—	329,251	3,963,702	(15,267)	226,486	—	—	
CORPORACIÓN ACCIONA INFRAESTRUCTURAS S.L.	MADRID	CONST. & ENGINEERING	A	1,313,296	—	1,313,296	100.00%	0.0%	100.00%	—	92,503	1,267,594	5,465	(50,657)	—	(22)	
DREN, S.A.	MADRID	OTHER ACTIVITIES		1,335	—	1,335	100.00%	0.0%	100.00%	—	1,002	678	—	23	—	—	
FINANZAS DOS, S.A.	MADRID	OTHER ACTIVITIES		6,626	(5,369)	1,457	100.00%	0.0%	100.00%	—	691	799	—	3	—	—	
FINANZAS Y CARTERA DOS, S.A.	MADRID	OTHER ACTIVITIES		160	(39)	121	100.00%	0.0%	100.00%	—	34	86	—	—	—	—	
FINANZAS Y CARTERA UNO, S.A.	MADRID	OTHER ACTIVITIES		15	(12)	3	100.00%	0.0%	100.00%	—	5	(9)	{1}	{1}	—	—	
HOSPITAL DE LEÓN BAJO, S.A. DE C.V.	MEXICO	CONCESSIONS	A	2,901	—	2,901	98.00%	2.0%	100.00%	—	2,960	27,060	5,133	2,737	—	(7,295)	
NECSO ENTRECAÑALES CUBIERTAS MEXICO, SA. DE CV	MEXICO	CONST. & ENGINEERING	A	10	(10)	—	1.46%	98.54%	100.00%	—	27,528	14,102	(198)	1,065	—	(10,972)	
S.C. A2 TRAMO 2, S.A.	GUADALAJARA	CONCESSIONS	A	14,876	(13,527)	1,349	100.00%	0.0%	100.00%	—	14,876	(3,322)	10,884	5,287	—	—	
SCDAD. EMPRESARIAL DE FINANCIACIÓN Y COMERCIO, S.L.	MADRID	OTHER ACTIVITIES		138	(138)	—	100.00%	0.0%	100.00%	—	15	208	—	508	—	—	
TIBEST CUATRO, S.A.	MADRID	OTHER ACTIVITIES		13,523	—	13,523	100.00%	0.0%	100.00%	—	11,195	4,407	—	112	—	—	
TICRES, S.A.	MADRID	OTHER ACTIVITIES		18,249	(17,177)	532	100.00%	0.0%	100.00%	—	2,702	(2,251)	—	(32)	—	—	
TOTAL GROUP COMPANIES				7,592,132	(711,656)	6,880,476			42,101	942,730	6,631,946	22,766	261,122	(42,963)	(16,973)	—	

(*) Annual accounts audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Ernst & Young

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

JOINTLY CONTROLLED ENTITIES, ASSOCIATES AND OTHER

The ACCIONA, S.A. dependent companies considered jointly controlled entities and associates within the meaning of the Spanish General Accounting Plan, Standard 13 on the Preparation of Annual Accounts, and key information thereon at 31 December 2021, are as follows (expressed in thousands of euros):

NAME	LOCATION	DIVISION	AUDITOR (*)	INVESTMENT	PROVISION	NET CARRYING AMOUNT	DIRECT	INDIRECT	TOTAL SHARE-HOLDING	DIVIDENDS RECEIVED	SHARE CAPITAL	RESERVES	OPERATING PROFIT/(LOSS)	ATTRIBUTED RESULT	INTERIM DIVIDEND	TRANSLATION DIFFERENCES	NON-CONTROLLING INTERESTS
CONSORCIO TRAZA, S.A.	ARAGON	CONCESSIONS	C	6,647	—	6,647	16.60%	0.00%	16.60%	—	575	(13,894)	1,475	(7,816)	—	—	6,248
CONSTRUCTORA NECSO SACYR CHILE	CHILE	CONST. & ENGINEERING		—	—	—	0.01%	49.99%	50.00%	—	18	(1,195)	—	(27)	—	1,056	—
INFRAESTRUCTURAS RÁDIOLES, S.A.	MADRID	CONCESSIONS		25,896	(25,896)	—	22.50%	2.50%	25.00%	—	11,610	(398,253)	—	—	—	—	—
NORDEX SE**	GERMANY	ENERGY	B	1,063,738	—	1,063,738	33.63%	0.00%	33.63%	—	160,021	1,248,521	(9,639)	(103,653)	—	(87,682)	—
TOTAL JOINTLY CONTROLLED ENTITIES, ASSOCIATES AND OTHER				1,096,281	(25,896)	1,070,385				—	172,224	835,179	(8,164)	(111,495)	—	(86,626)	6,248

(*) Annual accounts audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Ernst & Young

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

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

GROUP COMPANIES

The subsidiaries of ACCIONA, S.A. considered Group companies within the meaning of the Spanish General Accounting Plan, Standard 13 on the Preparation of Annual Accounts, and article 42 of the Spanish Commercial Code, and key information thereon at 31 December 2020, are as follows (expressed in thousands of euros):

NAME	LOCATION	DIVISION	AUDITOR (*)	INVEST-MENT	PROVISION	NET CARRYING AMOUNT	DIRECT	INDIRECT	TOTAL SHAREHOLDING	DIVIDENDS RECEIVED	SHARE CAPITAL	RESERVES	OPERATING PROFIT/(LOSS)	ATTRIBUTED RESULT	INTERIM DIVIDEND	TRANSLATION DIFFERENCES	NON-CONTROLLING INTERESTS	
ACCIONA AIRPORT SERVICES FRANKFURT, GMBH	GERMANY	SERVICES	A	5,637	--	5,637	100.00%	0.00%	100.00%	--	4,627	1,090	(5,206)	(3,396)	--	--	--	
ACCIONA FINANCIACION FILIALES S.A.	MADRID	OTHER ACTIVITIES	A	411,826	--	411,826	100.00%	0.00%	100.00%	--	82,413	525,231	16,257	71,124	--	--	--	
ACCIONA INMOBILIARIA, S.L.	MADRID	OTHER ACTIVITIES	A	1,438,454	(462,391)	972,062	100.00%	0.00%	100.00%	9,000	285,192	573,663	(454)	10,191	(9,000)	--	--	
ACCIONA LOGISTICA, S.A.	MADRID	OTHER ACTIVITIES		326,888	(194,123)	132,765	100.00%	0.00%	100.00%	--	75,700	58,415	(247)	(1,752)	--	--	--	
ACCIONA MOBILITY GLOBAL, S.L.	MADRID	OTHER ACTIVITIES		319	--	319	100.00%	0.00%	100.00%	--	3	325	(22)	(11)	--	--	--	
ACCIONA CULTURAL ENGINEERING S.A. (formerly Acciona Producciones Y Diseño S.A.)	MADRID	OTHER ACTIVITIES	A	6,671	--	6,671	100.00%	0.00%	100.00%	--	1,052	7,679	3,100	2,806	--	(108)	--	
ACCIONA TECNOLOGIA Y SERVICIOS S.L.	MADRID	OTHER ACTIVITIES	A	1,703	--	1,703	100.00%	0.00%	100.00%	--	176	9,309	(214)	(601)	--	--	--	
APODERA DA CORPORATIVA GENERAL, S.A.	MADRID	OTHER ACTIVITIES		60	(152)	(92)	100.00%	0.00%	100.00%	--	60	(510)	--	(20)	--	--	--	
APODERA DA GENERAL DE SERVICIO, S.A.	MADRID	OTHER ACTIVITIES		18,720	(18,484)	286	100.00%	0.00%	100.00%	--	206	(14)	(2)	{1}	--	--	--	
BESTINVER GESTION S.C.I.I.C., S.A.	MADRID	OTHER ACTIVITIES	A	--	--	--	0.01%	99.99%	100.00%	--	331	12,069	53,830	40,296	(32,252)	--	--	
BESTINVER PENSIONES G.F.P., S.A.	MADRID	OTHER ACTIVITIES	A	--	--	--	0.00%	100.00%	100.00%	--	3,204	4,103	9,265	6,945	(6,026)	--	--	
BESTINVER SOCIEDAD DE VALORES, S.A.	MADRID	OTHER ACTIVITIES	A	--	--	--	0.01%	99.99%	100.00%	--	4,515	4,904	(389)	(296)	--	--	--	
BESTINVER, S.A.	MADRID	OTHER ACTIVITIES	A	6,114	--	6,114	96.83%	0.00%	96.83%	42,156	6,207	27,046	(3,403)	50,276	(43,538)	--	--	--
CICSA INFRAESTRUCTURAS Y OBRAS S.L.	MADRID	OTHER ACTIVITIES		1,318	--	1,318	100.00%	0.00%	100.00%	--	1,318	5,549	(5)	(5)	--	--	--	
CIRTOVER, S.L.	MADRID	OTHER ACTIVITIES		3	(3)	--	100.00%	0.00%	100.00%	--	3	92	--	--	--	--	--	
COEFISA, S.A.	SWITZERLAND	OTHER ACTIVITIES		711	--	711	100.00%	0.00%	100.00%	--	785	247	--	--	--	15	--	
COPANE VALORES, S.L.	MADRID	OTHER ACTIVITIES		55,779	--	55,779	100.00%	0.00%	100.00%	--	2,383	54,583	--	645	--	--	--	
CORPORACION ACCIONA ENERGIAS RENOVABLES, S.L.	MADRID	Energy	A	2,917,224	(245,328)	2,671,896	100.00%	0.00%	100.00%	100,000	329,251	2,020,943	(145)	156,627	(100,000)	--	--	--
CORPORACION ACCIONA INFRAESTRUCTURAS S.L.	MADRID	CONST. & ENGINEERING	A	1,313,296	--	1,313,296	100.00%	0.00%	100.00%	--	92,503	1,226,577	(14,931)	71,017	(30,000)	(11)	--	--
DREN, S.A.	MADRID	OTHER ACTIVITIES		1,335	--	1,335	100.00%	0.00%	100.00%	--	1,002	665	--	13	--	--	--	
ENTIDAD EFINEN, S.A.	MADRID	OTHER ACTIVITIES		4,508	(2,937)	1,571	100.00%	0.00%	100.00%	--	183	1,387	--	--	--	--	--	
FINANZAS DOS, S.A.	MADRID	OTHER ACTIVITIES		6,626	(5,169)	1,457	100.00%	0.00%	100.00%	--	691	788	--	11	--	--	--	
FINANZAS Y CARTERA DOS, S.A.	MADRID	OTHER ACTIVITIES		160	(39)	121	100.00%	0.00%	100.00%	--	34	86	--	--	--	--	--	
FINANZAS Y CARTERA UNO, S.A.	MADRID	OTHER ACTIVITIES		15	(12)	3	100.00%	0.00%	100.00%	--	5	(8)	(3)	(1)	--	--	--	
GESTION DE RECURSOS CORPORATIVOS, S.L.	NAVARRE	OTHER ACTIVITIES		3	(3)	--	100.00%	0.00%	100.00%	--	5	(12)	--	{1}	--	--	--	
HOSPITAL DE LEON BAJO, S.A. DE C.V.	MEXICO	CONCESSIONS	A	2,901	--	2,901	98.00%	2.00%	100.00%	--	2,960	24,425	4,993	2,481	--	(8,396)	--	
NECSO ENTRECANALES CUBIERTAS MEXICO, S.A. DE CV	MEXICO	CONST. & ENGINEERING	A	10	(10)	--	1.46%	98.54%	100.00%	--	27,520	6,076	82	6,745	--	(10,468)	--	
S.C. A2 TRAMO 2, S.A.	GUADALAJARA	CONCESSIONS	A	14,876	(13,527)	1,349	100.00%	0.00%	100.00%	3,040	14,876	(6,535)	3,622	2,089	--	--	--	--
Sociedad Empresarial de Finanzas y Comercio, S.L.	MADRID	OTHER ACTIVITIES		138	(38)	--	100.00%	0.00%	100.00%	--	35	234	--	{6}	--	--	--	
TIBEST CUATRO, S.A.	MADRID	OTHER ACTIVITIES		13,523	--	13,523	100.00%	0.00%	100.00%	--	11,195	4,285	--	122	--	--	--	
TICRIES, S.L.	MADRID	OTHER ACTIVITIES		18,269	(17,727)	532	100.00%	0.00%	100.00%	--	2,702	(3,228)	--	(22)	--	--	--	
Total group companies				6,563,066	(959,984)	5,603,082				154,197	949,115	4,554,444	66,128	415,275	(220,816)	(18,968)		

(*) Annual accounts audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Ernst & Young

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

JOINTLY CONTROLLED ENTITIES, ASSOCIATES AND OTHER

The ACCIONA, S.A. dependent companies considered jointly controlled entities and associates within the meaning of the Spanish General Accounting Plan, Standard 13 on the Preparation of Annual Accounts, and key information thereon at 31 December 2020, are as follows (expressed in thousands of euros):

NAME	LOCATION	DIVISION	AUDITOR (*)	INVESTMENT	PROVISION	NET CARRYING AMOUNT	DIRECT	INDIRECT	TOTAL SHAREHOLDING	DIVIDENDS RECEIVED	SHARE CAPITAL	RESERVES	OPERATING PROFIT/(LOSS)	ATTRIBUTED RESULT	INTERIN DIVIDEND	TRANSLATION DIFFERENCES	NON-CONTROLLING INTERESTS
CONSORCIO TRAZA, S.A.	ARAGON	CONCESSIONS	C	6,647	—	6,647	16.60%	0.00%	16.60%	—	575	(8,631)	(741)	(6,544)	—	—	5,928
CONSTRUCTORA NECO SACUR CHILE	CHILE	CONST. & ENGINEERING	—	—	—	—	0.01%	49.99%	50.00%	—	18	(1,195)	—	—	—	—	1,039
INFRAESTRUCTURAS RADIALES, S.A.	MADRID	CONCESSIONS	—	25,896	(25,896)	—	22.50%	2.50%	25.00%	—	11,610	(398,253)	—	—	—	—	—
NORDEX SE**	GERMANY	ENERGY	B	867,158	—	867,158	33.63%	0.00%	33.63%	—	106,680	656,611	(43,895)	(107,478)	—	—	(20,571)
S.C. PUENTE DEL EBRO, S.A.	ARAGON	CONCESSIONS	—	6,693	(6,693)	—	50.00%	0.00%	50.00%	—	13,385	(32,137)	(430)	(6,060)	—	—	—
TOTAL JOINTLY CONTROLLED ENTITIES, ASSOCIATES AND OTHER				906,394	(32,588)	873,805	—	—	—	—	132,268	216,395	(45,066)	(120,082)	—	(19,532)	5,928

(*) Annual accounts audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Ernst & Young

(**) Latest periodic information published by Nordex SE in the Frankfurt stock exchange as at 30 September 2020.

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

**ACCIONA, S.A.
DIRECTORS' REPORT – FINANCIAL YEAR 2021**

ACCIONA, S.A. is the Parent Company of the Acciona Group, and its activity is confined to managing its investments and the provision of support services to its investees. Accordingly, this Directors' Report should be interpreted from the perspective of the Parent Company and its subsidiaries.

ACCIONA reports in accordance with International Financial Reporting Standards (IFRS) under a corporate structure that comprises three divisions:

- Energy: instrumented through the majority shareholding in Corporación Acciona Energías Renovables, S.A. (CAER). This business encompasses the development, construction, operation and maintenance of renewable generating plants and sale of the energy produced. All of the power generated by Acciona Energía is renewable.
- Infrastructure: comprising the following activities:
 - Construction: includes infrastructure projects, as well as turnkey (EPC) projects for power plants and other facilities.
 - Water: includes activities such as the construction of desalination plants, water and wastewater treatment plants, and management of the 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: This activity consists mainly of the operation of transport and hospital concessions.
 - Other infrastructure activities: Delivery of Citizen Services and Healthcare Services.
- Other activities: including fund management and stock broking services, real estate, manufacture of electric vehicles, motorbike sharing services, investment in the associate Nordex SE (a manufacturer of wind turbines), museum interior design, and the provision of other services like facility management and airport handling.

Certain businesses formerly included in the Infrastructure Division were reshuffled in 2021, and the Energy segment was reorganised as a result of the IPO launched by CAER. This matter is explained in detail in Note 29 Segment reporting to the ACCIONA Group's consolidated annual accounts.

The recurrent Alternative Performance Measures (APMs) used in this and other reports by the ACCIONA Group are defined as follows:

EBITDA or gross operating profit is defined as operating income before depreciation and amortisation and variations in provisions, and it therefore shows the operating result of the Group. It is calculated based on the following consolidated income statement items: *Revenue, Other revenue, Changes in inventories of finished goods and work in progress, Cost of goods sold, Personnel expenses, Other operating expenses and Equity method profit/(loss) - analogous*.

Net Financial Debt shows the Group's debt, in net terms, deducting cash and current financial assets. It is calculated based on the following consolidated balance sheet items: non-current and current *Bank borrowings, Debentures and other marketable securities, and Lease obligations less Cash and cash equivalents* and *Other current financial assets*.

A detailed reconciliation is provided in the section Cash Flow and Change in Net Financial Debt of this Directors' Report.

Net Financial Debt excluding IFRS16 is defined as net financial debt less non-current and current lease obligations carried in the balance sheet.

Non-recourse debt (project debt) is debt that is not secured by corporate guarantees, so that recourse is limited to the debtor's assets and cash flows.

Recourse debt (corporate debt) is debt secured by a corporate guarantee of some kind.

Financial gearing reflects the ratio of the Group's net financial debt to equity. It is calculated by dividing *net financial debt* (calculated as explained above) by *equity*.

Backlog is defined as pending production, i.e. contractual amounts or customer orders after deducting amounts already recognised as revenue in the income statement. It is calculated on the basis of orders and contracts awarded to the Group, deducting the part of completed work recognised in *Revenue*, and adding or subtracting *Other variations* arising from foreign exchange adjustments and changes in the initial contracts.

Gross Ordinary Capex is defined as the period increase in the balance of property, plant and equipment, other intangible assets, non-current financial assets, investments accounted for using the equity method, property investments, and rights of use under financial leasing contracts, adjusted for the following items:

- Depreciation, amortisation and impairments for the period
- Year's profit/(loss) of companies accounted for using the equity method
- Profit/(loss) on disposals of non-current assets
- Changes due to fluctuations in exchange rates

In the case of changes in the consolidation perimeter, gross ordinary capex is defined as the change in net financial debt excluding IFRS 16 arising from a transaction.

Net Ordinary Capex is defined as *Gross Ordinary Capex* plus or minus changes in other payables due to suppliers of property, plant, and equipment.

Divestments are resources obtained from material transactions involving the sale of ventures or cash generating units, or reductions in the percentage interests held, carried out within the framework of an established divestment strategy.

Net Investment Cash Flow is *Net Ordinary Capex*, less divestments, plus or minus changes in real estate inventories.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Operating Cash Flow represents the capacity of assets to generate resources in terms of net financial debt. It is calculated as EBITDA minus income from companies accounted for using the equity method and that carry out an activity analogous to the Group's main activities (*Equity method profit/(loss) – analogous*), plus/minus the change in working capital less net finance costs, plus/minus income tax rebates/payments, plus income from equity-accounted companies engaging in non-analogous activities (*Equity method profit/(loss) – non-analogous*), plus/minus other cash inflows/outflows not included in *Net Investment Cash Flow* and amounts in respect of shareholder remuneration.

These APMs are used by Management 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.

Executive Summary**Period highlights**

- The results obtained by ACCIONA in the financial year ended 31 December 2021 show strong growth across all profit lines, with positive operating performance by the different activities and a significant reduction in the Group's financial leverage.
- Group revenues grew by 25.0% yoy to €8,104 million, EBITDA was 30.9% up to €1,483 million, and EBT increased by 11.2% to €575 million. Net profit fell by 14.2% yoy to €332 million, given that 2020 net profit included a €79.4 million positive impact from the extension of the useful life of certain energy assets from 25 to 30 years and €145 million related to the reversal of impairment recognised in 2017 in respect of the stake in Nordex. Excluding these two effects, and the €67.2 million net contribution to the Group's net profit for 2021 resulting from the favourable ruling of the courts with respect to the Spanish hydro levy, like-for-like net profit growth would be +62.8% yoy.
- The Energy division posted 39.8% growth in revenues to €2,472 million and a 25.1% increase in EBITDA, to €1,086 million, due to strong performance in both the Spanish and international generation businesses, despite generally weak output. In Spain, profitability grew due to the hydro levy refund and faster recovery of the investment made in regulated assets, despite high levels of hedging in the wholesale portion of the business before energy prices began to rise. The international fleet captured high prices with the new capacity that began operating in the United States (State of Texas). ACCIONA Energía published its 2021 results, available on www.accionaenergia.com.
- Revenues in the Infrastructure division increased by 24.0% to €4,870 million, and EBITDA rose by 51.0% to €323 million, despite the lower contribution from the concessions area due to the divestment of a portfolio of Spanish concessions in the fourth quarter of 2020 (the transaction was completed in 2021). Within this area, we would highlight the performance of the construction business, with revenues up 30.6% and EBITDA to reach €163 million in 2021, compared to €50 million in 2020, which was strongly affected by the COVID-19 pandemic.
- In Other Activities, the real estate division saw a decline in revenues, due to less housing units delivered, but a 45.0% increase in EBITDA to €27 million, boosted by the sale of a last mile logistics development in Barcelona, leased by the world leader e-commerce player.
- Bestinver delivered a 12.1% increase in revenues and a 7.1% increase in EBITDA, with assets under management reaching €7,046 million in December 2021, a net increase of around €700 million versus December 2020.
- The most significant development for the ACCIONA Group in 2021 was the IPO carried out by ACCIONA Energía, whose shares were listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges for the first time on 1 July under the ticker "ANE", a key strategic milestone in the Company's history. This transaction has allowed ACCIONA to reduce its financial leverage considerably, as described below, and thus to increase its ability to invest and enhance growth potential, not only in energy, but also in the sustainable infrastructure activities.
- Net financial debt totalled €4,344 million at December 2021, a €389 million reduction versus December 2020. The IPO of ACCIONA Energía resulted in gross cash proceeds for ACCIONA of €1,518 million.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

- Group profit before taxes reached €575 million, an 11.2% yoy increase, with an 18.1% improvement in financial expenses, which shrank to €180 million, and a negative contribution of €81 million from ACCIONA's stake in Nordex. In 2020, Nordex made a positive contribution of €79 million which included €145 million relating to the reversal of impairment recognised in 2017.
- Attributable net profit amounted to €332 million, 14.2% down versus 2020 which saw like-for-like growth of +62.8%, as explained above.
- In 2021, the net investment cashflow of the ACCIONA Group amounted to €20 million. This figure includes net ordinary capex of €1,319 million, €224 million investment in property development inventories, and divestments of €1,523 million, mainly consisting of the proceeds from the divestment of a 17.277% stake of ACCIONA Energía in its IPO.
- In Infrastructure, total backlog reached a new all-time high of €18,096 million at 31 December 2021 (€25,983 million including equity accounted projects).

Note: In FY 2021, Acciona segments definition was modified in align and facilitate monitoring and control by Group management, resulting in the restatement of the 2020 figures (see detailed information in note 29 of the consolidated annual accounts).

Note: ACCIONA has adopted the new guidelines published by the Spanish National Securities Market Commission (CNMV) in its communication of 21 October 2021 stating its criteria for the accounting of the banding mechanism for Spanish renewable regulated assets. The new criteria establish that, as a general rule, the deviations arising from the regulatory banding mechanism, whether positive or negative, must be recorded in the annual accounts. This resulted in a restatement of ACCIONA's 2020 annual accounts and the recognition of impacts in the Spanish regulated business consistent with the banding mechanism (e.g. Attributable Equity in 2020 was reduced by €58.5 million and EBITDA for 2020 was increased by €8.9 million as a result of the restatement). Nevertheless, for those standard facilities (SF) for which the company estimates respective Regulatory Net Asset Value (VAN) will be zero at the end of the current regulatory semi-period (Jan 2020-Dec 2022) or that will not be awarded regulatory investment income (Rinv) in the next regulatory half period (Jan 2023-Dec 2025), the liability associated with the banding mechanism market price deviations adjustment is estimated as zero. The revenue on such standard facilities is recognised at market prices and without price adjustments under the banding mechanism.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Income Statement

(Millions of euros)	FY 2021	FY 2020	Change (%)
Revenue	8,104	6,482	25.0%
EBITDA	1,483	1,133	30.9%
EBT	575	517	11.2%
Attributable net profit	332	387	-14.2%

Note: 2020 restated

Balance Sheet and Capital Expenditure

(Millions of euros)	FY 2021	FY 2020	Change (%)
Attributable equity	4.312	3.347	28.8%
Net financial debt (excluding IFRS 16)	3.847	4.239	-9.2%
Net financial debt	4.344	4.733	-8.2%
Net financial debt/EBITDA	2.93x	4.18x	-29.9%

(Millions of euros)	FY 2021	FY 2020	Change (%)
Net ordinary CAPEX	1,319	829	59.2%
Net investment cash flow	20	526	-96.3%

Operating Data

	FY 2021	FY 2020	Change (%)
Infrastructure backlog (millions of euros)	18,096	14,885	21.6%
Average headcount	41,564	38,355	8.6%

(Millions of euros)	FY 2021	FY 2020	Change (%)
Total capacity (MW)	11,245	10,694	5.1%
Consolidated capacity (MW)	9,169	8,631	6.2%
Total production (GWh)	24,541	24,075	1.9%
Consolidated production (GWh)	20,093	19,451	3.3%
Bestinver assets under management (millions of euros)	7,046	6,371	10.6%

ESG Data

	FY 2021	FY 2020	Change (%)
Executive and manager women (%)	22%	21%	+1.0pp
CAPEX aligned with EU sustainable activities taxonomy (%)	94%	85%	-4.0pp
Emissions avoided (CO2 – million tons)	13.40	13.20	1.5%
Scope 1 + 2 GHG emissions (CO2 – thousand tons)	0.17	0.13	30.8%
Water consumed (hm3)	5.00	4.70	6.4%

Note: CAPEX 2020 restated to exclude the Services portfolio reclassified to Other Activities.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Consolidated Income Statement

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Revenue	8,104	6,482	1,622	25.0%
Other revenue	563	789	(226)	-28.6%
Change in inventories of finished goods and work in progress	110	194	(83)	-43.1%
Total Production Value	8,778	7,464	1,313	17.6%
Cost of goods sold	(1,980)	(2,216)	236	10.6%
Personnel expenses	(1,787)	(1,551)	(237)	-15.3%
Other expenses	(3,621)	(2,647)	(974)	-36.8%
Equity method profit/(loss) - analogous	94	82	12	14.4%
Gross operating profit (EBITDA)	1,483	1,133	350	30.9%
Depreciation and amortisation charge	(587)	(557)	(30)	-5.4%
Provisions	(128)	(121)	(6)	-5.0%
Impairment of assets	(1)	92	(93)	n.a.
Profits/(losses) on disposal of non-current assets	68	88	(20)	-22.4%
Other gains or losses	(7)	(9)	3	29.4%
Operating profit (EBIT)	829	625	204	32.6%
Net financial result	(180)	(219)	40	18.1%
Exchange differences (net)	10	14	(5)	-31.4%
Change in provisions for financial assets	(1)	1	(2)	n.a.
Equity method profit/(loss) - non-analogous	(81)	(79)	(161)	n.a.
Result from changes in financial instruments at fair value	(3)	15	(19)	n.a.
Profit before tax from continuing operations (EBT)	575	517	58	11.2%
Income tax expense	(171)	(100)	(71)	-71.3%
Year's profit from continuing operations	404	417	(13)	-3.2%
Non-controlling interests	(72)	(30)	(42)	137.8%
Attributable net profit	332	387	(55)	-14.2%

Note: 2020 restated

Revenue

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Energy	2,472	1,769	704	39.8%
Infrastructure	4,870	3,928	942	24.0%
OTHER ACTIVITIES	1,055	953	103	10.8%
Consolidation adjustments	(294)	(167)	(127)	-75.6%
Total revenues	8,104	6,484	1,622	25.0%

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Revenues increased by 25.0% to €8,104 million with the following evolution in the different areas of activity:

- Increase in Energy revenues of +39.8%, driven by 49.9% growth in Spain, 105.0% growth in the US (on strong first quarter prices in Texas), and 49.2% growth in Chile.
- Increase in Infrastructure of +24.0% revenues due to a combination of 30.6% and 7.8% growth in Construction and Water, respectively, and a -46.1% decrease in concessions resulting from the sale of a Spanish concessions portfolio in December 2020.
- Revenues from Other Activities increased by 10.8%, with a notable performance from Bestinver (+12.1%) and a higher contribution from Urban Mobility.

Gross operating profit (EBITDA)

(Millions of euros)	FY 2021	EBITDA (%)	FY 2020	EBITDA (%)	Change (€m)	Change (%)
Energy	1,086	72%	868	75%	218	25.1%
Infrastructure	323	21%	214	18%	109	51.0%
OTHER ACTIVITIES	104	7%	79	7%	24	30.4%
Consolidation adjustments	(30)	N.A.	(29)	N.A.	(1)	-4.1%
Total EBITDA	1,483	100%	1,133	100%	350	30.9%
Margin (%)	18.3%		17.5%			-0.8pp

Note: EBITDA contributions calculated before consolidation adjustments

Note: 2020 restated

ACCIONA Group's EBITDA increased by 30.9% to €1,483 million in FY 2021. All businesses displayed very positive trends, partially favoured by comparison with the previous year, which was very seriously impacted by the COVID-19 pandemic. ACCIONA Energía grew EBITDA by 25.1%, mostly driven by US assets (EBITDA of €117 million compared to €44 million in FY 2020). EBITDA in the Infrastructure business increased by 51.0%, despite the deconsolidation of the Spanish concessions sold in the fourth quarter of 2020. EBITDA from Other Activities increased by 30.4%, with a notable increase in the contribution from Bestinver, Facility Services and Airports.

Net operating profit (EBIT)

Net operating profit was €829 million, 32.6% higher than the €625 million reported in FY 2020, with a slight increase in depreciation and amortisation charges. Results on non-current assets amounted to €68 million in FY 2021 versus €88 million in FY 2020. FY 2021 results include €48 million in capital gains realised this year with the final completion of the sale of a portfolio of Spanish concessions agreed in December 2020, while FY 2020 included €79 million on the same transaction. All in, this transaction generated gains of €127 million for ACCIONA.

ACCIONA S.A.*Notes to the annual accounts for the year ended 31/12/2021***Profit before income tax (EBT)**

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Energy	536	410	125	30.5%
Infrastructure	83	65	18	27.8%
OTHER ACTIVITIES	(24)	75	(99)	-132.7%
Consolidation adjustments	(20)	(33)	13	40.3%
Total EBT	575	517	58	11.2%
<i>Margin (%)</i>	<i>7.1%</i>	<i>8.0%</i>		<i>-0.9pp</i>

Earnings before taxes grew by 11.2% due to the increased contribution made by the Energy division.

Attributable net profit fell by 14.2% yoy to €332 million. Attributable net profit for FY 2020 included a positive impact of €79 million from the extension of the useful lives of energy assets and €145 million from the reversal of impairment recognised on the shareholding in Nordex in 2017. Excluding these two effects, and the €67.2 million net contribution to the Group's net profit for 2021 resulting from the favourable ruling of the courts with respect to the Spanish hydro levy, like-for-like net profit growth would be +62.8% yoy.

ACCIONA S.A.
Notes to the annual accounts for the year ended 31/12/2021

Consolidated Balance Sheet and Cash Flow <i>(Millions of euros)</i>	31 Dec. 2021	31 Dec. 2020	Change (€m)	Change (%)
Property, plant and equipment, intangible assets and investment property	8,659	7,873	786	10.0%
Right of use	528	497	31	6.2%
Financial assets	219	189	29	15.5%
Investments accounted for using the equity method	1,323	1,227	98	8.0%
Goodwill	249	230	18	7.9%
Other non-current assets	1,388	1,303	86	6.6%
NON-CURRENT ASSETS	12,367	11,320	1,047	9.3%
Inventories	1,210	1,230	(19)	-1.6%
Accounts receivable	2,731	2,252	479	21.3%
Other current assets	454	327	127	38.9%
Other current financial assets	218	213	6	2.7%
Cash and cash equivalents	2,318	2,407	(89)	-3.7%
Assets held for sale	303	458	(155)	-33.8%
CURRENT ASSETS	7,236	6,887	349	5.1%
TOTAL ASSETS	19,603	18,207	1,396	7.7%
Share capital	55	55	---	0.0%
Reserves	3,943	2,927	1,016	34.7%
Profit/(loss) attributable to equity holders of the parent company	332	387	(55)	-14.2%
Treasury shares	(18)	(22)	4	17.0%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	4,312	3,347	965	28.8%
NON-CONTROLLING INTERESTS	1,246	365	881	n.a.
Equity	5,557	3,711	1,846	49.7%
Interest-bearing borrowings	4,436	4,871	(435)	-8.9%
LT Lease obligations	430	420	10	2.4%
Other non-current liabilities	2,265	1,862	403	21.7%
NON-CURRENT LIABILITIES	7,131	7,153	(22)	0.3%
Interest-bearing borrowings	1,947	1,987	(40)	-2.0%
ST Lease obligations	68	74	(7)	-9.0%
Trade payables	3,148	2,953	195	6.6%
Other current liabilities	1,489	1,945	(456)	-23.5%
Liabilities associated with assets held for sale	263	383	(120)	-31.3%
CURRENT LIABILITIES	6,914	7,342	(428)	-5.8%
TOTAL EQUITY AND LIABILITIES	19,603	18,207	1,396	7.7%

Note: 2020 restated

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
EBITDA	1,483	1,133	350	30.9%
Financial results (*)	(182)	(200)	17	-8.7%
Change in working capital	(117)	198	(315)	-159.0%
Other operating cash flow	(433)	(211)	(221)	-104.6%
Operating cash flow	751	920	(169)	-18.3%
Gross ordinary capex	(1,319)	(829)	(491)	-59.2%
Divestments	1,523	318	1,206	n.a
Real estate inventories	(224)	(14)	(209)	n.a
Net investment cash flow	(20)	(526)	506	96.3%
Share buy-back programme	(1)	--	(1)	n.a
Derivatives debt	20	5	15	n.a
Exchange rate differences debt	(8)	36	(43)	-121.4%
Dividends	(214)	(106)	(108)	-102.6%
Perimeter changes and other	(137)	347	(484)	n.a
Financing and other cash flow (*)	(340)	282	(622)	n.a
Change in net debt + Decrease/Increase	392	676	(285)	n.a

Note: IFRS16 lease payments totalled €115m in 2021, of which €25m is reflected in Financial results (net interest) and €90m in Financing and other cash flow.

Note: 2020 restated

Attributable equity

ACCIONA's attributable equity at 31 December 2021 was €4,312 million, 28.8% more than at 31 December 2020. The ACCIONA Energía IPO generated capital gains of €613 million for ACCIONA.

Net Financial Debt

	31 Dec. 2021		31 Dec. 2020		Change (€m)	Change (%)
	Amount	% Total	Amount	% Total		
Project debt	850	13%	947	14%	(97)	-10.2%
Corporate debt	5,533	87%	5,912	86%	(379)	-6.4%
Total interest-bearing debt	6,383		6,858		(475)	-6.9%
Cash + Current financial assets	(2,536)		(1,620)		83	3.2%
Net financial debt, excl. IFRS 16	3,847		4,239		(392)	-9.2%
Net financial debt	4,344		4,733		(388)	-8.2%

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Net financial debt at 31 December 2021 was €4,344 million (including €497 million from the IFRS16 effect), a €389 million decrease versus December 2020 due to a combination of the following factors:

- *Operating cash flow* of €751 million, which includes a negative variation in working capital of €117 million, with a positive contribution in the second half of the year. *Other operating cashflow* includes taxes, minority interests and a one-off settlement payment from a contractual dispute with a former energy partner.
- *Net Investment Cashflow* of €20 million, including €224 million invested in the real estate business, as well as €1,523 million related to the divestment of 17.277% of the interest held in ACCIONA Energía as a result of the IPO and the collection of the final tranche receivable on the sale of a portfolio of concession assets in Spain agreed in the fourth quarter of 2020.
- *Financing and other cash flow* and was -€340 million, comprising -€214 million in respect of the dividend payment and -€137 million from perimeter changes and other items, which included €90 million in IFRS16 lease payments

Financial gearing was as follows:

	(Millions of euros)	31 Dec. 2021	31 Dec. 2020
Leverage (NFD/Equity) (%)		78%	128%

Capital Expenditure

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Energy	819	577	242	42.0%
Infrastructure	185	172	13	7.5%
Construction	127	79	48	61.0%
Concessions	8	72	(64)	-88.5%
Water	41	10	31	N.A.
Other infrastructure activities	9	11	(2)	-21.8%
Other activities	316	80	236	N.A.
Net ordinary CAPEX	1,319	829	491	59.2%
Real Estate	224	14	209	N.A.
Divestments	(1,523)	(318)	(1,206)	N.A.
Net ordinary CAPEX	20	526	(506)	-96.3%

Note: The investments made in Nordex were included in the Energy division in 2020 but were reclassified to Other Activities in 2021.

Net ordinary capex across ACCIONA's various businesses in 2021, excluding the real estate investments, amounted to €1,319 million, compared to the €829 million in 2020.

The Energy division invested €819 million, representing 62% of the Group's total net ordinary capex. At the consolidated level, capacity grew from 8.6GW to 9.2GW, up 6.2%. A total of 557MW (gross) were installed during the period, mainly represented by 140MW wind in Australia (Mortlake South), 145MW wind in Mexico (San Carlos), 209MW solar PV in Chile (Margarida), and 48MW wind in Spain (Celada Fusión). At 31 December 2021, total capacity under construction amounted to 691MW, mainly in the US and Spain. The company expects to install 0.8GW in 2022.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Infrastructure invested a net €185 million, compared to €172 million in 2020, including €77 million in respect of the deferred purchase price of Lendlease Engineering.

Capex in Other Activities includes the €34 million acquisition of Silence and a loan of close to €200 million granted to Nordex, which was converted into Nordex shares through ACCIONA's subscription of 100% of its preferential acquisition rights in the framework of the €584 million capital increase carried out by Nordex in July 2021.

Results by Division

Energy

(Millions of euros)	FY 2021	FY 2020	Var. €m	Change (%)
Spain	1,502	1,002	500	49.9%
USA	145	71	74	105.0%
Mexico	188	173	15	8.7%
Chile	229	154	76	49.2%
Other Americas	42	42	--	0.9%
Americas	605	440	165	37.6%
Australia	59	92	(33)	-36.1%
Rest of Europe	231	164	67	40.5%
Rest of the world	76	71	5	6.8%
International	971	767	204	26.5%
Total revenues	2,472	1,769	704	39.8%

Note: 2020 restated

ACCIONA Energía's revenues increased by 39.8% to €2,472 million, mainly due to the following factors:

- Growth of 49.9% in Spain mainly due to an increase in energy supply revenues, both in terms of price and volume. Generation revenues grew despite lower output.
- 105.0% increase in the US on strong first quarter prices in Texas.
- 49.2% increase in Chile due to higher injection node prices.
- Rest of Europe increased its revenues by 40.5% to €231 million.

(Millions of euros)	FY 2021	EBITDA (%)	FY 2020	EBITDA (%)	Change (€m)	Change (%)
Spain	531	49%	359	41%	172	48.0%
USA	117	11%	44	5%	73	165.3%
Mexico	134	12%	142	16%	(8)	-5.6%
Chile	76	7%	82	9%	(6)	-6.5%
Other Americas	31	3%	28	3%	2	8.4%
Americas	358	33%	296	34%	62	20.8%
Australia	30	3%	71	8%	(41)	-58.3%
Rest of Europe	111	10%	90	10%	21	23.7%
Rest of the world	57	5%	53	6%	4	8.0%
International	555	51%	510	59%	46	9.0%
Total revenues	1,086	100%	868	100%	218	25.1%
Margin (%)	43.9%		49.1%			+5.2pp

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Note: 2020 restated

ACCIONA Energía's EBITDA increased by 25.1% in 2021 to reach €1,086 million. This increase was mainly driven by new capacity in the United States due to the exceptionally high prices in the first quarter, as well as Spain (EBITDA +48%) due to the hydro levy refund and faster payback of regulatory value, while the wholesale portion of the business was significantly hedged. The favourable court ruling on the hydro levy contributed €77 million of EBITDA, more than offsetting the €19 million positive impact in 2020 from the reversal of impairments on the contribution of assets accounted for using the equity method.

With respect to the main operating drivers, the average generation price increased by 19% to €75.5/MWh, up 27% in Spain to €83.6/MWh, and 20% in International to €68.1/MWh. In Spain, recognition of the regulatory banding mechanism and price hedges offset most of the positive impact from the sharp rise in wholesale prices.

Total installed capacity was 11.2GW at the year end compared to 10.7GW as of 31 December 2020. A total of 557MW (gross) were in 2021, mainly represented by 140MW wind in Australia (Mortlake South), 145MW wind in Mexico (San Carlos), 209MW solar PV in Chile (Margarida), and 48MW wind in Spain (Celada). At 31 December 2021, total capacity under construction amounted to 691MW, mainly in the US and Spain. The company expects to install 0.8GW in 2022.

Production during the period grew less than expected due to weather incidents in the US, lower resource generally across the portfolio, and curtailments. Consolidated productions surpassed the 20TWh for the first time, with output amounting to 20,093GWh, an increase of 3.3% compared to the previous year. In the domestic market, production fell by -2.6% to 9,561GWh, with wind production up 5.3% and hydro production down -26.9%. Consolidated production from international assets increased by 9.4% to 10,532GWh including new operating capacity. Excluding the new assets, the consolidated production of the International business fell by 7.2%.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Breakdown of Installed Capacity and Production by Technology

31 Dec. 2021	Total		Consolidated		Net	
	MW Installed	GWh Produced	MW Installed	GWh Produced	MW Installed	GWh Produced
Spain	5,736	12,218	4,496	9,561	5,067	10,768
Wind	4,782	10,033	3,557	7,376	4,124	8,602
Hydropower	873	1,735	873	1,735	873	1,735
Solar PV	19	5	5	5	11	5
Biomass	61	445	61	445	59	426
International	5,509	12,323	4,672	10,532	4,312	9,534
Wind	4,005	9,301	3,804	8,909	3,217	7,394
Mexico	1,076	3,137	1,076	3,137	925	2,653
USA	1,062	1,873	990	1,764	851	1,517
Australia	592	1,149	528	1,030	492	887
India	164	371	164	371	142	322
Italy	156	253	156	253	117	190
Canada	181	476	141	353	106	265
South Africa	138	322	138	322	57	132
Portugal	120	285	120	285	84	197
Poland	101	204	101	204	76	153
Costa Rica	50	254	50	254	32	165
Chile	312	856	312	856	301	831
Croatia	30	81	30	81	23	61
Hungary	24	42	--	--	12	21
Solar PV	1,441	2,924	804	1,525	1,046	2,067
Chile	610	1,229	610	1,229	610	1,229
South Africa	94	201	94	201	39	83
Portugal	46	91	--	--	20	45
Mexico	405	872	--	--	202	436
Egypt	186	436	--	--	78	183
Ukraine	100	95	100	95	97	91
Solar Thermoelectric (USA)	64	98	64	98	48	73
Total Wind	8,787	19,334	7,361	16,285	7,341	15,996
Total other technologies	2,458	5,207	1,807	3,808	2,037	4,306
Total Energy	11,245	24,541	9,169	20,093	9,378	20,302

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Infrastructure

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%) %
Construction	3,626	2,776	850	30.6%
Concessions	53	98	(45)	-46.1%
Water	1,052	976	76	7.8%
Other Infrastructure Activities	165	145	20	13.5%
Consolidation adjustments	(26)	(68)	42	61.8%
Revenue	4,870	3,928	942	24.0%
Construction	163	50	113	n.a
Concessions	46	67	(21)	-31.5%
Water	100	85	15	18.3%
Other Infrastructure Activities	14	12	2	16.1%
EBITDA	323	214	109	51.0%
<i>Margin (%)</i>	<i>6.6%</i>	<i>5.4%</i>		
EBT	83	65	18	27.8%
<i>Margin (%)</i>	<i>1.7%</i>	<i>1.7%</i>		

Revenues in Infrastructure reached €4,870 million, 24.0% higher than 2020, and EBITDA amounted to €323 million, up 51.0% compared to 2020, which was seriously impacted by the COVID-19 pandemic.

Infrastructure Backlog

(Millions of euros)	31 Dec. 2021	31 Dec. 2020	Change (%)	Weight (%)
Construction	12,087	10,797	12.0%	67%
Water	5,462	3,789	44.2%	30%
Other Infrastructure Activities	547	300	82.3%	3%
Total	18,096	14,885	21.6%	100%
(Millions of euros)	31 Dec. 2021	31 Dec. 2020	Change (%)	Weight (%)
Projects (Construction and Water)	13,719	12,123	13.2%	76%
O&M Water	3,830	2,462	55.5%	21%
Other Infrastructure Activities	547	300	82.3%	3%
Total	18,096	14,885	21.6%	100%
(Millions of euros)	31 Dec. 2021	31 Dec. 2020	Change (%) %	Weight (%)
Spain	3,315	3,092	7.2%	18%
International	14,781	11,793	25.3%	82%
Total	18,096	14,885	21.6%	100%

Note: CAPEX 2020 restated to exclude the Services portfolio reclassified to Other Activities.

The total Infrastructure backlog increased by 21.6% to €18,096 million compared to December 2020, and the construction and water project backlog totalled €13,719 million, 13.2% higher than in December 2020, in both cases a new all-time high. New projects worth €6,060 million were awarded during the year, comprising €6,060 million in Construction and Water projects, including Sydney Metro West in Australia (€602 million), Fargo Diversion River in the USA (€351 million), Jubail 3B

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

desalination plant in Saudi Arabia (€337 million) and the Tren Maya Playa Carmen - Tulum train in Mexico (€315 million).

If ACCIONA's stakes in equity accounted projects are included, the total Infrastructure backlog amounted to €25,983 million.

A. Construction

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Revenue	3,626	2,776	850	30.6%
EBITDA	163	50	113	225.2%
Margin (%)	4.5%	1.8%		

Revenues increased by 30.6% to €3,626 million and EBITDA reached €163 million, compared to only €50 million in 2020, which saw the most negative effects of the COVID-19 pandemic, mostly in the second quarter of the year. The EBITDA margin was 4.5% of sales.

B. Concessions

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Revenue	53	98	(45)	-46.1%
EBITDA	46	67	(21)	-31.5%
Margin (%)	86.5%	68.2%		

Concessions decreased revenues by 46.1% and EBITDA by 31.5% due to the deconsolidation of a set of concession assets in Spain whose sale was agreed in the fourth quarter of 2020. This transaction has been completed in 2021.

C. Water

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Revenue	1,052	976	76	7.8%
EBITDA	100	85	15	18.3%
Margin (%)	9.5%	8.7%		

Water revenues increased by 7.8% in 2021 and EBITDA grew by 18.3% to €100 million with a significant improvement in the EBITDA margin to 9.5% vs 8.7% in 2020.

D. Other Infrastructure Activities

(Millions of euros)	FY 2021	FY 2020	Change (€m)	Change (%)
Revenue	165	145	20	13.5%
EBITDA	14	12	2	16.7%
Margin (%)	8.4%	8.2%		

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

In 2021, Other Infrastructure Activities, which mainly include Citizen Services (environment), generated €165 million in revenues and €14 million in EBITDA, showing a small improvement in profitability (EBITDA margin of 8.4% compared to 8.2% in 2020).

Other activities

<i>(Millions of euros)</i>	FY 2021	FY 2020	Change (€m)	Change (%)
Real Estate	190	201	(11)	-5.7%
Bestinver	128	114	14	12.1%
Corporate and other	738	637	100	15.7%
Revenue	1,055	953	103	10.8%
Real Estate	27	19	8	45.0%
<i>Margin (%)</i>	<i>14.4%</i>	<i>9.4%</i>		
Bestinver	67	63	4	7.1%
<i>Margin (%)</i>	<i>52.4%</i>	<i>54.9%</i>		
Corporate and other	9	(2)	11	N.A.
EBITDA	104	79	24	30.4%
EBT	(24)	75	(99)	-132.7%

A. Real Estate

Real Estate revenues declined (-5.7%) in 2021 due to the lower number of deliveries of residential units in the period (443 units in 2021 compared to 744 in 2020). However, EBITDA grew by 45.0% versus 2020 to €27 million, boosted by the sale of a landmark last mile logistic development in Barcelona leased by the world leader e-commerce player.

B. Bestinver

Bestinver increased its revenues by 12.1% and its EBITDA by 7.1% as a result of the higher average funds under management (€7,078 million in 2021 compared to €5,742 million in 2020) and the positive contribution of Bestinver Securities.

At 31 December 2021 funds under management reached €7,046 million, a net increase of €675 million compared to 31 December 2020.

C. Corporate and other

Corporate and Other Activities included certain areas that were formerly included in the Infrastructure division, chiefly Airport Handling, Mobility and Facility Services. Activity in 2021 showed a notable improvement compared to 2020, when it was heavily impacted by the effects of the COVID-19 pandemic. Revenues increased by 15.7% to €738 million and made a €9 million positive contribution to the group's EBITDA in 2021, compared to -€2 million in 2020.

MATERIAL EVENTS, DIVIDEND AND SHARE DATA

Material Events in the period

- 18 January 2021: ACCIONA communicates details of the operations related to the Liquidity Agreement between 16/10/2020 and 15/01/2021, inclusive.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

- Detailed information about the operations relevant to the fourteenth quarter of the aforesaid agreement (from 16 October 2020 to 15 January 2021, inclusive).
- 18 February 2021: ACCIONA reports that the Board of Directors Meeting to be held today, 18 February 2021, to prepare the annual accounts for FY 2020, will discuss, among other items, the possible Initial Public Offering of the shares of its subsidiary and parent of the Energy division, Corporación ACCIONA Energías Renovables, S.L. (currently being transformed into a public limited company), and its subsequent listing. The Company will provide more information on this matter, as appropriate, after said meeting.
- 18th February 2021: Further to the Privileged Information communication published today (PI registration number 724), ACCIONA informs that the Board of Directors has decided to initiate the process of Initial Public Offering ("Offering") of the shares of its subsidiary Corporación ACCIONA Energías Renovables, S.L. (in the process of being transformed into a Public Limited Company), head of the Energy division, for its subsequent listing on the Spanish stock exchanges.
 - The final approval of the Offer is subject to assessment by the relevant management bodies of the Company, taking into account, among other factors, market conditions and investor interest.
- 16 March 2021: The company sends a press release regarding the agreement reached with Korea Zinc, CO.
 - ACCIONA and the international metallurgical group Korea Zinc Co. have reached an agreement to jointly develop the MacIntyre wind farm (923MW) in Queensland.
- 16 March 2021: ACCIONA, S.A.'s Board of Directors has called an Extraordinary General Shareholders' Meeting to be held on 12 April 2021 at 1:30 p.m. on a single call.
- 12 April 2021: At the Extraordinary General Shareholders' Meeting held today, on a single call, with 83.39% of the Company's share capital in attendance (including treasury shares), the sole item on the agenda submitted for voting, the text of which is transcribed below, was approved with the favourable vote of 99.8% of the voting capital in attendance at the Meeting.
 - Authorisation, for the purposes of the provisions of article 160.f) of the Spanish Companies Act, for the disposal of shares in Corporación ACCIONA Energías Renovables, S.A., including a share offering as part of its IPO.
- 19 April 2021: ACCIONA submits details of the transactions under the Liquidity Agreement between 18/01/2021 and 16/04/2021, inclusive.
 - Detailed information about the operations relevant to the fourteenth quarter of the aforesaid agreement (from 16 October 2020 to 15 January 2021, inclusive).
- 29th April 2021: ACCIONA announces the virtual event "ACCIONA Energía Capital Markets Day" that will take place next Friday 7th May at 13h. Connection details will be available on ACCIONA's website in advance (www.accionia.com).

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

- 6 May 2021: As a follow up to the Other Relevant Information communication published on 29th April 2021, (OIR number 9028), ACCIONA attaches the presentation to be used in the virtual event “Acciona Energía Capital Markets Day” which will take place today, 7 May 2021 at 1:00pm (CET).
 - The presentation contains insider information relating to the subsidiary Corporación Acciona Energías Renovables, S.A. Unipersonal, the parent company of ACCIONA’s Group Energy division.
- 26 May 2021: The Company informs that, on the date hereof, its subsidiary Acciona Financiación Filiales, S.A. and a syndicate of twenty-three banks (five Spanish and eighteen foreign banks) have entered into a new finance agreement for an amount of eight hundred million euros (EUR 800,000,000.00).
 - The financing is divided into two tranches: tranche A for a maximum amount of two hundred million euros (EUR 200,000,000.00) and tranche B for a maximum amount of six hundred million euros (EUR 600,000,000.00), both maturing on 26h May 2026 (the “AFF Syndicated Loan Agreement”).
 - On the other hand, the subsidiary Acciona Energía Financiación Filiales, S.A. (Unipersonal) and a syndicate of twenty-three banks (five Spanish and eighteen foreign banks) have today entered into a finance agreement for an amount of two thousand and five hundred million euros (EUR 2,500,000,000.00). The financing is divided into three tranches; tranche A for a maximum amount of one thousand million euros (EUR 1,000,000,000.00), tranche B for a maximum amount of one thousand million euros (EUR 1,000,000,000.00) and tranche C for a maximum amount of five hundred million euros (EUR 500,000,000.00). Tranches A and B both mature on 26 May 2024 and tranche C matures on 26 May 2026 (the “AEFF Syndicated Loan Agreement”).
- 27 May 2021: ACCIONA S.A.’s Board of Directors has convened the Annual General Shareholders’ Meeting for 29 June 2021 on first call and 30 June 2021, on second call, at 12:30pm (it is likely that the meeting would take place on second call). Attached hereto is the full text of the call, which will be published on the Company’s website.
- 7 June 2021: As a follow-up to the Privileged Information statements published on 18 February 2021 (PI number 724 and 728), Acciona informs of its intention to proceed with the Initial Public Offering (“IPO”) relating to the shares of its subsidiary and head of the Energy division of the Group, Corporación Acciona Energías Renovables, S.A. Unipersonal (“Acciona Energía”).
 - In the context of the IPO, Acciona Energía intends to apply for the admission of its shares to listing on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges for trading through the automated Quotation System (Mercado Continuo).
- 7 June 2021: Notice is given that today the Spanish Securities Market Commission (“CNMV”) has approved and registered the share registration document of Corporación Acciona Energías Renovables, S.A. Unipersonal (“Acciona Energía”).

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

- 8 June 2021: Acciona informs that Corporación Acciona Energías Renovables, S.A. Unipersonal (“Acciona Energía”) has obtained an ESG (environmental, social and governance) rating from S&P Global Ratings with a score of 86 over 100.
 - The awarding of such rating by S&P Global Ratings is conditioned to the admission of Acciona Energía’s shares to listing on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges for trading through the Automated Quotation System (Mercado Continuo).
- 17 June 2021: As a follow up to the Privileged Information communications published on 18 February 2021 (PI number 724 and 728) and the Other Relevant Information communications published on 7 June 2021 (OIR number 9869 and 9870), ACCIONA reports that today, pursuant to the authorisation granted by the Company’s General Shareholders’ Meeting on 12 April 2021, the Company’s Board of Directors has unanimously passed the following resolutions, in connection with the forthcoming initial public offering (the “Offering”) of shares of Corporación Acciona Energías Renovables, S.A. Unipersonal (“Acciona Energía”):
 - To approve the sale to qualified investors of a minimum of 49,387,588 and a maximum of 82,312,647 shares of Acciona Energía, each with a par value of 1.00 euro, representing, respectively, 15% and 25% of its share capital, by launching the Offering in the context of its listing process in the stock exchanges. Such Offering may be increased by the granting by Acciona to the joint global coordinators of the Offering of a call option (*green shoe*) representing between 10% and 15% of the shares initially offered in the Offering in order to cover eventual over-allotments among investors.
 - To set, following the joint global coordinators’ recommendations and the advice provided by the Company’s financial advisors, an indicative and non-binding price range for the shares that are the subject of the Offering, ranging between 26.73 and 29.76 euros per share of Acciona Energía, under the terms and conditions contained in the prospectus which will be submitted to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) for approval. The foregoing implies an implied capitalisation or market value of the entire share capital of Acciona Energía between 8,800,000,000 and 9,800,000,000 euros, approximately.
- 21 June 2021: As a follow up to the Privileged Information communications published on 17 June 2021 and 18 February 2021 (PI number 940 and 724 and 728, respectively) and the Other Relevant Information communications published on 7 June 2021 (OIR number 9869 and 9870), ACCIONA reports that today the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores* or “CNMV”) has approved and registered the prospectus for the initial public offering and admission to listing of the shares of Corporación Acciona Energías Renovables, S.A. Unipersonal (“Acciona Energía”) on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges for trading through the Automated Quotation System or “*Mercado Continuo*” (the “Prospectus”).
- 22 June 2021: As a follow up to the Privileged Information communications published on 17 June 2021 and 18 February 2021 (PI number 940 and 724 and 728, respectively) and the Other Relevant Information communications published on 7 June and 21 June 2021 (OIR number 9869 and 9870, and 10110, respectively), ACCIONA reports that, pursuant to the information provided by the joint global coordinators of the initial public offering (the “Offering”) of

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

shares of its subsidiary Corporación Acciona Energías Renovables, S.A. Unipersonal ("Acciona Energía"), the non-binding share purchase proposals received from qualified investors to date are sufficient to cover the initial Offering size (i.e., 15% of Acciona Energía's share capital) plus 15% of such initial size comprising the over-allotment option.

- 28 June 2021: ACCIONA reports that, pursuant to the information provided by the joint global coordinators of the initial public offering (the "Offering") of shares of its subsidiary Corporación Acciona Energías Renovables, S.A. Unipersonal ("Acciona Energía"), the non-binding share purchase proposals received from qualified investors to date are sufficient to cover the initial Offering size (i.e., 15% of Acciona Energía's share capital) plus 15% of such initial size comprising the over-allotment option within the revised indicative non-binding price range referred to below.
 - Likewise, it is reported that ACCIONA, in consultation with the joint global coordinators of the Offering, has decided to narrow the indicative non-binding price range for the shares subject of the Offering between 26.73 and 27.50 euros per share of Acciona Energía.
- 29 June 2021: Today, the book-building process for the public offering of ordinary shares of Acciona Energía to qualified (the "Offering") has been completed.
 - Offering price: €26.73 per ordinary share
 - Offering size: the aggregate amount of shares offered under the Offering amounts to 49,387,588 ordinary shares of Acciona Energía, representing 15% of its share capital.
 - Over-allotment Option: the Offering may be increased up to a maximum of 7,408,138 additional shares (equivalent to 15% of the number of ordinary shares constituting the initial Offering size and representing 2.25% of the share capital of Acciona Energía) if Citigroup Global Markets Europe AG or any of its agents, as stabilisation manager (the "Stabilisation Manager"), acting on behalf of the underwriting managers, exercises the over-allotment option granted by ACCIONA over all or a portion of such additional shares (the "Over-allotment Option").
- 30 June 2021: ACCIONA reports that the General Shareholders Meeting held today has resolved that a dividend for the year 2020, be payable on 7 July 2021, through the entities adhered to *Sociedad de Gestión de los Sistemas de Registro Compensación y Liquidación de Valores*. The EUR 3.9 per share gross dividend approved by the Annual General Shareholders Meeting has been slightly increased to the amount of 3.91496620 euros per share due to the direct treasury shares adjustment. The relevant dates for the dividend distribution are:
 - Last Trading Date: 2 July 2021
 - ExDate: 5 July 2021
 - Record Date: 6 July 2021
 - Payment Date: 7 July 2021
- 30 June 2021: During today's General Shareholders Meeting, held on second call, with the attendance of 82.28% of the Company's share capital (including treasury shares), shareholders have approved with, at least 86.72% of the share capital present at the Meeting,

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

all of the items of the agenda submitted for voting in the terms included in the documentation available to shareholders as such items of the agenda were communicated to the CNMV on 27 May 2021 with registration number 9682.

- 30 June 2021: The Company reports the update of board of directors composition and its committees.
- 8 July 2021: The Company informs that on the date hereof, the syndicated finance agreement communicated as material information (*hecho relevante*) on 25 March 2015 (HR 220674) and 12 July 2016 (HR 240724), along with other pre-existing financing agreements, has been cancelled following the first draw of funds under the syndicated finance agreement communicated as an Other Relevant Information communication, by the Company on 26 May 2021, (OIR 9617).
- 19 July 2021: ACCIONA submits details of the transactions under the Liquidity Agreement between 19/04/2021 and 16/07/2021, inclusive.
 - The transactions corresponding to the sixteenth quarter of the aforementioned contract (from 19 April 2021 to 16 July 2021, inclusive) are detailed.
- 30 July 2021: In regards to the material information communications dated 15 July 2011 (HR 147698) and 26 of January 2018 (HR 261036) related to the *Pacto Parasocial de Estabilidad Accionarial* entered into by and between the Family Relatives of Mr José María Entrecanales de Azcarate, Mr Juan Entrecanales de Azcarate and La Verdosa, S.L. and following the Privileged Information communications dated 10 and 11 of December 2020 (IP 619 and 620) by which the entity La Verdosa, S.L, through its bookrunner, informed of the sale of its significant shareholding in ACCIONA, the Company hereby informs that the aforementioned entity is no longer a part of the *Pacto Parasocial de Estabilidad Accionarial*.
- 19 October 2021: ACCIONA submits details of the transactions under the Liquidity Agreement between 19/07/2021 and 18/10/2021, both included.
 - The transactions corresponding to the seventeenth quarter of the aforementioned contract (from 19 July 2021 to 18 October 2021, inclusive) are detailed.

ACCIONA has published the following relevant information since 31 December 2021:

- 19 January 2022: ACCIONA submits details of the transactions under the Liquidity Agreement between 19/10/2021 and 18/01/2021, inclusive.
 - The transaction corresponding to the eighteenth quarter of the aforementioned contract (from 19 October 2021 to 18 January 2022, inclusive) are detailed.

ACCIONA S.A.

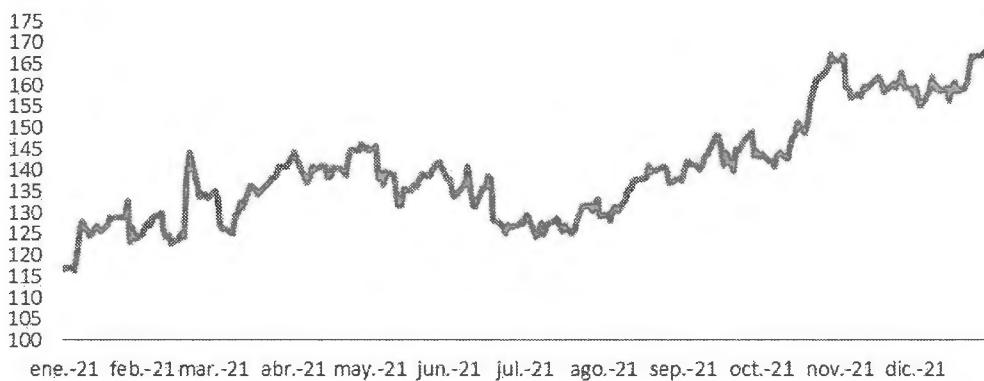
Notes to the annual accounts for the year ended 31/12/2021

Dividend

On 24 February 2022, ACCIONA's Board of Directors proposed the distribution of a dividend of €224.9 million (€4.10 per share) charged to the profit for 2021.

Share data and share price performance

ACCIONA Share Price Evolution (€/Share)



Key Share Data

	31 Dec. 2021
Price at 31 December 2021 (€/share)	168.10
Price at 31 December 2020 (€/share)	116.70
Low in FY 2021 (05/01/2021)	116.50
High in FY 2021 (30/12/2021)	168.10
Average daily trading (shares)	116,616
Average daily trading (€)	13,503,230
Number of shares	54,856,653
Market capitalisation at 31 December 2021 (€ million)	9,221

Share capital

As of 31 December 2021, ACCIONA's share capital amounted to €54,856,653, represented by 54,856,653 ordinary shares of €1 par value each.

As of 31 December 2021, the Group held 206,199 treasury shares representing 0.3759% of the share capital.

ACCIONA S.A.*Notes to the annual accounts for the year ended 31/12/2021*

Changes in treasury shares in 2021 were as follows:

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

Events after the reporting period

No material events occurred between 31 December 2021 and the date of preparation of these annual accounts.

Key risks associated with the activities of the ACCIONA Group

The risk scenarios addressed by the Acciona Risk Management System are classified in eight main groups, namely financial, strategic, operational, unforeseeable, environmental, social, compliance and tax risks. The first two of these groups have been identified by the Group's management as presenting the highest risk profiles.

1. Financial and economic risks

These risks comprise mainly fluctuations in exchange rates, interest rates and financial markets, liquidity and cash flow exposures, credit risk and the potential loss of customers.

In order to mitigate exchange rate risk, Acciona contracts currency derivatives (mainly exchange-rate hedging instruments) to hedge significant future transactions and cash flows in line with appropriate risk tolerance thresholds. Note 21 to the 2021 annual accounts includes details of current and non-current assets and liabilities and equity at 31 December 2021 in the main currencies in which the Group operates.

The interest rate risk is a key factor affecting the funding of infrastructure projects, concession contracts, construction of wind farms and solar generating facilities, and in other projects where interest rate fluctuations can significantly impact returns. These risks are controlled by contracting hedging derivatives, basically interest rate swaps (IRS), and by including additional fixed-rate corporate loans to increase floating-rate project finance. Financing of the Group companies' needs is arranged by Acciona Financiación y Filiales (the Group's finance company), and it has not only helped reduce exposure to variable interest rates but has also contributed to a gradual reduction in the overall cost of the Group's debt.

The Group addresses credit and liquidity risks by negotiating transactions exclusively with solvent third parties and requiring sufficient assurances to mitigate the risk of financial losses in the event of default.

Together with a suitable level of reserves, the Group also constantly monitors cash flow forecasts and current cash balances in to match them with the maturity profiles of financial assets and liabilities.

2. Strategic risks

These are risks that could reduce the company's growth and result in failure to meet objectives because it is unable to respond to a dynamic and competitive environment. The risks concerned include organisational changes, investments and divestments, threats from competitors, economic, political and legal changes, and the impact of new technologies or research and development.

Acciona minimises this type of risk through its own strategy and business model, applying adequate industry and geographic diversification of its businesses, carrying out exhaustive market research, surveys of competitors and studies of the countries in which its activities are carried out, and through its commitment to research and development.

3. Operational risks

These risks concern processes, people and products. They relate to regulatory, legal and contractual compliance, control systems and procedures, the supply chain, ancillary services, information systems, employee productivity, and the loss of key personnel.

In each business area, specific systems are established to cover all business requirements, to systematise and document processes, and to manage quality, operations, planning and financial control.

In order to mitigate the risks inherent in procurement processes, controls have been established to foster free competition and process transparency, and to avoid any breach of Acciona's commitment to ethical conduct. Acciona mitigates the main economic, environmental and labour matters risks affecting its supply chain by means of thorough investigation and analysis of critical suppliers.

4. Unforeseeable risks

These risks are associated with damage caused to company assets and civil liability risks that could negatively impact the company's performance, including acts of cybercrime.

The company has various insurance programmes to mitigate the impact on the balance sheet of the materialisation of a large number of risks. In particular, cover has been contracted for cyber risks that could cause loss of income, extra costs or expenses to recover digital assets, potential claims for damages by customers or third parties as a result of breaches of privacy and data protection, and cybersecurity incidents, among other exposures.

5. Environmental and social risks

Exposures are managed within the framework of the company's general risk management system. Environmental risks are associated with the company's climate change impact, waste management, use of natural resources and biodiversity footprint. Social risks are associated with human rights, labour standards in the supply chain, workplace health and safety, and relationship with the communities among which the company operates.

In 2021 ACCIONA focused its ESG risk management system on the evaluation of those areas of the company with the greatest potential impact in view of the scores obtained on environmental and/or social indicators. Based on an evaluation of 52 key locations, a typology of 14 ESG risks has been identified for ACCIONA's four most representative businesses. A total of 501 ESG risk scenarios were assessed, resulting in the following key findings:

- Infrastructure-Water: the key business risks identified were related with extreme weather events, damage to habitats and species, which were perceived to be especially significant for facilities located in Mexico and Vietnam.
- Infrastructure-Oceania: perceived ESG risks were assessed as low or very low in all scenarios except one. Exposures related with contagion vectors (COVID-19 pandemic) are perceived as the highest risks in this activity.
- Infrastructure-Construction, rest of the world: the generally high level of perceived risk compared to Oceania is striking. As in the case of Water, the key perceived risks are damage to habitats and species, contagion vectors (COVID-19 pandemic) and extreme weather events, primarily in relation to facilities located in the Philippines and Poland.
- Energy: perceived ESG risk in Acciona Energía is low or very low in all scenarios and is fairly even across the different locations and technologies. The key scenarios perceived as involving high risk include damage to habitats and species, and risks related with abuse and discrimination.

All of the company's activities are integrated in its ISO 14001 certified environmental management system. ACCIONA applies its own Social Impact Management (SIM) methodology which is used to identify the social risks that its works, operations or services could cause in the areas of influence of its projects from the tender and design phase. Its objective in this regard is to generate positive and minimise negative impacts on local communities and environment where it operates. ACCIONA has also taken all necessary measures to address the critical situation created by the crisis, and to protect the health and safety of all its employees, at the same time ensuring the continuity of its activities and services, some of which are essential for the life of the community. ACCIONA has also established a Social Safeguards Control System to mitigate all and any risks related with human rights.

6. Compliance risks

This area refers to a set of rules or principles that define ethical conduct and the rights, responsibilities and expectations of the different stakeholders with regard to corporate governance.

ACCIONA established a Crime Prevention and Anti-Corruption Model following the reform of the Spanish Penal Code. Since then, it has developed a Criminal Risk Map with the aim of fully

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

integrating the regulatory compliance system and ensuring that the controls established are well aligned and fully 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 in the course of their activities. The Code of Conduct forms the basis for the corporate regulations dealing with compliance matters (including, *inter alia*, anticorruption rules, interactions with public functionaries, donations and sponsorships, gifts and gratuities offered or received, antitrust rules and procurement standards) and establishes controls designed to prevent criminal risks. The effectiveness of the ICFR controls established is tracked on an ongoing basis by the internal audit and compliance departments, and is periodically examined by the external auditors. There is also a whistleblowing channel, publicised at all levels of the organisation, to enable information on any irregular conduct relating to accounting, control or audit matters to be passed on with guarantees of confidentiality, as well as information regarding non compliance with the Code or breaches of the conduct it requires.

Social, environmental and governance risks are identified, assessed and managed on a priority basis by Acciona, so as to improve sustainability performance, improve its responses in multiple scenarios and changing environments, and uphold stakeholder confidence.

Acciona also has a corporate Environmental Crisis Management System. This system sets out procedure and allocates responsibilities and resources as necessary for the adequate management of any crisis situation following potential incidents at the facilities owned or operated by the Company that could impact the environment.

7. Tax risks

The tax risks faced by the Group comprise basically compliance, procedures, communications with business areas involving the possibility of erroneous technical analyses, changes in tax regulations or administrative and juridical criteria, as well as reputational risks arising from tax decisions that could adversely impact the Group's image and reputation. Acciona has defined a tax risk management policy for such issues based on an appropriate control environment, a risk identification system, and a continuous monitoring and improvement process to address the effectiveness of the controls in place. Since 2020, ACCIONA has also prepared a Tax Risk Map to identify and quantify all of the Group's tax risks so that they can be appropriately monitored.

Outlook

The world economy started 2022 weaker than was initially expected. As the new Omicron variant of the COVID-19 virus has spread, countries have returned to restrictions on travel. Meanwhile, rising energy prices and supply-chain problems have fuelled widespread inflation, in particular affecting the United States and numerous emerging and developing economies. Furthermore, the contraction in the Chinese real estate sector and the unexpectedly slow recovery of consumer demand have limited the growth outlook, and the uncertainty caused by the crisis in Ukraine may have serious implications for global growth, affecting the forecasts described below.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

World growth is expected to slow from 5.9% in 2021 to 4.4% in 2022. This revised estimate eliminates projections based on the Build Back Better fiscal policy and envisages an early tightening of monetary policy in the United States, as well as ongoing supply-chain tensions, resulting in a 1.2% drop in the US growth forecast. In China, the disruption caused by the pandemic in the context of the country's zero COVID-19 policy and ongoing financial tensions affecting property developers have depressed growth forecasts by some 0.8%. Meanwhile, world growth is expected to slow to 3.8% in 2023. This forecast depends on a downward trend in public health indicators to low levels in most countries by the end of 2022, on the assumption that high vaccination rates will gradually improve the situation internationally and that more effective treatments will appear.

Inflation is forecast to remain high as supply-chain interruptions and high energy prices persist in 2022, while the appearance of new variants of the COVID-19 virus could prolong the pandemic and result in further economic problems. Furthermore, the disruption of supply chains, energy price volatility, and upward pressure on wages in some industries are likely to drive uncertainty over inflationary trends and the policies implemented to deal with them.

In view of the unremitting pandemic, the need for a world health strategy can hardly be overstated. Worldwide access to vaccines, testing and treatment will be essential to avert the risk of new, more dangerous variants of the virus. This will require increased vaccine output and improvements in delivery systems in different countries, as well as a more equitable distribution of medication globally. Most countries will be obliged to tighten monetary policy still further to rein in inflationary pressures. In this context, international cooperation will be needed to ensure access to liquidity and speedy debt restructuring where needed. It remains imperative to invest in climate policies to avert the risk of catastrophic climate change.

Growth of 3.9% is expected in the advanced economies in 2022, and 2.6% in 2023. Meanwhile, the output of the advanced economies should return to pre-pandemic levels in 2022. Growth of 4.0% is forecast in the United States in 2022 (1.6% less than in 2021) and 2.6% in 2023, while Japan is expected to grow at a rate of 3.3% in 2022 and 1.8% in 2023.

Combined growth of 3.9% is forecast in the Eurozone in 2022 and 2.5% in 2023. Spain is expected to be the fastest growing Eurozone economy in 2022 (5.8%), and the country is forecast to continue growing at rates above the European average in 2023 (3.8% compared to an estimated 2.5% for the Eurozone as a whole). After growing at a forecast rate of 7.2% in 2021, meanwhile, the United Kingdom is expected to slow to 4.7% in 2022 and 2.3% in 2023.

In emerging markets, almost 96% of the population are still awaiting vaccination, a situation that will have major implications for the speed of recovery worldwide, and it is expected that the output of developing economies will still be some 5.5% below their pre-pandemic levels in 2024, resulting in a significant fall in living standards. As a whole, then, these economies are forecast to grow by around 4.8% in 2022 and 4.7% in 2023, although significant differences between countries are likely. Growth of 4.8% is forecast for China in 2022 and 5.2% in 2023. Indian growth is also expected to pick up sharply in 2022 (+9.0%) and 2023 (+7.1%).¹ In this context, overall growth of 2.4% is expected in Latin America and Caribbean, followed by 2.6% growth in 2023. Brazil is forecast to grow by 0.3% in 2022 and 1.6% in 2023, compared to growth of 2.8% and 2.7% in Mexico.

¹ These forecasts and data are based on India's fiscal year, the period commencing 1 April 2021 for fiscal 2021/2022. India is forecast to grow by 8.7% in calendar year 2022 and 6.6% in 2023.

ACCIONA S.A.

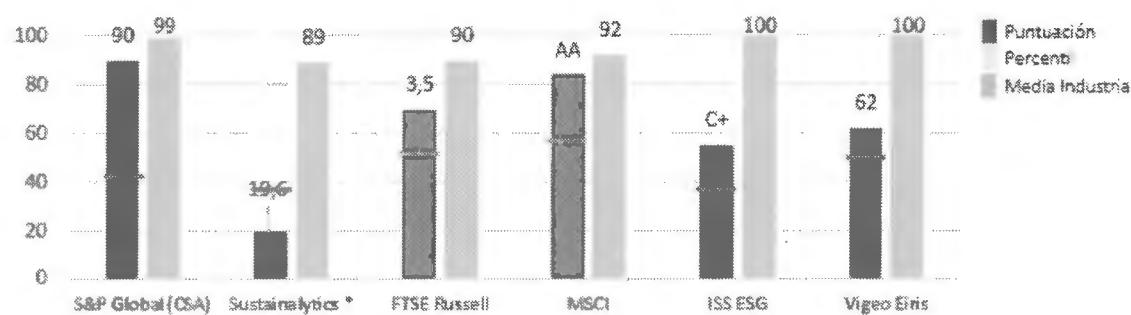
Notes to the annual accounts for the year ended 31/12/2021

SUSTAINABILITY

External evaluations in effect: presence in indices and sustainability rankings

ESG analyst ratings

Several ESG analysts have evaluated ACCIONA in terms of sustainability.



Sector	Electric utilities	Utilities	Construcción y materiales	Utilities	Construcción	Construcción pesada
Posición	2º del sector	12º multi-utilities	NA	NA	Líderes	Líderes

Presence in sustainability indexes

ACCIONA is part of several sustainability stock market indexes that include leading companies in this field.

Proveedor	Nombre del índice
	Climate Global Decarbonization Enablers Index Ethibel Sustainability Index (ESI) Excellence Europe STOXX Europe 600 ESG Broad Market
	STOXX Global ESG Social Leaders STOXX Global ESG Environmental Leaders
	STOXX Sustainability Index STOXX Europe 600 Low Carbon Solactive Corner Global Family Owned ESG Company Solactive ISS ESG Screened Europe Solactive Candriam Factors Sustainable Europe Euronext Low Carbon 100 Eurozone Euronext Vigeo Europe 120
	FTSE4Good Europe Select Index FTSE4Good Developed Bloomberg SAS Developed Markets ex-US ESG ex-Controversies

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Presence in rankings and others sustainability awards

ACCIONA also received the following awards in 2021.

Recognition	Organisation	Position	Details
2022 Global 100 Most Sustainable Corporations	Corporate Knights	4th utility in the world	Among 7,000 companies evaluated for their performance in economic and ESG indicators, with a turnover above US\$ 1,000 million.
Europe's Climate Leaders 2021	Financial Times	Among the 300 most decarbonised companies	Ranking of the companies with the greatest reduction in emissions intensity between 2014 and 2019.
New Energy Top 100 Green Utilities	Energy Intelligence	1 st utility in the world	ACCIONA has reaffirmed its position as the world's "greenest" power generation company for the sixth consecutive year.
Top 100 Company 2021 Diversity & Inclusion Index	Refinitiv	36th in the world	ACCIONA is one of the world's leaders company in diversity and social inclusion in the workplace.
CDP Climate Change	CDP	Leader (A list)	List of companies with the best practices and results in emissions reduction, climate change strategy and alignment of their activities with a low-carbon economy.
CDP Supplier Engagement Leader 2021	CDP	Leader	ACCIONA has been recognised as Supplier Engagement Leader 2021, for its actions to reduce emissions and reduce risks related to climate change in the supply chain.
Gala Rating	EthiFinance	N/A	Evaluation of social, environmental and good governance development. The company had a score of 82 points out of 100 (2021), compared to an average of 51 in the energy sector (2020).

Sustainability highlights

Non-financial reporting

ACCIONA published information on its sustainability performance in 2021 in the form of its Non-Financial Information Statement 2021 (2021 Sustainability Report), which is an integral part of ACCIONA's Consolidated Directors' Report 2021.

Participation in Initiatives

- ACCIONA at COP 26: The 2021 summit took place in Glasgow, where governments, companies and organisations from around the world gathered to advance the global work program to combat climate change. ACCIONA's Chairman, José Manuel Entrecanales Domecq, participated in the summit and had the opportunity to present ACCIONA's experience as part of the conference The Next Frontier: Positive Impact beyond Net Zero.
- World Economic Forum (WEF): As part of the WEF's Measuring Stakeholder Capitalism initiative, ACCIONA took part in a closed-door discussion with John Berrigan, Director General of the European Commission's Directorate General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA). The meeting focused on the review of the European Commission's proposal for the Corporate Sustainability Reporting Directive

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

(CSRD), as well as the recent proposal by the G7 Finance Ministers for the creation of a global benchmark standard on the subject.

- United Nations Global Compact (UNGC): ACCIONA has been a member of the United Nations Global Compact since 2005. Every year, it confirms its commitment to the Ten Principles of the Global Compact. The company collaborates regularly with the Spanish and Chilean Global Compact Networks and, in 2021, it has also partnered with the German network by participating in the Traceability in global supply and contracting chains program.
- CLG Europe: Since 2009 ACCIONA has been a full member of CLG Europe (formerly The Prince of Wales' Corporate Leaders Group), an initiative that brings together European business leaders who are convinced of the urgent need to develop new long-term policies to combat climate change. In 2021, the new Sustainability Master Plan 2025 was highlighted by CLG as an example of a strategic plan to follow and ACCIONA had the opportunity to present it within the initiative.
- World Business Council for Sustainable Development (WBCSD): Throughout 2021, ACCIONA continued to participate in various initiatives promoted by the WBCSD, including work on the design of the Vision 2050 strategy. The company had the honour of closing the WBCSD Council and presenting its experience in achieving ambitious positive impacts on climate, nature and people.
- We Mean Business: ACCIONA actively participated to publicise the company's commitments in relation to the goal of zero emissions. Specifically, in 2021 the company participated in the Action Day campaign with the aim of highlighting the commitments made by companies in the run-up to COP 26.
- The Climate Pledge 2040: ACCIONA has become the first Spanish company in its sector to join The Climate Pledge (TCP), an initiative launched by Amazon and the NGO Global Optimism, for those companies that commit to achieving carbon neutrality by 2040, a decade before the date set in the Paris Agreement.

Sustainable finance

Maximising the capacity of sustainable finance reinforces the value of the company and the regenerative and competitive benefits of projects. ACCIONA promotes innovative sustainable finance solutions that enable the creation of differences and advantages in the development of regenerative infrastructures, leveraging the interest of capital markets in financing the compliance gaps in Sustainable Development Goals.

ACCIONA uses two sustainable financing mechanisms: one aimed at projects or activities with sustainable objectives by focusing on promoting specific positive impacts, and corporate financing that entails commitments to improve the ESG performance of the entire company.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Sustainable financing operations			
Type of financing	No. of ongoing operations	No. of new operations or expansions in 2021	Outstanding amount (€m)
Green financing	39	22	2,126.8
Financing linked to sustainability commitments	2	2	3,300.0
Total	41	24	5,426.8

Green financing

ACCIONA has a Green Financing Framework whose eligible activities are those aligned with a low-carbon economy. The framework has been reviewed by Sustainalytics, which issued a second party opinion (SPO) confirming its alignment with the Green Bond Principles and Green Loan Principles.

In 2021, 84% of the funds earned from Euro Medium Term Notes (EMTN) debt programs have been green, demonstrating the relevance of this type of financing for the company. As a result, total financing instruments under the Green Financing Framework exceed €2,000 million at 31 December 2021.

Financing linked to sustainability commitments

ACCIONA also has a Sustainability-linked Financing Framework, reviewed by DNV GL, which issued a second party opinion (SPO) confirming its alignment with Sustainability-linked Bond Principles and the Sustainability-linked Loan Principles.

In 2021, ACCIONA has 2 active operations – one addressed to ACCIONA Energy after its IPO – that have been structured based on an innovative “double impact” ESG scheme with corporate sustainability objectives and, for the first time in an instrument of this type, and on commitments to generate positive local impact, where the achievement of the objective is linked to a reduction in the cost of financing. The objectives set out in this framework are annual and targets set for 2021 have been met. The monitoring data are made public in the Sustainable Finance Report.

For more information:

<https://www.accion.com/es/accionistas-inversores/informacion-bursatil/financiacion-sostenible/>

Average payment period to suppliers and Corporate Social Responsibility

Pursuant to article 262.1 of Royal Legislative Decree 1/2010, of 2 July, approving the Consolidated Text of the Spanish Corporate Enterprises Act, the information on the average period for payments to suppliers is contained in Note 24 to the annual accounts. In conformity with Recommendation 55 of the Spanish Code of Good Governance for Listed Companies, meanwhile, Corporate Social Responsibility matters are discussed in the Sustainability Report.

ACCIONA S.A.

Notes to the annual accounts for the year ended 31/12/2021

Annual Corporate Governance Report

The full text of the Annual Corporate Governance Report is available on the Spanish National Securities Market Commission website (www.cnmv.es) and on the Company's website (www.accion.es).

The Annual Corporate Governance Report will also be communicated to the National Securities Market Commission as a Material Event.

Annual Directors Remuneration Report

The full text of the Annual Directors Remuneration Report is available on the Spanish National Securities Market Commission website (www.cnmv.es) and on the Company's website (www.accion.es).

The Annual Directors Remuneration Report will also be communicated to the National Securities Market Commission as a Material Event.

Pursuant to Royal Decree 1362/2007 of 19 October (article 8.1 b), the members of the Board Directors of Acciona, S.A. hereby make the following **declaration under their own responsibility**:

To the best of their knowledge and belief, the 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 Directors' report presents a fair and balanced analysis of the business trends, results and position of the issuer, 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 annual accounts for 2021 at their meeting held on 24 February 2022:

Mr José Manuel Entrecanales Domecq
Chairman

Mr Juan Ignacio Entrecanales Franco
Vice-Chairman

Mr Javier Entrecanales Franco
Member

Mr Juan Carlos Garay Ibargaray
Member

Mr Daniel Entrecanales Domecq
Member

Ms Karen Christiana Figueres Olsen
Member

Mr Javier Sendagorta Gómez del Campillo
Member

Mr José María Pacheco Guardiola
Member

Mr Jerónimo Marcos Gerard Rivero
Member

Ms Sonia Dulá
Member

Ms Ana Sainz de Vicuña Bemberg
Member

Ms María Dolores Dancausa Treviño
Member

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 111 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 24 de mayo de 2022.

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 111 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, 24 May 2022.

FRANCISCA GÓMEZ MOLINA
Traductora - Intérprete Jurada de inglés
Nº 1138

