

KPMG

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

(Along with the Annual Accounts and Directors' Report of
Acciona Energía Financiación Filiales, S.A. (Sociedad
Unipersonal) for the financial year ended 31 December
2022)



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

Report of the Independent Auditor on the Annual Accounts

To the sole shareholder of Acciona Energía Financiación Filiales, S.A. (Sociedad Unipersonal)

ABOUT THE ANNUAL ACCOUNTS

Opinion

We have audited the annual accounts of Acciona Energía Financiación Filiales, S.A. (Sociedad Unipersonal) (the Company) comprising the balance sheet at 31 December 2022, the income statement, the statement of change in equity, the cash flow statement and the notes to the annual accounts for the financial year ending on said date.

In our opinion, the enclosed 2022 annual accounts reflect, in all significant respects, a true and fair view of the Company's equity and financial position at 31 December 2022 and of the results of their operations and cash flows for the financial year ended on the aforementioned date, in keeping with the applicable financial reporting framework (which is discussed in Note 2 of the annual accounts) and, in particular, with the accounting standards and principles contained therein.

Basis for our Opinion

We have conducted our audit according to the rules governing the auditing profession in Spain. Our responsibility under those rules is described below in the section of this report titled *The auditor's responsibility for the audit of the annual accounts*.

We are independent from the Company, per ethical requirements, including the independence requirement that applies to the audit of annual accounts according to the rules governing the auditing profession in Spain. In this regard, we have not provided services other than auditing and there have not been any situations or circumstances which, according to the established regulations, would have affected the necessary independence in a way that would compromise it.

We believe that the evidence we have obtained provides a sound and adequate basis for our opinion.

Key Aspects of the Audit

The key aspects of the audit are those which, in our professional opinion, pose the greatest risk of significant material inaccuracies in our audit of the annual accounts for the period in question. These risks were addressed in the context of our audit of the annual accounts as a whole and in the formation of our opinion of them, although we do not express a separate opinion of the risks themselves.

Recoverable value of short-term and long-term loans to group companies and associates

See Notes 4.a) 5 and 6 of the enclosed notes to the annual accounts

<i>Key aspects of the audit</i>	<i>How we addressed these aspects in our audit</i>
<p>The Company has granted loans to group companies and associates which are recorded under the balance sheet headings “Long-term investments in group companies and associates” and “Short-term loans to companies” totalling €1,498,778,000 and €568,576,000, respectively.</p> <p>At the end of each reporting period, management and directors assess whether there is objective evidence that financial assets may be impaired. A financial asset is impaired when its carrying amount exceeds its recoverable value, which makes it necessary to recognise an impairment loss and the corresponding valuation adjustment.</p> <p>Due to the significance of the receivables due from group companies and associates and considering that determining the recoverable amount requires estimating future cash flows and using assumptions and estimates, all of which could lead to significant differences with respect to the values recorded by the Company at year-end, this was considered a key audit issue.</p>	<p>Our audit procedures included, among other things:</p> <ul style="list-style-type: none">• Evaluating the design and implementation of key controls related to identifying indicators of impairment of the loans granted to group companies and associates.• Analysing indicators of impairment of the value of the loans granted to group companies and associates identified by the Company.• Evaluating the reasonableness of the methodology and assumptions used by the Company to estimate the recoverable value, which included the participation of our valuation specialists.• In addition, we assessed whether the information disclosed in the annual accounts meets the requirements of the financial reporting regulatory framework applicable to the Company.

Other Information: Directors’ Report

The other information refers exclusively to the Directors’ Report for 2022, the formulation of which is the responsibility of the Company’s directors and is not an integral part of the annual accounts.

Our auditor's opinion of the annual accounts does not include the director's report. Our responsibility for the information contained in the directors' report, according to rules governing the auditing profession, consists of evaluating and reporting on the consistency between the directors' report and the annual accounts, based on information obtained from the Company during the audit of the annual accounts but without including information other than that obtained as evidence during the audit. It is also our responsibility to evaluate and report on whether the contents and presentation of the directors' report are consistent with the applicable reporting rules. If, based on our work, we conclude that there are material inaccuracies, we are obligated to report this.

Based on our work as described in the previous paragraph, the information in the directors' report concurs with the information in the 2022 annual accounts and both the contents and the way in which they are presented are consistent with the applicable rules.

The Directors' Responsibility for the Annual Accounts

The Company's directors are responsible for formulating the enclosed annual accounts so as to show a true image of the Company's equity, financial situation and results in accordance with the regulatory framework for financial reporting applicable to the Company in Spain and the internal controls that are deemed necessary to ensure that the annual accounts as prepared are free of material inaccuracies due to fraud or error.

In preparing the annual accounts, the Company's directors are responsible for assessing the Company's ability to continue operating as a going concern, disclosing questions related to the going concern principle as needed and using the principle of a going concern unless the directors intend to liquidate the Company or to cease operating the business, or there is no other realistic alternative.

The Auditor's Responsibility for Auditing the Annual Accounts

Our aim is to obtain reasonable certainty that the annual accounts as a whole are free of material inaccuracies due to fraud or error and to issue a report containing our opinion as auditors.

Reasonable certainty is a high standard but does not guarantee that an audit conducted according to the rules governing the auditing profession in Spain will always detect a material inaccuracy when it exists. Inaccuracies may be due to fraud or error and are considered material if, individually or collectively, they can reasonably be expected to influence the economic decisions taken by users based on the annual accounts.

As part of an audit carried out according to the regulations governing the auditing profession in Spain, we use our professional judgement and maintain a sceptical professional stance during the audit. Also:

- We identify and evaluate the risks of material inaccuracy in the annual accounts due to fraud or error; we design and apply auditing procedures to deal with those risks; and we obtain sufficient and adequate auditing evidence to provide a sound basis for our opinion. There is a higher risk of not detecting a material inaccuracy due to fraud than to error, since fraud involves collusion, falsification, deliberate omissions, intentionally false statements or the evasion of internal controls.
- We obtain information on internal controls that are relevant to the audit in order to design the right auditing procedures for the circumstances rather than to express an opinion on the effectiveness of the Company's internal controls.
- We evaluate whether the accounting standards are appropriate and the reasonableness of the accounting estimates and other information disclosed by the directors.
- We reach a conclusion as to whether it is appropriate for the directors to apply the accounting principle of a going concern based on the evidence obtained during the audit. We also reach a conclusion as to whether there are material uncertainties related to events or conditions that could raise significant doubts about the Company's ability to continue operating as a going concern. If we conclude that there is material uncertainty, we are required to draw attention to that in our audit report on the information disclosed in the annual accounts; if the disclosures are deficient, we express a reserved opinion. Our conclusions are based on the evidence obtained up to the date on which we issue our auditor's opinion. However, future events or conditions can result in the Company no longer operating as a going concern.
- We evaluate the overall presentation, structure and contents of the annual accounts, including disclosures, and whether the annual accounts represent the underlying transactions and events in a way that expresses a true image.

We communicate with the company's directors regarding the scope and the timing of the planned audits and the most significant findings of the audit, as well as any material deficiencies in the internal controls that we identify in the process of conducting the audit.

Of the significant risks communicated to the directors of Acciona Energía Financiación Filiales, S.A. (Sociedad Unipersonal), we determine the ones that are most materially significant to the audit of the annual accounts for the period in question.

We describe those risks in our audit report, unless we are prohibited by law from disclosing the information publicly.

Additional report pursuant to article 36 of Audit Law 22/2015.

The opinion expressed in this report is consistent with what is stated in our additional report pursuant to article 36 of Audit Law 22/2015 dated 19 June 2023.

Engagement Period

The Ordinary General Meeting of Shareholders held on 3 November 2021 appointed us as the Company's auditors for a period of three years starting with the financial year ended 31 December 2021.

KPMG Auditores, S.L.
R.O.A.C. no. S0702
[Signature]

Eduardo González Fernández

R.O.A.C membership number 20435

19 June 2023

KPMG AUDITORES, S.L.
2023 Number 01/23/10760
€96.00
CORPORATE SEAL:
Auditor's report subject to Spanish or
international auditing regulations



ACCIONA ENERGÍA FINANCIACIÓN FILIALES, S.A.U.

Annual Accounts for the Financial Year ended
31 December 2022 and Directors' Report

BALANCE SHEET FOR FINANCIAL YEARS 2022 AND 2021 (thousands of euros)

<i>ASSETS</i>	<i>NOTE</i>	<i>2022</i>	<i>2021</i>
Non-current investments in Group companies and associates	5	1,498,778	492,556
Loans to companies		1,498,778	492,556
NON-CURRENT ASSETS		1,498,778	492,556
Current investments in Group companies and associates	6	577,396	1,181,053
Loans to companies		568,576	1,180,545
Other financial assets		8,820	508
Current financial investments	7	7,860	5,677
Derivative		7,800	5,647
Other financial assets		60	30
Cash and cash equivalents	8	83,223	277,308
Cash		83,223	277,308
CURRENT ASSETS		668,479	1,464,038
TOTAL ASSETS		2,167,257	1,956,594
<i>EQUITY & LIABILITIES</i>	<i>NOTE</i>	<i>2022</i>	<i>2021</i>
SHAREHOLDERS' EQUITY	9	281,966	274,732
Capital		60	60
Reserves		511	(1)
Legal and statutory		12	
Other reserves		499	(1)
Other shareholder contributions		274,161	274,161
Profit for the year		7,234	512
VALUE ADJUSTMENTS		8,189	4,235
Hedging transactions		8,189	4,235
EQUITY		290,155	278,967
Non-current payables	11	1,245,476	1,116,639
Debentures and other negotiable securities		1,181,053	496,772
Bank borrowings		64,423	619,867
Deferred tax liabilities	15	2,730	1,412
NON-CURRENT LIABILITIES		1,248,206	1,118,051
Current liabilities	12	600,219	510,989
Debentures and other negotiable securities		592,268	509,126
Bank borrowings		7,452	1,700
Derivative		499	163
Current payables to group companies and associates	13	28,454	48,477
Trade and other accounts payable	14	223	110
Suppliers		53	
Sundry creditors		113	72
Other taxed payable		57	38
CURRENT LIABILITIES		628,896	559,989
TOTAL LIABILITIES AND EQUITY		2,167,257	1,956,594

Notes 1 through 21 of the enclosed report and the annexes are an inseparable part of the 2022 annual accounts.

INCOME STATEMENT FOR FINANCIAL YEARS 2022 AND 2021 (thousands of euros)

	NOTE	2022	2021 (*)
Net turnover	17.a)	75,401	9,479
Financial income		75,401	9,479
Other operating expenses		(2,704)	(508)
External services	17.c)	(2,704)	(508)
OPERATING PROFIT (LOSS)		72,697	8,971
Finance costs	17.d)	(33,536)	(10,078)
Payable to Group companies and associates		(114)	(19)
Payable to third parties		(33,422)	(10,059)
Gains (losses) on exchange	17.e)	(29,515)	1,789
FINANCIAL INCOME		(63,051)	(8,289)
BEFORE-TAX PROFIT (LOSS) FROM CONTINUOUS OPERATIONS		9,646	682
Corporate income tax expense	15.c)	(2,412)	(170)
PROFIT FOR YEAR FROM CONTINUING OPERATIONS		7,234	512
RESULTS FOR THE YEAR		7,234	512

Notes 1 through 21 of the enclosed report and the annexes are an inseparable part of the 2022 annual accounts.
 (*) The financial year ended 31 December 2021 covers 9 months and 7 days.

**STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR FINANCIAL YEARS 2022
AND 2021 (Thousands of euros)**

<i>(Thousands of euros)</i>	Note	2022	2021(*)
Results for the year (I)		7,234	512
Income and expense recognised directly in equity (II)		3,212	4,235
Cash-flow hedges		4,282	5,647
Tax effect		(1,070)	(1,412)
Transfers to the income statement (III)		742	
Cash-flow hedges		989	
Tax effect		(247)	--
TOTAL RECOGNISED INCOME (EXPENSE) (I+II+III)		11,188	4,747

Notes 1 through 21 of the enclosed report and the annexes are an inseparable part of the 2022 annual accounts.

(*) The financial year ended 31 December 2021 covers 9 months and 7 days.

STATEMENT OF TOTAL CHANGE IN EQUITY FOR FINANCIAL YEARS 2022 AND 2021
(Thousands of euros)

	Share capital	Reserves	Other shareholder contributions	Results for the year	Value adjustments	Total
Balance at 01.01.2021	-	-	-	-	-	-
Total recognised income and expenses	-	-	-	512	4,235	4,747
Transactions with shareholders or owners	60	-	274,161	-	-	274,221
Allocation of profit (loss)	-	-	-	-	-	-
Other changes in equity	-	(1)	-	-	-	(1)
Balance at 31.12.2021 (*)	60	(1)	274,161	512	4,235	278,967
Total recognised income and expenses	-	-	-	7,234	3,954	11,188
Transactions with shareholders or owners	-	-	-	-	-	-
Allocation of profit (loss)	-	512	-	(512)	-	-
Other changes in equity	-	-	-	-	-	-
Balance at 31.12.2022	60	511	274,161	7,234	8,189	290,155

Notes 1 through 21 of the enclosed report and the annexes are an inseparable part of the 2022 annual accounts.

(*) The financial year ended 31 December 2021 covers 9 months and 7 days.

CASH FLOW STATEMENTS FOR FINANCIAL YEARS 2022 AND 2021
(Thousands of euros)

	NOTE	2022	2021(*)
CASH FLOWS FROM OPERATIONS (I)		10,360	806
Pre-tax results for the period		9,646	682
Adjustments to profit (loss):		(12,350)	(1,190)
Financial revenue (in net revenue)		(75,401)	(9,479)
Financial expenses		33,536	10,078
Gains(losses) on exchange		29,515	(1,789)
Changes in working capital		83	110
Other current assets		(30)	
Trade and other accounts payable		113	110
Other current liabilities			
Other cash flows from operations		12,981	1,204
Interest paid		(45,593)	(2,864)
Interest received		66,885	4,746
Collection of dividends		-	
Income tax payable (receivable)		(8,311)	(678)
Cash flows from investments (II)		(379,000)	(1,399,388)
Payments for investments		(1,014,089)	(1,399,388)
Investments in Group companies and associates		(1,014,089)	(1,399,388)
Amounts collected from divestitures		635,089	
Divestments in Group companies and associates		635,089	
Net cash flows from financing (III)		174,555	1,675,942
Collections and payments on equity instruments			
Equity instruments issued		-	-
Collections and payments on financial liabilities		174,555	1,675,942
Repayments and amortisations with group and associates		(20,038)	
Increase in payables to Group companies and associates		-	48,477
Bank borrowings		(557,000)	621,567
Debentures and other marketable securities		3,054,818	
Return and amortisation of bonds and other marketable securities		(2,303,225)	1,005,898
Effect of exchange rate fluctuations		-	(52)
Change in cash and cash equivalents (I+II+III)		(194,085)	277,308
Starting balance of cash and cash equivalents		277,308	-
Ending balance of cash and cash equivalents		83,223	277,308

Notes 1 through 21 of the enclosed report and the annexes are an inseparable part of the 2022 annual accounts.
(*) The financial year ended 31 December 2021 covers 9 months and 7 days.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2022
(Expressed in thousands of euros)**

1. ABOUT THE COMPANY

Acciona Energía Financiación Filiales, S.A.U. (the Company) was founded as a public limited company on 24 March 2021.

Its registered offices and headquarters are located in Alcobendas (Madrid), Avda. de Europea, 10.

The Company is registered under number 6499 in the National Classification of Economic Activities (CNAE).

According to article 13 of the Revised Text of the Capital Companies Act, Acciona Energía Financiación Filiales, S.A. is registered in the Commercial Registry as a sole shareholder company.

The Company's corporate purpose consists of:

- a) Manage, optimise and channel the financial resources and satisfy the cash requirements of the sole shareholder, Corporación Acciona Energías Renovables, S.A., and the member companies of its group pursuant to the provisions of article 42 of the Commercial Code.
- b) Make and receive payments on behalf of all the companies referred to in the preceding paragraph.

Some or all of the activities included in the corporate purpose may be carried out by the company directly or indirectly through interests held in other companies with identical or similar corporate purposes, in Spain or abroad.

The Company's core activity consists of providing financing to resident and non-resident investee enterprises of the Group in Spain and abroad.

Any activities for which there are special legal requirements or minimum capital requirements not met by the Company are excluded from its corporate purpose.

If the law requires a professional qualification, administrative authorisation or registration in a public registry for any of the activities included in the corporate purpose, such activities may only be carried out by persons holding the required qualifications, with the Company acting as mediator or coordinator, i.e., as an intermediary in the aforementioned activities and such activities may not commence until the administrative requirements are met.

The Company has no staff or administrative offices of its own; rather it is administered and operated by the sole shareholder, Corporación Acciona Energías Renovables, S.A. (a listed company).

The Company is part of the Energy Division of the Grupo Corporación Acciona Energías Renovables, S.A., whose Parent Company is Acciona, S.A., with registered offices at Avenida de Europa, 18 Alcobendas (Madrid). Both of these companies prepare consolidated annual accounts.

The consolidated annual accounts of the Grupo Corporación Acciona Energías Renovables, S.A. for financial year 2021 were formulated by the directors of Acciona, S.A. at the Board of Directors meeting held on 23 February 2022.

2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

a) Regulatory framework for financial reporting applicable to the Company

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

- a) Commerce Code and other mercantile legislation.
- b) General Accounting Plan approved by Royal Decree 1514/2007 and sectorial adaptations.
- c) The standards approved by the Accounting and Auditing Institute in development of the General Accounting Plan and complementary rules.
- d) All other applicable Spanish accounting regulations.

b) True Image

These annual accounts, expressed in thousands of euros, were prepared according to the accounting records Acciona Energía Financiación Filiales, S.A.U. The annual accounts for the 2022 financial were prepared in accordance with current business legislation and with the rules laid down in the General Accounting Plan in order to show a true image of the Company's equity and financial situation at 31 December 2022 and the results of its operations, changes in equity and cash flows for the year ended on that date.

The Company's Directors estimate that the 2022 annual accounts, which were drawn up on 23 February 2023, will be approved by the General Meeting of Shareholders without significant changes. The Company's 2021 annual accounts were approved by the shareholders at the General Meeting held on 30 June 2022.

c) Non-mandatory accounting principles

Only the mandatory accounting principles in force on the date of these annual accounts were applied, taking into account all of the mandatory accounting standards and principles which have a significant effect. There are no statutory accounting principles that have not been applied.

d) Accounting estimates and judgments

In preparing the enclosed annual accounts, estimates were made by Company's directors regarding the value of some of the assets, liabilities, revenue, expenses and commitments reported herein. These estimates basically refer to:

- The assumptions used to calculate the recoverable value of the investments in group companies and associates (loans to Group companies) (see notes 4.a and 5).

Whilst these estimates are based on the best information available at 31 December 2022, it is possible that they may have to be revised (up or down) prospectively on the basis of events that may take place in the future, as provided for under the law.

e) Comparison of information

For comparative purposes only and for each item in the balance sheet, income statement, statement of change in equity and cash flow statement, the Company has included in addition to the amounts for 2022 those corresponding to the previous year, which were taken from the 2021 annual accounts.

As discussed in note 1, the Company was founded on 24 March 2021, so the first financial year runs from 24 March to 31 December 2021. Because the figures that appear on the income statement, the statement of change in equity, the cash flow statement and the notes to the financial statements refer to a financial year that covers 9 months and 7 days, they are not directly with a 12-month financial year.

f) Grouping of entries

Certain items on the balance sheet and the income statement, the statement of change in financial position and the cash flow statement are grouped together to make them easier to understand. However, to the extent that it is significant, the information has been included separately in the pertinent notes to the financial statements.

g) Changes in estimates, accounting criteria and correction of errors

There were no significant changes in the accounting standards used by the Company in 2022 compared to 2021.

No material errors were detected while preparing these 2022 annual accounts which would require the figures included in the 2021 annual accounts to be restated.

3. PROPOSED DISTRIBUTION OF PROFIT AND LOSS

The distribution of 2022 profit and loss proposed by the Directors which will be submitted to the shareholders for approval is as follows:

	2022
<hr/>	
Available for distribution:	
Earnings of Acciona Energía Financiación Filiales, S.A.U.	7,234,246.04
<hr/>	
Distribution:	
To voluntary reserves	7,234,246.04
Total	7,234,246.04

4. RECORDING AND MEASUREMENT STANDARDS

The main valuation standards used by the Company when drawing up the 2022 and 2021 annual accounts, as accordance with those stipulated in the General Chart of Accounts, are as follows:

a) Financial instruments

Financial assets

The Company classifies its financial assets according to their valuation category, which is determined on the basis of the business model and the characteristics of the contractual cash flows, and only reclassifies financial assets if and when it changes the business model used to manage such assets.

Purchases and sales of investments are recognised on the date of the trade date, i.e. the date on which the Company makes a commitment to buy or sell the asset. Purchases are classified in one of the following categories:

Financial assets at cost

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

They are measured at the acquisition cost, which is the fair value of the consideration paid plus direct transaction costs, or the fair value in the case of investments acquired through a business combination, and the recoverable value, whichever is less. The recoverable value is understood as the fair value minus the sale costs or the current value of the future cash flows arising from the investment, whichever is greater. Except where there is better evidence of the recoverable amount, the equity of the investee will be assumed, corrected by the unrealised capital gains existing on the valuation date. The value adjustment and, where appropriate, its reversal, are reflected in the income statement for the year in which they arise.

Financial assets at amortised cost

These are non-derivative financial assets held for the collection of contractual cash flows when those cash flows represent payments of principal and interest only. They are included in current assets, except for maturities longer than twelve months after the balance sheet date, which are classified as non-current assets.

Trade payables are initially recognised at fair value and subsequently valued at amortised cost using the effective interest rate method. Interest income on these financial assets is included in financial income; gains or losses arising on derecognition are recognised directly in the Company's income statement; and impairment losses are presented as a separate item in the annual income statement.

Investments in group and associated companies

Group enterprises are those which are controlled by the Company, directly or indirectly, or through subsidiaries as defined in article 42 of the Commerce Code, or when the companies are controlled in any way by one or more individuals or legal entities acting jointly or under the control of the same management per statutory clauses or agreements.

Control means the power to direct the financial policies and operations of a company in order to earn profits, based on the actual or potential voting rights at the end of the financial year in the hands of the controlling Group or third parties.

The entities over which the Company has the ability to exercise a significant influence, either directly or indirectly, are considered associates. Significant influence is the power to impact decisions involving the financial and operating policies of a company without actually controlling or jointly controlling the company. When evaluating whether significant influence exists, the Company considers the voting rights that could potentially be exercised or converted on the closing date of each financial year, as well as the potential voting rights controlled by the Company or other enterprises.

Shareholdings in Group enterprises, associates and joint ventures are initially recognised at cost, which is equal to the fair value of the consideration paid, including transaction costs. They are later recognised at cost less the cumulative value of the adjustments for impairment. However, for investments in group companies that do not qualify as business combinations, transaction costs are also included in the purchase price of the investments. For investments in group companies acquired prior to 1 January 2010, the transaction costs incurred are included in the purchase price.

The Company recognises the amounts paid for the subscription of capital increases, including right pre-emptive subscription rights, as an increase in the value of equity instruments.

However, in those case where the Company's contribution is not proportionate to its holding in the issuer, the difference is recognised as a donation expense.

The Company recognised a reduction in the issuer's capital as a partial recovery of the investment. The Company reduces the value of the investment in proportion to the reduction in equity, considering the unrealised gains at the time of acquisition and still existing at the time. Where applicable, the amount of recognised impairment losses is also reduced proportionally. The difference between the amount received and the book value of the derecognised investment is taken to the income statement.

Impairment of investments in group enterprises, associates and joint ventures valued at cost.

Impairment is calculated by comparing the book value of the investment against the recoverable value, this being understood as the current value of future cash flows from the investment or the fair value less cost to sell, whichever is greater.

The current value of future cash flows from the investment is based on the Company's interest in the current value of estimated cash flows from ordinary activities and final disposal or the estimated cash flows to be received from dividend payments and the final disposal of the investment.

In subsequent financial years, reversals of impairment losses are recognised to the extent that there is an increase in the recoverable value, without exceeding what would have been the book value of the investment had the impairment loss not been recognised.

Impairment losses and the reversal of impairment losses are recognised in the income statement.

Financial asset impairment

A financial asset or group of financial assets is impaired and an impairment loss has occurred when there is objective evidence of impairment stemming from one or more events that occur after the initial recognition of the asset, when the event or group of events that causes the loss has an impact on the estimated future cash flows of the asset or group of financial assets which can be reliably estimated.

The Company follows the rule of recording value corrections due to the impairment of financial assets at amortised cost when there is a reduction or delay in the estimated future cash flows caused by the debtor's insolvency.

For equity instruments, impairment is considered to exist when there are doubts regarding the recoverability of the carrying value of the asset due to a prolonged or significant decline in its fair value.

Impairment of the value of financial assets carried at amortised cost.

The value lost due to impairment of financial assets valued at amortised cost is the difference between the financial asset's carrying value and the current value of estimated future cash flows, not including future credit losses that have not yet been incurred, discounted at the asset's original effective interest rate. For financial assets at floating interest rates, the effective interest rate for the valuation date according to contract conditions is used. However, the Company uses the market value of the instruments, provided that the market value is reliable enough to be considered representative of the value that could be recovered.

Impairment loss is charged to the income statement and may be reversed in later financial years if the reduction can be objectively linked to an event happening after recognition of the loss. Nevertheless, the amount that can be reversed is limited to the amortised cost the assets would have had if the impairment loss had never been recognised.

The Company reduces the carrying value of a financial asset when there is no reasonable expectation of partial or total recovery.

Financial liabilities

Financial liabilities at amortised cost

Bank borrowings are initially recognised at fair value, net of the transaction costs incurred. Any difference between the amount received and the repayment value is recognised in the income statement over the amortisation period of the loan using the effective interest rate method, subsequently classifying financial liabilities as measured at amortised cost.

In the event of a contractual modification to a liability at amortised cost that does not result in derecognition, the carrying value of the financial liability is adjusted by the costs or fees incurred. After that, the amortised cost of the financial liability is determined by applying the effective interest rate, which equates the carrying value of the financial liability with the cash flows to be paid according under new conditions.

The difference between the carrying value of a financial liability that is cancelled and the consideration paid is recognised in profit and loss for the period.

Financial liabilities are classified as current unless they mature more than twelve months after the balance sheet date or include tacit renewal clauses to be exercised by the Company.

Trade and other current payables are short-term financial liabilities that are initially measured at fair value, do not accrue interest and are recorded at their face value. Non-current liabilities are those maturing in more than twelve months.

b) Hedge accounting

Derivative financial instruments are initially recognised using the criteria set out above for financial assets and liabilities. Derivative financial instruments that do not meet the hedge accounting criteria set out below are classified and measured as financial assets or liabilities at fair value through profit or loss. Derivative financial instruments that meet the criteria for hedge accounting are initially recognised at fair value plus the transaction costs that are directly attributable to the acquisition of the instrument or Minus any transaction costs directly attributable to the issue of the instrument. However, the transaction costs are subsequently recognised in income, as they are not part of the actual variation in the hedge.

At the beginning of the hedge, the Group formally designates and documents the hedge, as well as the assumed hedging objective and strategy. The documentation includes the name of the hedging instrument, the hedged item, the nature of the hedged risk and how the Company measures the effectiveness of the hedge.

Hedge accounting is only applicable when there is an economic relationship between the hedged item and the hedging instrument, if the effect of credit risk does not predominate over changes in value arising from that economic relationship and if there is a reason why the hedging relationship is the same as that arising from the amount of the hedged item without an imbalance between the weight of the hedged item and the hedging instrument that would render the hedge ineffective. However, this designation must not reflect an imbalance between the weighting of the hedged item and the hedging instrument that would result in the hedge being ineffective, whether recognised or not, and lead to an accounting result that is the opposite of what the hedge accounting is intended to achieve.

At the inception of the hedging relationship and then on an ongoing basis, the Company assesses whether the relationship meets the effectiveness requirements. The Company assesses effectiveness at each accounting close or when there are significant changes that impact the effectiveness requirements.

The Company performs a qualitative assessment of effectiveness whenever the fundamental conditions of the instrument and the hedged item match. When the underlying conditions do not fully match, the Company uses a hypothetical derivative with the same underlying conditions as those of the hedged item to assess and measure ineffectiveness.

c) Cash and cash equivalents

Cash and other equivalent liquid assets include the cash on hand and the cash and deposits at banks. Also included under this heading are other highly liquid, short-term investments that can easily be converted to cash and are subject to negligible exchange rate risk. Investments maturing less than three months from the acquisition date are included in this category.

The Company shows the payments and receipts on high turnover financial assets and liabilities in the cash flow statement. A high turnover financial asset or liability is one where the time between acquisition and maturity is six months or less.

d) Recognition of income and expenses

Income and expenses are recorded based on the accrual principles, i.e., when the real movement of the goods and services they represent takes place, regardless of when the monetary or financial exchange associated with them occurs. Revenue is measured at the fair value of the consideration received, less discounts and taxes.

As a finance company, the interest accrued on financing granted to Group companies and the profits earned from rendering services to Group companies, joint ventures and associates make up the "net sales" in the accompanying income statement.

Interest income is recognised using the effective interest rate method. Dividends earned are recognised when the Company acquires the right to receive them, which is usually the moment when the dividend payment is approved by the governing body responsible for them. If the distributed dividends clearly derive from profits generated before the date of acquisition of the investee, the carrying value of the investment is reduced instead of recognising the income in the income statement.

e) Income tax

The corporate tax income or expense includes both the current and deferred portions of corporate income tax income and expense.

Current tax is the amount of income taxes payable by the Company on taxable profit for the year. Current tax is reduced by tax deductions and other tax credits, excluding withholdings and payments on account, and the application of tax losses carried forward.

Deferred tax expense or income refers to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences identified as the amounts that the Group expects to be payable or recoverable as a result of differences between the carrying values of assets and liabilities and their taxable bases, as well as tax loss carryforwards and tax credits not applied for tax purposes. These amounts are recorded by applying to the temporary difference or tax credit the tax rate at which they are expected to be recovered or settled.

Deferred tax liabilities are recognised for all temporary tax differences with the exception of those derived from the initial recognition of goodwill or other assets and liabilities in transactions that do not affect tax results or carrying results and are not business combinations.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities arising from transactions with direct debits or credits to equity are recorded with a balancing entry in equity.

Deferred assets are reconsidered at the year end and corrections are made accordingly if there are doubts about their future recovery. Also at the end of each year, the deferred tax assets not recorded on the balance sheet are evaluated and recognised to the extent that it is likely that they will be recovered with future tax profits. No deferred tax assets or liabilities were recognised in 2021.

The Company has been authorised by the tax authorities to file its corporate income taxes as part of a tax consolidation group whose parent company is Acciona, S.A. The tax group number is 30/96.

f) Activities affecting the environment

In general, environmental activities are those activities whose purpose is to prevent, reduce or repair environmental damages.

In this regard, investments in environmental activities are stated at acquisition and carried as a higher cost of the asset in the financial year in which the expense is incurred.

The expenses associated with protecting and improving the environment are charged to the income statement for the year in which they are incurred, regardless of when the monetary or financial flows associated with them occurs.

The provisions for probable or certain liabilities, litigation in progress and pending obligations or indemnities of an environmental nature whose quantity is unknown that are not covered by insurance policies are set up when the liability or obligation which could result in a payment or indemnity arises.

Given the nature of the Company's business, it does not have a significant impact on the environment. Therefore, no details are included in this report on the subject.

g) Cash flow statement

In the cash flow statements prepared according to the indirect method, the following expressions are used with the following meanings:

- Cash flows: incoming and outgoing cash and cash equivalents, these being understood as alterations in the value of highly liquid short-term investments.
- Operations are the Company's typical business activities along with other activities that cannot be classified as investment or finance activities.
- Investment activities: the acquisition, sale or disposal by other means of non-current assets and other investments not included in cash and cash equivalents.
- Financing: activities that lead to changes in the size and composition of equity and liabilities that are not part of operations.

h) Accounting criteria for related party transactions

All of the Company's related party transactions are arm's length. In addition, since the transfer prices are properly supported, the Directors do not believe there is any significant risk in this regard out of which considerable liabilities could arise in the future.

i) Current and non-current items

Current assets are those related with the normal operating cycle which, generally speaking, is deemed to be one year, as well as other assets whose maturity, disposal or realisation is expected to occur in the short term from the closing date of the financial year and cash and other equivalent net assets. Assets that do not meet these requirements are classed as non-current.

Similarly, current liabilities are those linked to the normal operating cycle and in general all obligations whose maturity or disposal are expected to occur in the short term. Otherwise, they are classified as non-current.

j) Foreign currency transactions

Transactions in foreign currency are translated to euros using the exchange rates in force at the transaction dates. Foreign exchange gains and losses resulting from the settlement of these transactions and translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the income statement.

5. NON-CURRENT INVESTMENTS IN GROUP ENTERPRISES AND ASSOCIATES

The classification of investments in group companies and associates by category at 31 December 2022 is as follows (in thousands of euros):

	31.12.22		31.12.21	
	Cost	Amortised cost	Cost	Amortised cost
Loans to companies	-	1,498,778	-	492,556
Non-current investments	-	1,498,778	-	492,556

The composition and changes under this heading (in thousands of euros) are presented below:

<i>Non-current investments</i>	Opening balance at 31.12.21	Additions and funding	Transfers and other changes	Removals and reversals	Closing balance at 31.12.22
Cost:					
Loans to companies	492,556	1,059,682	44,857	(98,317)	1,498,778
Total cost	492,556	1,059,682	44,857	(98,317)	1,498,778
Total non-current investments	492,556	1,059,682	44,857	(98,317)	1,498,778

<i>Non-current investments</i>	Opening balance at 31.12.20	Additions and funding	Transfers and other changes	Removals and reversals	Closing balance at 31.12.21
Cost:					
Loans to companies	-	494,639	1,558	(3,641)	492,556
Total cost	-	494,639	1,558	(3,641)	492,556
Total non-current investments	-	494,639	1,558	(3,641)	492,556

The fair value of the financial assets does not differ significantly from the carrying value.

a) Equity instruments

At 31 December 2022 and 2021, the Company owns a stake in Acciona Energía Financiación de Filiales Australia, Pty. worth 100 AUD (€60) which is pending payment. The Company owns 100% of the investee company.

b) Loans to Group companies and associates

The details of the loans extended to group companies and associates at 31 December 2022 and 2021 are shown below, in thousands of euros:

	2022		2021	
	Credit facilities	Impairment	Credit facilities	Impairment
Acciona Eólica Santa Cruz, S. de R.L. de C.V.	169,717	--	151,625	--
Parques Eólicos de San Lázaro, S.A. de C.V.	295,756	--	132,850	--
Energía Renovable del Istmo II, S.A. de C.V.	226,002	--	205,181	--
Acciona Esco, S.L.	2,175	--	2,900	--
MT Gellibrand Wind Farm Pty. Ltd.	124,084	--	--	--
Acciona Energija Doo	5,671	--	--	--
Vjetroelektrana Opor Doo	3,384	--	--	--
Mortlake South Wind Farm Pty. Ltd.	112,452	--	--	--
Energía Renovable del Sur, S.A.	73,729	--	--	--
Acciona Energía Internacional, S.A.	10,857	--	--	--
Acciona Energía Financiación Filiales Australia	436,880	--	--	--
Acciona Energía Dominicana, Srl.	38,071	--	--	--
Total loans to Group companies and associates	1,498,778	--	492,556	--

The details of the current loans extended to group companies and associates at 31 December 2022 and 2021 are shown in note 6.

The balances of non-current loans in currencies other than the euro at the end of 2022 and 2021 are listed below:

	Balance in USD	
	2022	2021
Acciona Eólica Santa Cruz, S. de R.L. de C.V.	181,020	171,731
Parques Eólicos de San Lázaro, S.A. de C.V.	315,453	150,466
Energía Renovable del Istmo II, S.A. de C.V.	241,054	232,387
Energía Renovable del Sur, S.A.	78,639	--
Acciona Energía Dominicana, Srl.	40,607	--
Acciona Energía Internacional, S.A.	11,580	--
Total	868,353	554,584

	Balances in AUD	
	2022	2021
MT Gellibrand Wind Farm Pty. Ltd.	194,725	--
Mortlake South Wind Farm Pty. Ltd.	176,471	--
Acciona Energía Financiación Filiales Australia	685,596	--
Total	1,056,792	554,584

USD

In 2022, the Company paid off a loan extended by Acciona Energía Global, S.L. to Energía Renovable del Sur, S.A. and on the same date entered into a new loan agreement with Energía Renovable del Sur, S.A. for the same amount.

The Company also extended a new loan in USD to Acciona Energía Dominicana, Srl.

The Company also granted a loan in USD to Acciona Energía Internacional, S.A. at a fixed interest rate of 5.75%.

These USD loans mature between September 2024 and June 2037 and accrue interest at floating rates based on Libor USD plus a market spread, except for the Acciona Energia Internacional loan which has a fixed rate.

AUD

In 2022 the Company paid Corporación Acciona Energías Renovables, S.A. in full for the amount drawn down against the loans between the latter and MT Gellibrand Wind Farm Pty. Ltd and Mortlake South Wind Farm Pty. Ltd. and on the same date the Company entered into a new loan for the same amount with MT Gellibrand Wind Farm Pty. Ltd and Mortlake South Wind Farm Pty. Ltd.

These AUD loans mature between September 2034 and September 2035 and as at 31 December 2022 accrue interest at a fixed rate ranging between 6.44% and 6.55%.

The Company also granted a new credit facility in AUD to Acciona Energía Financiación Filiales Australia which matures in December 2025 and has a fixed interest rate of 5.04% at 31 December 2022.

EUR

Finally, new fixed-rate credit facilities in EUR were granted to Acciona Energija Doo and Vjetroelektrana Opor Doo maturing in December 2026.

The USD loans of Acciona Eólica Santa Cruz, Parque Eólicos de San Lázaro and Energía Renovable del Istmo II were assigned by Corporación Acciona Energías Renovables, S.A. to the Company in 2021. A portion was paid in and another portion was recorded as a shareholder contribution (see note 9).

Also in 2021, the Company granted a loan to Acciona Esco, S.L.

The main changes in 2021 refer not only to the initial acquisition but also to the repayment of the principal on the loan granted to Energía Renovable del Istmo II, as well as exchange rate fluctuations.

These loans mature between December 2026 and March 2037 and have floating interest rates based on the n Euribor or Libor USD plus a market spread.

The characteristics of the non-current loans granted by the Company at 31 December 2022 are as follows:

Granted on	Drawn down at 31.12.2022	Contractual maturity date:	Company
01/12/2021	169,717	15/06/2037	Acciona Eólica Santa Cruz, S. de R.L. de C.V.
01/12/2021	295,756	15/06/2037	Parques Eólicos de San Lázaro, S.A. de C.V.
01/12/2021	226,002	15/06/2037	Energía Renovable del Istmo II, S.A. de C.V.
18/11/2021	2,175	31/03/2026	Acciona Esco, S.L.
01/04/2022	124,084	30/09/2034	MT Gellibrand Wind Farm Pty. Ltd.
01/08/2022	5,671	31/12/2026	Acciona Energija Doo
01/08/2022	3,384	31/12/2026	Vjetroelektrana Opor Doo
01/04/2022	112,452	30/09/2035	Mortlake South Wind Farm Pty. Ltd.
01/04/2022	73,729	15/12/2031 *	Energía Renovable del Sur, S.A.
30/09/2022	10,857	30/09/2024	Acciona Energía Internacional, S.A.
03/11/2022	436,880	31/12/2025	Acciona Energía Financiación Filiales Australia
01/04/2022	38,071	15/12/2031 *	Acciona Energía Dominicana, Srl.
	1,498,778		

(*) These contracts specify that the maturity date may be extended for consecutive one-year periods, indicating the latest maturity date.

All loans extended by the Company are subject to fixed and floating rates, the latter tied to the Libor USD and Euribor plus a market spread ranging between 2% and 2.5%. Fixed-rate loans have interest rates that range between 2.68% and 6.55%.

The characteristics of the non-current loans granted by the Company at 31 December 2021 are as follows:

Granted on	Drawn down at 31.12.2021	Contractual maturity date:	Company
01/12/2021	151,625	15/06/2037	Acciona Eólica Santa Cruz, S. de R.L. de C.V.
01/12/2021	132,850	15/06/2037	Parques Eólicos de San Lázaro, S.A. de C.V.
01/12/2021	205,181	15/06/2037	Energía Renovable del Istmo II, S.A. de C.V.
18/11/2021	2,900	31/03/2026	Acciona Esco, S.L.

All loans extended by the Company in 2021 are subject to floating interest rates tied to the Libor USD and Euribor plus a market spread ranging between 2% and 2.5%.

The Company assesses at each year-end whether there is any indication that loans to Group companies are impaired. There are no indications of impairment at 31 December 2022, except for the loan with Parques Eolicos de San Lazaro, S.A de CV, a company that operates a wind farm in Mexico. In this regard, the Company has estimated the recoverable amount of the investment using the discounted future cash flow method, which has been estimated through the end of the asset's useful life. The key assumptions were as follows:

- Production in line with management's best long-term estimate for the site where the asset is located.
- Long-term energy sales price curves.

- Operating costs based on management's best estimates and experience, considering existing contracts and expected increases due to inflation.
- Post-tax discount rate of 7.59% (8.08% pre-tax).

The results of the analysis did not identify the need to recognise any impairment in the year.

6. CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

The classification of investments in group companies and associates by category at 31 December 2022 and 2021 is as follows (in thousands of euros):

	31.12.2022		31.12.2021	
	Cost	Amortised cost	Cost	Amortised cost
Loans to companies		577,396		1,181,053
Current investments		577,396		1,181,053

The breakdown of this balance sheet heading at 31 December 2022 and 2021 is as follows (in thousands of euros):

	31.12.2022	31.12.2021
Loans to companies	568,576	1,180,545
Other financial assets	8,820	508
Current investments	577,396	1,181,053

a) Loans to Group companies and associates

Short-term loans to Group companies and associates in 2021 included, on the one hand, short-term maturing principal on the loans granted to Acciona Eólica Santa Cruz, Parque Eólicos de San Lázaro and Energía Renovable del Istmo II, and accrued but unpaid interest on these loans on the other. It also included the accrued interest outstanding on the loan granted to Acciona Esco, S.L.

Short-term loans to Group companies and associates in 2022 reflect the short-term principal maturing on the loans granted to Acciona Esco, S.L. and Acciona Energía Internacional, S.A., as well as the accrued interest payable on these loans. It also includes the accrued interest payable on the loans granted to Acciona Eólica Santa Cruz, Parque Eólicos de San Lázaro, Energía Renovable del Istmo II, Acciona Energija Doo, Vjetroelektrana Opor Doo, Energía Renovable del Sur, S.A. and Acciona Energía Dominicana, Srl (see note 5).

This caption also includes a balance with Corporación Acciona Energías Renovables, S.A., which reflects the short-term financing extended in the form of a reciprocal credit agreement (cash pooling), as well as the interest receivable under this agreement. The balance at 31 December 2022 was €401,687,000 in principal and €6,959,000 in interest (€1,143,088,000 in principal and €4,036,000 in interest in 2021).

Other reciprocal credit facilities in USD were also arranged on 10 October 2022 between Acciona Energía Financiación de Filiales S.A.U. and Corporación Acciona Energías Renovables, S.A., Acciona Generación Renovable, S.A. and Acciona Energía Global, S.L. as part of the centralised cash pooling

system. The first two have a limit of €10 million and the last one has a limit of €150 million. Moreover, the credit limit on the line of credit with Acciona Energía Global, S.L. was increased to USD 1 billion on 18 December 2022. The amount in USD and EUR, in thousands of euros, is as follows:

	USD	Euros
Acciona Energía Global, S.L.	152,895	143,348
Principal	151,327	141,878
Interests	1,568	1,470
Total	152,895	143,348

As part of its mission to optimise and manage the cash flow of the companies in the subgroup whose parent company is Corporación Acciona Energías Renovables, S.A.U., the Company has established a system for daily sweeping of current account balances at various Group subsidiaries. The system operates like a financial cash pool, in which the “swept” debt and credit balances are subject to fixed market interest rates. A reciprocal credit line was entered into by Acciona Energía Financiación de Filiales S.A.U. and Corporación Acciona Energías Renovables, S.A. on 5 July 2021 with a limit of €2,634,000,000, as part of the centralised cash pooling system.

The details of the short-term loans extended to group companies and associated at 31 December 2022 and 2021 are shown below, in thousands of euros:

	2022	2021
Acciona Eólica Santa Cruz, S. de R.L. de C.V.	613	10,347
Parques Eólicos de San Lázaro, S.A. de C.V.	1,069	9,066
Energía Renovable del Istmo II, S.A. de C.V.	818	14,002
Acciona Esco, S.L.	775	6
Acciona Energija Doo	63	--
Vjetroelektrana Opor Doo	38	--
Energía Renovable del Sur, S.A.	1,349	--
Acciona Energía Internacional, S.A.	11,038	--
Acciona Energía Dominicana, Srl.	819	--
Corporación Acciona Energías Renovables, S.L. (CashPooling)	408,646	1,147,124
Acciona Energía Global, S.L. (Cash Pooling USD)	143,348	--
Total	568,576	1,180,545

b) Other financial assets

The balance with Acciona, S.A. refers entirely to the corporate tax debt which is a result of belonging to the said consolidated tax group is shown under “Other financial assets”.

7. CURRENT FINANCIAL INVESTMENTS

The breakdown of this balance sheet heading at 31 December 2022 and 2021 is as follows (in thousands of euros):

	2022	2021
Derivative	7,800	5,647
Other financial assets	60	30
Total	7,860	5,677

a) Derivatives

The Company uses financial derivatives to cover the risks to which its activities, operations and future cash flows are exposed. As part of these operations, the Company takes out interest rate and exchange rate hedging instruments.

The Company has complied with the requirements described in this note with regard to measurement standards for classifying the following financial instruments as accounting hedges. Specifically, they have been formally designated as such and it has been verified that the hedge is effective.

Interest rate hedges

As indicated in Note 11, the Company has raised funds by issuing two €500 million bonds, the first an 8-year bond (issued in 2021), and the second a 10-year bond (issued in 2022), to replace third-party financing. At the same time, an 8-year derivative associated with the second bond was arranged with a start date of 31 March 2022 in order to mitigate the effect of interest rate fluctuations.

The valuation of this financial derivative resulted in a gain of €5,647,000 in 2021.

The Company has also issued a USD 200 million 15-year bond (in 2022). A 15-year derivative associated with the bond was arranged with a start date of 25 March 2022.

Both derivatives were cancelled in 2022 and the hedging relationship was discontinued. The amount recorded in equity was derecognised in the income statement in accordance with the recycling schedule.

The position of these derivatives at 31 December 2021 was as follows:

	2021
Fair value	5,647
Tax effect (Note 15 b)	(1,412)
Total	4,235

The following hedges have been taken out against these derivatives:

	Derivative 1 (EUR)	Derivative 2 (USD)
Notional	€450,000,000	USD 200,000,000
Variable rate:	EUR Swap (vs. Eur6m)	US Treasury
Fixed rate:	0.0627%	2.478%
Maturity	31/03/2030	15/02/2032
Payer fixed rate	Company	Company
Payer variable rate	IRS Forward start	UST-Lock

Interest rate hedges

At 31 December 2022 there are exchange rate hedging instruments whose hedged items are recognised on the balance sheet and pending payment, i.e., the expected future cash flows hedged by the derivative affect the current year's profit or loss by accruing exchange rate differences. Acciona Energía Financiación de Filiales, S.A. recognises the fair value of these instruments in the income statement in such a way that there is a correlation between the hedged item and the derivative instrument. Details of derivative instruments at 31 December 2022 recognised in the income statement are as follows:

Rate	Total (thousands of euros)	Maturity	Effect of market rate valuation on income statement (thousands of euros)
EUR/AUD	12,097	21/03/2023	143
EUR/AUD	64,409	01/02/2023	1,364
EUR/AUD	46,302	01/02/2023	737
AUD/EUR	35,452	03/01/2023	232
EUR/USD	15,852	23/03/2023	928
EUR/USD	33,342	23/03/2023	1,629
EUR/USD	19,079	23/03/2023	428
EUR/USD	26,130	23/03/2023	949
USD/EUR	46,982	03/01/2023	(104)
USD/EUR	47,103	03/01/2023	(225)
USD/EUR	46,946	03/01/2023	(68)
USD/EUR	46,980	03/01/2023	(102)
EUR/AUD	13,750	01/02/2023	379
EUR/AUD	46,302	01/02/2023	1,012

b) Other financial assets

This heading includes a guarantee on deposit with the Irish Stock Exchange to cover the listing cost of listed debt issues.

8. CASH AND CASH EQUIVALENTS

The Company holds a variety of EUR and multicurrency credit facilities with a total limit at 31 December 2022 of EUR 396 million, USD 18 million and AUD 15 million (EUR 266 million at 31 December 2021). Financing obtained by issuing bonds, promissory notes and bank debt (see note 11) has resulted in the Company having excess cash with financial institutions and these balances are classified as cash in the accompanying balance sheet.

The details of the policies (nominal, with no origination fees) in thousands of euros at 31 December 2022 are as follows:

	Currency	Limit	Cash amount (thousands of euros)	Final maturity date
Credit policy (BBVA)	EUR	€75,000	3,255	25/06/2023
Credit policy (SCH)	EUR	€75,000	54,000	25/05/2023
Credit policy (BANKINTER)	EUR	€4,000	84	27/07/2023
Credit policy (CAIXABANK)	EUR	€155,000	710	30/06/2023
Credit policy (SABADELL)	EUR	€12,000	453	30/06/2024
Credit policy (BANKINTER)	Multi- currency	€25,000	86	30/04/2024
Credit policy (SCH)	USD	USD 18,000	24,635	06/07/2023
Total			83,223	

The details of the policies (nominal, with no origination fees) in thousands of euros at 31 December 2021 are as follows:

	Currency	Limit	Cash amount (thousands of EUR)	Final maturity date
Credit policy (BBVA)	EUR	€75,000	53,640	25/06/2022
Credit policy (SCH)	EUR	€75,000	183,939	22/06/2022
Credit policy (BANKINTER)	EUR	€4,000	3,036	01/07/2022
Credit policy (CAIXABANK)	EUR	€75,000	32,041	30/06/2023
Credit policy (SABADELL)	EUR	€12,000	4,652	30/06/2022
Total		€266,000	277,308	

9. CAPITAL AND SHAREHOLDERS' EQUITY

a) Capital

At 31 December 2022 and 2021 the share capital consists of 60,000 registered shares with a par of one euro (€1) each, fully subscribed and paid in. All shares were owned by Corporación Acciona Energías Renovables, S.A., making it a sole shareholder company, and all carried the same political and economic rights.

b) Reserves

The details of reserves at 31 December 2022 and 2021 are as follows in thousands of euros:

	2022	2021
Legal reserves	12	-
Other reserves	499	(1)
Total	511	(1)

Legal reserves

Under the revised text of the Capital Company's Act, 10% of the year's net profit must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase. Except for the purpose mentioned above, and as long as it does not exceed 20% of the share capital, this reserve may only be used for compensation of losses and provided that there are no other reserves available for this purpose.

At 31 December 2022, these reserves were fully funded.

Other reserves

Includes voluntary reserves funded from prior year profits. At 31 December 2021, the Company had a negative balance of €1,000 under this heading as a result of carrying directly to reserves the cost of the transactions with equity instruments during the year, net of the tax effect.

These reserves are freely available for distribution.

c) Other shareholder contributions

The balance at 31 December 2022 and 2021 is €274,161,000, composed of a €50,000 contribution of the sole shareholder in December 2021 and the assignment of a credit balance between the sole shareholder and Energía Renovable del Istmo II, S.A. de C.V. in the amount of €224,161,000 (USD 254,714,000).

d) Value adjustments

Recorded under this section of the balance sheet at 31 December 2021 is the net amount of the tax effect of carrying cash flow hedging instruments at fair value (see Note 7a).

These derivatives were cancelled in 2022 and the hedging relationship was discontinued. The amount recorded in equity was derecognised in the income statement in accordance with the recycling schedule (see notes 7 a) and 15 b).

10. RISK MANAGEMENT POLICY

The Company's business is exposed to certain financial risks that are effectively managed by applying systems designed to identify, measure and evaluate the different types of risks.

In keeping with the general policy of the Acciona Group (see note 1), risk management is a part of the overall management policy which comprises a set of specific procedures intended to identify, evaluate and mitigate risks, backed by an insurance scheme to guarantee that when situations occur in which those risks do materialise, they do not jeopardise the Company's financial solvency.

Each one of the Acciona Group's business areas, and specifically the Energy Division to which the Company pertains, evaluates and controls the risks to which it is exposed. The Acciona Group establishes the maximum risks that can be assumed by each business and coordinates with each area to ensure the consistency and uniformity of the global risk management system, thereby ensuring that the exposure to risk assumed by the Group is known at all times.

Financial risk management objectives

The principal functions of the Company's treasury include: providing service to the business, coordinating access to domestic and international financial markets and supervising and managing operating risks.

To do so, the Company analyses the exposure, level and magnitude of the financial risks. These include market risks (which in turn encompass interest rate and price risks), credit risks and liquidity risks.

Interest rate risk

Interest rate fluctuations modify the future flows of the assets and liabilities tied to an adjustable interest rate.

The interest rate of reference on the Company's debt is primarily the Libor, and to a lesser extent, the Euribor.

The Company raises funds on external markets, mainly by issuing bonds at fixed interest rates.

The Company has also received various lines of credit and bank loans whose reference interest rate is the Euribor.

The impact of these fluctuations is sometimes mitigated by derivative hedging instruments (see note 7.a). Risk management is the responsibility of the Acciona Group's Corporate Finance Department and adheres to non-speculative criteria.

Credit risk and risk management

Credit risk refers to the risk that a counterparty to an agreement may breach its contractual obligations thereby causes the Company to sustain economic losses. The Company has no significant exposure to this risk with any of its customers, most of which are Group companies or associate who do business with companies of recognised solvency in the field of electricity distribution.

Liquidity risk and risk management

The guiding principle of the Company's liquidity risk management is prudence, maintaining sufficient amounts of cash and cash equivalents and credit facilities in amounts that are sufficient to satisfy its cash requirements.

The ultimate responsibility for managing liquidity risk lies with the Corporate Finance Department of the Acciona Group, which devises an appropriate framework for controlling the Group's cash needs in the short, medium and long term. The Company manages its liquidity by maintaining adequate reserves, appropriate banking services and the availability of loans and credit by constantly supervising the forecasts and the actual flow of funds and pairing these with the maturity profiles of the financial assets and liabilities.

With regard to liquidity risk, the enclosed balance sheet at 31 December 2022 shows that the Company has €39,583,000 in positive working capital (€904,462,000 in 2021), largely due to the financing secured by issuing long-term bonds and taking out long-term bank loans.

At 31 December 2022, the Company had additional, unused financing in the amount of €2,000,000 (€1,950,000 in 2021).

Exchange rate risk

The Group operates internationally and is therefore exposed to exchange rate risks from currency exposure, particularly the US dollar. Foreign currency risk arises from recognised assets and net investments in foreign operations.

Foreign currency risk arises when the recognised assets and liabilities are denominated in a currency other than the Company's functional currency.

The Company has several investments in foreign operations, whose net assets are exposed to foreign currency risks. The exchange risk on the net assets of the Company's foreign operations in dollars is mainly managed through borrowings denominated in the relevant foreign currency.

The details of the financial assets denominated in foreign currency are shown in note 5 b) relative to the loans in US dollars with Acciona Eólica Santa Cruz, S. de R.L. de C.V., Parques Eólicos de San Lázaro, S.A. de C.V., Energía Renovable del Istmo II, S.A. de C.V., Energía Renovable del Sur, S.A., Acciona Energía Dominicana, Srl., Acciona Energía Internacional, S.A., MT Gellibrand Wind Farm Pty. Mortlake South Wind Farm Pty. Ltd. y Acciona Energía Financiación Filiales Australia

The details of the financial liabilities denominated in foreign currency are shown in note 13 relative to the loans in US dollars with Corporación Acciona Energías Renovables, S.A., and Acciona Generación Renovable, S.A.

Risk management is the responsibility of the Acciona Group's Corporate Finance Department and adheres to non-speculative criteria.

To mitigate the exchange rate risk, the Acciona Group arranges currency derivatives and exchange rate insurance to hedge significant future transactions and cash flows in accordance with the limits of assumed risk.

11. NON-CURRENT PAYABLES

The details of the non-current balances payable at 31 December 2012 and 2011, by maturity, were as follows:

	2022	2021
Debentures and other negotiable securities	1,181,053	496,772
Bank borrowings	64,423	619,867
Total	1,245,476	1,116,639

a) Debentures and other negotiable securities

The details of the balancing under this heading at 31 December 2012 and 2021 were as follows in thousands of euros:

	2022	2021
Other non-current negotiable securities	998,535	498,837
Other non-current negotiable securities (foreign currency)	187,512	
Debentures and other negotiable securities	(4,994)	(2,065)
Total	1,181,053	496,772

On 7 October 2021, the Company issued €500 million in fixed income securities under the Euro Medium Term Note Programme (EMTN).

The programme is underwritten by Acciona Energía Financiación de Filiales, S.A. and is guaranteed by Corporación Acciona Energías Renovable, S.A. The issue dated July 2021 with a limit of €3 billion is rated BBB- by Fitch and BBB (high) by DBRS. In compliance with European regulations, both the initial prospectus and its renewals and supplements are approved by the Central Bank of Ireland. The securities issued under this programme may accrue fixed or floating interest, may be issued in euro or another currency, at par, below par or at a premium, and may have different maturity dates for interest and principal.

The annual coupon set for 7 October 2021 was 0.375%, with a yield of 0.416% (issue price: 99.758%). The transaction is structured under an advanced green financing framework that is fully aligned with the taxonomy of sustainable activities and the stringent requirements of the EU green bond framework. The underwriters of the issue were BBVA, Bestinver Securities, BNP Paribas, CaixaBank, IMI Intesa Sanpaolo, JP Morgan, Santander, Societé Generale and Unicredit.

This bond matures in 2027 and accrues interest as described in note 12.a).

On 26 January 2022, the Company issued another €500 million in fixed income securities under the Euro Medium Term Note Programme (EMTN).

The annual coupon for this issue is 1.375%, with a yield of 1.387% (issue price: 99.439%). The transaction is structured under an advanced green financing framework that is fully aligned with the taxonomy of sustainable activities and the stringent requirements of the EU green bond framework. The underwriters of the issue were BBVA, HSBC, Credit Agricole, ING, Bank of America, Caixabank, Santander, Sabadell Mizuho and Bestinver Securities.

This bond matures in 2032 and accrues interest as described in note 12.a).

At 31 December 2022 the balances recorded for this EMTN programme in the bond and other marketable securities accounts, net of transaction costs, were €994,641,000 (€496,772,000 in 2021).

On 26 April 2022 the Company issued USD 200 million in bonds in a US private placement of international fixed income securities.

The annual coupon for this latest issue is 4.54%, with a yield of 4.54% (issue price: 101.38%). The operation is structured under an advanced green financing framework that is fully aligned with the taxonomy of sustainable activities.

The bonds mature in 2037 and accrues interest as described in note 12.a).

At 31 December 2022 the balance recorded for this issue in the bond and other marketable securities accounts, net of transaction costs, was €186,412,000.

b) Bank borrowings

The details of the balancing under this heading at 31 December 2012 and 2021 were as follows in thousands of euros:

	2022	2021
ST loans	73,000	630,000
Origination fee	(8,577)	(10,133)
Total	64,423	619,867

On 26 May 2021 the Company signed a syndicated financing agreement with a syndicate of lenders for a total of €2.5 billion divided into three tranches, with Corporación Acciona Energías Renovable S.A. as guarantor and Banco Santander and CaixaBank as agents, the latter being the coordinating entity and sustainability agent. The purpose was to refinance some of the Group's financing instruments and to cover the Group's corporate, investment and treasury requirements.

Under the terms of the loan agreement the Company must periodically comply with certain variables, ratios and financial levels established therein, including the maintenance of certain cash balances.

At 31 December 2022, the Company was compliant with the gearing ratio covenant that applies to its most significant financing operations.

This covenant requires that the gearing ratio obtained by dividing Net Financial Debt by EBITDA, measured on an annual basis, for each of the financial years ended 31 December must be less than 5x. Compliance with this ratio must be certified by the Chief Financial Officer and is based on the consolidated financial statements of the parent company, Corporación Acciona Energías Renovables. The calculation of the ratio must be submitted no later than 180 days after the end of each financial year.

There are other guarantees involved which are mainly relate to the assignment of rights under electricity production sales contract and pledging of the Company's shareholdings under certain circumstances.

The tranches are as follows: tranches A, B1 and B2, with maximum amounts of €1 billion, €700 million and €300 million, respectively, maturing in May 2024; and tranche C as a revolving credit facility with a credit limit of €500 million, maturing in May 2026.

At 31 December 2021, €300 million had been drawn down in tranche A and €250 million in tranche B1.

In July 2021 the Company assumed the debtor position of a bank loan initially granted to the group company Corporación Acciona Hidráulica, S.L.U. for €80 million which matures in July 2024.

In 2022, this bank loan was repaid and the credit limit of tranche B1 of the syndicated financing agreement was increased to €750 million.

In the same vein, tranche A of the syndicated financing agreement was cancelled, making it unavailable in the future.

On 2 July 2022, a new financing agreement was signed with the European Investment Bank for a maximum amount of €43 million, maturing in November 2029.

On 3 November 2022 the Company signed a new syndicated financing agreement with a syndicate of lenders for a total amount of €450 million, with Corporación Acciona Energías Renovables, S.A. as guarantor and BBVA and CaixaBank as agents, the latter being the coordinating entity and sustainability agent. The purpose was to refinance some of the Group's financing instruments and to cover the Group's corporate, investment and treasury requirements. This financing has a limit of €450 million and matures in 2025. None of it has been drawn down to date.

On 6 July 2022, an unconfirmed multi-currency line of credit was signed with Natixis to finance one-off cash requirements. This financing has a limit of €50 million and matures in 2025.

On 14 November 2022, an unconfirmed line of credit in EUR was signed with Bayern to finance one-off cash requirements. This financing has a limit of €50 million and matures in 2025.

All loans are subject to market interest rates tied to Euribor for loans in EUR and Libor for loans in USD, plus a market spread for each tranche.

The breakdown of bank financing received at 31 December 2022 is as follows (in thousands of euros):

	Currency	Limit	Drawn	Final maturity date
Syndicated – Tranche B1	EUR	750,000	-	26/05/2024
Syndicated – Tranche B2	EUR	300,000	-	26/05/2024
Syndicated – Tranche C	EUR	500,000	-	26/05/2028
EIB Loan	EUR	23,000	23,000	28/11/2029
Syndicated	EUR	450,000	-	03/11/2025
Bayern	EUR	50,000	50,000	14/11/2025
Natixis	EUR/USD	50,000	-	06/07/2025
Total		2,123,000	73,000	

The details of bank financing at 31 December 2021 are as follows, in thousands of euros:

	Currency	Limit	Drawn	Final maturity date
Syndicated – Tranche A	EUR	1,000,000	300,000	26/05/2024
Syndicated – Tranche B1	EUR	700,000	250,000	26/05/2024
Syndicated – Tranche B2	EUR	300,000	-	26/05/2024
Syndicated – Tranche C	EUR	500,000	-	26/05/2026
Bank loans	EUR	80,000	80,000	02/07/2024
Total		2,580,000	630,000	

The loan origination expenses refer to the cost associated with obtaining financing which are part of the amortised at which the loans are stated and which are amortised over the lives of the associated loans.

12. CURRENT PAYABLES

The details of current balances payable at 31 December 2012 and 2011 were as follows in thousands of euros:

	2022	2021
Debentures and other negotiable securities	592,268	509,126
Bank borrowings	7,452	1,700
Derivative	499	163
Total	600,219	510,989

a) Debentures and other negotiable securities

The details of the balancing under this heading at 31 December 2012 and 2021 were as follows in thousands of euros:

	2022	2021
Interest accrued on other marketable securities	6,846	442
Interest accrued on other marketable securities (foreign currency)	1,567	-
Current promissory notes payable	583,855	508,684
Total	592,268	509,126

As indicated in note 11 a), on 7 October 2021 the Company issued €500 million in fixed income securities under the Euro Medium Term Note Programme (EMTN) with an annual coupon of 0.375% and a yield of 0.416%.

Subsequently, on 26 January 2022, the Company issued another €500 million in fixed income securities under the Euro Medium Term Note Programme (EMTN) with an annual coupon of 1.375% and a yield of 1.387%.

On 26 April 2022, the Company launched a US Private Placement (USPP) for USD 200 million, with an annual coupon of 4.54% and a yield of 4.54%.

The interest accrued on these bonds is recorded under this heading.

The Company has also established a Euro Commercial Paper (ECP) programme for the issuance of short-term promissory notes (maximum 364 days), starting in July 2021. The programme is underwritten by Acciona Energía Financiación de Filiales, S.A. as issuer and is guaranteed by Corporación Acciona Energías Renovables, S.A. The programme, which has a limit of €2 billion, is renewed annually, with the next renewal scheduled for July 2023.

This programme is listed on the Dublin Stock Exchange (Euronext Dublin). In compliance with European regulations, both the initial prospectus and its renewals and supplements are approved by the Central Bank of Ireland. Securities issued under this programme have maturity dates between 3 and 364 days, may accrue fixed or variable interest, may be issued in euro or another currency, and may be issued at par, below par or at a premium.

At 31 December 2022, the total balance recognised for the bonds issued under this programme is €592.268,000 (€509,126,000 in 2021), net of transaction costs and considering unpaid accrued interest, all of it recorded as current on the Company's balance sheet.

€2,379,500,000 in promissory notes were issued in 2022 and €2,303,225,000 in promissory notes were redeemed in 2022, with an outstanding balance of €583,855,000 at 31 December 2022.

€661,900,000 in promissory notes were issued and €153,639,000 in promissory notes were redeemed in 2021, with an outstanding balance of €508,684,000 at 31 December 2021.

b) Bank borrowings

The details of the balancing under this heading at 31 December 2012 and 2021 were as follows in thousands of euros:

	2022	2021
Current origination fees	(221)	
Credit facilities	7,238	
Current interest on borrowings	133	1,285
Drawdown fee payable	302	415
Total	7,452	1,700

As indicated in note 11 b), the Company has various bank loans in EUR with market interest rates tied to the Euribor, plus a spread. The accrued interest payable is recorded under this heading as "Short-term interest on loans".

This heading also includes the origination fees associated with these short-term loans.

In addition, the Company's syndicated loan establishes an availability fee on the undrawn amounts of Tranches B and C. At 31 December 2022 and 2021, the commission accrued and pending payment at year-end is included under the heading of "availability commission pending payment".

The €500 million issue of fixed income securities under the Euro Medium Term Note Programme (EMTN) and the issue of promissory notes under the Euro Commercial Paper (ECP) programme have offset the need for bank financing. As a result, the Company incurs unavailability fees on those loans, the amount of which is included in this caption.

The Company holds a variety of EUR and multicurrency credit facilities with a total limit at 31 December 2022 of €396 million, USD 18 million and AUD 15 million (€266 million in 2021) (see note 8). As a result of the financing obtained by issuing bonds and promissory notes, most of these policies have debit balances, which has led us to reclassify them to the asset side of the balance sheet.

At the 2022 year end, current policies in EUR and USD were undrawn, and policies in AUD were drawn down by €7.2 million.

Breakdown of the nominal amounts (excluding interest and origination fees) of short-term credit facilities (in thousands):

Rate	Currency	Limit	Cash amount (thousands of EUR)
Credit policy (BBVA)	EUR	EUR	-
Credit policy (SCH)	EUR	EUR	-
Credit policy (Bankinter)	EUR	EUR	-
Credit policy (Caixabank)	EUR	EUR	-
Credit policy (Sabadell)	EUR	EUR	-
Credit policy (SCH)	Multi-currency	USD	-
Credit policy (SCH)	USD	USD	7,238
Credit policy (Bankinter)	AUD	Multi-currency	-

c) Derivative

To mitigate the exchange rate risk, the Company arranges currency derivatives and exchange rate insurance to hedge significant future transactions and cash flows in accordance with the limits of assumed risk. All derivatives have maturity dates between January and March 2023. The total nominal amount hedged is €533 million.

The valuation of these financial derivatives resulted in €499,000 in liabilities and €7,800,000 in assets at 31 December 2022 (€163,000 in 2021). The Company does not apply hedge accounting to these derivatives.

13. CURRENT AND NON-CURRENT PAYABLES TO GROUP COMPANIES AND ASSOCIATES

The classification of investments in group companies and associates by category at 31 December 2022 and 31 December 2021 is as follows (in thousands of euros):

	2022	2021
	Amortised cost	Amortised cost
Non-current payables to group and associated companies	-	-
Current payables to group companies and associates	28,454	48,477

The details of the balances payable on financing extended by Group companies and associates at 31 December 2022 and 2021 are shown below, in thousands of euros:

	Non-current	Current
Acciona Generación Renovables S.A.	-	2,216
Corporación Acciona Energías Renovables, S.A.	-	26,238
Total		28,454

All short-term loans between Acciona Generación Renovable, S.A. and various Group companies and associates refer to short-term financing granted through a reciprocal credit agreement in US dollars (cash pooling), as well the outstanding interest receivable under this agreement. The balance at 31 December 2022 was €2,196,000 in principal and €20,000 in interest.

All short-term loans between Corporación Acciona Energías Renovables, S.A. and various Group companies and associates refer to short-term financing granted through a reciprocal credit agreement in US dollars (cash pooling), as well the outstanding interest receivable under this agreement. The balance at 31 December 2022 was €26,229,000 in principal and €9,000 in interest.

The composition of the balance in thousands of USD at 31 December 2022, along with the equivalent in EUR, is as follows:

	USD	Euros
Acciona Generación Renovables S.A.	2,364	2,216
Principal	2,342	2,196
Interests	22	20
Corporación Acciona Energías Renovables, S.A.	27,985	26,238
Principal	27,975	26,229
Interests	10	9
Total	30,349	28,454

The details of the balances payable on financing extended by Group companies and associates at 31 December 2021 are shown below, in thousands of euros:

	Non-current	Current
Acciona Generación Renovables S.A.	-	19,960
Corporación Acciona Energías Renovables, S.A.	-	2,021
Acciona Energía Global, S.L.	-	26,496
Total	-	48,477

Short-term loans to Group companies and associates in 2021 refer to a joint line of credit in USD, CAD and EUR signed on 20 December 2021 between Acciona Generación Renovable, S.A., Corporación Acciona Energías Renovables, S.A. and Acciona Energía Global, S.L., with a limit of €50,000,000 and a fixed interest rate of 1%, maturing on 31 January 2022, renewable annually for additional one-year periods. At 31 December 2022 there is no balance.

The current balance in 2021 also reflects the outstanding interest accrued on those loans.

The composition of the balance in thousands of USD at 31 December 2021, along with the equivalent in EUR, is as follows:

	USD	Euros
Acciona Generación Renovables S.A.	22,607	19,960
Principal	22,600	19,954
Interests	7	6

Corporación Acciona Energías Renovables, S.A.	2,289	2,021
Principal	2,288	2,020
Interests	1	1
Acciona Energía Global, S.L.	30,009	26,496
Principal	30,000	26,488
Interests	9	8
Total	54,905	48,477

14. TRADE AND OTHER PAYABLES

The composition of the balance under this heading at 31 December 2022 and 2021, in thousands of euros, was as follows:

	2022	2021
Suppliers	53	
Sundry creditors	113	72
Other taxes payable (Note 15 a)	57	38
Total	223	110

a) Suppliers

This balance includes balances with suppliers for invoices not yet received.

b) Sundry creditors

This heading includes the trade balances payable at the end of 2022 and 2021.

Weighted average days to pay suppliers

The information required under the third additional provision of Law 31/2014 of 3 December is detailed below, prepared in accordance with the terms of the Resolution of the Accounting and Audit Institute dated 29 January 2016. This information refers to Spain only, which is the geographical scope of application of the law:

<i>Payments made and payments outstanding at the end of the financial year</i>	31.12.22	31.12.21
	Days	Days
Average days to pay suppliers*	45.25	67.52
% of transactions paid	45.48	68.14
% of transactions pending payment	19.79	59.19
	Amount (thousands of euros)	Amount (thousands of euros)
Total payments made	3,914	415
Total payments pending	35	31

*Does not include group companies.

The “weighted average days to pay suppliers” is understood as the amount of time that elapses between the delivery of the goods or services and the payment date.

The “weighted average days to pay suppliers” is calculated as a quotient in which the numerator is the ratio of paid transactions to the total amount of the payments made plus the ratio of transactions pending payment to the total amount of pending payments and the denominator is the sum of the total payments made and the total payments pending.

The ratio of paid transactions is calculated as a quotient where the numerator is the sum of the products corresponding to the amounts paid times the number of days to pay (calendar days elapsed from the initial date to the actual payment date) and the denominator is the total amount of the payments made.

The ratio of pending transactions is calculated as a quotient where the numerator is the sum of the products corresponding to the amounts paid times the number of days during which the payment is pending (calendar days elapsed from the initial date to the closing date of the annual accounts) and the denominator is the total amount of pending payments.

The Company is making efforts to reduce the average days to pay.

The information required following the passage of Law 18/2022 for the Creation and Growth of Companies regarding invoices paid before the legal deadline is as follows:

	2022
Volume paid in thousands of euros	3,063
Percentage of total payments to suppliers	77%
Number of invoices paid	145
Percentage of total supplier invoices paid	84%

15. TAX SITUATION

a) Taxes and social security balances

The details of the tax and social security balances at 31 December 2022 and 2021 are as follows, in thousands of euros:

	2022	2021
Taxes payable	57	38
Tax refunds due from withholdings	52	27
VAT payable	5	11

b) Deferred tax assets and liabilities

The origins of the deferred taxes shown at 31 December 2022 and 2021 (in thousands of euros) are as follows:

	2022	2021
Deferred tax liabilities arising from:		
Financial derivatives (note 7)	2,730	1,412
Total	2,730	1,412

c) Reconciliation of carrying results and taxable base

The reconciliation of the carrying result and the taxable base for corporate income tax purposes in 2022 and 2021 is as follows, in thousands of euros:

	2022	2021
Profit for the year before corporate tax	9,646	682
Adjustments to taxable base:		
Permanent Differences		(2)
Temporary differences		
Taxable base (tax result)	9,646	680
Total tax due	(2,412)	(170)
Deduction for double taxation	5,101	678
Tax due and payable	2,689	508
Foreign tax paid	(5,101)	(678)
Corporate tax expense	(2,412)	(170)

Permanent differences in 2021 reflect the reversal of the current expense for deductibility of incorporation expenses charged to equity.

Double taxation deductions in 2022 refer to withholding taxes on interest and/or capitalisations associated with foreign subsidiaries, specifically those in Mexico and Australia.

16. THIRD PARTY GUARANTEES AND OTHER CONTINGENT LIABILITIES

The Company has none.

17. INCOME AND EXPENSES

a) Revenue

The Company's core activities are those related to centralising sources of financing within the group and others that are characteristic of a holding company. As such, it has no significant commercial activity of its own, and therefore has no business segments. Therefore, the balance shown under this caption in the income statement refers primarily to the provision of financial services to the companies in its business Group (see note 6). The details are as follows in thousands of euros:

	2022	2021
Financial income, Group	74,412	9,479
Income from hedging derivatives	989	-
Total Financial Income (Note 5b)	75,401	9,479
Total Revenue	75,401	9,479

In 2022, the bulk of the Company's revenue is interest income on the loans extended to Group companies (see notes 5 and 6).

To a lesser extent, there is financial income from the settlements of cancelled hedging derivatives, taken to income in accordance with the useful lives of the associated bonds.

All of the Company's revenue in 2021 came from interest income on the loans extended to group companies.

b) Personnel costs

The Company had no staff at 31 December 2022 or 2022 or 2021.

c) External services

The breakdown of external services in 2022 and 2021 is as follows (in thousands of euros):

	2022	2021
Services of independent professionals	2,656	440
Banking and finance.	42	68
Other services	6	
Total external services	2,704	508

d) Financial expenses

The breakdown of this heading in 2022 and 2021 is as follows (in thousands of euros):

	2022	2021
Payable to Group companies and associates	114	19
Payable to third parties	33,422	10,059
Total	33,536	10,078

The total financial expenses paid to Group enterprises and associates referred to the interest payable on the Company's loans, with the exception of Bestinver, which reflects the fees associated with a bond issue (see note 11).

The breakdown of financial expenses with Group companies in 2022 and 2021 is as follows (in thousands of euros):

	2022	2021
Acciona Generación Renovables S.A.	34	6
Corporación Acciona Energías Renovables, S.A.	11	5
Acciona Energía Global, S.L.	19	8
Bestinver Sociedad de Valores, S.A.	50	-
Total	114	19

Financial expenses with third parties refer to interest accrued on financing received through promissory note and bond issues, bank financing in the form of loans and credit facilities, and other types of financial expenses associated therewith.

e) Gains(losses) on exchange

Gains(losses) on exchange arise as a result of fluctuations in exchange rates, mainly in US and Australian dollars, in connection with the Company's loans and lines of credit with group companies and, to a lesser extent, the Company's cash held in foreign currencies.

Gains and losses on exchange can also arise from the valuation and settlement of exchange rate hedging derivatives and from the valuation of cash and bank accounts in foreign currencies.

The details of gains and losses on exchange in 2022 and 2021 are as follows, in thousands of euros:

	2022	2021
Exchange rate hedges	(25,604)	(125)
Bank balances in foreign currency	10,524	(52)
Debt securities (foreign currency bonds)	734	-
Suppliers, foreign currency	(1)	-
Acciona Eólica Santa Cruz, S. de R.L. de C.V.	9,986	552
Parques Eólicos de San Lázaro, S.A. de C.V.	15,309	481
Energía Renovable del Istmo II, S.A. de C.V.	14,518	801
Acciona Generación Renovables S.A.	171	55
Corporación Acciona Energías Renovables, S.A.	43	5
Acciona Energía Global, S.L.	(8,459)	72
MT Gellibrand Wind Farm Pty. Ltd.	(7,393)	-
Mortlake South Wind Farm Pty. Ltd.	(12,182)	-
Energía Renovable del Sur, S.A.	(3,606)	-
Acciona Energía Financiación Filiales Australia	(20,858)	-
Acciona Energía República Dominicana	(1,753)	-
Acciona Energía Internacional, S.A.	(944)	-
Total gains/losses on exchange:	(29,515)	1,789

18. RELATED PARTY TRANSACTIONS AND BALANCES

The balances maintained with the sole shareholder and with Group companies and associates are discussed in notes 6, 5, 12 and 13 of this report.

a) Transactions and balances with the sole shareholder.

The Company's transactions and balances with shareholders in financial years 2022 and 2021 were as follows (in thousands of euros):

	2022			2021		
	Trade operations	Funding	Other operations	Trade operations	Funding	Other operations
Debit balances (note 6)		408,646			1,147,124	
Credit balances (note 13)		26,238			2,021	
Income		17,635			8,101	
Expenses (note 17)		10			5	

b) Transactions and balances with Group companies and associates

The details of the most significant transactions and balances with group companies, excluding transactions with the sole shareholder, in 2022 and 2021 are shown below in thousands of euros:

	2022		2021	
	Trade operations	Financing	Trade operations	Funding
Debit balances (notes 5 and 6)	8,821	1,658,708	508	525,977
Credit balances (note 13)		2,216		46,456
Income (notes 5 and 6)		56,777		1,379
Expenses (note 13)	223	102		14

Financial income refers to the interest receivable on the loans extended by the Company to different Group companies (see note 5 b). The receivable balances shown for financing refer to loan principal plus the interest accrued to date but still unpaid.

In 2021, the costs associated with financial transactions refer mainly to interest accrued on short-term cash deposits in USD held by the Group companies Acciona Energía Global, S.L. and Acciona Generación Renovable, S.A. (see note 13). In 2022, it also includes interest on short-term financing granted through a reciprocal credit agreement (cash pooling). The receivable balances from financing refer to loan principal plus the interest accrued to date but still unpaid.

The trade receivable balance with Acciona, S.A. refers entirely to the corporate tax debt which is a result of belonging to the said consolidated tax group (see note 6.b).

19. ENVIRONMENTAL DISCLOSURES

Company management is aware of existing environmental regulations. In 2022, the Company had €558,000 of investments related to the environment. Due to the nature of the Company's business, there were no investments related to the environment in 2021.

In both 2022 and 2021, the Company complied with all national, regional and local environmental laws.

20. OTHER DISCLOSURES

a) Director and officer remuneration.

In financial year 2022, the Company's directors were not remunerated for their work as such.

No advances or loans were extended to the members of the Board of Directors and the Company has not assumed any pension or life insurance obligations for current or former members of the Board of Directors. Furthermore, the Company did not pay any premiums for directors and officers liability insurance during the year.

The Company has no executive management staff. These functions are performed by the corporate management staff of Grupo Corporación Acciona Energías Renovables of which the Company is a member (see note 1)

b) Transactions that are not part of the normal course of business or not carried out at arm's length by the Directors and members of the Company's Board of Directors

In 2022 and 2021, the members of the Board of Directors did not participate in any transactions outside of the normal course of the Company's operations or under conditions other than market conditions.

c) Conflicts of interest involving Directors

In compliance with article 229 of Legislative Royal Decree 1/2010 of 2 July, which approved the Consolidated Text of the Capital Companies Act, the shareholders gathered at the General Meeting unanimously agreed that occupying the post of director in both Acciona Energía Internacional and certain companies operating in the renewable energy sector is compatible, subject to the fulfilment of certain requirements. None of the directors has reported sitting on the boards of directors of companies whose compatibility has not been previously recognised by the General Meeting.

d) Auditors' Fees

The fees charged by the auditors (KPMG Auditores, S.L.) to audit the Company's individual annual accounts totalled €20,000 in 2022 (€20,000 in 2021). Other accounting verification services totalling €9,000 were also provided, regardless of the time of invoicing.

21. EVENTS AFTER THE BALANCE SHEET DATE

There were no other events subsequent to the closing date which could have a significant effect on the Company's financial statements at 31 December 2022 or its present or future activities.

2022 DIRECTORS' REPORT 2

Main Economic Indicators:

- The Company reported revenue of €75,401,000, an increase of 695% compared to the previous year due to a notable increase in the loans granted to group companies.
- EBITDA, or gross operating income defined as earnings before interest, tax, depreciation, amortisation and changes in provisions, is a reflection of the Company's operating results. It is calculated by taking the following items from the income statement: "Revenue" and "Other operating expenses" totalled €72,697,000 which represents a 710% increase over the year before for the same reason mentioned in the previous paragraph.
- Pre-tax results reflected profits of €9,646,000 euros, an increase of 1,314% compared to the year before, mainly due to financial income (revenue) which offset financial expenses.
- The financial result showed a loss of €63,051,000, an increase of 661% with respect to the previous year, mainly due to bank financing and bond issues.

Risks associated with the business operations of Acciona Energía Financiación Filiales.

Risk management at Acciona Energía Financiación Filiales, S.A.U. is based on the risk management system implemented by the Acciona Group which is designed to identify events that could potentially affect the Company, manage risks by establishing internal control systems to keep the probability of those events occurring and their impact within the permitted tolerance levels and provide reasonable assurances that the group's strategic business objectives will be met.

The main risks that can have an impact on the Group achieving its objectives are as follows:

Economic-financial risks: Those which can have a direct impact on the Company's income statement. These include fluctuations in foreign exchange rates, interest rates and financial markets, variations in commodity prices, liquidity, cash flow, delinquency and loss of clientele.

The fact that Acciona Energía Financiación Filiales, S.A.U. operates in different countries means that it is exposed to the risk of fluctuating foreign exchange risks in the countries where it invests and operates.

Interest rate risk is particularly significant as far as financing the construction of wind farms and other renewable energy power plants, where fluctuations in interest rates can have a serious impact on profits.

Credit risk is mitigated by negotiating transactions with solvent third parties and using generally-accepted market criteria (ratings, historical commercial relations with the counterparty, etc.). In addition, depending on the type of transaction or the counterparty, the Group has a policy of obtaining sufficient guarantees to mitigate the risk of financial losses caused by defaults.

Risk is effectively managed by seeking situations in which the risk between income and expenses, assets and liabilities is naturally hedged. When this is not possible, the Group invests in hedges and derivatives in order to avoid volatility. However, there is no way of completely eliminating the exposure to interest rate and exchange rate risk, which can have a negative effect on the Company's financial situation.

In addition, risks can be further offset by supplemental insurance policies to ensure that if situations occur in which those risks do materialise, they do not jeopardise the Company's financial solvency.

Strategic risks: These are risks that can affect the fulfilment of the Company's objectives and reduce growth. These risks include organisational changes, investments and disinvestments, threats from competitors, economic, political and regulatory changes, new technologies and changes brought about by research and development.

Acciona Energía Financiación Filiales, S.A.U. minimises these risks through its own strategy and business model, through technological and geographical diversification of its business, by studying the markets, the competitors and the countries where it operates and by investing in research and development.

Prior to the decision to invest or disinvest, there are preventive controls and processes and an evaluation of the associated risks based on the business forecasts. This information must then be approved by the Investment Committee based on certain parameters that consider the business volume and profit compared to the associated risk.

Operating risks: These are the risks associated with processes, people and products. These have to do with regulatory, legal, and contractual compliance, control systems and procedures, supply chain, auxiliary services, information systems, employee productivity or the loss of key personnel.

In each business area, specific systems are established to deal with business requirements, systematisation and documentation of processes, quality control, the environment, operations, occupational risk prevention and economic planning and control.

Fortuitous risks: Risks related to the damages that can be caused to the Company's assets and people and which can have a negative effect on the Company's performance, such as fire, explosion, natural disaster, and environmental pollution, damages to third parties or occupational risks.

The Group's Corporate Crisis Management Guidelines allow the Company to systematically identify the risks that can result in an environmental incident and define the processes, guidelines and responsibilities in crisis situations, along with other legal requirements and internal corporate standards, which are continuously monitored and reviewed.

Financial instruments

The Company's risk management policies are established by the Acciona Group's Director of Finance and approved by the Group's Board of Directors. Based on these policies, the Company's Finance Department has implemented a series of procedures and controls for identifying, measuring and managing the risks associated with financial instruments. Among other things, these policies stipulate that the Company may not participate in speculative operations with derivatives.

In 2022 the Company mitigated this exposure to risk by entering into hedging operations with financial derivatives. The Company does not use financial derivatives for speculative purposes.

Treasury stock

There were no transactions with treasury stock in 2022.

Quality and the Environment

Protecting the environment is incorporated into the Group's strategy and operations and the main focus of the Acciona Group's environmental strategy. Inherent to the strategy is the integral treatments of impacts and a proactive stance in their prevention, corrections those which are inevitable and compensating the residual effects.

In 2012, the Acciona Group proposed the creation of an environmental compensation mechanism through which different initiatives would be used to more efficiently oversee compensatory actions, which would also redound to an overall improvement of the environmental situation. A Sustainable Mobility Plan was also implemented which focuses on three aspects of mobility: business travel, employee travel and the logistics chain.

In relation to this Plan, the environmental investments and expenses incurred by the Group in 2022 focused on environmental surveillance and studies during the different phase of each project, waste management, the efficient use of resources, biodiversity, landscape, noise, soil protection and environmental research.

Research & Development.

The Company incurred no expenses of this kind in the 2022 financial year.

Business outlook

The expectation is that financing levels will increase in 2023 compared to 2022, contingent upon fluctuations in foreign currency which will generate greater cash flows.

Average period of payment to suppliers

The average days to pay suppliers in 2022 is 45.25 days. The Company is making efforts to reduce the average days to pay.

Events after the balance sheet date

There were no other events subsequent to the closing date which could have a significant effect on the Company's financial statements at 31 December 2022 or its present or future activities.

The enclosed Annual Accounts and Directors' Report of ACCIONA ENERGÍA FINANCIACIÓN FILIALES, S.A.U. for the financial year ended 31 December 2022 were prepared by the Directors on 24 February 2023.

[Illegible signature]

[Illegible signature]

Acciona Administración Energía, S.L.
Raimundo María Fernández-Cuesta Laborde

Acciona Desarrollo Corporativo Energía, S.L.
Maria Yolanda Herrán Azanza