

Rating Report

Corporación Acciona Energías Renovables, S.A.

Morningstar DBRS

17 September 2024

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Laura Gutierrez
Assistant Vice President
Diversified Industries and Energy
European Corporate Ratings
+34 603 700 147
laura.gutierrez@morningstar.com

Amaury Baudouin
Senior Vice President, Sector Lead
European Corporate Ratings
+(34) 919 612 654
amaury.baudouin@morningstar.com

Anke Rindermann
Managing Director
European Corporate Ratings
+(49) 69 2713 77023
anke.rindermann@morningstar.com

Credit Ratings

Issuer	Obligation	Rating	Rating Action	Trend
Corporación Acciona Energías Renovables, S.A.	Issuer Rating	BBB	Downgraded	Stable
Corporación Acciona Energías Renovables, S.A.	Short-Term Issuer Rating	R-2 (middle)	Downgraded	Stable
Acciona Energía Financiación Filiales, S.A.	Euro Medium Term Notes ¹	BBB	Downgraded	Stable

Credit Ratings Drivers

Positive Credit Rating Drivers

Morningstar DBRS considers a positive credit rating action in the medium term to be unlikely.

Negative Credit Rating Drivers

Morningstar DBRS could take a negative credit rating action as a consequence of (1) significant delays in the asset rotation which leads to a higher level of debt; (2) considerable project delays and cost overruns associated with Acciona Energía's developments under construction; (3) heightened regulatory risks; or (4) declines in credit metrics to below our required levels for the current credit rating, for example with a cash flow-to-net debt of less than 15.0% and net debt-to-capital of more than 42.0% on a sustained basis and without the implementation of financial remedies.

Credit Rating Update

DBRS Ratings GmbH (Morningstar DBRS) downgraded both the Issuer Rating and the Short-Term Issuer Rating on Corporación Acciona Energías Renovables S.A. (Acciona Energía or the Company) to BBB and R-2 (middle), respectively, from BBB (high) and R-2 (high), respectively. We also downgraded our credit rating on Acciona Energía Financiación Filiales, S.A.'s existing Euro Medium Term Notes programme to BBB from BBB (high). The trends on all credit ratings remain Stable.

Key Credit Rating Considerations

The credit rating downgrades reflect Acciona Energía's expected increasing financial leverage the next three years in an environment of lower energy prices coupled with the ambitious growth plan Acciona Energía is developing for a few years now to boost installed capacity. Cashflow-to-adjusted debt is expected to significantly decrease, standing less than 15% in 2024 and less than 20% in both 2025 and 2026, as the Company assumes more debt to fund high committed capital expenditures (capex) for 2024, and as softer energy prices affect cashflow generation. We note that Acciona Energía is working on several measures to mitigate the financial leverage deterioration and protect its investment-grade credit rating. Among the main strategies, the Company has been able to partially adapt the growth plan expected for 2025 and 2026, and it aims to complete the divestiture of several asset during the next four years in order to strengthen its credit metrics and liquidity. However, we have some concerns related to

the timeframe for execution of the asset disposal plan and amount of proceeds in the near term considering weaker than expected electricity prices recently.

The Stable trend reflects the recurrent cashflow generated by the regulated assets and PPA/hedged contracts, limited merchant exposure, the Company's ability to slowdown the growth plan in the medium term and Acciona Energía's active management of which is working on several strategies to control the rising debt, showing a strong commitment to keep the investment grade credit rating.

The Issuer Rating is supported by the Company's (1) stable cash flows from regulated generation assets located mainly in Spain; (2) long-term contracts for a moderate percentage of its nonregulated assets; (3) good geographic diversification; (4) the Company's strong commitment to maintaining its investment-grade credit ratings, with an active management to mitigate the impact of lower energy prices during the execution of the growth plan; and (5) strong operational expertise and a good track record in the development of power projects.

The Issuer Rating is constrained by the Company's (1) capex intensity and project development risk, (2) exposure of nonregulated generation to price volatility in the long term, (3) operational risk, (4) currency and interest risk, and (5) intense competition in non-regulated operations. The Stable trends incorporate our view that, notwithstanding the expected large capex requirements, Acciona Energía's credit metrics will remain supportive of a strong BBB Issuer Rating.

Earnings Outlook

Looking ahead, we expect Acciona Energía's revenues and EBITDA to slightly decrease in 2024, given the lower energy price environment and Company's deliberate strategy to reduce energy production during the first semester of the year to protect profitability. For 2025 and 2026, generation revenues are expected to grow to more than EUR 1.8 billion, thanks to the increasing installed capacity and output, and also because of a recovery in energy prices, compared with 2024, with expected pool prices higher than EUR 65.0/MWh in Spain and more than EUR 40.0MWh in the international market. EBITDA would continue benefiting from regulated activities although this contribution is expected to decline to less than 20% by the end of 2026. In addition, we note that the asset rotation strategy developed by the Company would significantly boost profits over the next four years and partially support the growth plan. However, we are aware of some execution risks associated with the divestment of energy assets.

Financial Outlook

- Considering the lower cash flow generation and high level of capex projected over the next three years, we expect a higher level of debt, with a peak in 2024, that will put pressure on the credit metrics over the next years.
- Although we consider the asset rotation strategy could significantly mitigate the rising debt, we also have some concerns about the quick execution of this strategy.
- Cash flow-to-adjusted debt is expected to remain less than 15% in 2024 and then to improve towards more than 17% levels for both 2025 and 2026.
- Adjusted debt-to-capital is expected to stand higher than 35% during the next three years.

Financial Information

Corporación Acciona Energías Renovables S.A.	LTM 30	For the year ended 31 December				
	June	2024	2023	2022	2021	2020
Cash flow-to-net debt (%) ^{1,2}	9.5	20.2	54.2	41.7	16.2	20.7
Net debt-to-EBITDA (times) ^{2,3}	5.1	3.0	1.4	2.1	4.5	4.4
Adjusted EBITDA gross interest coverage (times) ³	4.9	7.2	12.5	7.6	3.5	3.4
Adjusted EBIT gross interest coverage (times) ³	2.5	4.5	9.2	4.9	2.1	1.9
Net debt-to-capital (%) ²	45.9	37.6	27.1	30.1	57.0	58.6

1. Operating cash flow excluding working capital movements.

2. Net debt is calculated as gross debt (including lease adjustments and nonrecourse debt) minus nonoperating cash.

3. EBITDA and EBIT include results from entities accounted with the equity method.

Issuer Description

Acciona Energía is a pure-play leader in the renewable energy sector with a fully integrated business model and high diversification across geographies and technologies, which include onshore wind, solar photovoltaic, hydraulic, concentrated solar power, biomass, and storage.

Business Risk Assessment

Strengths

1. Stable cash flow from regulated generation and assets under long-term contracts

The Company's business risk profile is partially supported by its stable cash flows from regulated generation assets (about 21% of total EBITDA on average over the next three years), located mainly in Spain, and assets operating under PPA/hedged contracts (58% of EBITDA over the same period).

Although the very high generation prices seen during the last few years, while boosting earnings and cash flow generation, have accelerated the payback of the regulatory net asset value in Spain, the Company is focused on new PPAs and hedges to limit the merchant exposure to 20%-22% for the whole portfolio. The regulated activities contribution to the Company's revenues are expected to decrease in the short term, to about 20% by 2025.

For the non-regulated generation, the Company generally operates with PPAs, which have an average duration of approximately ten years with counterparties of solid credit quality, mostly utilities and governmental organisations in 17 countries. Long-term contracts significantly mitigate the risk associated with power-price volatility. In addition, nonregulated renewable generation output in Spain is also sold under short-term and medium-term contracts of between one and three years.

2. Good geographic and technical diversification

Most of Acciona Energía's assets are located in the European Union and Organisation for Economic Cooperation and Development countries with low to modest political risk. Acciona Energía's generating assets are well diversified geographically and regulatorily, which reduces the risk associated with any single jurisdiction or region. The main geographical areas where the Group operates are Spain, other European countries (Portugal, Italy, Croatia, Poland, Ukraine, and Hungary), North and South America (Mexico, Chile, the U.S., Canada, Costa Rica, Dominican Republic, Peru), Australia and other regions

such as South Africa and India. Recently, the Company also started operating in Southeast Asia (Vietnam and Philippines). Future expansion in the 2024–26 period will be largely in Australia, the U.S., and Canada. Expansion in Chile and Mexico is not expected for the upcoming years. In terms of technologies, the Group operates different technologies, mainly wind, photovoltaic, hydraulic, and biomass thermosolar.

3. Strong operational expertise and good track records of power project development

The Company is one of the leading generation power operators and power project developers in the world. Historically, the Company has maintained high utilisation factors. Acciona Energía has an internal team equipped with strong experience and technical skills.

Challenges

1. Capex intensity and project development risk

Expected capex will remain high in 2024, reaching approximately EUR 1.7 billion as the Company remains on track to achieve its growth plan. Considering the lower energy price environment, the Company is currently developing several strategies to protect the level of debt and liquidity and to keep its investment-grade credit rating.

2. Asset rotation strategy

We expect the Company to complete around EUR 4.0 billion of asset rotation over the next four years. Among the main assets to be sold, there are some wind and hydraulic assets located in Spain and, to a lesser extent, some photovoltaic assets. We appreciate that there is high competitiveness in the Spanish renewable asset market with several players executing the same divestment strategy. As a consequence, Acciona Energía could suffer some delays in the execution or could be forced to sell at a lower price than expected, affecting its financial leverage over the next few years as it invests heavily to support its growth plan and lower expected cash flow generation.

3. Operational risk

Despite a strong track record, Acciona Energía develops complex projects that are subject to operational risks, such as unplanned outages and operational disruptions. Projects are mainly related to wind energy and the operational risks would negatively affect its credit metrics.

4. Currency and interest risk

Because of the Company's international operations, part of its revenues is generated outside the euro and U.S. dollar currency markets, mainly in the Australian dollar currency market but also in other countries, potentially leading to currency fluctuation risks. Furthermore, around 50% of the Company's total debt is floating rate, which, as seen in 2023, could significantly affect its interest expenses in a rising interest rate environment. Acciona Energía partially mitigates these risks by hedging currencies and interest rates but they could still have a bearing on its operations.

Financial Risk Assessment

- Results for 2023 reflect the progressive normalisation in energy prices, especially in Spain, which are still higher than the pre-energy crisis. This impact was partially mitigated by hedging, production from newly commissioned assets, and growth in the results reported by the Company's International division.
- Revenues totalled EUR 3,547 million in 2023, comprising Generation revenues of EUR 1,851 million and other revenues of EUR 1,696 million, which was mainly driven by the strength in the Company's Supply business in Spain and Portugal.
- EBITDA decreased to EUR 1,285 million (EUR 1,653 million in 2022):
 - National EBITDA dropped due to the price factor in the Spanish Generation business.
 - International EBITDA grew 37.3% to EUR 547 million driven by rising revenues and the non-recurrence of the 2022 impairment recognised in respect to the Moura plant (accounted for using the equity method) following the end of regulated tariffs in Portugal.
- The Company registered a capital gain of EUR 145 million because of the increased ownership of Renomar to 75% from 50%, resulting in the full consolidation of this vehicle. Renomar, which has a 494 MW of wind power capacity, is operated by Acciona Energía.
- Interest expenses increased due to growth in average net financial debt and rising borrowing costs.
- Net profit amounted to EUR 524 million (EUR 759 million in 2022).
- Cash flow from operations decreased to EUR 727 million compared with the expected EUR 980 million in the Morningstar DBRS base case as, although a significant drop in EBITDA was expected, the cash flow was also affected by higher tax payments and interest expenses.
- Capex reached EUR 2,321 million in 2023 (EUR 1,279 million in 2022), reflecting the acceleration in construction activity and new project capex, as well as the effect of the monetisation of 30% of the MacIntyre wind farm in Australia not being crystallised until 2024.
- Share buyback programme was put in place involving a maximum 4,938,759 shares, representing around 1.5% of the Company's capital at that date of this report. The maximum monetary value of the programme was EUR 172,856,565. The programme had been 50.88% completed at 31 December 2023 with 2,513,000 shares bought back at an average price of EUR 25.769 for a cumulative investment of around EUR 65 million.
- Net Financial Debt totalled EUR 3,726 million compared with EUR 2,021 million in 2022, reflecting:
 - Major investments made during the year.
 - The annual dividend payment, which was partially financed out of operating cash flow.
 - The EUR 363 million negative change in working capital, which includes the refund of regulated revenue collected the year before but resettled in 2023 because the Ministerial Order establishing the 2022 remuneration parameters was not actually published until December 2022.
 - Financial performance in the last 12 months (LTM) ended 30 June 2024 also reflects the impact of the Spanish generation market during the first semester of 2024, with higher hydro resource and lower demand, which depressed both market prices and production (economic and grid curtailments). The Company partially mitigated this impact with the high degree of hedging and regulatory revenue protection in Spain as well as an intense

activity with all its generation technologies in the ancillary services market. Revenues, EBITDA, and EBIT for the LTM period reached EUR 3,120 million, EUR 1,018 million, and EUR 513 million, respectively.

Environmental, Social, and Governance (ESG) Checklist

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis: Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*		
Environmental		Overall:	N	N
Emissions, Effluents, and Waste	Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuer's financial, operational, and/or reputational standing?	N	N	N
Carbon and GHG Costs	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long-term credit profile?	N	N	N
Resource and Energy Management	Does the scarcity of sourcing key resources hinder the production or operations of the issuer, resulting in lower productivity and therefore revenues?	N	N	N
Land Impact and Biodiversity	Is there a financial risk to the issuer for failing to effectively manage land conversion, rehabilitation, land impact, or biodiversity activities?	N	N	N
Climate and Weather Risks	In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact? In the long term, will the issuer's or client's business activities and infrastructure be materially affected financially under key IPCC climate scenarios up to a 2°C rise in temperature by 2050?	N	N	N
Social		Overall:	N	N
Social Impact of Products and Services	Do we consider that the social impact of the issuer's products and services pose a financial or regulatory risk to the issuer?	N	N	N
Human Capital and Human Rights	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts, that could result in a material financial or operational impact?	N	N	N
	Do violations of rights create a potential liability that can negatively affect the issuer's financial wellbeing or reputation?	N	N	N
Human Capital and Human Rights		N	N	N
Product Governance	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	N	N	N
	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could it result, in financial penalties or client attrition to the issuer?	N	N	N
Data Privacy and Security	Would the failure to address workplace hazards have a negative financial impact on the issuer?	N	N	N
Occupational Health and Safety	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	N	N	N
Community Relations	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	N	N	N
		N	N	N
Access to Basic Services		N	N	N
Governance		Overall:	N	N
Bribery, Corruption, and Political Risks	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	N	N	N
	Are there any political risks that could affect the issuer's financial position or its reputation?	N	N	N
Bribery, Corruption, and Political Risks		N	N	N
Business Ethics	Do general professional ethics pose a financial or reputational risk to the issuer?	N	N	N
Corporate / Transaction Governance	Does the issuer's corporate structure allow for appropriate board and audit independence?	N	N	N
	Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	N	N	N
	Does the board and/or management have a formal framework to assess climate-related financial risks to the issuer?	N	N	N
Corporate / Transaction Governance		N	N	N
Consolidated ESG Criteria Output:		N	N	N

* A Relevant Effect means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.

A Significant Effect means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

ESG Considerations**Environmental**

The Environmental factor does not affect the credit ratings or trend assigned to Acciona Energía. The Company's portfolio only comprises renewable generation assets. The positive effect of the tax carbon credit considered in the previous years has been removed as this impact is expected to be moderate during the upcoming years and does not positively affect the credit metrics.

Social

The Social factor does not affect the credit ratings or trend assigned to Acciona Energía. Health and Safety responsibilities are integrated at all levels of Acciona Energía and failures to properly follow safety protocol could lead the Company being exposed to fines and lawsuits. This risk is mitigated by the Audit and Sustainability Committee, which is responsible for supervising compliance with the company's Human Resources and Occupational Risk Prevention Policy through its principles, and establishes the care and continuous improvement of the occupational health and safety of the Company's own employees, as well as those of collaborating companies.

Governance

The Governance factor does not affect the credit ratings or trend assigned to Acciona Energía. The Company is a listed company on the Spanish stock exchanges and complies with the recommendations set out in the Good Governance Code of Listed Companies of the Spanish National Securities Market Commission, and also the best national and international practices on this subject. Acciona Energía is governed by a board of directors, which includes six independent directors. The Committees held by the Board are firmly committed to promoting good governance and social and environmental sustainability, ensuring creation of value for all of its stakeholders.

Credit Rating History

Rating	Debt	Current	2023	2022	2021
Corporación Acciona Energías Renovables S.A.	Issuer Rating	BBB	BBB (high)	BBB (high)	BBB (high)
Corporación Acciona Energías Renovables S.A.	Short-term Issuer Rating	R-2 (middle)	R-2 (high)	R-2 (high)	R-2 (high)
Acciona Energía Financiación Filiales, S.A.	Euro Medium Term Notes	BBB	BBB (high)	BBB (high)	BBB (high)

Previous Report

Corporación Acciona Energías Renovables S.A.: Rating Report, 27 September 2023.

Related Report

Acciona, S.A.: Rating Report, 17 September 2024.

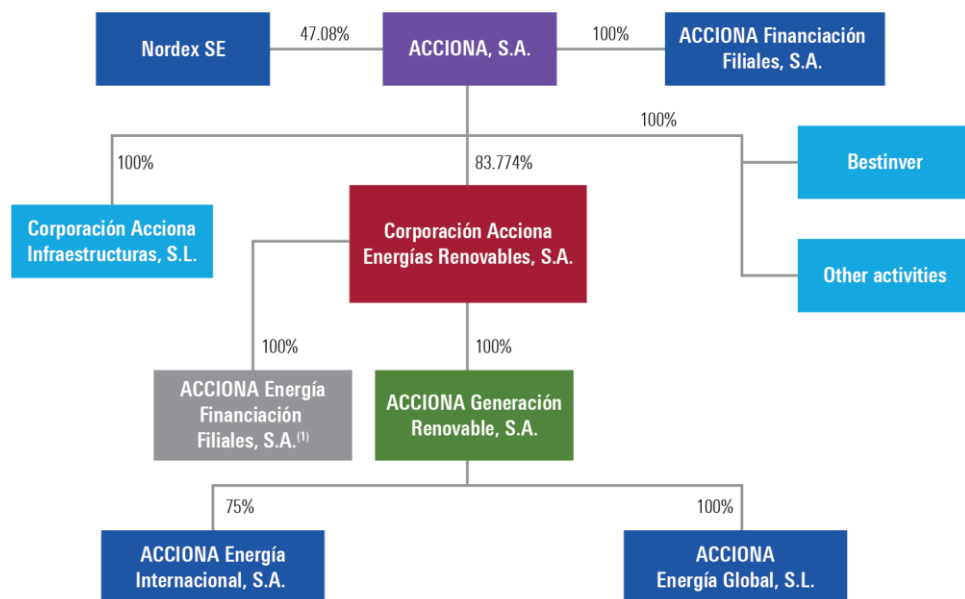
Notes:

All figures are in euros unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on <https://dbrs.morningstar.com>.

Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.

Appendix I: Organisational Chart



(1) Financing company: Debt is unconditionally and irrevocably guaranteed by Corporación ACCIONA Energías Renovables, S.A. (EUR 2.5bn Syndicated Loan; Up to EUR 3.0bn EMTN; Up to EUR 2.0bn ECP)

Sources: Acciona Energía, Morningstar DBRS.

Acciona Energía formerly represented Acciona, S.A.'s (Acciona or the Group; rated BBB (low) with a Stable trend) fully owned energy division and accounted for approximately 80% of the Group's EBITDA. In turn, Acciona Energía is the holding company of Acciona Generación Renovables, S.A., which owns the majority of power generation assets in Spain and internationally, and AEF, which owns no assets and operates as Acciona Energía's main financing vehicle. Acciona Energía was listed in the Spanish stock market in July 2021 and, since June 2022, it is part of the Ibx 35, the main reference of the Spanish stock exchange. At the end of June 2024, Acciona retained an 83.774% stake in Acciona Energía.

Appendix II: Operational Figures at the End of June 2024

Operational Figures at the End of June 2024

- Total installed capacity stood at 13.9 GW at the end of June 2024, up about 1.7 GW over the past 12 months.
- Consolidated installed capacity reached 12.3 GW considering the payment received from MacIntyre, which reduced capacity by 30% of the MWs constructed to date at that facility.
- Around 1.7 GW of capacity is under construction, mainly in Australia (MacIntyre and Aldoga), Spain (Ayora and Logrosán), the Dominican Republic (Cotoperí), Canada (Forty Mile), India (Juna), Croatia (Boraja), and the Philippines (Kalayaan).
- Total output grew by 7.7% to 13,441GWh (24,894 GWh at the end of 2023), while consolidated production went up by 14.0% to reach 11,945 GWh (21,433 GWh at the end of 2023), thanks to the contribution from new assets commissioned during the year and strong hydro output, partially offset by despite widespread low wind resource and high curtailments, with around 5% of the potential production for the period due to the low prices.
- The total average price obtained by the Company in the domestic market for the first semester was EUR 64.4/MWh compared to EUR 112.2/MWh in the same period last year as a consequence of the steep fall in the average pool price to just EUR 39.1/MWh in H1 2024 versus EUR 88.3/MWh in H1 2023.
- The international average price stood at EUR 61.1/MWh, pretty similar to the previous year (EUR 61.9/MWh), as higher unit income in Chile and higher prices in Australia offset falls in the United States (due to the higher share of photovoltaic), Mexico (positive capacity payments resettlement), and the Rest of Europe.

Appendix III: Regulation

Regulated Generation Assets in Spain and Spanish Regulatory Regime

- Under the electricity sector reform that the Spanish government introduced during the 2012–14 period, the regulatory tariff system was replaced with a new remuneration model in 2013 (Law 24/2013 of the Energy Sector). Under this regulatory regime, regulated generation asset owners (such as Acciona Energía) are entitled to earn a reasonable return on their capital investments, which is based on the average yield of the 10-year Spanish government bond plus a spread. The Royal Decree-Law 9/2013 set this rate at the rate of return of Spanish 10-year government bonds plus 300 basis points. After a reduction in returns on capital investments from the tariff system in 2013, the first regulatory period from 2014 through 2019 provided a relatively stable framework for regulated generation assets.
- Following the six-year regulatory period ended in 2019, the new six-year regulatory period (2020–25) does not present any material changes from a credit perspective. Under the Royal Decree-Law 17/2019, Acciona Energía's regulated rate of return (RROR) for renewable energy is reasonable at 7.09% through 2025. In addition, the Royal Decree-Law 17/2019 allows Acciona Energía the option to maintain its RROR of 7.398% for the next two regulatory periods from 2020 through 2031, which provides strong visibility of earnings and cash flow for Acciona Energía regulated generation assets in Spain. However, we also note that the Spanish government has launched a series of initiatives aimed at reducing the average electricity bill for consumers (e.g., a gas clawback), including changes to the current Spanish regulatory regime, thus increasing the regulatory risk perception.
- Every three years, there is a review to make adjustments for revenues that are either more or less than the regulated revenues. In order to tackle the economic and social impact of the Russia/Ukraine conflict, an extraordinary review was applied from 1 January 2022. The following 2023–25 period remains unchanged. The review also adjusts regulated revenues to take into account any change in the power price expectations. This adjustment is to ensure that a standard facility will recover its investment costs (operating and capital) that cannot be recovered through electricity sales in the market. Acciona Energía is assured to at least earn the floor-protected power price and a fair return on its capital investment.
- Volume risk is very low because revenues are based on regulated output that the regulator designated for each standard facility in the year that the facility is commissioned. The mechanism for price adjustment is based on regulated output and the difference between the regulated caps and floors and the actual prices. Deficits from previous years are recovered by tariffs set by the system administration for each type of market participation. Excess earnings (or earnings shortfalls) will be recorded as a regulatory liability or as a regulatory capital asset, which can be added to regulatory capital every three years to be recovered over the remaining useful life of the asset.

Nonregulated Generation in Spain (Short-Term Contracts/Hedges and PPA agreements)

- Power generation from nonregulated renewable generation assets in Spain is exposed to power price volatility. However, Acciona Energía mitigates this risk with short-term hedges and long-term PPA agreements. Most counterparties are corporate clients and large industrial customers and standard bilateral PPAs are of up to 10-year term contracts.

International Generation Assets

- International generation assets are usually covered by long-term PPAs or regulatory feed-in-tariff contracts. The average remaining duration of long-term contracts is approximately nine years. Although these assets are subject to volume and operational risk, long-term contracts significantly reduce risk associated with power price volatility. The remaining portion of the output is generally sold under short-term contracts and hedges with only a small portion of power output sold into the spot market.
- Long-term contracted international renewable generation assets are expected to continue to grow over the medium term, further diversifying the Company's generation portfolio from a geographical perspective. Counterparties are generally utilities, governmental organisations, and large commercial and industrial customers.

Appendix IV: Financial History

Corporación Acciona Energías Renovables, S.A. (EUR millions)	LTM 30	For the year ended 31 December				
	June	2024	2023	2022	2021	2020
Revenue	3,120	3,547	4,351	2,472	1,769	1,995
EBITDA	1,018	1,285	1,653	1,086	868	925
EBIT	513	813	1,219	710	521	513
Gross interest expense	209	179	142	144	250	269
EBT	307	776	1,056	562	328	285
Net Income	184	524	759	363	206	190

1. Operating cash flow excluding working capital movements.

2. Net debt is calculated as gross debt (including lease adjustments and nonrecourse debt) minus nonoperating cash.

3. EBITDA and EBIT include results from entities accounted with the equity method.

Corporación Acciona Energías Renovables, S.A. (EUR millions)	LTM 30	For the year ended 31 December					
	June	2024	2023	2022	2021	2020	2019
(EUR millions when applicable)							
Net Income as Reported	184	524	759	363	206	190	
Depreciation And Amortization	487	502	454	383	325	421	
Other Operating Items	(181)	(255)	(49)	57	(104)	305	
Cash Flow from Operations	490	771	1,164	803	426	915	
Capital Expenditures	(1,515)	(1,907)	(1,125)	(721)	(493)	(452)	
Common Dividends	(216)	(286)	(127)	(261)	(107)	(124)	
Free Cash Flow (Before Changes in Working Capital)	(1,241)	(1,422)	(88)	(180)	(174)	340	
Changes in Working Capital	(55)	(407)	173	62	(20)	(190)	
Free Cash Flow	(1,296)	(1,829)	85	(117)	(194)	149	
Net Acquisitions and Investments	(56)	9	(116)	14	(9)	(17)	
Increase in Debt	3,962	4,176	2,385	632	422	186	
Decrease in Debt	(2,671)	(2,279)	(2,389)	(322)	(151)	(280)	
Other	(47)	47	22	(49)	104	77	
Change in cash	(108)	124	(13)	157	172	116	

Balance Sheet—Corporación Acciona Energías Renovables, S.A.

(EUR millions)	LTM 30 June	31 Dec.	31 Dec.		LTM 30 June	31 Dec.	31 Dec.
Assets	2024	2023	2022	Liabilities & Equity	LTM	2023	2022
Cash & Cash Equivalents	573	891	812	Short-Term Borrowings	469	287	681
Accounts Receivable	748	868	631	Accounts Payable	465	496	592
Inventories	192	175	148	Other Current Liabilities	1,275	1,455	1,138
Other Current Assets	841	537	242				
Total Current Assets	2,354	2,209	1,833	Total Current Liabilities	2,209	1,823	2,411
Fixed Assets	10,814	10,419	8,711	Long-term debt	4,710	4,330	2,152
Goodwill & Intangibles	476	476	376	Noncurrent & Deferred Tax Liabilities	0	797	767
Investments	285	289	423	Other Noncurrent Liabilities	2,074	968	668
Other Noncurrent Assets	1,162	1,017	916	Total Shareholders' Equity	6,098	6,339	6,261
Total Assets	15,091	14,672	12,259	Total Liabilities & Shareholders' Equity	15,091	14,672	12,259

Appendix V: Debt Profile and Liquidity

- Debt maturities for the financial year are limited to the outstanding balance of CP, which currently amounts to circa EUR 300 million.
- The average cost of financing in the first quarter was 4.86% (average cost of 4.28% for corporate debt and 8.60% for project financing). The share of floating-rate debt is close to 50%, which will allow the Company to benefit from the shift in central banks' monetary policies expected in the second half of the current year.
- High diversification of financing sources among banks, CP programs, USPP and EMTN Programme.
- Available liquidity: EUR 2,144 million at the end of June 2024 considering cash and available committed facilities.

Debt and Liquidity Profile

(EUR millions)	LTM 30 June		Year ended 31 December		
	2024	2023	2022	2021	2020
Capital Structure					
Short-term bank borrowings	134	103	58	88	192
Long-term bank borrowings	1,892	1,510	403	1,089	620
Short-term CP, debentures, and bonds	311	165	607	522	12
Long-term CP, debentures, and bonds	2,328	2,325	1,361	680	181
Short-term payable to Group companies' debt	0	0	0	1	1,339
Long-term payable to Group companies' debt	0	0	208	215	1,775
Short-term lease obligations	24	19	16	23	20
Long-term lease obligations	490	495	388	384	368
Gross Debt	5,168	4,617	3,041	3,002	4,506
Cash and cash equivalents	-573	-891	-812	-797	-664
Operating cash	100	100	100	100	100
Net Debt	4,695	3,826	2,329	2,304	3,942
Total Equity	6,098	6,339	6,261	5,354	2,980

Maturity Profile

As at 30 June 2024 (EUR millions)	2024	2025	2026	2027	2028	>2028
Bank Borrowing + Bonds	308	497	265	735	421	2,428

1. Does not include lease obligations.

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