Atlantica
Sustainable Infrastructure

Integrated Annual Report 2022

Content

Atlantica in Two Minutes

Our Business

2,121MW
Of renewable generation (~73% solar)

75% Renewable[1]
25% Other sustainable infrastructure assets including storage, natural gas, transmission lines and water assets

1,229 miles

398MW
of Efficient Natural Gas & Heat

17.5 Mft^3/day
of water capacity

41
Stable 100% contracted or regulated assets[2]

14 years
Weighted average contracted life remaining[3]

11 Countries
North America, South America and certain EMEA regions

2022 Selected Financial and Operational Metrics

Revenue
$1,102 Million
▲ 2.9% vs 2021[4]

Adjusted EBITDA[5]
$797 Million
▲ 1.5% vs 2021[4]

CAFD[5]
$238 Million
▲ 5% vs 2021

Operating Profit
$278 Million
- 21% vs 2021

Net Cash provided by Operating activities
$586 Million
▲ 16% vs 2021

CAFD per share
$2.07
▲ 2% vs 2021

Renewable Energy[6]
5,319 GWh Produced
▲ 14% vs 2021

Other Sustainable Assets[7]
100% availability

Dividends Paid per Share[8]
$1.77
▲ 3% vs 2021

---

[1] Based on Revenue for the twelve month period ended December 31, 2022.
[2] Regulated revenues in Spain, Chile TL3 and Italy and non-contracted nor regulated in the case of Chile PV 1.
[3] Calculated as weighted average years remaining as of December 31, 2022 based on CAFD estimates for the 2023-2026 period, including assets that have reached COD before March 1, 2023.
[4] Compared to the year 2021, on a constant currency basis and adjusted for the consolidation of a non-recurrent Rioglass solar project in the year 2021.
[5] We refer to "Other Information- Reconciliation of non-GAAP measures" section.
[6] Includes curtailment in wind assets for which we receive compensation.
[7] Availability refers to the time during which the asset was available to our client totally or partially divided by contracted or budgeted availability, as applicable.
[8] Sum of the dividends per share paid to shareholders in 2022.

Our Values

Integrity, Compliance and Safety	Excellence and Efficiency
Value Creation	Collaborative Environment
Sustainability	

Enabling the Energy Transition

Science Based Targets initiative (SBTi) approved target:
Reduce Scope 1 and 2 GHG emissions per kWh of energy generated by 70% by 2035 from a 2020 base year

NEW Targets

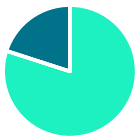
- ✓ **Reduce Scope 3 GHG emissions per kWh of energy generated by 70% by 2035 from a 2020 base year**
- ✓ **Achieve Net Zero GHG emissions by 2040**
- ✓ **Reduce non-GHG emissions per kWh of energy generated by 50% by 2035 from a 2020**
- ✓ **Reduce our water consumption per kWh of energy generated by 50% by 2035 from a 2020 base year**

Key KPIS

GHG Emissions Avoided	GHG Emissions Offset	Scope 1&2 emission rate per unit of energy generated
6.9 million tons of CO_2e	320 thousand tons of CO_2e	168 tons of gCO_2/kWh
▲ 17% vs 2021	▲ 23% vs 2021	Improved 9% vs 2021

2022 Selected Social Metrics

Employees
978 people
▲75% vs 2021



80% Men
20% Women
▲37% women vs 2021

% Women at Management
23% in 2022 and 2021

Gender-Pay Gap
13% reduction vs 2021

Local Communities
$1.5 million invested
▲15% vs 2021

Health and Safety: LTFI[9] and TRFI[10] below sector average

Human Right Incidents
0 in 2022 and 2021

[9] Lost Time Frequency Index (LTFI) represents the total number of lost-time accidents recorded in the last 12 months per million hours worked.
[10] Total Recordable Frequency Index (TRFI) represents the total number of recordable accidents with and without lost-time recorded in the last 12 months per million hours worked.

Our Purpose and Values

Our Purpose

Our purpose is to support the transition towards a more sustainable world by investing in and managing sustainable infrastructure assets, while creating long-term value for our stakeholders.

Our Values

Our values define who we are and how we behave both as individuals and as a Company. These values, described below in order of importance, serve as a compass for our day-to-day decisions and guide our relationships with stakeholders.

Integrity, Compliance and Safety. We will always do what is right. We are strongly committed to complying with all rules and regulations.

Value creation. We pursue a proactive approach to creating long-term value for our shareholders. Our core corporate policies are supported by a solid commitment to risk management that guides all our decisions.

Sustainability. We invest in assets that are environmentally sustainable and we manage them in a sustainable manner. We follow policies that analyse, evaluate, and propose measures aimed at minimising the environmental impacts of our business activity.

Excellence and Efficiency. We believe in outstanding and disciplined asset management of our operations to be the best-in-class operator, while seeking excellence on a cost-efficient basis.

Collaborative Environment. Respect and Teamwork are key to achieving our goals. We treat others as we would like to be treated ourselves and we put the team ahead of personal success. To build strong teams, we recruit, train, and promote the best people.

About This Report

Atlantica Sustainable Infrastructure plc and its subsidiaries ("Atlantica" or "the Company"), as part of its commitment to transparency and reporting best practices, has published an Integrated Annual Report, which integrates our financial and non-financial information, including environment, social and governance (ESG) disclosures.

Integrated Annual Report Information

Atlantica's Integrated Annual Report has been prepared in accordance with the relevant U.K. requirements for the year ended December 31, 2022.

The Consolidated Financial Statements contained in this Report have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and UK adopted International Accounting Standards (collectively as "IFRS"), on a basis consistent with the prior year. The Parent Company Financial Statements have been prepared in conformity with Financial Reporting Standard 101 "Reduced Disclosure Framework ("FRS 101")". We refer to Note 2 to the Consolidated Financial Statements, and Note 1 to the Parent Company Financial Statements for accounting policies detailed information.

In addition, this report has been prepared by Management in accordance with the Global Reporting Initiative (GRI) Standards. We report GRI in line with the matters that are important and / or material to our business.

This report has also been prepared by Management in accordance with the SASB Electric Utilities & Power Generators sustainability accounting standard and its reporting requirements. In addition, we have followed SASB Solar Technology & Project Developers sustainability accounting standards and its reporting requirements for aspects which are material to our business.

Data in this report for the year ended and as of December 31, 2022, except where otherwise noted. Comparative data for the years ended December 31, 2021, and 2020 is also provided. Our 2021, 2020 and 2019 U.K. Annual Reports and ESG Reports are available for download from our website.

ESG data reported corresponds to all consolidated subsidiaries, regardless of Atlantica's percentage of ownership in each of the subsidiaries.

A multi-disciplinary team participated in the preparation of this report.

Currency amounts are expressed in U.S. Dollars unless otherwise noted.

Non-GAAP Financial Measures:

This report contains non-GAAP financial measures including Adjusted EBITDA, CAFD and CAFD per share.

Non-GAAP financial measures are not measurements of our performance or liquidity under IFRS and should not be considered alternatives to operating profit or profit for the period or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities. Please refer to the section "Other Information-Reconciliation of non-GAAP measures" of this report for a reconciliation of the non-GAAP financial measures included in this Report to the most directly comparable financial measures prepared in accordance with IFRS. Also, please refer to the following paragraphs in this section for an explanation of the reasons why management believes the use of non-GAAP financial measures (including CAFD, CAFD per share and Adjusted EBITDA) in this Report provides useful information to investors.

We present non-GAAP financial measures because we believe that they and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-GAAP financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. Non-GAAP financial measures and ratios are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to operating profit or profit for the year or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

Some of the limitations of these non-GAAP measures are:

- they do not reflect our cash expenditures, future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they may not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments, on our debts;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often need to be replaced in the future and Adjusted EBITDA, CAFD and CAFD per share do not reflect any cash requirements that would be required for such replacements; and
- the fact that other companies in our industry may calculate Adjusted EBITDA, CAFD and CAFD per share differently than we do, which limits their usefulness as comparative measures.

Adjusted EBITDA is calculated as profit/(loss) for the year attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interest, income tax expense, financial expense (net), depreciation, amortisation and impairment charges of entities included in the Annual Consolidated Financial Statements and depreciation and amortisation, financial expense and income tax expense of unconsolidated affiliates (pro rata of our equity ownership). Until September 30, 2021, Adjusted EBITDA excluded equity of profit/(loss) of entities carried under the equity method and did not include depreciation and amortisation, financial expense and income tax expense of unconsolidated affiliates (pro rata of our equity ownership). Periods prior to December 2021, have been presented accordingly. CAFD is calculated as cash distributions received by the Company from its subsidiaries minus cash expenses of the Company, including debt service and general and administrative expenses. CAFD per share is calculated as CAFD divided by the weighted average number of outstanding ordinary shares of the Company during the period.

Our management believes Adjusted EBITDA, CAFD and CAFD per share are useful to investors and other users of our financial statements in evaluating our operating performance because they provide them with an additional tool to compare business performance across companies and across periods. Adjusted EBITDA is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortisation, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired. Our management believes CAFD and CAFD per share are relevant supplemental measurements of the Company's ability to earn and distribute cash returns to investors and are useful to investors in evaluating our operating performance because securities analysts and other interested parties use such calculations as a measure of our ability to make quarterly distributions. In addition, CAFD and CAFD per share are used by our management team for determining future acquisitions and managing our growth. Adjusted EBITDA, CAFD and CAFD per share are widely used by other companies in the same industry.

Our management uses Adjusted EBITDA, CAFD and CAFD per share as measures of operating performance to assist in comparing performance from period to period on a consistent basis moving forward. They also readily view operating trends as a measure for planning and forecasting overall expectations, for evaluating actual results against such expectations, and for communicating with our Board of Directors, shareholders, creditors, analysts and investors concerning our financial performance.

Information presented as the pro rata share of our unconsolidated affiliates reflects our proportionate ownership of each asset in our portfolio that we do not consolidate and has been calculated by multiplying our unconsolidated affiliates' financial statement line items by the Company's percentage ownership thereto. Note 7 to the Annual Consolidated Financial Statements includes a description of our unconsolidated affiliates and our pro rata share thereof. We do not control the unconsolidated affiliates. Multiplying our unconsolidated affiliates' financial statement line items by the Company's percentage ownership may not accurately represent the legal and economic implications of holding a non-controlling interest in an unconsolidated affiliate. We include depreciation and amortisation, financial expense and income tax expense of unconsolidated affiliates (pro rata of our equity ownership) because we believe it assists investors in estimating the effect of such items in the profit/(loss) of entities carried under the equity method (which is included in the calculation of our Adjusted EBITDA) based on our economic interest in such unconsolidated affiliates. Each unconsolidated affiliate may report a specific line item in its financial statements in a different manner. In addition, other companies in our industry may calculate their proportionate interest in unconsolidated affiliates differently than we do, limiting the usefulness of such information as a comparative measure. Because of these limitations, the information presented as the pro rata share of our unconsolidated affiliates should not be considered in isolation or as a substitute for our or such unconsolidated affiliates' financial statements as reported under applicable accounting principles. Please refer to "Other Information" section for additional information regarding reconciliations from non-GAAP measures.

Renewable Energy – Solar

1,540 MW In Operation

19 Assets

64% of our 2022 Revenue

Strategic Report

Strategic Report

This Strategic Report has been prepared to provide shareholders with information that will aid them in assessing Atlantica's strategies and the potential of such strategies to succeed.

The Strategic Report contains certain forward-looking statements that are made by the directors in good faith and based on the information available to them up to the time of their approval of this report. These statements should be treated with caution due to the uncertainties, including both economic and business risk factors, inherent in such forward-looking information.

The directors have prepared this Strategic Report in compliance with Section 414C of the Companies Act 2006.

The Strategic Report discusses the following areas:

- Our sustainable business model and strategy.
- Events during the period.
- United Nations Global Compact (UNGC).
- Key performance indicators.
- A fair review of the business.
- Principal risks and uncertainties.
- Environment sustainability.
- Social sustainability.
- Asset management
- Cybersecurity and data privacy.
- Innovation management.
- Tax management.
- Section 172 statement.
- Going concern basis.

Our Sustainable Business Model and Strategy

Our Business

Atlantica Sustainable Infrastructure plc's purpose is to support the transition towards a more sustainable world by investing in and managing sustainable infrastructure assets, while creating long-term value for our stakeholders. We are a sustainable infrastructure company with a majority of our business in renewable energy assets. In 2022, our renewable sector represented approximately 75% of our revenue with solar energy representing approximately 64%. We complement our renewable assets portfolio with storage, efficient natural gas, and transmission infrastructure assets, as enablers of the transition towards a clean energy mix. We also hold water assets, a relevant sector for sustainable development.

As of December 31, 2022, we own or have an interest in a portfolio of assets and new projects under development diversified in terms of business sector and geographic footprint. Our portfolio consists of 41 assets with 2,121 MW of aggregate renewable energy installed generation capacity, (of which approximately 73% is solar), 343 MW of efficient natural gas-fired power generation capacity, 55 MWt of district heating capacity, 1,229 miles of electric transmission lines and 17.5 M ft3 per day of water desalination.

We currently own and manage operating facilities and projects under development in North America (United States, Canada, and Mexico), South America (Peru, Chile, Colombia, and Uruguay) and EMEA (Spain, Italy, Algeria, and South Africa). Our assets generally have contracted or regulated revenue. As of December 31, 2022, our assets had a weighted average remaining contract life of approximately 14 years[11].

Our plan for executing this strategy includes the following key components:

Focus on stable assets in the power and water sectors, including renewable energy, storage, efficient natural gas and heat, transmission assets, as well as water assets, generally contracted or regulated.

We intend to focus on owning and operating stable, sustainable infrastructure assets, with long useful lives, generally contracted, for which we believe we have extensive experience and proven systems and management processes, as well as the critical mass to benefit from operating efficiencies and scale. We intend to maintain a diversified portfolio with a large majority of our Adjusted EBITDA generated from low-carbon footprint assets, as we believe these sectors will see significant growth in our targeted geographies.

Maintain diversification across our business sectors and geographies.

Our focus on three core geographies, North America, Europe and South America, helps to ensure exposure to markets in which we believe renewable energy, storage and transmission will continue to grow significantly. We believe that our diversification by business sector and geography provides us with access to different sources of growth.

Grow our business through the optimisation of the existing portfolio and through investments in the expansion of our current assets.

We intend to grow our business through organic growth that we expect to deliver through the optimisation of the existing portfolio, price escalation factors in many of our assets, as well as through investments in the expansion and repowering of our current assets and hybridisation of existing assets with other complementary technologies including storage, particularly in our renewable energy assets and transmission lines.

Grow our business by developing new projects and investing in new assets in the business sectors where we are present

We will seek to grow our business by investing in new assets, generally totally or partially contracted or regulated. We intend to develop new assets and in some cases to invest in assets under development or construction either directly or with partners. We currently own a pipeline of assets under development and construction in North America, Europe and South America with approximately 2.0 GW of renewable energy projects and

[11] Calculated as weighted average years remaining as of December 31, 2022 based on CAFD estimates for the 2023-2026 period, including assets that have reached COD before March 1, 2023.

approximately 5.6 GWh of storage projects under development[12]. We also expect to acquire assets from third parties leveraging the local presence and network we have in the geographies and sectors in which we operate. We believe that our know-how and operating expertise in our key markets together with a critical mass of assets in several geographic areas as well as our access to capital provided by being a listed company will assist us in achieving our growth plans.

Foster a low-risk approach

We intend to maintain a portfolio of sustainable infrastructure assets, generally totally or partially contracted, with a low-risk profile for a significant part of our revenue. A large majority of our revenue is contracted or regulated. We generally seek to invest in assets with proven technologies in which we generally have significant experience, located in countries where we believe conditions to be stable and safe. We may complement our portfolio with investments or co-investments in assets with shorter contracts or with partially contracted or merchant revenue or in assets with revenue in currencies other than the U.S. dollar or euro.

Additionally, our policies and management systems include thorough risk analysis and risk management processes applied on an ongoing basis. Our policy is to insure all of our assets whenever economically feasible, retaining in some cases part of the risk in house.

Maintain a prudent financial policy and financial flexibility

Non-recourse project debt is an important principle for us. We intend to continue financing our assets with project debt progressively amortised using the cash flows from each asset and where lenders do not have recourse to the holding company assets. The majority of our consolidated debt is project debt.

In addition, we hedge a significant portion of our interest rate risk exposure. We estimate that as of December 31, 2022, approximately 93% of our total interest risk exposure was fixed or hedged, generally for the long-term. We also limit our foreign exchange exposure. We intend to ensure that at least 80% of our cash available for distribution is always in U.S. dollars and euros. Furthermore, we hedge net distributions in euros for the upcoming 24 months on a rolling basis.

We also intend to maintain a solid financial position through a combination of cash on hand and undrawn credit facilities. In order to maintain financial flexibility, we use diversified sources of financing in our project and corporate debt including banks, capital markets and private investor financing. In recent years we have been active in green financing initiatives, improving our access to new debt investors.

[12] Only includes projects estimated to be ready to build before or in 2030 of approximately 3.2 GW, 1.9 GW of renewable energy and 1.3 GW of storage (equivalent to 5.7 GWh). Capacity measured by multiplying the size of each project by Atlantica's ownership. Potential expansions of transmission lines not included.

Atlantica: a Sustainable Infrastructure Platform

Growth Pipeline

- 2.0GW + 5.6GWh storage
- Expansion/repowering opportunities
- Greenfield development portfolio
- M&A

Contracted Portfolio

- Critical mass (>$9 billion in total assets)
- >70% renewable energy
- Diversified by geography and technology

ESG

- CDP A list
- Sustainalytics industry top rated
- S&P CSA 2022 Global Sustainability Yearbook
- Global 100 Corporate Knights
- #1 globally GRESB disclosure

Operational Excellence

- In-house operation and maintenance in ~60% of business
- Technical expertise across technologies

Prudent Financing

- BB+ S&P, Fitch
- Mostly non-recourse debt
- Refinancing opportunities

Our Competitive Strengths

We believe that we are well-positioned to execute our business strategies thanks to the following competitive strengths:

Stable and predictable long-term cash flows

We believe that our portfolio of sustainable infrastructure has a stable cash flow profile. We estimate that the off-take agreements or regulation in place at our assets have a weighted average remaining term of approximately 14[13] years as of December 31, 2022, providing long-term cash flow visibility. In 2022, approximately 51% of our revenue was non-dependent on natural resource, not subject to the volatility that natural resource may have, especially solar and wind resources. This includes our transmission lines, our efficient natural gas plant, our water assets and approximately 76% of the revenue received from our solar assets in Spain with most of their revenues based on capacity in accordance with the regulation in place. In these assets, our revenue is not subject to (or has low dependence on) solar, wind or geothermal resources, which translates into more stable cash-flow generation. Going forward, our new investments will probably be dependent on the natural resource. Additionally, our facilities have minimal or no fuel risk.

Our diversification by geography and business sector also strengthens the stability of our cash flow generation. We expect our well-diversified asset portfolio, in terms of business sector and geography to maintain cash flow stability.

Furthermore, due to the fact that we are a U.K. registered company, we should benefit from a more favourable treatment than if we were a corporation based in the U.S. when receiving dividends from our subsidiaries that hold our international assets because they should generally be exempt from U.K. taxation due to the U.K.'s distribution exemption. Based on our current portfolio of assets, which includes renewable assets that benefit from an accelerated tax depreciation schedule, and tax regulations benefits permitted in the jurisdictions in which we operate, under current regulations we do not expect to pay significant income tax in the upcoming years in most of our geographies due to existing net operating losses, or NOLs. Furthermore, based on our existing portfolio of assets, we believe that there is limited repatriation risk in the jurisdictions in which we operate.

Positioned in business sectors with high growth prospects

The renewable energy industry has grown significantly in recent years and it is expected to continue to grow in the coming decades. According to Bloomberg New Energy Finance 2022, renewable energy is expected to account for the majority of new investments in the power sector in most markets. In Bloomberg's economic transition scenario, 22.9 TW of new capacity additions are expected by 2050. Solar PV, wind and battery storage see the largest deployment with 19.5 TW, collectively capturing 85% of this new power capacity. Total required investment in energy infrastructure over the next three decades tops $119 trillion. To achieve this, annual investment will need to more than double from around $2.0 trillion, to $4.1 trillion.

---

[13] Calculated as weighted average years remaining as of December 31, 2022 based on CAFD estimates for the 2023-2026 period, including assets that have reached COD before March 1, 2023.

The significant increase expected in the renewable energy space over the coming decades also requires significant new investments in electric transmission and distribution lines for power supply, as well as storage and natural gas generation for dispatchability, with each becoming key elements to support additional wind and solar energy generation. We believe that we are well positioned in sectors with solid growth expectations.

We also believe that our diversified exposure to international markets will allow us to pursue improved growth opportunities and achieve higher returns than we would have if we had a narrower geographic or technological focus. If certain geographies and business sectors become more competitive for investments in the future, we believe we can continue to execute on our growth strategy by having the flexibility to invest in other regions or in other business sectors.

Well positioned to capture growth opportunities

Our current portfolio of assets offers growth opportunities through the expansion and repowering of existing assets and through hybridization of existing assets with other complementary technologies. We can also grow by adding storage to our existing renewable assets or by developing standalone storage close to our existing assets. In addition, we have in-house development capabilities and partnerships with third parties to co-develop new projects.

Well positioned in ESG

In 2022, 74% of our Adjusted EBITDA was derived from renewable energy and 62% of our Adjusted EBITDA corresponded to solar energy production. Adjusted EBITDA from low carbon footprint assets represented 89.4%, including renewable energy, transmission infrastructure, as well as water assets.

Among others, we have targeted:

- to maintain over 80% of our Adjusted EBITDA generated from low-carbon footprint assets;
- to reduce Scope 1 and 2 GHG emissions per KWh of energy generated by 70% by 2035 from a 2020 base year. This is a GHG reduction objective approved by the Science Based Target initiative;
- to reduce Scope 3 GHG emission per KWh of energy generated by 70% by 2035 from a 2020 base year;
- to achieve Net Zero GHG emission by 2040;
- to reduce our non-GHG emissions per KWh of energy generated by 50% by 2035 from a 2020 base year.

We refer to the sections United Nations Global Compact and Environmental Sustainability for more details.

Growth Visibility

As of December 31, 2022 we had 41 assets in operation. In addition, we currently have the following assets under construction or ready to start construction in the short-term:

Asset	Type	Location	Capacity (Gross)	Expected COD	Expected Investment ($ million)	Off-taker
Coso Batteries 1	Battery Storage	California, US	100 MWh	2024	40-50	N.A.
Chile PMGD[2]	Solar PV	Chile	80 MW	2023 - 2024	30[3]	Regulated
Honda 1[4]	Solar PV	Colombia	10 MW	2023	11	Enel Colombia
Honda 2[4]	Solar PV	Colombia	10 MW	2023	11	Enel Colombia
Apulo 1[4]	Solar PV	Colombia	10 MW	2023	11	Enel Colombia
Solana C&I PV	Solar PV (behind the metre)	Arizona, US	2.5 MW	2023	3	Solana
Raurapata	Transmission Line	Peru	3.9KM 220Kv	2024	12	Conelsur[5]

Notes-
(1) Includes nominal capacity on a 100% basis, not considering Atlantica's ownership.
(2) Atlantica owns 49% of the shares, with joint control, in Chile PMGD.
(3) Corresponds to the expected investment by Atlantica.
(4) Atlantica owns 50% of the shares in Honda 1, Honda 2 and Apulo 1.
(5) The contract is in the process of being transferred to Conelsur.

Development Pipeline

We have been developing new projects in most of our core geographies. In some cases, we do this with our local in-house teams and in other cases we have been working with local partners with whom we jointly invest in developing projects or with whom we have agreements based on milestones.

By focusing our development activities on locations where we already have assets in operation and by working in many cases with partners, we have been able to maintain our development cost at what we believe are low levels.

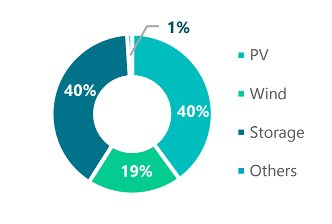
We currently have a pipeline of assets under development of approximately 2.0 GW of renewable energy and 5.6 GWh of storage. Approximately 40% of the projects are in PV, 40% in storage and 19% in wind, while 18% of the projects are expected to reach ready to build ("Rtb") in 2023 or 2024, 17% are in an advanced development stage and 65% are in early stage.

Pipeline of Assets Under Development[14]

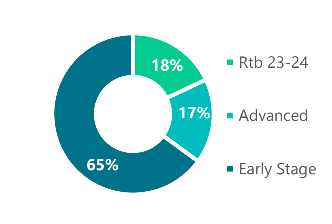
	Renewable Energy (GW)	Storage (GWh)
North America	1.0	4.1
Europe	0.4	1.3
South America	0.6	0.2
Total	**2.0**	**5.6**

[14] Only includes projects estimated to be ready to build before or in 2030 of approximately 3.3 GW, 2.0 GW of renewable energy and 1.3 GW of storage (equivalent to 5.6 GWh). Capacity measured by multiplying the size of each project by Atlantica's ownership. Potential expansions of transmission lines not included.

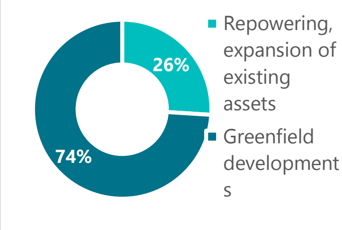
By Project Type (GW)



By Project Stage (GW)



By Source (GW)[13]



Renewable Energy – Wind


442 MW In Operation

7 Assets


Events During the Period

Investments

- In January 2022, we closed the acquisition of Chile TL4, a 63-mile transmission line and 2 substations in Chile for a total equity investment of $38.4 million. We expect to expand the transmission line in 2023-2024, which would represent an additional investment of approximately $8 million. The asset has fully contracted revenues in U.S. dollars, with annual inflation adjustments and a 50-year remaining contract life. The off-takers are several mini hydro plants that receive contracted or regulated payments.
- In April 2022, we closed the acquisition of Italy PV 4, a 3.6 MW solar portfolio in Italy for a total equity investment of $3.7 million. The asset has regulated revenues under a feed-in tariff until 2031.
- In May 2022, together with our partner, we closed a 7.5-year PPA extension for Monterrey with our current off-takers. The extension will involve an investment that is expected to be financed with cash available at the asset level. The main objective of the investment is to achieve improvements in the asset to provide, among other things, additional battery capacity and additional redundancy of electric power supply. The PPA, which is denominated in U.S. dollars, now ends in 2046.
- In July 2022 we closed a 12-year transmission service agreement denominated in U.S. dollars that will allow us to build a substation and a 2.4-mile transmission line connected to our ATN transmission line serving a new mine in Peru. The substation is expected to enter in operation in 2024 and the investment is expected to be approximately $12 million.
- In September 2022, we closed the acquisition of Chile PV 3, a 73 MW solar PV plant through our renewable energy platform in Chile. The equity investment corresponding to our 35% equity interest was $8 million, and we expect to install batteries with a capacity of approximately 100 MWh in 2023-2024. Total investment including batteries is expected to be in the range of $15 million to $25 million depending on the capital structure. Part of the asset's revenue is currently based on capacity payments. Adding storage would increase the portion of capacity payments.
- In September 2022, we agreed our first investment in a standalone battery storage project of 100 MWh (4 hours) capacity located inside Coso, our geothermal asset in California. Our investment is expected to be in the range of $40 million to $50 million. This project is at an advanced stage of development and we are preparing to start construction, with COD expected in 2024.
- In November 2022, we closed the acquisition of a 49% interest, with joint control, in an 80 MW portfolio of solar PV projects in Chile which is currently starting construction (Chile PMGD). Our economic rights are expected to be approximately 70%. Total investment in equity and preferred equity is expected to be $30 million and COD is expected to be progressive in 2023 and 2024. Revenue for these assets is regulated under the Small Distributed Generation Means Regulation Regime ("PMGD") for projects with a capacity equal or lower than 9 MW which allows to sell electricity through a stabilised price.

- In addition, we have finished construction of the three assets that we had under construction and have reached or are about to reach COD:
  - Albisu, the 10 MW PV asset wholly owned by us reached COD in January 2023. Albisu is located in Uruguay and has a 15-year PPA with Montevideo Refrescos, S.R.L, a subsidiary of Coca-Cola Femsa., S.A.B. de C.V. The PPA is denominated in local currency with a maximum and minimum price in U.S. dollars and is adjusted monthly based on a formula referring to the U.S. Producer Price Index (PPI), Uruguay's Consumer Price Index (CPI) and the applicable UYU/U.S. dollar exchange rate.
  - La Tolua and Tierra Linda are two solar PV assets in Colombia with a combined capacity of 30 MW. Each plant has a 10-year PPA (commencing on COD) in local currency with Coenersa, the largest independent electricity wholesaler in Colombia.

Corporate Financing Activities during the year

On February 28, 2022, we established an "at-the-market programme" and entered into a Distribution Agreement with BofA Securities, Inc., MUFG Securities Americas Inc. and RBC Capital Markets LLC, as our sales agents, under which we may offer and sell from time to time up to $150 million of our ordinary shares, including in "at-the-market" offerings under our shelf registration statement on Form F-3 filed with the SEC on August 3, 2021, and a prospectus supplement that we filed on February 28, 2022. For the year ended December 31, 2022, we issued and sold 3,423,593 ordinary shares under this programme at an average market price of $33.57 per share pursuant to our Distribution Agreement, representing gross proceeds of $114.9 million and net proceeds of $113.8 million. This programme replaced our previous "at-the market programme" with J.P. Morgan Securities, LLC.

Project Financing Activities during the year

In October 2022, we refinanced the project debt of Solacor 1 & 2 and in December 2022, we refinanced the project debt of Solnova 1, 3 & 4. We refer to section "Liquidity" under "Financial Review" for more information.

Inflation Reduction Act

On August 16, 2022, the U.S. Inflation Reduction Act ("IRA") was signed into law. The provisions of the IRA are intended to, among other things, incentivise clean energy investments. The IRA includes, among other incentives, a 30% solar Investment Tax Credit ("ITC") for solar projects to be built by 2032, that can be increased for projects that meet certain criteria, a Production Tax Credit ("PTC") for wind projects to be built by 2032, a 30% ITC for standalone storage projects to be built by 2032 and a new tax credit that will award up to $3/kg for low carbon hydrogen. The IRA also includes transferability options for the ITCs and PTCs, which should allow an easier and faster monetisation of these tax credits.

Regulation in Spain

As expected, in 2022 the Administration in Spain approved measures to adjust the regulated revenue component for renewable energy plants, following the increase since mid-2021 in the billings of these plants for the sale of electricity in the market. On March 30, 2022, Royal Decree Law 6/2022 was published, adopting urgent measures in response to the economic and social consequences of the war in Ukraine. This Royal Decree Law contains a bundle of measures in diverse fields, including those targeted at containing the sharp rise in gas and electricity prices. It includes temporary changes to the detailed regulated components of revenue received by our solar assets in Spain, which are applicable from January 1, 2022. Specifically, prior to the entry into force of these new regulation, the level of remuneration under that specific remuneration system depended on the market price estimates used to calculate it, which are revised in each regulatory semi-period. Now, under Article 5 of Royal Decree Law 6/2022, an extraordinary measure has been taken to subdivide the current regulatory semi-period, so as to create a new semi-period between January 1, 2022 and December 31, 2022 and the remuneration will be reviewed also taking into account future OMIP prices. Further on May 14, 2022, the Royal Decree Law 10/2022 was published, including the so-called "Iberian mechanism", which is the temporary production cost adjustment mechanism for reducing the price of electricity in the wholesale market. The proposed remuneration parameters for the year 2022 were published on May 12, 2022 in draft form and became final on December 14, 2022. The main changes to the detailed regulated revenue components received by the solar assets of the Company in Spain are as follows:

- The statutory half-period of three years from 2020 to 2022 has been split into two statutory half-periods (1) from January 1, 2020 until December 31 2021 and (2) calendar year 2022. As a result, the fixed monthly payment based on installed capacity (Remuneration on Investment or Rinv) for calendar year 2022 was revised in the new Order TED/1232/2022. The proposed Rinv is detailed in the table below.
- The electricity market price assumed by the regulation for calendar year 2022 was changed from €48.82 per MWh to an expected price of €121.9 per MWh, i.e., the remuneration parameters of 2022 have been updated with real prices of 2020 (33.94 €/MWh) and 2021 (111.90 €/MWh) and the future prices of OMIP for 2022 (value of second semester 2021: 121.9 €/MWh). As a result, the variable payment based on net electricity produced (Remuneration on Operation or Ro), was also adjusted. The proposed Ro for the year 2022 is zero €/MWh for most of our assets reflecting the fact that market prices for the power sold in the market are significantly higher.

Since our assets in Spain are regulated and are entitled to receive a "reasonable rate of return", we do not expect any significant impact in the long-term in the value of our assets.

	Useful Life	Remuneration on Investment 2022 (euros/MW)	Remuneration on Operation 2022 (euros/GWh)	Maximum Hours	Minimum Hours	Operating Threshold
Solaben 2	25 years	390,453	0	2,008	1,205	703
Solaben 3	25 years	390,453	0	2,008	1,205	703
Solacor 1	25 years	390,453	0	2,008	1,205	703
Solacor 2	25 years	390,453	0	2,008	1,205	703
PS 10	25 years	543,185	7,580	1,840	1,104	644
PS 20	25 years	401,296	1,777	1,840	1,104	644
Helioenergy 1	25 years	385,014	0	2,008	1,205	703
Helioenergy 2	25 years	385,014	0	2,008	1,205	703
Helios 1	25 years	398,498	0	2,008	1,205	703
Helios 2	25 years	398,498	0	2,008	1,205	703
Solnova 1	25 years	404,292	0	2,008	1,205	703
Solnova 3	25 years	404,292	0	2,008	1,205	703
Solnova 4	25 years	404,292	0	2,008	1,205	703
Solaben 1	25 years	395,304	0	2,008	1,205	703
Solaben 6	25 years	395,304	0	2,008	1,205	703
Seville PV	30 years	696,418	0	2,041	1,225	714

For the three-year half period starting on January 1, 2023 and ending on December 31, 2025, the adjustment for electricity price deviations in the preceding statutory half period will be progressively modified to take into account a mix of actual market prices and future market prices.

In addition, on December 28, 2022 the proposed parameters for 2023 were published in draft form. They are subject to final publication.

Main ESG Actions during the year

Investing in sustainable infrastructure is only one part of our strategy. Managing those assets in a sustainable way is key to creating long-term value. We have launched several initiatives to ensure that we efficiently and sustainably manage key areas of our Company:

1. **Zero-accident culture.** Health and Safety is our number one priority, and we want our employees, partners, and contractors to apply the highest standards to ensure safe and sustainable operations. In 2022, our key health and safety indicators met annual targets and remained below the sector average in all our geographies. Refer to the occupational health and safety section for further details on our safety culture.

2. **Improved our Ethics and Corporate Governance culture.** The Board updated the Compliance documents, including the Supplier Code of Conduct and the Anti-Corruption Policy.

3. **Green Financing**

We have developed a Green Finance Framework to issue green finance instruments to finance or refinance renewable energy infrastructure, as well as transmission lines dedicated to supplying renewable energy to the grid. The Framework is aligned with our strategy and the use of proceeds will contribute to the advancement of the United Nations Sustainable Development Goals (SDGs) of Affordable and Clean Energy. The framework has a Second Party Opinion (SPO) delivered by Sustainalytics.

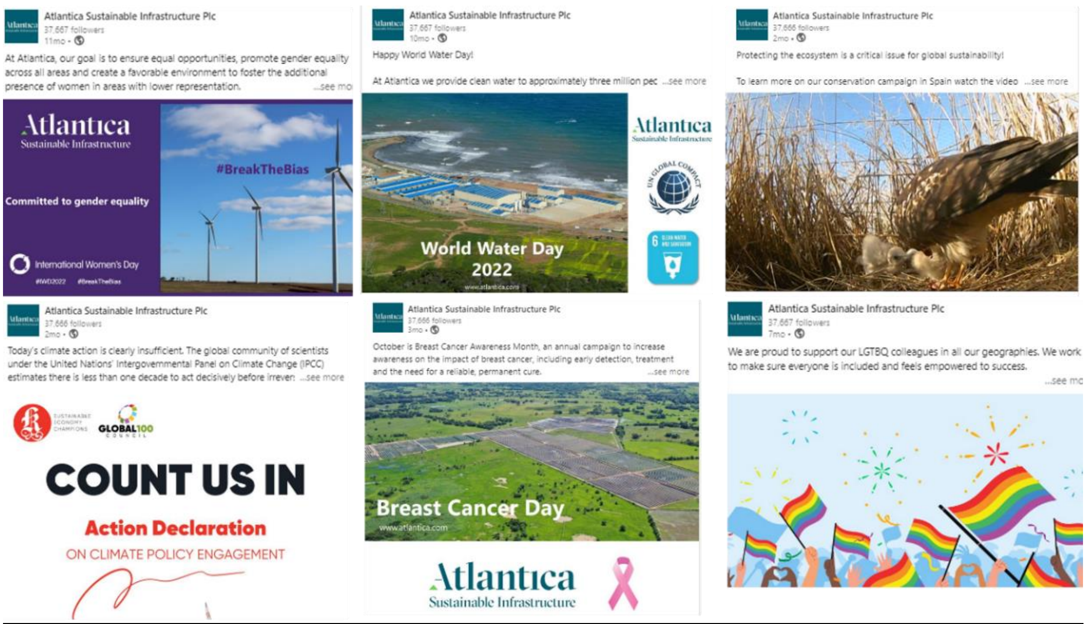
In April 2022, we updated our Green Finance Report on our website with a list of the green projects to which the green financing proceeds have been allocated.

In October 2022, we refinanced the project debt of Solacor 1 & 2, two 50MW installed capacity solar assets. The new financing is a green euro-denominated loan with a syndicate of banks for a total amount of €205.0 million. The maturity has been extended until 2037. The green non-recourse financing was issued in compliance with the Green Loan Principles.

In December 2022, we refinanced the project debt of Solnova 1, 3 & 4, three 50 MW installed capacity solar assets. The new financing agreement is a green euro-denominated loan with a syndicate of banks for a total amount of €338.5 million. The new project debt has replaced the previous three project loans. The maturity has been extended until 2035. The green non-recourse financing was issued in compliance with the Green Loan Principles.

4. **Improved our environment and social awareness**

In 2022, we actively posted ESG content on social media to increase ESG awareness among our stakeholders.



Source: In-house

5. **Offset our GHG emissions**

Global warming is a challenge that requires the active participation of public and private organisations. In 2022, as part of our commitment to sustainability, we continued mitigating our GHG emissions. We encourage you to read our GHG emissions section for detailed information on our mechanism to offset GHG emissions.

Recent Development

On February 21, 2023, Atlantica's Board of Directors commenced a process to explore and evaluate potential strategic alternatives that may be available to Atlantica to maximize shareholder value. The Company believes it has attractive growth and other opportunities in front of it and is committed to ensuring that its diversified portfolio of assets and growth platform is best positioned to take advantage of those opportunities. The decision of Atlantica's Board of Directors to explore strategic alternatives has the support of the Company's largest shareholder, Algonquin. Atlantica expects to continue executing on its existing plans while the review of strategic alternatives is ongoing, including its current growth plan and its focus on continuing to invest in accretive growth opportunities. There is no assurance that any specific transaction will be consummated, or other strategic change will be implemented as a result of this strategic review.

Very Good Progress on our ESG Credentials

Included for the 2nd **consecutive year** in **CDP's Climate Change "A List"**	CDP DISCLOSURE INSIGHT ACTION A LIST 2022 CLIMATE
Included for the 2nd **consecutive year** in the **S&P Global Sustainability Yearbook**	Sustainability Yearbook Member
Utility Industry Top Rated ESG Risk Rating by **Sustainalytics**	ESG INDUSTRY TOP RATED
Ranked 1st on GRESB's Infrastructure Public Disclosure rating. Best Performer	GRESB Public Disclosure 2022
Recognised for the 3rd **consecutive year** as one of the **World's 100 Most Sustainable Corporations**	GLOBAL 100 THE WORLD'S MOST SUSTAINABLE CORPORATIONS 2023
Included for **the 3rd consecutive year** in the **Bloomberg Gender-Equality Index (GEI)**	Bloomberg Gender-Equality Index 2023 Member
B score ("Management" band) **in CDP's Water Security** disclosure	CDP DISCLOSURE INSIGHT ACTION
Science Based Targets initiative (SBTi) approved target to reduce Scope 1 and 2 GHG emissions per kWh of electricity produced by 70% by 2035 from a 2020 base year	SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
Selected among the recipients of the **Terra Carta Seal**	TERRA CARTA

United Nations Global Compact (UNGC)

Atlantica is a signatory to the UNGC, the world's largest corporate sustainability initiative with more than 20,000 signatories in over 160 countries. The UNGC is an initiative that encourages companies and organisations worldwide to adopt sustainable and socially responsible policies. Participation in the UNGC is voluntary and those entities that sign it pledge to uphold and promote the principles and report on their progress once they apply them in their management.

Atlantica formally adopted the ten fundamental UNGC principles in the fields of human rights, labour, environment, and anti-corruption and made the UNGC and its principles an integral part of our strategy, culture, and day-to-day operations.

Atlantica is committed to aligning its actions to 7 of the 17 Sustainable Development Goals (SDG): climate action; affordable and clean energy; clean water and sanitation; decent work and economic growth; gender equality; life on land; and industry, innovation, and infrastructure.

6 CLEAN WATER AND SANITATION

We are committed to using water efficiently in our power generation and water desalination activities.

We have set a new plan to reduce our water consumption at our generating assets that use cycled water in the turbine circuit and in refrigeration processes.

- We have set a target to reduce our water consumption per unit of energy generated (KWh) by 50% by 2035, from a 2020 base year which was approved by the Board of Directors.

We invest in three water desalination plants that generate drinking water for local communities and industries through the desalination of sea water. In 2022, these assets generated purified seawater to meet the water needs of approximately 3 million people in regions with limited access to fresh water.

The three water desalination assets celebrated the World Water Day to raise awareness among local communities on the importance of sustainable water management.

We encourage you to read our water management section for more detailed information.

7 AFFORDABLE AND CLEAN ENERGY

The renewable energy industry has grown significantly in recent years and it is expected to continue to grow in the coming decades. This requires significant new investments in, among others, storage for dispatchability to support additional wind and solar energy generation.

In 2022, our renewable sector accounted for 75% of our revenue, with solar energy representing 64%. We intend to continue to invest in additional clean energy assets to help increase the share of renewable energy in the global energy mix.

Our main renewable energy and storage investments during 2022 include:

- A 3.6 MW solar PV portfolio in Italy.
- A 73 MW solar PV asset in Chile through a renewable energy platform where we own approximately a 35% stake and have a strategic investor role. We expect to add a battery system of approximately 100 MWh in 2023-2024.
- A 100 MWh (4 hours) capacity battery storage in California. Commercial Operations Date (COD) is expected in 2024.
- A 49% interest in an 80 MW solar PV portfolio in Chile currently starting construction. COD is expected to be progressive in 2023 and 2024.
- 30 MW solar PV projects under construction in Colombia. COD is expected in 2023.
- Lastly, our 3 solar PV assets under-construction in Uruguay and Colombia finished construction and reached or are about to reach COD, increasing our renewable energy capacity by 40 MW.

8 DECENT WORK AND ECONOMIC GROWTH

We protect labour rights and are committed to promoting safe and secure working environments for all workers. We are committed to providing decent work for all women and men, young people and persons with disabilities and equal pay for work of equal value.

We have always prioritised the health and safety of all our employees, contractors and partners working at our premises. Our key health and safety indicators met 2022 targets and remained below the sector average in all our geographies.

We have internal policies and procedures to support and ensure human rights, including the Human Rights Policy, the Code of Conduct and the Supplier Code of Conduct (available on our website). Our internal compliance team annually: (i) monitors human rights are internally respected, (ii) provides human rights related training to our employees, and (iii) assesses the supply chain across the jurisdictions in which we operate to identify any potential breach regarding human rights.

In May 2022, the Board amended and approved our "U.K. Anti-Modern Slavery and Human Trafficking Statements" under the Modern Slavery Act, 2015 (available on our website).

No human rights incidents were reported or identified during 2022.

We are committed to supporting long-term development of the communities where we operate as part of our culture at Atlantica. It is key for us to be a proactive and valued member of our communities and to foster communities' economic prosperity. In addition, we support local economic growth by choosing to buy from local businesses. In 2022, more than 90% of our total purchases in the geographies where we have assets were made to local suppliers.

As of December 31, 2022, Atlantica offered over 150 different training programmes to its employees. In 2022, employees completed an average of 29 hours of training.

We encourage you to read our Social and Governance sections for details on occupational health and safety, human rights, supply chain management and training-related activities.

13 CLIMATE ACTION

Our activity has a positive impact on mitigating climate change. We are committed to the reduction of greenhouse gas emissions (GHG) by investing in renewable energy assets.

We have a GHG reduction objective approved by the Science Based Targets initiative (SBTi). Atlantica targets to reduce Scope 1 and 2 GHG emissions per kWh of energy generated by 70% by 2035 from a 2020 base year[15].

In addition, we have a goal to maintain over 80% of our adjusted EBITDA generated from low carbon footprint assets including renewable energy, storage, transmission infrastructure and water assets.

Following our long-term commitment to sustainability, we have set a new ambitious plan to reduce:

1. Our GHG emissions. We target to:

   (i) reduce Scope 3 GHG emissions per kWh of energy generated by 70% by 2035 from a 2020 base year, and

   (ii) achieving Net Zero GHG emissions by 2040.

2. Our non-GHG emissions. We target to reduce our non-GHG emissions per kWh of energy generated by 50% by 2035 from a 2020 base year.

In 2022, we helped avoid up to 6.9 million tonnes of equivalent CO_2 compared to a 100% fossil fuel-based generation plant (vs. 5.9 million tonnes of equivalent CO_2 in 2021).

Please read our Environmental Sustainability section for further details on our climate change related activities.

[15] The target boundary includes steam generation.

Atlantica also supports other SDGs, as outlined below:

We promote equal opportunities for our employees and stakeholders.

Atlantica stands for greater equality for women. We work to ensure that men and women are treated equally and have the same work opportunities.

We analyse gender pay gap, for the year ended December 31, 2022 the total overall pay gap was 13%.

Women represent 22% of Atlantica's Board of Directors.

As part of Atlantica's continuing commitment to gender equality, in January 2023 we were included for the 3rd consecutive year in the Bloomberg Gender-Equality (GEI) Index. We are one of 485 companies committed to nurturing an equal and inclusive culture in the workplace.

We encourage you to read the Social and Governance sections for further details on gender equality.

We work to protect flora and fauna in and around our assets and have a "no net loss" commitment on biodiversity conservation in the areas where we operate.

In 2022, we continued to: (i) monitor the impact of spinning blades on local species of birds at our wind farms in Uruguay, and (ii) collaborate with local administrations and other key stakeholders to protect species settled close to our assets in the U.S. and Spain.

In addition, in 2022 we continued to deliver on our reforestation programme in Spain, where we planted approximately 14,000 trees.

We encourage you to read the Environmental Sustainability section for further details on our biodiversity initiatives.

Infrastructure is a key driver of economic growth and social value creation. At Atlantica, we produce and transport electricity and we provide drinking water to local communities. Our water assets provide drinking water to approximately 3 million people living in high or extremely high-water stress areas. Our solar asset in South Africa contributes to providing clean electricity in a country that requires additional power capacity. In South America, our transmission lines help transport electricity to remote areas. In addition, we foster communities' economic prosperity through local purchasing and by hiring local employees.

In 2022, we invested in sustainable energy infrastructure in the U.S., Mexico, Peru, Chile, Colombia and Italy.

Within the energy sector, innovation contributes to the fight against climate change through new or enhanced technologies that enable more sustainable, reliable and efficient solutions, including storage and green hydrogen solutions.

To ensure reliability of our assets we: (1) own 31 patents and technology licences, as well as 6 patents currently in approval process, related to key components of our assets, to processes and to solutions to monitor, operate and maintain our assets in a sustainable and cost effective manner, (2) have an operations department to identify potential measures to improve asset performance, reducing operating costs and developing tools to manage our assets more efficiently, and (3) have an advanced analytics team to improve the performance of our technologies through data analytics and machine learning technologies.

We encourage you to read the Asset Management and Innovation sections for further details on our industry, innovation and infrastructure initiatives.

Communication on Progress (COP):

This Integrated Annual Report constitutes Atlantica's "Communication on Progress" under the UNGC.

Transmission Lines


1,229 Miles

7 Assets

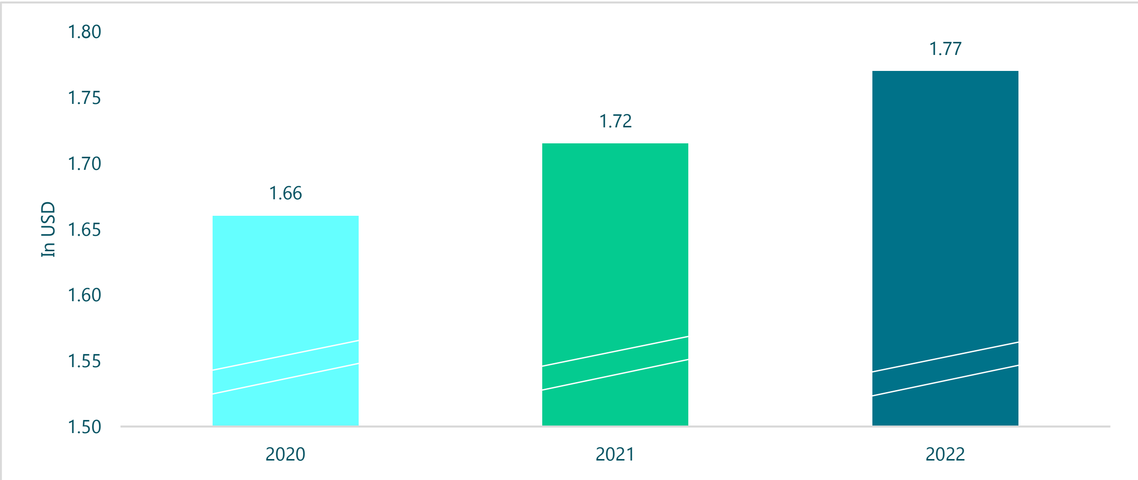
Key in Transition Towards Green Generation


Key Performance Indicators

Financial KPIs

$ in millions	2022	2021	2020
Revenue	1,102	1,212	1,013
Operating Profit	278	354	373
Net cash provided by operating activities	586	506	438
Adjusted EBITDA	797	824	796
Cash Available for Distribution (CAFD)	238	226	201
Cash Available for Distribution (CAFD) per share (in USD)	2.07	2.03	1.97
Total dividends paid	203	190	169

Annual Dividend Paid per Share



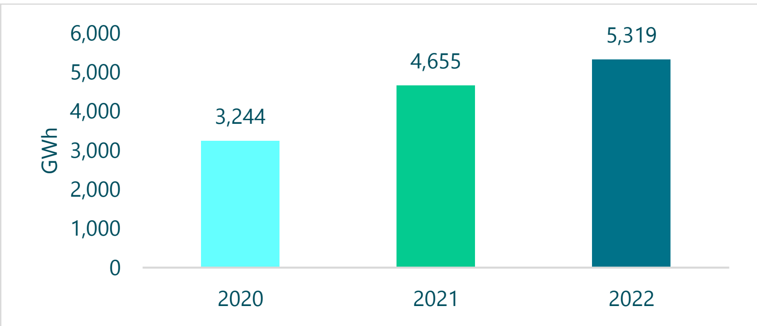
Operational KPIs

	2022	2021	2020
Renewable energy			
MW in operation[16]	2,121	2,044	1,551
GWh produced[17]	5,319	4,655	3,244
Efficient natural gas			
MW in operation[18]	398	398	343
GWh produced[19]	2,501	2,292	2,574
Electric Availability (%)	98.9%	100.6%	102.1%
Electric transmission lines			
Miles in operation	1,229	1,166	1,166
Availability (%)	100%	100.0%	100.0%
Water			
Mft^3 in operation[16]	17.5	17.5	17.5
Availability (%)	102.3%	97.9%	100.1%

We closely monitor the following key drivers of our business sectors' performance to plan for our needs, and to adjust our expectations, financial budgets, and forecasts appropriately.

- MW in operation in the case of Renewable energy and Efficient natural gas and heat assets, miles in operation in the case of Transmission lines and Mft3 per day in operation in the case of Water assets, are indicators which provide information about the installed capacity or size of our portfolio of assets.
- Production measured in GWh in our Renewable energy and Efficient natural gas and heat assets provides information about the performance of these assets.
- Availability in the case of our Efficient natural gas and heat assets, Transmission lines and Water assets also provides information on the performance of the assets. In these business segments revenues are based on availability, which is the time during which the asset was available to our client totally or partially divided by contracted availability or budgeted availability, as applicable.

Renewable Energy Production (GWh)



[16] Represents total installed capacity in assets owned or consolidated at the end of the year, regardless of our percentage of ownership in each of the assets except for Vento II for which we have included our 49% interest.
[17] Includes 49% of Vento II wind portfolio production since its acquisition. Includes curtailment in wind assets for which we receive compensation.
[18] Includes 43 MW corresponding to our 30% share in Monterrey and 55 MWt corresponding to Calgary District Heating.
[19] GWh produced includes 30% of the production from Monterrey.

Energy Storage and Efficient Natural Gas

- ✓ Dispatchable Solutions
- ✓ Key in Transition Towards Green Generation

Selected Environmental Metrics

			2022	2021	2020
Maintain over 80% of adjusted EBITDA from low carbon footprint assets		%	89%	88%	87%
GHG Emissions Breakdown Including Offset GHG Emissions	Scope 1	thousand tonnes of CO_2e	1,524	1,535	1,537
	Scope 2		249	237	199
	Scope 3		814	798	821
	Total		**2,587**	**2,570**	**2,557**
Offset GHG Emissions	Scope 1	thousand tonnes of CO_2e	320	260	200
GHG Emissions Breakdown (without Offsets)	Scope 1	thousand tonnes of CO_2e	1,844	1,795	1,737
	Scope 2		249	237	199
	Scope 3		814	798	821
	Total		**2,907**	**2,830**	**2,757**
Scopes 1 and 2 GHG Emission Rate per Unit of Energy Generated[20]		gCO_2/kWh	168	185	188
GHG Emissions Avoided[21]		million tonnes of CO_2e	6.9	5.9	5.4
Water Management in Power Generation	Withdrawal	m^3 per MWh	1.42	1.58	1.56
	Discharges		0.17	0.21	0.21
Waste Management	Hazardous waste	tonnes of waste	1,908	2,664	2,679
	Non-hazardous waste		23,142	22,238	20,532

[20] Our target is to reduce our Scope 1 and Scope 2 GHG emissions per unit of energy generated by 70% by 2035, with 2020 as the base year ($57gCO_2/KWh$ by 2035).

[21] Calculated considering GHG emissions Scope 1 and 2 and energy generation of our power generation assets, both electric and thermal energy. The GHG Equivalences Calculator uses the Avoided Emissions and Generation Tool (AVERT) U.S. national weighted average CO2 marginal emissions rate to convert reductions of Kilowatt-hours into avoided units of carbon dioxide emissions.

Selected Social Metrics

		2022	2021	2020
Health and Safety	Total Recordable Frequency Index[22]	5.0	6.0	5.0
	Lost Time Frequency Index[23]	2.9	2.3	1.4
	Total Recordable Deviation Index	1,198	1,540	1,200[24]
Employees	Voluntary Turnover by year-end	12.8%	11.0%	7.5%
	Total turnover by year-end	22.2%	16.9%	10.1%
	Average Annual Training per employee (in hours)	29	37[25]	33
Percentage of Women	At Management Level	23%	23%	21%
	Over Total Number of Employees	20%	25%	27%
Gender Pay Gap[3]	Total overall pay gap	13%	26%	30%
Community Investment and Development		Investments focused on improving infrastructure and supporting education		Investments focused on mitigating COVID-19 pandemic effects and improving communities' infrastructure

Note 1: Turnover rates calculated based on the average number of employees in each year.
Note 2: Health and safety industry benchmarks provided in the Health and Safety section.
Note 3: Data includes fixed salary, short-term bonus and long-term incentive plans without adjusting for factors such as job function, level, education, performance, location, or exchange rate differences. Overtime has not been included. The CEO has been excluded from the analysis as we believe that including his compensation would distort the results.

A Fair Review of the Business

Factors that Affect Comparability of our Results of Operations

- Acquisitions and Non-Recurrent Projects

  The results of operations of Coso, Calgary District Heating, Italy PV 1, Italy PV 2, La Sierpe, Italy PV 3, Chile TL4, Italy PV 4 and Chile PV 3 have been fully consolidated since April 2021, May 2021, August 2021 for Italy PV 1 and Italy PV 2, November 2021, December 2021, January 2022, April 2022 and September 2022, respectively. Vento II has been recorded under the equity method since June 2021. These investments and acquisitions represent additional revenue for $30.4 million and additional Adjusted EBITDA of $26.2 million for the year ended December 31, 2022, when compared to the year ended December 31, 2021.

  In addition, the results of operations of Rioglass have been fully consolidated since January 2021. Rioglass is a supplier of spare parts and services in the solar industry. For the year ended December 31, 2021, most of Rioglass operating results relate to a specific solar project which ended in October 2021, and which represented $85.3 million in revenue and $1.0 million in Adjusted EBITDA, included in our EMEA and Renewable energy segments for the year ended December 31, 2021, and which are non-recurrent.

[22] Total Recordable Frequency Index (TRFI) represents the total number of recordable accidents with and without leave (lost time injury) recorded in the last twelve months per one million worked hours.
[23] Lost Time Frequency Index (LTFI) represents the total number of recordable accidents with leave (lost time injury) recorded in the last twelve months per one million worked hours.
[24] We have revised 2020 figures to account for the final number of near-misses and unsafe acts and conditions.
[25] 2021 data was revised following the updated 2022 classification

- Impairment

  Considering the delays in the repairs and replacements that we are carrying out in the storage system at Solana and their impact on production in 2022, as well as an increase in the discount rate, we identified an impairment triggering event in accordance with IAS 36 (Impairment of Assets). As a result, an impairment test has been performed which resulted in the recording of an impairment loss of $41.2 million in 2022 in the line "Depreciation, amortisation, and impairment charges". In 2021, we recorded an impairment loss of $43.1 million at Solana.

  In addition, in 2022, considering that expected electricity prices in Chile over the remaining useful life of Chile PV1 and Chile PV2 have decreased and are currently lower than the prices assumed at the time of the acquisition, we have identified an impairment triggering event, in accordance with IAS 36 (Impairment of Assets). As a result, an impairment test has been performed and resulted in an impairment loss of $20.4 million in 2022 in the line "Depreciation, amortisation, and impairment charges".

  Furthermore, IFRS 9 requires impairment provisions to be based on expected credit losses on financial assets rather than on actual credit losses. For the year ended December 31, 2022 we recorded an expected credit loss impairment provision of $4.0 million which is reflected in the line item "Depreciation, amortisation, and impairment charges". In 2021, we recorded a reversal of the expected credit loss impairment provision at ACT for $24.9 million following an improvement of its client's credit risk metrics.

- Electricity market prices

  In addition to regulated revenue, our solar assets in Spain receive revenue from the sale of electricity at market prices. Electricity prices increased significantly since mid-2021 and revenue from the sale of electricity at current market prices represented $142.9 million for the year ended December 31, 2022, compared to $129.1 million for the year ended December 31, 2021, resulting in higher short-term cash collections. Regulated revenues are revised periodically to reflect, among other things, the difference between expected and actual market prices if the difference is higher than a pre-defined threshold. Current higher market prices in Spain will therefore cause lower regulated revenue to be received progressively over the remaining regulatory life of our solar assets. As a result, we increased our provision by $25.3 million for the year ended December 31, 2022, with no cash impact on the current period, compared to an increase of provision of $77.1 million for the year ended December 31, 2021.

  On May 12, 2022 remuneration parameters in Spain for the year 2022 were published in draft form and became final on December 14, 2022. Revenue from the sale of electricity at market prices plus Ro (Remuneration on Operation) less incremental market price provision was $117.6 million for the year ended December 31, 2022, compared to $107.7 million for the year ended December 31, 2021. In 2022 we collected revenue from our assets in line with the parameters corresponding to the regulation in place at the beginning of the year 2022, as the new parameters became final on December 14, 2022, while revenue for the year ended December 31, 2022, was recorded in accordance with the new parameters. Collections have started to be regularised in 2023.

Factors Affecting Results of Operations

- Exchange rates

  Our presentation currency and the functional currency of most of our subsidiaries is the U.S. dollar, as most of their revenue and expenses are denominated or linked to the U.S. dollar. All our companies located in North America, with the exception of Calgary, with revenue in Canadian dollars, and most of our companies in South America have their revenue and financing contracts signed in or indexed totally or partially to U.S. dollars. Our solar power plants in Europe have their revenue and expenses denominated in euros; Kaxu, our solar plant in South Africa, has its revenue and expenses denominated in South African rand, La Sierpe, La Tolua and Tierra Linda, our solar plants in Colombia, have their revenue and expenses denominated in Colombian pesos and Albisu, our solar plant in Uruguay, has their revenue denominated in Uruguayan pesos, with a maximum and a minimum price in US dollars.

  Project financing is typically denominated in the same currency as that of the contracted revenue agreement, which limits our exposure to foreign exchange risk. In addition, we maintain part of our corporate general and administrative expenses and part of our corporate debt in euros which creates a natural hedge for the distributions we receive from our assets in Europe. To further mitigate this exposure, our strategy is to hedge cash distributions from our assets in Europe. We hedge the exchange rate for the net distributions in euros (after deducting interest payments and general and administrative expenses in euros). Through currency options, we have hedged 100% of our euro-denominated net exposure for the next 12 months and 75% of our euro-denominated net exposure for the following 12 months. We expect to continue with this hedging strategy on a rolling basis.

  Although we hedge cash-flows in euros, fluctuations in the value of the euro in relation to the U.S. dollar may affect our operating results. For example, revenue in euro-denominated companies could decrease when translated to U.S. dollars at the average foreign exchange rate solely due to a decrease in the average foreign exchange rate, in spite of revenue in the original currency being stable. Fluctuations in the value of the South African rand and Colombian peso with respect to the U.S. dollar may also affect our operating results.

  In our discussion of operating results, we have included foreign exchange impacts in our revenue by providing constant currency revenue growth. The constant currency presentation is not a measure recognised under IFRS and excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our results of operations. We calculate constant currency amounts by converting our current period local currency revenue using the prior period foreign currency average exchange rates and comparing these adjusted amounts to our prior period reported results. This calculation may differ from similarly titled measures used by others and, accordingly, the constant currency presentation is not meant to substitute recorded amounts presented in conformity with IFRS, nor should such amounts be considered in isolation.

- Interest rates

  We incur significant indebtedness at the corporate and asset level. The interest rate risk arises mainly from indebtedness at variable interest rates. To mitigate interest rate risk, we primarily use long-term interest rate swaps and interest rate options which, in exchange for a fee, offer protection against a rise in interest rates. As of December 31, 2022, approximately 92% of our project debt and close to 96% of our corporate debt either has fixed interest rates or has been hedged with swaps or caps. Nevertheless, our results of operations can be affected by changes in interest rates with respect to the unhedged portion of our indebtedness that bears interest at floating rates, which typically bear a spread over EURIBOR, LIBOR, SOFR or over the alternative rates replacing these.

- Electricity market prices

  As previously discussed, our solar assets in Spain receive revenue from the sale of electricity at market prices in addition to regulated revenue. Regulated revenues are revised periodically to reflect the difference between expected and actual market prices if the difference is higher than a pre-defined threshold. Given that since mid-2021 electricity prices in Spain have been, and may continue to be, significantly higher than expected, it will cause lower regulated revenue over the remaining regulatory life of our solar assets. On December 28, 2022, the parameters applicable for the year 2023 were published in draft form and are subject to final publication. Additionally, our assets in Italy have contracted revenues through a regulated feed in premium in addition to merchant revenues for the energy sold to the wholesale market.

  Furthermore, we currently have three assets with merchant revenues (Chile PV 1 and Chile PV 3, where we have a 35% ownership, and Lone Star II, where we have a 49% ownership) and one asset with partially contracted revenues (Chile PV 2, where we have a 35% ownership). Our exposure to merchant electricity prices represents less than 2% of our portfolio in terms of Adjusted EBITDA. In Lone Star II we are analysing, together with our partner, the option to repower the asset in the context of the IRA, at a point in time to be determined.

Health and Safety: Our Number 1 Priority

2022 Safety Day at our premises

Maintained Health and Safety KPIs Below Sector Average

Financial Review

	2022	2021	2020
Renewable energy			
MW in operation[26]	2,121	2,044	1,551
GWh produced[27]	5,319	4,655	3,244
Efficient natural gas			
MW in operation[28]	398	398	343
GWh produced[29]	2,501	2,292	2,574
Electric Availability (%)	98.9%	100.6%	102.1%
Electric transmission lines			
Miles in operation	1,229	1,166	1,166
Availability (%)	100%	100.0%	100.0%
Water			
Mft^3 in operation	17.5	17.5	17.5
Availability (%)	102.3%	97.9%	100.1%

Production in the renewable business sector increased by 14.3% in 2022, compared to 2021. The increase was largely due to the contribution from the recently acquired renewable assets Coso, Vento II, Italy PV 1, Italy PV 2, Italy PV 3, Italy PV 4, Chile PV 3 and La Sierpe bringing approximately 812 GWh of incremental electricity generation.

In our solar assets in the U.S., solar radiation was higher in 2022 than in 2021, and production increased by 0.7% compared to the same period in the previous year. In our wind assets in the U.S., wind resource was mostly in line with expectations in the year ended December 31, 2022.

In Chile, production at our PV assets in 2022 was in line with the previous year, with an increase in Chile PV 1 mainly caused by better solar radiation largely offset by a decrease in Chile PV 2 resulting from larger curtailments. In our wind assets in Uruguay, production decreased by 3.8% mainly due to lower wind resource in the second and third quarters of 2022 compared to the same periods of the previous year.

In Spain, production decreased by 13.1% in 2022, partly due to lower solar radiation compared to 2021. In addition, some of our assets experienced significant technical curtailments by the grid operator during the second quarter and the beginning of the third quarter of 2022. At Kaxu, production increased in spite of lower solar radiation during the year mainly due to the scheduled maintenance stop performed in the third quarter of 2021.

Efficient natural gas and heat availability and production levels during 2022 were higher than in the same period of the previous year due to the scheduled maintenance stops performed in the first quarter of 2021 and to higher demand from our off-taker in 2022 compared to 2021.

[26] Represents total installed capacity in assets owned or consolidated at the end of the year, regardless of our percentage of ownership in each of the assets except for Vento II for which we have included our 49% interest.
[27] Includes 49% of Vento II wind portfolio production since its acquisition. Includes curtailment in wind assets for which we receive compensation.
[28] Includes 43 MW corresponding to our 30% share in Monterrey and 55 MWt corresponding to Calgary District Heating.
[29] GWh produced includes 30% of the production from Monterrey.

In Water, availability in 2022 was higher than in 2021, with very good performance in all the assets. Our transmission lines, where revenue is also based on availability, continue to achieve high availability levels.

Results of Operations

The table below details our results of operations for the years ended December 31, 2022, and 2021.

	Year ended December 31,	
$ in millions	2022	2021
Revenue	1,102.0	1,211.7
Other operating income	80.8	74.6
Employee benefit expenses	(80.2)	(78.7)
Depreciation, amortisation, and impairment charges	(473.6)	(439.4)
Other operating expenses	(351.3)	(414.3)
Operating profit	**277.7**	**353.9**
Financial income	5.6	2.7
Financial expense	(333.3)	(361.2)
Net exchange differences	10.3	1.9
Other financial income/(expense), net	6.5	15.7
Financial expense, net	**(310.9)**	**(340.9)**
Share of profit/(loss) of entities carried under the equity method	21.4	12.3
Profit/(loss) before income tax	**(11.8)**	**25.3**
Income tax	9.7	(36.2)
Profit/(loss) for the year	**(2.1)**	**(10.9)**
Profit attributable to non-controlling interests	(3.3)	(19.2)
Profit/(loss) for the year attributable to the parent company	**(5.4)**	**(30.1)**

Revenue

Revenue decreased to $1,102.0 million for the year 2022, which represents a decrease of 9.1% compared to $1,211.7 million for the year 2021. On a constant currency basis, revenue in 2022, was $1,159.2 million, which represents a decrease of 4.3% compared to 2021. Additionally, on a constant currency basis and excluding the Rioglass non-recurrent solar project accounted for in 2021, revenue increased by 2.9% in 2022.

This increase (on a constant currency basis and excluding the Rioglass non-recurrent solar project) was mainly due to the contribution of the recently acquired and consolidated assets which represent a total of $30.4 million of additional revenue in 2022 compared to 2021. Revenue increased in the U.S. and at Kaxu due to higher production during 2022 compared to 2021, as previously explained. In addition, revenue remained stable at our solar assets in Spain (0.4% increase on a constant currency basis and excluding the non-recurrent solar project), in spite of lower production during the year primarily due to higher electricity prices net of its corresponding accounting provision (see "—Factors Affecting our Results of Operations—Electricity market prices" above). In our wind assets in Uruguay, revenue increased in spite of lower production as a result of the inflation adjustment. These effects were partially offset by a decrease in revenue at

ACT in 2022 compared to the previous year (due to the factors described under "—Revenue and Adjusted EBITDA by business sector — Efficient natural gas & heat" below). We refer to "Our Segment Reporting" section below for further details.

Other Operating Income

The following table details our other operating income for the years ended December 31, 2022, and 2021:

	Year ended December 31,	
$ in millions	2022	2021
Other operating income		
Grants	59.1	60.7
Insurance proceeds and other	21.7	13.9
Total	**80.8**	**74.6**

Other operating income increased by 8.3% to $80.8 million for the year ended December 31, 2022, compared to $74.6 million for the year ended December 31, 2021.

"Grants" represent the financial support provided by the U.S. Department of the Treasury to Solana and Mojave and consist of an ITC Cash Grant and an implicit grant related to the below market interest rates of the project loans with the Federal Financing Bank. Grants were stable for the year 2022 compared to the previous year.

"Insurance proceeds and other" for the year ended December 31, 2022 included an insurance income of $9.5 million corresponding to an event from previous years: in December 2022, a Spanish court dictated in favour of our solar assets in a legal proceeding against our former insurance company.

Employee Benefit Expenses

Employee benefit expenses increased by 1.9% to $80.2 million for the year ended December 31, 2022, compared to $78.7 million for the year ended December 31, 2021. The increase was mainly due to the consolidation of Coso and the internalisation of the operation and maintenance services at Kaxu and at part of our solar assets in Spain. During 2022, we transferred the employees performing the operation and maintenance services at Kaxu and at part of our solar assets in Spain from an Abengoa subsidiary to an Atlantica subsidiary. As a result, the O&M cost is now recorded under "Employee Benefit Expenses" from the dates of such transfer. The increase was partially offset by a decrease in the number of employees who were working for the Rioglass non-recurrent solar project previously mentioned once it was completed.

Depreciation, Amortisation, and Impairment Charges

Depreciation, amortisation and impairment charges increased by 7.8% to $473.6 million for the year ended December 31, 2022, compared to $439.4 million for the year ended December 31, 2022. The increase was mainly due to the expected credit loss impairment provision recorded at ACT. IFRS 9 requires impairment provisions to be based on the expected credit loss of the financial assets in addition to actual credit losses. ACT recorded an expected credit loss impairment provision of $4.0 million in 2022, while in 2021, there was a reversal of the expected credit loss provision of $24.9 million. In addition, in 2022, we recorded an impairment loss of $41.2 million at Solana, as previously described, compared to a $43.1 million impairment in 2021. In 2022 we also recorded an impairment of $20.4 million at Chile PV 1 and Chile PV 2. Depreciation, amortisation and impairment charges also increased due to the consolidation of recent acquisitions. On the other hand, depreciation, amortisation and impairment charges decreased in our solar assets in Spain mainly due to the depreciation of the euro against the U.S. dollar.

Other Operating Expenses

The following table details our other operating expenses for the years ended December 31, 2022, and 2021:

	Year ended December 31,			
	2022		2021	
Other operating expenses	**$ in millions**	**% of revenue**	**$ in millions**	**% of revenue**
Raw materials	19.7	1.8%	70.7	5.8%
Leases and fees	11.5	1.0%	9.3	0.8%
Operation and maintenance	140.4	12.7%	154.0	12.7%
Independent professional	38.9	3.6%	39.2	3.2%
Supplies	59.3	5.4%	40.8	3.4%
Insurance	45.8	4.2%	45.4	3.8%
Levies and duties	19.8	1.8%	29.9	2.5%
Other expenses	16.0	1.3%	25.0	2.1%
Total	**351.3**	**31.8%**	**414.3**	**34.2%**

Other operating expenses decreased by 15.2% to $351.3 million for the year ended December 31, 2022, compared to $414.3 million for the year ended December 31, 2021. Additionally, on a constant currency basis and excluding the Rioglass non-recurrent solar project accounted for in the year ended December 31, 2021, other operating expenses in 2022 increased by 8.4%. The increase was mainly due to higher cost of supplies primarily in Spain, due to the increase of the electricity market prices since mid-2021. This increase was partially offset by a decrease of levies and duties since the Spanish government granted an exemption from the 7% electricity sales tax in our Spanish assets. On the other hand, our operation and maintenance costs decreased mainly due the internalisation of operation and maintenance at Kaxu and at part of our solar assets in Spain. These services are now provided by a subsidiary of Atlantica, with the cost classified in "Employee benefit expenses".

Operating Profit

As a result of the above-mentioned factors, operating profit decreased by 21.5% to $277.7 million for the year ended December 31, 2022, compared with $353.9 million for the year ended December 31, 2021.

Financial Income and Financial Expense

$ in millions	Year ended December 31, 2022	2021
Financial income and financial expense		
Financial income	5.6	2.7
Financial expense	(333.3)	(361.2)
Net exchange differences	10.3	1.9
Other financial income, net	6.5	15.7
Financial expense, net	**(310.9)**	**(340.9)**

Financial Expense

The following table details our financial expense for the years ended December 31, 2022, and 2021:

$ in millions **Financial expense**	Year ended December 31, 2022	2021
Interest on loans and notes	(292.1)	(302.6)
Interest rates losses derivatives: cash flow hedges	(41.2)	(58.7)
Total	**(333.3)**	**(361.3)**

Financial expense decreased by 7.7% to $333.3 million for the year ended December 31, 2022, compared to $361.3 million for the year ended December 31, 2021.

"Interest on loans and notes" expense decreased primarily due to the repayment of project and corporate debt in accordance with the financing arrangements and to the depreciation of the euro against the U.S. dollar.

Under "Interest rate losses on derivatives designated as cash flow hedges" we record transfers from equity to financial expense when the hedged item impacts profit and loss for hedging instruments classified as cash-flow hedges from an accounting perspective. The decrease was mainly due to lower losses in swaps hedging loans indexed to EURIBOR, SOFR and LIBOR primarily resulting from the increase in the reference rates in 2022, compared to 2021, and to lower notional amounts, as we progressively repay our project debt.

Net Exchange Differences

Net exchange differences increased to $10.3 million in 2022 compared to $1.9 million income in 2021. The increase mainly due to the impact of foreign exchange caps hedging our net cash flows in Euros, resulting from the appreciation of the U.S. dollar against the Euro.

Other Financial Income/(Expense), Net

$ in millions	Year ended December 31, 2022	2021
Other financial income/(expenses)		
Other financial income	27.9	32.3
Other financial losses	(21.4)	(16.6)
Total	**6.5**	**15.7**

Other financial income/(expense), net decreased to a net income of $6.5 million for the year ended December 31, 2022 compared to a net income of $15.7 million for the year ended December 31, 2021.

Other financial income in 2022 include $6.2 million income corresponding to the change in fair value of interest rate derivatives at Kaxu, for which hedge accounting is not applied, and $12.0 million income corresponding to the mark-to-market of the derivative liability embedded in the Green Exchangeable Notes. Residual items primarily relate to interest on deposits and loans, including non-monetary changes to the amortised cost of such loans. The decrease of other financial income for the year ended December 31, 2022, was mainly due to a one-time non-cash income of $10.4 million recorded in 2021 and corresponding to the reversal of a potential earn-out which was finally not payable.

Other financial expense includes expenses for guarantees and letters of credit, wire transfers, other bank fees and other minor financial expenses and the non-monetary financial component of the long-term provision related to electricity market prices in Spain and other long-term liabilities. The increase is mainly due to the financial impact related to the electricity market prices provision recorded at our solar assets in Spain. This is a long-term provision recorded at present value in accordance with the effective interest method, which progressively accrues a financial expense.

Share of Profit of Entities Carried Under the Equity Method

Share of profit of entities carried under the equity method increased to $21.4 million in the year ended December 31, 2022, compared to $12.3 million in the year ended December 31, 2021 primarily due to the contribution of Vento II.

Profit/(loss) Before Income Tax

As a result of the previously mentioned factors, we reported a loss before income tax of $11.8 million for the year ended December 31, 2022, compared to a profit before income tax of $25.3 million for the year ended December 31, 2021.

Income Tax

The reconciliation between the theoretical income tax resulting from applying an average statutory tax rate to profit before income tax and the actual income tax expense recognised in the consolidated income statements for the years ended December 31, 2022 and 2021, is as follows:

	Year ended December 31,	
	2022	2021
	$ in millions	
Profit before tax	(11.8)	25.3
Average statutory tax rate[1]	25%	25%
Corporate income tax at average statutory tax rate	**2.9**	**(6.3)**
Income tax of associates, net	5.4	3.1
Differences in statutory tax rates	(4.3)	(3.4)
Unrecognised NOLS and deferred tax assets	(10.9)	(11.2)
Other Permanent differences	4.0	(4.1)
Other non-taxable income/(expense)	12.7	(14.3)
Corporate Income Tax	**9.7**	**(36.2)**

Note:
(1) The average statutory tax rate was calculated as an average of the statutory tax rates applicable to each of our subsidiaries weighted by the Income Before Tax.

For the year ended December 31, 2022, the overall effective tax rate was different than the statutory rate of 25% primarily due to unrecognised tax losses carryforwards, mainly in the Chilean entities.

For the year ended December 31, 2021, the overall effective tax rate was different than the statutory rate of 25% primarily due to unrecognised tax losses carryforwards, mainly in UK entities and to provisions recorded for potential tax contingencies in some jurisdictions.

Profit Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests was $3.4 million for the year ended December 31, 2022 compared to $19.2 million for the year ended December 31, 2021. Profit attributable to non-controlling interests corresponds to the portion attributable to our partners in the assets that we consolidate (Kaxu, Skikda, Solaben 2 & 3, Solacor 1 & 2, Seville PV, Chile PV 1, Chile PV 2, Chile PV 3 and Tenes). The decrease is due to the losses in our PV assets in Chile which were primarily caused by the impairment previously discussed.

Profit / (Loss) Attributable to the Parent Company

As a result of the previously mentioned factors, the loss attributable to the parent company was $5.4 million for the year ended December 31, 2022, compared to a loss of $30.1 million for the year ended December 31, 2021.

Comparison of the Years Ended December 31, 2021 and 2020

The significant variances or variances of the significant components of the results of operations between the years ended December 31, 2021 and December 31, 2020, are discussed in the 2021 Consolidated Annual Report and Financial Statements.

Our Segment Reporting

We organise our business into the following three geographies where the contracted assets and concessions are located: North America, South America and EMEA. In addition, we have identified four business sectors based on the type of activity: Renewable energy, Efficient natural gas and heat, Transmission lines and Water. We report our results in accordance with both criteria.

	Year ended December 31,			
	2022		2021	
Revenue by geography	**$ in millions**	**% of revenue**	**$ in millions**	**% of revenue**
North America	405.1	36.8%	395.8	32.7%
South America	166.4	15.1%	155.0	12.9%
EMEA	530.5	48.1%	660.9	54.5%
Total revenue	**1,102.0**	**100.0%**	**1,211.7**	**100.0%**

	Year ended December 31,			
	2022		2021	
Adjusted EBITDA by geography	**$ in millions**	**% of Adjusted EBITDA**	**$ in millions**	**% of Adjusted EBITDA**
North America	310.0	38.9%	311.8	37.8%
South America	126.5	15.9%	119.6	14.5%
EMEA	360.6	45.2%	393.0	47.7%
Adjusted EBITDA(1)	**797.1**	**100%**	**824.4**	**100%**

Note: We refer to section "Non-GAAP Financial Measures", for a definition of our Adjusted EBITDA and to section "Other Information" for a detailed reconciliation.

	Volume produced/availability Year ended December 31,	
Volume/ availability by geography	**2022**	**2021**
North America (GWh)(1)	5,743	4,818
North America availability	98.9%	100.6%
South America (GWh)(2)	799	722
South America availability	99.9%	100.0%
EMEA (GWh)	1,278	1,407
EMEA availability	102.3%	97.9%

Note:

(1) GWh produced includes 30% of the production from Monterrey and our 49% of Vento II wind portfolio production since its acquisition

(2) Includes curtailment production in wind assets for which we receive compensation

North America

Revenue increased by 2.3% to $405.1 million for the year ended December 31, 2022, compared to $395.8 million for the year ended December 31, 2021, while Adjusted EBITDA remained stable, with a 0.6% decrease for the year ended December 31, 2022, compared to 2021. The increase in Revenue was mainly due to the contribution from the recently acquired assets, Coso and Calgary. Revenue also increased at our solar assets in North America due to higher production. The increase was partially offset by lower revenue at ACT where revenue is recorded under IFRIC 12 - financial asset model (see "—Revenue and Adjusted EBITDA by business sector—Efficient natural gas & heat" below). Adjusted EBITDA decreased mainly due to lower Adjusted EBITDA at ACT, resulting mostly from lower Revenue, higher operating and maintenance expenses at our solar assets in North America mostly due to higher costs related to the scheduled major maintenance at Solana and higher supply costs, mainly driven by higher electricity prices. This decrease was partially offset by the contribution from the recently acquired assets Coso, Calgary and Vento II.

South America

Revenue increased by 7.4% to $166.4 million for the year ended December 31, 2022, compared to $155.0 million for the year ended December 31, 2021. The increase was mainly due to the contribution from the recently acquired assets, La Sierpe, Chile TL4 and Chile PV 3. Revenue at our wind assets in Uruguay also increased slightly in spite of lower wind resource as a result of the inflation adjustment to revenue. Adjusted EBITDA increased by 5.8% to $126.5 million for the year ended December 31, 2022, compared to $119.6 million for the year ended December 31, 2021, mostly due to the same reasons.

EMEA

Revenue decreased to $530.5 million for the year ended December 31, 2022, which represents a decrease of 19.7% compared to $660.9 million for the year ended December 31, 2021. On a constant currency basis, revenue for the year ended December 31, 2022, was $587.4 million, which represents a decrease of 11.1% compared to the year ended December 31, 2021. Additionally, on a constant currency basis and excluding the non-recurrent solar project accounted for in the year ended December 31, 2021, revenue in 2022 increased by 2.0%.

The increase was mainly due to higher revenue at Kaxu caused by higher production during the year ended December 31, 2022, compared to the same period of previous year and to the indexation of our PPA to local inflation. The increase was also due to the contribution of the recently acquired assets in Italy. Revenue remained stable at our solar assets in Spain (0.4% increase on a constant currency basis and excluding the non-recurrent solar project), since the negative impact of lower production was offset by higher electricity prices net of its corresponding accounting provision.

Adjusted EBITDA decreased to $360.6 million for the year ended December 31, 2022, which represents a decrease of 8.2% compared to $393.0 million for the year ended December 31, 2021. On a constant currency basis, Adjusted EBITDA in 2022, was $399.1 million, which represents an increase of 1.5% compared to 2021. Additionally, on a constant currency basis and excluding the non-recurrent solar project accounted for in the year ended December 31, 2021, Adjusted EBITDA in 2022 increased by 1.8%. This increase was mainly due to higher EBITDA at Kaxu and to the contribution of the recently acquired assets in Italy as previously explained. In our solar assets in Spain, Adjusted EBITDA decreased mainly due to higher costs of supplies largely caused by higher electricity prices.

Revenue by business sector	Year ended December 31, 2022 $ in millions	2022 % of revenue	2021 $ in millions	2021 % of revenue
Renewable	821.4	74.5%	928.5	76.6%
Efficient natural gas & heat	113.6	10.3%	123.7	10.2%
Transmission lines	113.2	10.3%	105.6	8.7%
Water	53.8	4.9%	53.9	4.5%
Total revenue	**1,102.0**	**100.0%**	**1,211.7**	**100.0%**

Adjusted EBITDA by business sector	Year ended December 31, 2022 $ in millions	2022 % of Adjusted EBITDA	2021 $ in millions	2021 % of Adjusted EBITDA
Renewable energy	588.0	73.8%	602.6	73.1%
Efficient natural gas & heat	84.6	10.6%	100.0	12.1%
Transmission lines	88.0	11.0%	83.6	10.2%
Water	36.5	4.6%	38.2	4.6%
Adjusted EBITDA(1)	**797.1**	**100.0%**	**824.4**	**100.0%**

Note: We refer to the section "Non-GAAP Financial Measures", for a definition of our Adjusted EBITDA and to the section "Other Information" for a detailed reconciliation

Volume by business sector	Volume produced/availability Year ended December 31, 2022	2021
Renewable energy (GWh)(1)	5,319	4,655
Efficient natural gas & Heat (GWh) (2)	2,501	2,292
Efficient natural gas & Heat availability	98.9%	100.6%
Transmission lines availability	100.0%	100.0%
Water availability	102.3%	97.9%

Note:

(1) Includes curtailment production in wind assets for which we receive compensation. Includes our 49% of Vento II wind portfolio production since its acquisition.

(2) GWh produced includes 30% of the production from Monterrey.

Renewable Energy

Revenue decreased to $821.4 million for the year ended December 31, 2022, which represents a decrease of 11.5% compared to $928.5 million for the year ended December 31, 2021. On a constant currency basis, revenue in 2022 was $878.5 million, which represents a decrease of 5.4% compared to 2021. Additionally, on a constant currency basis and excluding the non-recurrent solar project accounted for in 2021, revenue in 2022 increased by 4.2%. The increase in revenue was primarily due to the contribution from the recently acquired assets Coso, La Sierpe, our PV assets in Italy and Chile PV 3. Revenue also increased at Kaxu, as well as at our solar assets in North America. Revenue also increased at our wind assets in Uruguay in spite of lower wind resources as previously described.

Adjusted EBITDA decreased to $588.0 million for the year ended December 31, 2022, which represents a decrease of 2.4% compared to $602.6 million for the year ended December 31, 2021. On a constant currency basis, Adjusted EBITDA in 2022 was $626.7 million which represents an increase of 4.0% compared to 2021. Additionally, on a constant currency basis and excluding the non-recurrent solar project accounted for in 2021, Adjusted EBITDA increased by 4.2%. Adjusted EBITDA increased mainly due to the increase in Revenue and the contribution of Vento II. This increase was partially offset by lower Adjusted EBITDA at our solar assets in North America and Spain, as previously discussed.

Efficient Natural Gas and Heat

Revenue decreased by 8.2% to $113.6 million for the year ended December 31, 2022, compared to $123.7 million for the year ended December 31, 2021, while Adjusted EBITDA decreased by 15.4% to $84.6 million for the year ended December 31, 2022, compared to $100.0 million for the year ended December 31, 2021. Revenue at ACT is recorded under IFRIC 12 - financial asset model. Although billings to clients increased in 2022 compared to 2021 as a result of inflation indexation, accounting revenue decreases progressively over time. Revenue at ACT also decreased due to lower operation and maintenance costs, since there is a portion of revenue related to operation and maintenance services plus a margin. Operation and maintenance costs were higher in 2021 as it happens in the quarters preceding any major maintenance works. Adjusted EBITDA decreased largely for the same reasons.

Transmission Lines

Revenue increased by 7.2% to $113.2 million for the year ended December 31, 2022, compared to $105.6 million for the year ended December 31, 2021, while Adjusted EBITDA increased by 5.2% to $88.0 million for the year ended December 31, 2022 compared to $83.6 million for the year ended December 31, 2021. The increase in revenue and Adjusted EBITDA was mainly due to the contribution of the recently acquired asset Chile TL 4 and to lower operation and maintenance costs at some of our transmission lines in 2022 after a renegotiation with the supplier of these services.

Water

Revenue remained stable at $53.8 million for the year ended December 31, 2022, compared to $53.9 million for the year ended December 31, 2021. Adjusted EBITDA decreased by 4.5% to $36.5 million for the year ended December 31, 2022, compared to $38.2 million for the year ended December 31, 2021. Operating expenses were higher in 2022 mostly due to higher availability in Tenes, which caused the decrease in Adjusted EBITDA. Revenue follows the IFRIC 12- financial model and did not increase accordingly.

Comparison of the Years Ended December 31, 2021 and 2020

The significant variances in revenue and volume, by geographic region and business sector, between the years ended December 31, 2021 and December 31, 2020, are discussed in 2021 Consolidated Annual Report and Financial Statements.

Liquidity and Capital Resources

Our principal liquidity and capital requirements consist of the following:

- debt service requirements on our existing and future debt;
- cash dividends to investors; and
- investments in new assets and companies and operations.

As part of our business, depending on market conditions, we will from time to time consider opportunities to repay, redeem, repurchase or refinance our indebtedness. Changes in our operating plans, lower than anticipated sales, increased expenses, acquisitions or other events may cause us to seek additional debt or equity financing in future periods. There can be no guarantee that financing will be available on acceptable terms or at all. Debt financing, if available, could impose additional cash payment obligations and additional covenants and operating restrictions. In addition, any of the items discussed in detail under "Principal Risk and Uncertainties" and other factors may also significantly impact our liquidity.

Liquidity Position

	Year ended December 31,	
	2022	2021
	($ in millions)	
Corporate liquidity		
Cash and cash equivalents at Atlantica Sustainable Infrastructure, plc, excluding subsidiaries	60.8	88.3
Revolving credit facility availability	385.1	440.0
Total Corporate liquidity(1)	**445.9**	**528.3**
Liquidity at project companies		
Restricted cash	207.6	254.3
Non-restricted cash	332.6	280.1
Total cash at project companies	**540.2**	**534.4**

Note:

(1) Corporate liquidity means cash and cash equivalents held at Atlantica Sustainable Infrastructure plc as of December 31, 2022, and available revolver capacity as of December 31, 2022.

Cash at the project level includes $207.6 million and $254.3 million restricted cash balances as of December 31, 2022 and 2021, respectively. Restricted cash consists primarily of funds required to meet the requirements of certain project debt arrangements. In the case of Solana, part of the restricted cash is being used and is expected to be used for equipment replacement. As of December 31, 2021, restricted cash also included Kaxu's cash balance, given that the project financing of this asset was under a theoretical event of default which was resolved as of March 31, 2022.

Non-restricted cash at project companies includes among others, the cash that is required for day-to-day management of the companies, as well as amounts that are earmarked to be used for debt service and distributions in the future.

As of December 31, 2022, $34.9 million of letters of credit were outstanding under the Revolving Credit Facility and we had $30 million of borrowings. As a result, as of December 31, 2022 $385.1 million was available under the Revolving Credit Facility. As of December 31, 2021, we had $10.0 million of letters of credits outstanding, and we had no borrowing. As a result, $440.0 million was available under our Revolving Credit Facility as of December 31, 2021.

Management believes that the Company's liquidity position, cash flows from operations and availability under its Revolving Credit Facility will be adequate to meet the Company's working capital requirements, financial commitments and debt obligations; growth, operating and maintenance capital expenditures; and dividend distributions to shareholders. Management continues to regularly monitor the Company's ability to finance the needs of its operating, financing and investing activities within the guidelines of prudent balance sheet management.

Credit Ratings

Credit rating agencies rate us and part of our debt securities. These ratings are used by the debt markets to evaluate our credit risk. Ratings influence the price paid to issue new debt securities as they indicate to the market our ability to pay principal, interest and dividends.

The following table summarises our credit ratings as of December 31, 2022. The ratings outlook is stable for S&P and Fitch.

	S&P	Fitch
Atlantica Sustainable Infrastructure corporate rating	BB+	BB+
Senior secured debt	BBB-	BBB-
Senior unsecured debt	BB	BB+

Sources of Liquidity

We expect our ongoing sources of liquidity to include cash on hand, cash generated from our operations, project debt arrangements, corporate debt and the issuance of additional equity securities, as appropriate, and given market conditions. Our financing agreements consist mainly of the project-level financing for our various assets and our corporate debt financings, including our Green Exchangeable Notes, the Note Issuance Facility 2020, the 2020 Green Private Placement, the Green Senior Notes, the Revolving Credit Facility, the "at-the-market programme", other credit lines and our commercial paper programme.

	Maturity	2022	2021
		$ in millions	
Revolving Credit Facility	2024	29.4	-
Other Facilities[1]	2023-2026	30.1	41.7
Green Exchangeable Notes	2025	107.1	104.3
2020 Green Private Placement	2026	308.4	327.1
Note Issuance Facility 2020	2027	147.2	155.8
Green Senior Notes	2028	395.1	394.2
Total Corporate Debt		**1,017.2**	**1,023.1**
Total Project Debt		**4,553.1**	**5,036.2**

Note:

(1) Other facilities include the commercial paper programme issued in October 2020, accrued interest payable and other debts.

A) <u>Corporate Debt Agreements</u>

- Green Senior Notes

  On May 18, 2021, we issued the Green Senior Notes with an aggregate principal amount of $400 million due in 2028. The Green Senior Notes bear interest at a rate of 4.125% per year, payable on June 15 and December 15 of each year, commencing December 15, 2021, and will mature on June 15, 2028.

The Green Senior Notes were issued pursuant to an Indenture, dated May 18, 2021, by and among Atlantica as issuer, Atlantica Peru S.A., ACT Holding, S.A. de C.V., Atlantica Infraestructura Sostenible, S.L.U., Atlantica Investments Limited, Atlantica Newco Limited, Atlantica North America LLC, as guarantors, BNY Mellon Corporate Trustee Services Limited, as trustee, The Bank of New York Mellon, London Branch, as paying agent, and The Bank of New York Mellon SA/NV, Dublin Branch, as registrar and transfer agent.

Our obligations under the Green Senior Notes rank equal in right of payment with our outstanding obligations under the Revolving Credit Facility, the 2020 Green Private Placement, the Note Issuance Facility 2020 and the Green Exchangeable Notes.

- Green Exchangeable Notes

On July 17, 2020, we issued 4.00% Green Exchangeable Notes amounting to an aggregate principal amount of $100 million due in 2025. On July 29, 2020, we issued an additional $15 million aggregate principal amount in Green Exchangeable Notes. The Green Exchangeable Notes are the senior unsecured obligations of Atlantica Jersey, a wholly owned subsidiary of Atlantica, and fully and unconditionally guaranteed by Atlantica on a senior, unsecured basis. The Green Exchangeable Notes mature on July 15, 2025, unless they are repurchased or redeemed earlier by Atlantica or exchanged, and bear interest at a rate of 4.00% per annum.

Noteholders may exchange all or any portion of their notes at their option at any time prior to the close of business on the scheduled trading day immediately preceding April 15, 2025, only during certain periods and upon satisfaction of certain conditions. Noteholders may exchange all or any portion of their notes during any calendar quarter if the last reported sale price of Atlantica's ordinary shares for at least 20 trading days during a period of 30 consecutive trading days, ending on the last trading day of the immediately preceding calendar quarter is greater than 120% of the exchange price on each applicable trading day. On or after April 15, 2025, until the close of business on the second scheduled trading day immediately preceding the maturity date thereof, noteholders may exchange any of their notes at any time, at the option of the noteholder. Upon exchange, the notes may be settled, at our election, into Atlantica ordinary shares, cash or a combination of both. The initial exchange rate of the notes is 29.1070 ordinary shares per $1,000 of the principal amount of notes (which is equivalent to an initial exchange price of $34.36 per ordinary share). The exchange rate is subject to adjustment upon the occurrence of certain events.

Our obligations under the Green Exchangeable Notes rank equal in right of payment with our outstanding obligations under the Revolving Credit Facility, the 2020 Green Private Placement, the Note Issuance Facility 2020 and the Green Senior Notes.

- Note Issuance Facility 2020

On July 8, 2020, we entered into the Note Issuance Facility 2020, a senior unsecured euro-denominated financing with a group of funds managed by Westbourne Capital as purchasers of the notes issued thereunder for a total amount of €140 million ($150 million). The notes under the Note Issuance Facility 2020 were issued on August 12, 2020 and are due on August 12, 2027. Interest accrues at a rate per annum equal to the sum of the 3-month EURIBOR plus a margin of 5.25% with a floor of 0% for the EURIBOR. We have entered into a cap at 0% for the EURIBOR with 3.5 years maturity (from now) to hedge the variable interest rate risk.

Our obligations under the Note Issuance Facility 2020 rank equal in right of payment with our outstanding obligations under the Revolving Credit Facility, the 2020 Green Private Placement, the Green Exchangeable Notes and the Green Senior Notes. The notes issued under the Note Issuance Facility 2020 are guaranteed on a senior unsecured basis by our subsidiaries Atlantica Infraestructura Sostenible, S.L.U., Atlantica Peru, S.A., ACT Holding, S.A. de C.V., Atlantica Investments Limited, Atlantica Newco Limited and Atlantica North America LLC.

- 2020 Green Private Placement

  On March 20, 2020, we entered into a senior secured note purchase agreement with a group of institutional investors as purchasers providing for the 2020 Green Private Placement. The transaction closed on April 1, 2020, and we issued notes for a total principal amount of €290 million ($310 million), maturing on June 20, 2026. Interest accrues at a rate per annum equal to 1.96%. If at any time the rating of these senior secured notes is below investment grade, the interest rate thereon would increase by 100 basis points until such notes are again rated investment grade.

  Our obligations under the 2020 Green Private Placement rank equal in right of payment with our outstanding obligations under the Revolving Credit Facility, the Note Issuance Facility 2020 and the Green Senior Notes. Our payment obligations under the 2020 Green Private Placement are guaranteed on a senior secured basis by our subsidiaries Atlantica Infraestructura Sostenible, S.L.U., Atlantica Peru, S.A., ACT Holding, S.A. de C.V., Atlantica Investments Limited, Atlantica Newco Limited and Atlantica North America LLC. The 2020 Green Private Placement is also secured with a pledge over the shares of the subsidiary guarantors, the collateral of which is shared with the lenders under the Revolving Credit Facility.

- Revolving Credit Facility

  On May 10, 2018, we entered into a $215 million Revolving Credit Facility with a syndicate of banks. The Revolving Credit Facility was increased by $85 million to $300 million on January 25, 2019, and was further increased by $125 million (to a total limit of $425 million) on August 2, 2019. On March 1, 2021, this facility was further increased by $25 million (to a total limit of $450 million). On May 5, 2022, the maturity of the Revolving Credit Facility was extended to December 31, 2024. Under the Revolving Credit Facility, we are also able to request the issuance of letters of credit, which are subject to a sublimit of $100 million that are included in the aggregate commitments available under the Revolving Credit Facility.

  Loans under the Revolving Credit Facility accrue interest at a rate per annum equal to: (A) for euro dollar rate loans, Term SOFR, plus a Term SOFR Adjustment equal to 0.10% per annum, plus a percentage determined by reference to our leverage ratio, ranging between 1.60% and 2.25% and (B) for base rate loans, the highest of (i) the rate per annum equal to the weighted average of the rates on overnight U.S. Federal funds transactions with members of the U.S. Federal Reserve System arranged by U.S. federal funds brokers on such day plus ½ of 1.00%, (ii) the prime rate of the administrative agent under the Revolving Credit Facility and (iii) Term SOFR plus 1.00%, in any case, plus a percentage determined by reference to our leverage ratio, ranging between 0.60% and 1.00%.

Our obligations under the Revolving Credit Facility rank equal in right of payment with our outstanding obligations under the 2020 Green Private Placement, the Note Issuance Facility 2020, the Green Exchangeable Notes and the Green Senior Notes. Our payment obligations under the Revolving Credit Facility are guaranteed on a senior secured basis by Atlantica Infraestructura Sostenible, S.L.U., Atlantica Peru, S.A., ACT Holding, S.A. de C.V., Atlantica Investments Limited, Atlantica Newco Limited and Atlantica North America LLC. The Revolving Credit Facility is also secured with a pledge over the shares of the subsidiary guarantors, the collateral of which is shared with the holders of the notes issued under the 2020 Green Private Placement.

- Other Credit Lines

In July 2017, we signed a line of credit with a bank for up to €10.0 million ($10.7 million) which was available in euros or U.S. dollars. Amounts drawn accrue interest at a rate per annum equal to the sum of the 3-month EURIBOR or LIBOR, plus a margin of 2%, with a floor of 0% for the EURIBOR or LIBOR. On July 1, 2022, the maturity was extended to July 1, 2024. As of December 31, 2022, we had $6.4 million drawn under this line of credit.

In December 2020 and January 2022, we also entered into two different loans with banks for €5 million ($5.4 million) each. The maturity dates are December 4, 2025 and January 31, 2026, respectively, and such loans accrue interest at a rate per annum equal to 2.50% and 1.90%, respectively.

- Commercial Paper Programme

On October 8, 2019, we filed a euro commercial paper programme with the Alternative Fixed Income Market (MARF) in Spain. The programme had an original maturity of twelve months and has been extended twice, for annual periods. The programme allows Atlantica to issue short term notes for up to €50 million, with such notes having a tenor of up to two years. As of December 31, 2022, we had €9.3 million ($10.0 million) issued and outstanding under the Commercial Paper Programme at an average cost of 2.21% maturing on or before March 7, 2023.

- Covenants, restrictions, and events of default

The Note Issuance Facility 2020, the 2020 Green Private Placement, the Green Senior Notes and the Revolving Credit Facility contain covenants that limit certain of our and the guarantors' activities. The Note Issuance Facility 2020, the 2020 Green Private Placement and the Green Exchangeable Notes also contain customary events of default, including a cross-default with respect to our indebtedness, indebtedness of the guarantors thereunder and indebtedness of our material non-recourse subsidiaries (project-subsidiaries) representing more than 25% of our cash available for distribution distributed in the previous four fiscal quarters, which in excess of certain thresholds could trigger a default. Additionally, under the 2020 Green Private Placement, the Revolving Credit Facility and the Note Issuance Facility 2020 we are required to comply with a leverage ratio of our corporate indebtedness excluding non-recourse project debt to our cash available for distribution of 5.00:1.00 (which may be increased under certain conditions to 5.50:1.00 for a limited period in the event we consummate certain acquisitions).

Furthermore, our corporate debt agreements contain customary change of control provisions (as such term is defined in each of those agreements) or similar provisions. Under the Revolving Credit Facility, a change of control without required lenders' consent would trigger an event of default. In the other corporate debt agreements or securities, a change of control or similar provision without the consent of the relevant required holders would trigger the obligation to make an offer to purchase the respective notes at (i) 100% of the principal amount in the case of the 2020 Green Private Placement and Green Exchangeable Notes and at (ii) 101% of the principal amount in the case of the Note Issuance Facility 2020 and the Green Senior Notes. In the case of the Green Senior Notes, such prepayment obligation would be triggered only if there is a credit rating downgrade by any of the agencies.

B) At-The-Market Programme

On February 28, 2022, we established an "at-the-market programme" and entered into the Distribution Agreement with BofA Securities, Inc., MUFG Securities Americas Inc. and RBC Capital Markets LLC, as our sales agents, under which we may offer and sell from time to time up to $150 million of our ordinary shares, including in "at-the-market" offerings under our shelf registration statement on Form F-3 filed with the SEC on August 3, 2021, and a prospectus supplement that we filed on February 28, 2022. For the year ended December 31, 2022, we issued and sold 3,423,593 ordinary shares under such programme at an average market price of $33.57 per share pursuant to our Distribution Agreement, representing gross proceeds of $114.9 million and net proceeds of $113.8 million.

C) Project debt refinancing

Solacor 1 & 2

In October 2022, we refinanced the project debt of Solacor 1 & 2. The new financing is a green euro-denominated loan with a syndicate of banks for a total amount of €205.0 million. The maturity has been extended until 2037. Interest accrues at a rate per annum equal to the sum of 6-month EURIBOR plus a margin of 1.50% between 2022-2027, 1.60% between 2027-2032 and 1.70% between 2032-2037. We have hedged our EURIBOR exposure:

- 71% through a swap set at 2.36% for the life of the financing
- 19% by maintaining the existing 1% strike caps with maturity in 2025.

This financing arrangement permits cash distribution to shareholders twice per year if the debt service coverage ratio is at least 1.15x.

Solnova 1, 3 & 4

In December 2022, we refinanced the project debt of Solnova 1, 3 & 4. The new financing agreement is a green euro-denominated loan with a syndicate of banks for a total amount of €338.5 million. The new project debt replaced the previous three project loans and maturity was extended from 2029 and 2030 to June 2035. Interest accrues at a rate per annum equal to the sum of 6-month EURIBOR plus a margin of 1.50% between 2023-2027, 1.65% between 2028-2032 and 1.80% between 2033 onwards. The principal is 90% hedged for the life of the loan through a combination of the following instruments:

- a swap with a 3.23% strike with initial notional of €170.3 million starting in December 2022 and decreasing over time until maturity.
- a cap with a 1.0% strike with initial notional of €134.2 million starting in December 2022 and decreasing over time until December 2025.
- a cap with a 2.0% strike with initial notional of €64.9 million starting June 2026 and decreasing over time until December 2030.

This financing arrangement permits cash distribution to shareholders twice per year if the debt service coverage ratio is at least 1.10x from 2023 to 2032 and 1.15x from 2032 onwards.

Both refinancing agreements also include a mechanism under which, in the case that electricity market prices are above certain levels defined in the contract, a reserve account should be established and funded on a six-month rolling basis for the additional revenue arising from the difference between actual prices and prices defined in the agreement. Under certain conditions, such amounts, if any, should be used for early prepayments upon regulatory parameters changes.

Use of Liquidity and Capital Requirements

A) Debt service

Principal payments on debt as of December 31, 2022, are due in the following periods according to their contracted maturities:

$ in millions	2023	2024	2025	2026	2027	Subsequent Years	Total
Project Debt	328.6	323.7	442.9[1]	358.5	505.0	2,596.4	4,553.1
Corporate Debt	16.7	38.9	110.2	309.1	147.3	395.0	1,017.2
Total Debt	**345.3**	**362.6**	**553.1**	**667.6**	**652.3**	**2,989.4**	**5,570.3**

Note:

(1) Includes the outstanding amount of the Green Project Finance from the sub-holding company of Solaben 1 & 6 and Solaben 2 & 3. This facility is 25% progressively amortised over its 5-year term and the remaining 75% is expected to be refinanced before maturity.

The project debt maturities will be repaid with cash flows generated from the projects in respect of which that financing was incurred.

B) Contractual obligations

In addition to the principal repayment debt obligations detailed above, we have other contractual obligations to make future payments. The material obligations consist of interest related to our project debt and corporate debt and agreements in which we enter in the normal course of business.

	Total	Up to one year	Between one and three years	Between three and five years	Subsequent years
			$ in millions		
Purchase commitments	823.9	96.8	154.3	107.9	464.8
Accrued interest estimate during the useful life of loans	1,821.9	264.6	477.9	383.3	696.0

Purchase obligations include agreements for the purchase of goods or services that are enforceable and legally binding and that specify all significant terms. In 2022, we reached an agreement to internalise some of our long-term operation and maintenance contracts at Kaxu and at part of our solar assets in Spain and to reduce the duration of other contracts. As a result, Purchase commitments have decreased with respect to December 31, 2022.

Accrued interest estimate during the useful life of loans represents the estimation for the total amount of interest to be paid or accumulated over the useful life of the loans, notes and bonds, taking into consideration the hedging contracts.

C) Cash dividends to investors

We intend to distribute a significant portion of our cash available for distribution to shareholders on an annual basis less reserves for the prudent conduct of our business. We intend to distribute a quarterly dividend to investors. The determination of the amount of the cash dividends to be paid to shareholders will be made by our Board of directors and will depend upon our financial condition, results of operations, cash flow, long-term prospects and any other matters that our Board of Directors deem relevant.

Our cash available for distribution is likely to fluctuate from quarter to quarter and, in some cases, significantly as a result of the seasonality of our assets, the terms of our financing arrangements, maintenance and outage schedules, among other factors. Accordingly, during quarters in which our projects generate cash available for distribution in excess of the amount necessary for us to pay our stated quarterly dividend, we may reserve a portion of the excess to fund cash distributions in future quarters. During quarters in which we do not generate sufficient cash available for distribution to fund our stated quarterly cash dividend, if our Board of Directors so determines, we may use retained cash flow from other quarters, and other sources of cash to pay to our shareholders.

The table below included our historical quarterly dividends since the beginning of 2022:

Declared	Record	Paid	US$ per share
February 25, 2022	March 14, 2022	March 25, 2022	0.44
May 5, 2022	May 31, 2022	June 15, 2022	0.44
August 2, 2022	August 31, 2022	September 15, 2022	0.445
November 8, 2022	November 30, 2022	December 15, 2022	0.445
February 28, 2023	March 14, 2023	March 25, 2023	0.445

D) Investments and Acquisitions

The investments detailed in "Significant events in 2022" have been part of the use of our liquidity in 2022. We expect to continue making investments in assets in operation, or under construction or development to grow our portfolio.

E) Capital Expenditures

In 2022, we invested $39.1 million in maintenance capital expenditures in our assets. From this amount, $20.5 million corresponded to investments in the storage system at Solana. In 2021, we invested $19.2 million in maintenance capital expenditures in our assets, mainly corresponding to capital expenditures and equipment replacements at Solana. In some cases, maintenance capex is included in the operation and maintenance agreement, therefore it is included in operating expenses within our income statement.

Wildlife and Vegetation Protection

Principal Risks and Uncertainties

Effective risk management is an essential part of our culture and strategy. Our corporate policies are supported by a solid commitment to risk management that guides all our decisions.

Our Approach to Risk

- We recognise that risks are inherent to our business. Only through adequate risk management we can reduce uncertainty to make the right strategic decisions and to implement our growth plan and investment strategy.
- Exposure to risks must be consistent with our risk appetite. The Board regularly reviews the acceptable level of exposure to principal and emerging risks.
- Risks are aligned with our risk appetite, taking into consideration the balance between threats and opportunities.
- We recognise the importance of a strong culture, which refers to our shared attitudes, values and standards that shape behaviours related to risk awareness, risk taking and risk management.
- All our people are responsible for risk management, with the ultimate accountability residing with the Board. Each business geography carries out risk evaluations to ensure the sound identification, management, monitoring and reporting of risks that could impact the achievement of our goals.
- Risk is analysed using a consistent framework. Our risk management methodology is applied to all our operating companies, projects, development activities and support areas so that we have a comprehensive view of the uncertainties that could affect us in achieving our strategic goals.
- We are committed to continuous improvement. Lessons learned and best practices are incorporated into our procedures to protect and unlock sustainable value.

Our Risk Appetite

We define risk appetite as the nature and extent of risk Atlantica is willing to accept in relation to the pursuit of its objectives. A scale is used to help determine the risk appetite threshold for each risk, keeping in consideration that risk appetite may change over time. The risk management approach is based on the assessment of risk appetite performed by management and shared with the Board of Directors.

The following principles guide Atlantica´s overarching appetite for risk and determine how our businesses and risks are managed.

<u>Operating model and business practice</u>

- We are committed to prioritising and actively promoting health and safety as a tool to protect the integrity and health of our employees, subcontractors and partners involved in our business activity.
- We seek to generate returns in line with a conservative risk appetite and strong risk management capability.
- We aim to deliver sustainable and consistent returns for shareholders.

- We are strongly committed to complying with all rules and regulations. We continuously strive for the highest standards of business conduct, safety and professionalism.
- We are committed to managing the climate risks that have an impact on our business and delivering on our emissions reduction targets.

Maintain a contracted portfolio with a low risk profile

- We intend to maintain a portfolio with a majority of assets contracted or regulated with long useful life and a stable and predictable long-term cash flow profile.
- We seek to invest generally in assets with proven technologies in which we normally have significant experience, located in countries where we believe conditions to be stable.
- We may complement our portfolio with investments or co-investments in assets with shorter contracts or with partially contracted or merchant revenue or in assets with revenue in currencies other than U.S. dollar or euro.
- In terms of operational efficiency, we focus on ensuring long-term availability, reliability and asset integrity with maintenance and monitoring.

Maintain a prudent financial policy and financial flexibility

- Non-recourse project debt is an important principle for us. We intend to continue financing our assets with project debt progressively amortised using the cash flows from each asset and where lenders do not have recourse to the holding company assets.
- We hedge a significant portion of our interest rate risk exposure for the long-term.
- We limit our foreign exchange exposure. We intend to ensure that at least 80% of our cash available for distribution is always in U.S. dollars and euros. Furthermore, we hedge net distributions in euros for the upcoming 24 months on a rolling basis.
- We intend to maintain a solid liquidity position through a combination of cash on hand and undrawn credit facilities.
- In order to maintain financial flexibility, we use diversified sources of financing in our project and corporate debt including banks, capital markets and private investor financing.

Additionally, our policies and management systems include thorough risk analysis and risk management processes applied on an ongoing basis from the date of asset acquisition or the beginning of construction.

We seek to build our business for the long term by balancing social, environmental and economic considerations in the decisions we make. Our strategic priorities are underpinned by our endeavour to operate in a sustainable way. This helps us to manage the risk profile of the business.

Our Risk Management Framework

Risk Governance

The Board, with the support of management, has overall responsibility for risk management and determines the nature and extent of the principal and emerging risks that we will accept in order to achieve our strategic objectives. The Board receives detailed analysis of key matters in advance of Board meetings. This includes reports on our operating performance including safety and health, financial, environmental, legal and social matters, and key progresses in our business development activities, as well as information on talent management and analysis of financial investments. The provision of this information allows the early identification of potential issues and the assessment of any necessary preventive and mitigating actions.

The Audit Committee assists the Board by reviewing the effectiveness of the risk management process and monitoring principal and emerging risks, preventive and mitigation procedures and action plans. The Chair of the Audit Committee reports to the Board when required and, if necessary, the Board discusses the matters raised in greater detail.

The Risk Management Department is responsible for risk management systems across the Company. It implements the Company's risk management policy, vision and purpose to ensure a strong risk management culture at all levels of the organisation. The Department supports business areas in analysing their risks, identifying existing preventive and mitigating controls and defining further action plans. It maintains and regularly updates the Company's risk map matrix.

The Business Committee, which is comprised of our Geographic VPs and top management assesses the Company's principal risks and their potential impact on the achievement of our strategic goals. The Committee promotes our risk management culture in each of the business areas.

Atlantica has developed a risk analysis methodology based on ISO 31000 standard and on common market practices. The risk analysis comprises the following steps:

- Risk Identification (ex-ante): identify causes that may turn into a risk situation, classifying those potential causes as natural, human, intentioned, accidental, and technological.
- Risk Assessment: evaluate the risk considering its likelihood and potential impact.
- Risk Management Plan: focused on mitigating risk effects. To prevent unexpected events, Atlantica's Risk Management corporate team in collaboration with Geographic VPs, analyse unexpected risks in each of our geographies and define a Prevention and Mitigation Plan for each risk.

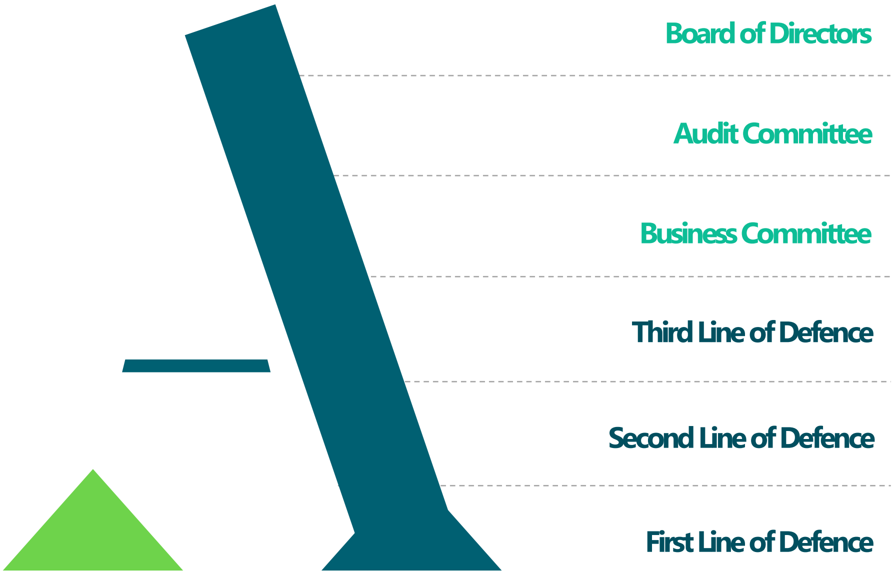
The Head of Risk Management coordinates the risk identification, assessment, monitoring and mitigation effort primarily with the Geographic VPs. The resulting Risk Heat Map is periodically reviewed and approved by the senior management team including Atlantica's VPs, the Chief Financial Officer, and the Chief Executive Officer and reported to the Board quarterly.

Atlantica's risk management process follows a multidisciplinary approach to identifying risks in different areas, assigning probability distributions, and estimating potential economic impacts in order to develop action plans to mitigate the main risks facing the Company. The process includes completing a questionnaire regarding risk indicators and economic impact. An output of the process includes reporting on each major risk including the risk assessment, mitigation strategies, deadlines, and responsible parties. Risks are re-assessed on a quarterly basis.

The Finance Committee monitors market risks such as interest rate risk, foreign exchange risk and credit risk and is also responsible for monitoring and managing liquidity risks.

In addition, the Operations Department and the Operations Committee are responsible for monitoring and preventing health and safety, operational and environmental risks.

Risk management Structure



Board of Directors

- Overall responsibility for risk management and its alignment with the strategy
- Defines risk appetite and sets the "tone from the top"
- Reviews, challenges and monitors principal risks

Audit Committee

- Makes recommendations to the Board on the risk management system
- Reviews the effectiveness and implementation of the risk management system

Business Committee

- Assesses risks and their potential impact on the achievement of our strategic goals
- Promotes our risk management culture in each of the business areas
- Is the owner of principal risks
- Approves the Risk Management Policies

Third Line of Defence

- The Internal Audit Department provides assurance on the risk management process, including the effectiveness of the performance of the first and second lines of defence.

Second Line of Defence

- The Risk Management Department is accountable for monitoring our overall risk profile and risk management performance, registering risks and issuing alerts if any deviation is detected.
- Make recommendations on the risk management system.

First Line of Defence

- Each person is responsible for identifying, preventing and mitigating risks in their business area and escalating concerns to the appropriate level if required.

Principal risks

The Company and its underlying assets are subject to a number of risks including operational, regulatory, financial, and other. The processes and systems implemented have been designed to mitigate those risks to the extent possible.

Brexit and COVID-19 were identified as principal risks in 2021 but are no longer considered significant. However, we remain vigilant in our health and safety measures. On the other hand, we have included the potential impacts of dependence on certain key personnel because employee turnover has increased in 2022.

We include the following table as a summary of some of those risks and action plans carried out to mitigate them:

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
Safety and health incidents could result in harm to our employees, contractors and local communities and expose us to significant financial losses, as well as civil and criminal liabilities. The ownership, construction and operation of our assets often put our employees and others, including those of our subcontractors, in close proximity with large pieces of mechanised equipment, moving vehicles, manufacturing or industrial processes, electrical equipment, batteries, heat or liquids stored under pressure or at high temperatures and highly regulated materials. On most projects and at most facilities, we, in some cases together with the operation and maintenance supplier or the EPC contractor supplier, are responsible for safety. Accordingly, we must implement safe practices and safety procedures, which are also applicable to on-site subcontractors. If we or the operation and maintenance supplier or the EPC contractor fail to design and implement such practices	**Low**	⇧	As our construction activity increases, our exposure to accidents has also increased, since accident performance indicators are typically higher in construction activities compared to operation and maintenance. In 2022 all our key health and safety indicators met annual targets and remained below sector average. 2022 GFI was 5.2 and FWLI was 3, compared to 6.0 and 2.3 in 2021 (see "Occupational Health and Safety"). Although our ratios remain low, the FWLI increased with respect to the previous year, which is mostly due to the increase in our construction activity. We continue to closely monitor all accidents and incidents. As the construction activity of new projects increases in 2023 and 2024, the exposure to this risk is expected to increase.	- Safety is our top priority and one of our core values. - Atlantica has implemented a Health and Safety programme, which is key to mitigating this risk and has been in place since 2017. We regularly audit our assets and implement new best practices based on lessons learned in other assets, as well as from peers, contractors and suppliers. - We have defined a plan to reinforce our health and safety procedures during the construction phase and to involve the EPC contractors. - To integrate recently acquired assets we have performed specific external and internal audits, issued new safety campaigns and bulletins, performed safety inspections, procedures and training, and extended health and

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
and procedures or if the practices and procedures are ineffective or if our operation and maintenance service providers or the contractors in charge of the construction of our assets or other suppliers do not follow them, our employees and others may become injured. This could result in civil and criminal liabilities against the Company. We are also subject to regulations dealing with occupational health and safety and environmental work procedures throughout our organisation. The failure to comply with such regulations could subject us to reputational damage and/or liability.				safety bonuses to certain employees to improve supervision. - The short-term variable compensation of our CEO, Geographic VPs, Head of Operations and other members of our management includes Health and Safety targets. - See section "Occupational Health and Safety" for a comprehensive description of our initiatives.
Counterparty credit risk Not being able to collect our revenues. A significant portion of the electric power we generate, the transmission capacity we have, and our desalination capacity are sold under long-term off-take agreements with public utilities, industrial or commercial end-users or governmental entities, with a weighted average remaining duration of approximately 14 years as of December 31, 2022. If any of our clients are unable or unwilling to fulfil their contractual obligations or if they delay payments, our business, financial condition, results of operations and cash flow may be materially adversely affected. Eskom is the off-taker of our Kaxu solar plant, a state-owned, limited liability company, wholly owned by the	**Medium/ Low**	≈	The credit rating of Eskom has been stable during 2022 and we have never experienced delays in collections. In the case of Pemex, there was a downgrade of its credit rating by Moody's in 2022. We have experienced delays in the past. However, as of December 31, 2022 the delays were shorter than in previous quarters.	In the case of Kaxu, Eskom's payment guarantees to our Kaxu solar plant are underwritten by the South African Department of Energy, under the terms of an implementation agreement. The credit ratings of the Republic of South Africa as of the date of this report are BB-/Ba2/BB- by S&P, Moody's and Fitch, respectively. In the case of Pemex, during 2022 we have maintained a pro-active approach including fluid dialogue with our client.

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
Republic of South Africa. The credit rating of Eskom has weakened in the last few years and is currently CCC+ from S&P Global Rating ("S&P"), Caa1 from Moody's Investor Service Inc. ("Moody's") and BB- from Fitch Ratings Inc. ("Fitch"). In addition, Pemex's credit rating is currently BBB, B1 and BB- from S&P, Moody's and Fitch, respectively. We have experienced delays in collections from Pemex in the past, especially since the second half of 2019, which have been significant in certain quarters.				
Poor performance of assets If our assets perform worse than expected, we can experience loss of revenues and cash flows at the project level, which subsequently impacts cash returns to the Company. The ability of certain assets in our portfolio to meet our performance expectations is subject to the risks inherent to the operation of such facilities, including, but not limited to, degradation of equipment in excess of our expectations, system failures and outages and more operational costs or maintenance capital expenditures than initially expected. In addition, Atlantica relies on third parties for the supply of services and equipment, including technologically complex equipment and software, and operation and maintenance services to operate our assets.	**Low**	⇧	During 2022, our assets have generally performed fairly in line with expectations. However, at Solana, availability in the storage system was lower than expected due to the repairs and replacements that we are carrying out after leaks were identified in the first quarter of 2020. These works have impacted production in 2021 and 2022 and may impact production in 2023. We have experienced delays in 2021 and 2022 in the repairs and replacements we are carrying out. These works have impacted production in 2021 and 2022, together with a lower solar field performance, and may impact production in 2023.	- Dedicated supervisory and management teams in place at our assets. - Reporting and monitoring systems in place. - Asset managers are responsible for completing checklists designed to identify operational, maintenance and engineering, risks, improve efficiency and reduce costs at asset level. - Our corporate operations team performs regular operational, maintenance and engineering audits to identify risks, implement and follow-up on mitigation plans and best practices and share insights gained from other assets. - Risk-related training courses are regularly

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
Equipment may not last as long as expected and we may need to replace it earlier than planned. Damages to our equipment may not be covered by insurance in place. Our property damage and business interruption policies have significant deductibles and exclusions with respect to some key equipment which, if damaged, could result in financial losses and business interruption. In some cases, the replacement of damaged equipment can take a long period of time, which can cause our plants to curtail or cease operations during that time.				provided to our employees and subcontractors to improve their skills, identify new risk management practices and report them to management. - Operation and maintenance can be either carried out in-house or contracted with specialists. We have internalised operation and maintenance services in some of our assets. We have also tracked down alternative operation and maintenance opportunities in the market. - On-going analysis of insurance alternatives in the market and on-going dialogue with insurance companies present in our programme as well as alternative insurers. - The local teams, the Operations Department and the Insurance Department take ownership of managing this risk.
Dependence on key personnel and risk of work stoppages In some of our geographies, competition for qualified personnel is high. Some of our assets are in remote locations, and it may be difficult for us to retain employees or to cover certain positions. We may experience difficulty in hiring and retaining employees with appropriate qualifications. We may face high turnover,	**Low**	⇧	In 2022, our turnover has increased, in particular in the United States. This is a trend that we are observing in other companies in the sector as well.	- Remuneration packages attractive to employee, taking into account the specific geography. - Identification of employees with high potential and who are more difficult to replace. - The local teams and the People and Culture Department take ownership of managing this risk.

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
requiring us to dedicate time and resources to find and train new employees. The challenging markets in which we compete for talent may also require us to invest significant amounts of cash and equity to attract and retain employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, this could adversely impact the performance of our assets, our business and future growth prospects and our ability to compete. In addition, the operation and maintenance of most of our assets is labour intensive and in many cases our employees and our operators' employees are covered by collective bargaining agreements. A dispute with a union or employees represented by a union could result in production interruptions caused by work stoppages. If our employees or our operators' employees were to initiate a work stoppage, we may not be able to reach an agreement with them in a timely fashion. If a strike or work stoppage or disruption were to occur, our business, financial conditions, results of operations and cash flows may be materially adversely affected.				
Climate change **Risks Related to Our Business and Our Assets:** Climate change Climate change is causing an increasing number of severe, chronic and extreme weather events, which are a risk to our facilities and may impact them.	**Low**	⇧	No significant change	Acute physical: Our geographic VPs and our corporate operations team monitor weather conditions in-real time at each of the assets to adopt the required protection measures. For

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
In addition, climate change may cause transition risks, related to existing and emerging regulation related to climate change. These risks include: - Acute physical. Severe and extreme weather events include severe winds and rains, hail, hurricanes, cyclones, droughts, as well as the risk of fire and flooding. In particular: • Severe floods could damage our solar generation assets or our water facilities. Floods can also cause landslides which may affect our transmission lines. • If our transmission assets caused a fire, we could be found liable if the fire damaged third parties. • Severe winter weather, like the storm in February 2021 in Texas, could cause supply from wind farms to decline due to wind turbine equipment freezing. Also, natural gas assets could trip offline due to operational issues caused by freezing conditions. • Rising temperatures and droughts could cause wildfires like the ones that have affected California starting in 2017. In California wildfires have been especially catastrophic, causing human fatalities and significant material losses. Although our assets in California are located in areas without trees and vegetation, wildfires affected PG&E, one of our clients in the recent past (see "Downstream" described below). • Severe winds could cause				example, if winds are forecasted, our solar fields are placed in a defence mode. In addition, we also have: - Insurance policies covering: (i) physical damage and (ii) l business interruption. - A crisis management procedure defining specific action plans for all our assets. - An automatic alert system using information from U.S. National Agencies and from local weather forecast agencies. - A specific procedure for extreme weather. - Furthermore, Atlantica does not have any hedge contract in place with an obligation to deliver electricity with the potential risk of having to purchase it at market price. Chronic physical: - Our corporate operations department closely monitors the performance of each of our assets to identify measures that improve efficiency. - In addition, Atlantica has historically only withdrawn approximately 50% of the total regulatory limit of water permitted at our solar assets. Even if the water limits were to

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
damage the solar fields at our solar assets. Furthermore, components of our equipment and systems, such as structures, mirrors, absorber tubes, blades, PV panels or transformers are susceptible to being damaged by severe weather, including for example by hail or lightning. - Chronic physical. An increase in temperatures can reduce efficiency and increase operating costs at our plants. The main impacts of rising temperatures include: - Lower turbine efficiency in our efficient natural gas asset. - Reduced efficiency at our solar photovoltaic generation assets. - Lower air density at our wind facilities. - Higher consumption of chemicals used for operational purposes at our water treatment plants. Furthermore, a reduction of mean precipitation may result in a reduction of availability of water from aquifers and could also modify the main water properties at our generation facilities - Current Regulation. Atlantica is directly affected by environmental regulation at all our assets. This includes climate-related risks driven by laws, regulation, taxation, disclosure of emissions and other practices - Emerging regulation. Changes in regulation could have a negative impact on				be reduced, we believe to have margin to withdraw enough water to keep our plants working properly. Our local asset management teams systematically track and monitor water availability as a key asset KPI. Regulation: - Current regulation: Asset managers are responsible for monitoring asset activities in line with local regulation and contractual requirements (environmental, permits, servitudes, etc.). Local compliance managers are responsible for managing and solving compliance issues in their geographies under their responsibility, including the supervision of compliance with current regulation. - Emerging regulation: Various internal working groups and management regularly review risks arising from new regulatory developments and potential impacts. Reputation: - We refer to the Environment, Social and Governance section in this Report. - General:

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
Atlantica's growth or cause an increase in cost. - Reputation. If our reputation worsened, our cost of capital could increase and our access to capital may become more difficult. In addition, some potential employees, clients, and /or suppliers could perceive Atlantica as a less appealing company due to a deterioration in our reputation. - Downstream. Some of our clients are large utilities or industrial corporations. These are also exposed to significant climate change related risks, including current and emerging regulation, acute and chronic physical risks. If our clients are affected by climate related risks, this could impact their credit quality and affect their ability to comply with the existing contract.				- Atlantica has developed a risk analysis methodology based on the ISO 31000 and on common market practices. - We use a multidisciplinary approach to identify risks in different areas and develop appropriate mitigation plans. - Management, local teams and the corporate operations department take ownership of managing this risk.
Risks Related to Our Relationship with Algonquin Algonquin is our largest shareholder and exercises substantial influence over us. Currently, Algonquin beneficially owns 42.2% of our ordinary shares and is entitled to vote on approximately 41.5% of our ordinary shares. As a result of this ownership, Algonquin has substantial influence over our affairs and their ownership interest and voting power constitute a significant percentage of the shares eligible to vote on any matter requiring the approval of our shareholders.	**Not Relevant**	⇧	In January 2023 Algonquin announced a number of actions, including a plan to divest approximately $1 billion in assets. As one of the assets in Algonquin's portfolio, it is possible that Algonquin may have a potential interest in selling part or all of its equity interest in Atlantica. Uncertainty about Algonquin's plans or strategy with respect to the holding or disposition of all or any portion of its equity interest in	- Any transaction between us and Liberty GES or Algonquin (including the acquisition of any ROFO assets or any co-investment with Liberty GES or Algonquin or any investment in an Algonquin asset) is subject to our related party transactions policy, which requires prior approval of such transactions by the Related Party Transactions Committee, which is composed of independent

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
Liberty GES and Algonquin are related parties and may have interests that differ from our interests, including with respect to growth appetite, the types of investments made, the timing and amount of the dividends paid by us, the reinvestment of returns generated by our operations, the use of leverage when making investments and the appointment of outside advisors and service providers. In addition, our reputation is closely related to that of Algonquin. Any damage to the public image or reputation of Algonquin could have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, dispositions of substantial amounts of the shares, or the anticipation or perception by the market that such dispositions could occur, could adversely affect prevailing trading prices of the shares and could impair our ability to raise capital through future offerings of equity or equity-related securities Additionally, if any investor acquires over 50.0% of our shares or if our ordinary shares cease to be listed, we may be required to refinance all or part of our corporate debt or obtain waivers from the related noteholders or lenders, as applicable, due to the fact that all of our corporate financing agreements contain customary change of control provisions and delisting restrictions. If we fail to obtain such waivers and the related noteholders or lenders, as applicable, elect to			Atlantica and such uncertainty may negatively affect the market price for our shares and our ability to raise capital by offering equity or equity-related securities.	directors. - Algonquin has to comply with our Related Parties Transaction Committee and Terms of Reference - Algonquin has the right to appoint directors proportionally to their ownership but in any event no more than (i) such number of directors as corresponds to 41.5% of our voting securities; and (ii) 50% of our Board less one. - Furthermore, Algonquin's voting rights are limited to 41.5% and the additional shares (the difference between the actual shares beneficially owned by Algonquin and shares representing 41.5% of voting rights) votes replicating non-Algonquin's shareholders vote. - The Board of Directors takes ownership of managing this risk.

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
accelerate the relevant corporate debt, we may not be able to repay or refinance such debt, which may have a material adverse effect on our business, financial condition results of operations and cash flows. Additionally, in the event of a change of control we could see an increase in the yearly state property tax payment in Mojave, which would be reassessed by the tax authority at the time the change of control potentially occurred. There could also be other tax impacts and other impacts that we have not yet identified. Furthermore, a change of control could trigger an ownership change under Section 382 of the IRC (see risks related to Taxation below).				
Risks Related to Our Relationship with Abengoa Abengoa is the O&M supplier at part of our assets and was our largest shareholder years ago. Abengoa's financial condition including the insolvency filing by Abengoa S.A. (which is the holding company) could affect its ability to satisfy its obligations with us under the operation and maintenance agreements and may affect our reputation. In addition, although Abengoa has not been our shareholder since the end of 2018, in some geographies our reputation continues to be related to that of Abengoa. Any damage to the public image or reputation of Abengoa could have a negative impact on us. Many of our senior executives have previously worked for	**Low**	⇩	During the year 2022, our exposure has decreased substantially given that we have internalised O&M services at part of our plants. In 2021, Abengoa performed operation and maintenance (O&M) services for assets that represented approximately 47% of our consolidated revenue for that year. Following the internalisation of the O&M services a Kaxu and at part of our assets in Spain, Abengoa provided services for assets representing around 20% of our 2022 consolidated revenue. We are currently in the process of transitioning the operation and	We have replaced Abengoa as O&M supplier in part of the assets. We have reached an agreement to introduce a clause to be able to terminate their services at the rest of our assets and we are currently considering options to replace them. We have identified third party suppliers who can perform the operation and maintenance services. We are currently in the process of transitioning the operation and maintenance services in Spain from an Abengoa subsidiary to a subsidiary of the Company. Senior management

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
Abengoa. Abengoa's current and prior restructuring processes, and the events and circumstances that led to them, are currently the subject of various legal proceedings and may in the future become the subject of additional proceedings. To the extent that allegations are made in any such proceedings that involve us, our assets, our dealings with Abengoa or our employees, such proceedings may have a material adverse effect on our business, financial condition, results of operations and cash flows, as well as on our reputation and employees. All these situations may have an adverse effect on our business, financial condition, results of operations and cash flows.			maintenance services in Spain from an Abengoa subsidiary to a subsidiary of the Company. once this transfer is completed, we expect Abengoa to provide O&M services for assets representing approximately 4% of our consolidated revenue.	and local teams take ownership of managing this risk.
The financing agreements of our project subsidiaries These are primarily loan agreements which provide that the repayment of the loans (and interest thereon) is secured solely by the shares, physical assets, contracts and the cash flow of that project company. Our project finance agreements include covenants and restrictions which may limit our ability to distribute cash from project companies to the holding company level. In addition, if we fail to satisfy any of our debt service obligations or breach any related financial or operating covenants, the applicable lender could declare the full amount of the relevant project debt to be immediately due and payable and could	**Low**	≈	No significant change	- Reporting and monitoring of covenants in each contract. - Forecasts by local teams, reviewed by our corporate departments to monitor the main covenants and identify any potential future restriction to take measures in advance. - Management and specialised compliance and legal teams constantly tracking any change. - The local teams take ownership of managing this risk. - A quarterly report is provided to the Audit Committee from Internal Audit on

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
foreclose on any assets pledged as collateral.				covenant compliance. - Local teams and the corporate controlling department (under the CFO supervision) take ownership of this risk.
Liquidity Risk and Access to capital Our liquidity at the corporate level depends on distribution from the project level entities, most of which have project debt in place. Distributions are generally subject to the compliance with covenants and other conditions under our project finance agreements Liquidity risk involves: - Not being able to meet our payment obligations as they fall due. - Not being able to meet our covenants and obligations under our corporate financing arrangements. - Failing to meet the required or desired financing for acquisitions and for the successfully refinancing of Company's project and corporate indebtedness. The global capital and credit markets have experienced in the past and may continue to experience, periods of extreme volatility and disruption. At times, our access to financing was curtailed by market conditions and other factors. Continued disruptions, uncertainty or volatility in the global capital and credit markets may limit our access to additional capital required to refinance our debt on satisfactory terms or at all, may limit our ability to replace, in a	**Low**	⇧	Capital markets have been experiencing high volatility during 2022 both in the United States and Europe. Concerns over the lingering effect of the COVID-19 pandemic, high global inflation, interest rate increases, war in Ukraine, energy crisis in Europe, volatile gas prices, high electricity prices particularly in Europe, tensions between the U.S., Russia and China, the availability and cost of credit, the instability of the euro, and the economic conditions and concerns of a global recession have exacerbated and contributed to increased volatility in capital markets and worsened expectations for the economy. In addition, our high pay-out ratio may hamper our ability to manage liquidity in moments when accessing capital markets becomes more challenging.	- The objective of our financing and liquidity policy is to ensure that we maintain sufficient funds to meet our financial obligations as they fall due. - Project finance borrowing permits us to finance projects through project debt and thereby insulate the rest of our assets from such credit exposure. We incur project finance debt on a project-by-project basis or by groups of projects. The repayment profile of each project is established based on the projected cash flow generation of the business. This ensures that sufficient financing is available to meet deadlines and maturities, which mitigates the liquidity risk. In addition, we maintain a periodic communication with our lenders and regular monitoring of debt covenants and minimum ratios. - Appropriate cash management to ensure appropriate levels of cash: as of December 31, 2022,

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
timely manner, maturing liabilities, and may limit our access to new debt and equity capital to make further acquisitions. Volatility in debt markets may also limit our ability to fund or refinance many of our projects and corporate level debt, even in cases where such capital has already been committed.				we had $445.9 million liquidity at the corporate level, comprised of $60.8 million of cash on hand at the corporate level and $385.1 million available under our Revolving Credit Facility. - Managing debt maturities and refinancing our corporate debt when the markets are favourable. - Management continues to regularly monitor the Company's ability to finance the needs of its operating, financing and investing activities within the guidelines of prudent balance sheet management. - A portion of cash flows generated and distributed by our project companies to the holding company are retained at the holding company level. - Regular discussions with rating agencies. - Our Board of Directors may change our dividend policy at any point in time if required, or modify the dividend for specific quarters taking into consideration the prevailing conditions. - The Finance Committee and the Board of Directors take ownership of

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
				managing this risk.
Interest rate risk Some of our indebtedness (including project-level indebtedness) bears interest at variable rates, generally linked to market benchmarks such as EURIBOR, SOFR and U.S. LIBOR. Increases in interest rates would raise our finance expenses at project companies or corporate level.	**Low**	⇧	During 2022, the U.S. Federal Reserve increased the reference interest rates in the United States from 0.125% to a targeted range between 4.25% and 4.50% and announced additional increases in 2023. Similarly, in 2022 the European Central Bank increased the reference interest rates in the Euro zone from negative levels up to 2% and also expects additional increases. Any increase in interest rates would increase our finance expenses relating to our un-hedged variable rate indebtedness and increase the costs of refinancing our existing indebtedness and issuing new debt.	As of December 31, 2022, approximately 92% of our project debt and approximately 96% of our corporate debt either has fixed interest rates or has been hedged with swaps or caps. To mitigate interest rate risk, we primarily use long-term interest rate swaps and interest rate options which, in exchange for a fee, offer protection against a rise in interest rates. The Finance Committee and local management teams take ownership of managing this risk.
Foreign currency exchange rate Revenue and expenses of our solar assets in Europe, South Africa, Colombia and Uruguay are denominated in euros, South African Rands, Colombian pesos and Uruguayan pesos (with a maximum and minimum price in U.S. dollars in the case of Uruguayan pesos), respectively. Depreciation in the value of these currencies against the U.S. dollar may have a negative impact on our operating results and our cash available for distribution.	**Low**	⇧	During the year 2022, the euro and the South African rand depreciated against the U.S. dollar	The main cash flows in our subsidiaries are cash collections arising from long-term contracts with clients and debt payments arising from project finance repayment. Project financing is typically denominated in the same currency as that of the contracted revenue agreement, which limits our exposure to foreign exchange risk. In addition, we maintain part of our corporate general and administrative expenses and part of

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
				our corporate debt in euros which creates a natural hedge for the distributions we receive from our assets in Europe. To further mitigate this exposure, our strategy is to hedge cash distributions from our assets in Europe. Through currency options, we have hedged 100% of our net euro-denominated net exposure for the next 12 months and 75% of our euro-denominated net exposure for the following 12 months. We expect to continue with this hedging strategy on a rolling basis. The Finance Committee and local management teams take ownership of managing this risk.
Risks Related to Our Growth Strategy **We may not be successful in finding investment opportunities or we may invest in projects and assets with a higher risk profile.** Our growth strategy depends on our ability to successfully identify and evaluate investment opportunities, develop and build new assets and consummate acquisitions on favourable terms. The number of investment opportunities may be limited. We are competing with other local and international developers for the development and construction	**Medium**	⇧	In 2022, following the trend of recent years, competition to develop and acquire renewable assets has increased. Some of our competitors for investments pay more for investments and acquisitions and may be able to identify and purchase a greater number of assets than our resources permit. In addition, in 2022 we have increased our investments in assets under development and construction, in assets with revenue	We have a proven track record of closing acquisitions and investments in development and construction, and we have diversified sources of growth: We believe we can achieve organic growth through the optimisation of the existing portfolio, escalation factors at many of our assets, as well as the repowering and hybridisation with other technologies at some of the renewable energy facilities and the

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
of new assets, which may hamper our ability to grow. Our ability to develop and build new assets depends, among other things, on our ability to secure transmission interconnection access or agreements, to secure land rights to secure PPAs or similar schemes and to obtain licences and permits and we cannot guarantee that we will be successful obtaining them. Similarly, we are competing with local and international companies for acquisition opportunities from third parties, which may increase our cost of making investments or cause us to refrain from making acquisitions from third parties. Our ability to consummate future investments and acquisitions may also depend on our ability to obtain any required government or regulatory approvals. If we are unable to identify and complete future investments and acquisitions, it will impede our ability to execute our growth strategy and limit our ability to increase the amount of dividends paid to our shareholders. In addition, in order to grow our business, we may develop and build or acquire assets and businesses which may have a higher risk profile than certain of the assets we currently own. We intend to increase our investments in assets which are not currently in operation, and which are subject to development and construction risk. In addition, we may consider investing more in assets which are not contracted or not fully contracted, for			denominated in local currency and assets with exposure to electricity prices.	expansion of our existing transmission lines. We are investing more in the development and construction of new assets, which we expect will provide us with a more secure source of growth. We have entered into and intend to enter into agreements or partnerships with developers. Additionally, we expect to acquire assets from third parties leveraging the local presence and network we have in geographies and sectors in which we operate. We intend to maintain a portfolio where a majority of the assets have stable and predictable cash flows. Every time we make an investment decision, we always consider the impact the potential investment will have on the overall portfolio, in order to preserve its low risk profile. The Investment Committee and the Board of Directors take ownership of managing this risk.

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
which revenues will depend on the price of the electricity. We may also consider investing in businesses which are regulated or which are contracted with "as contracted" agreements or hedge agreements where we need to deliver the contracted power even if the facility is not in operation or which are subject to demand risk. We have recently invested and may consider investing in business sectors where we do not have previous experience and may not be able to achieve the expected returns. We may also consider investing in new technologies where we do not have for the moment a long historical track record as proven as our current assets, such as storage, district heating, geothermal, offshore wind, distributed generation or hydrogen. Furthermore, we may consider investing in assets with revenues not denominated in U.S. dollars or euros, which would increase our exposure to local currency, and which could generate higher volatility in the cash flows we generate. In all these types of assets and businesses, the risk of not meeting the expected cash flow generation and expected returns is higher than in contracted assets.				
Our investments may not perform as expected and development and construction activities are subject to specific risks Our investments are subject to substantial risks, including unknown or contingent liabilities, the failure to identify material problems during due diligence, the risk of over-	**Low**	⇧	In 2022 we increased our investments in development and construction with partners or on our own. We had three assets under construction during the year. Although these investments still represent a small	- We take a multidisciplinary approach to identifying risks in different areas. - We have sufficient internal expertise in development and construction activities and we generally invest with partners.

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
paying for assets and the ability to retain customers. In addition, we have increased our activities of development and construction and we are increasing our investments in these projects, in some cases with partners and in some cases on our own. Development and construction activities are subject to failure rate and different types of risks. Our ability to develop new assets is dependent on our ability to secure or renew our rights to an attractive site on reasonable terms; accurately measuring resource availability; the ability to secure new or renewed approvals, licences and permits; the acceptance of local communities; the ability to secure transmission interconnection access or agreements; the ability to acquire suitable labour, equipment and construction services on acceptable terms; the ability to attract project financing; and the ability to secure PPAs or other sales contracts on reasonable terms. Failure to achieve any one of these elements may prevent the development and construction of a project. If any of the foregoing were to occur, we may lose all of our investment in development expenditures and may be required to write-off project development assets. In addition, the construction and development of new projects is subject to environmental, engineering and construction risks that could result in cost-overruns, delays and reduced			portion of our portfolio, we expect this source of growth to increase over time.	- Detailed due diligences both for acquisitions and project development, carried out either in-house or contracted with specialists. - Senior management, including Geographic VPs, and local teams take ownership of managing this risk.

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
performance. A delay in the projected completion of a project can result in a material increase in total project construction costs through higher capitalised interest charges, additional labour and other expenses, and a delay in the commencement of cash flow.				
International operations including in emerging markets. We operate our activities in a range of international locations, including North America (Canada, the United States and Mexico), South America (Peru, Chile, Uruguay and Colombia), and EMEA (Spain, Italy, Algeria and South Africa), and we may expand our operations to certain core countries within these regions. Accordingly, we face several risks associated with operating and investing in different countries that may have a material adverse effect on our business, financial condition, results of operations and cash flows. These risks include, but are not limited to, adapting to the regulatory requirements of such countries, compliance with changes in laws and regulations applicable to foreign corporations, the uncertainty of judicial processes, and the absence, loss or non-renewal of favourable treaties, or similar agreements, with local authorities, or political, social and economic instability, all of which can place disproportionate demands on our management, as well as significant demands on our	**Medium**	≈	No significant change. In Peru, after an attempt by the former President to dissolve congress and replace it with an “exceptional emergency government”, the President was replaced. Political uncertainty may persist in the upcoming months.	We intend to grow our portfolio mainly in countries that we consider stable in North America, South America and Europe. We expect that investments in countries with a higher risk profile such as Algeria and South Africa always represent a small portion of our portfolio. We have a political risk insurance agreement in place with the Multinational Investment Guarantee Agency for Kaxu. The insurance provides protection for breach of contract up to $58.0 million in the event that the South African Department of Energy does not comply with its obligations as guarantor. We have also a political risk insurance for two of our assets in Algeria up to $37.2 million, including 2 years dividend coverage. This insurance policy does not cover credit risk. Our local presence in each region provides us with good knowledge and expertise to operate

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
operational and financial personnel. As a result, we can provide no assurance that our future international operations and investments will remain profitable.				in these regions. The geographic VPs together with the local teams and support from the compliance department take ownership of managing this risk.
Risks Related to Regulation: legal, environmental and general compliance of each asset We are subject to extensive regulation of our business in the countries in which we operate. Such laws and regulations require licences, permits and other approvals to be obtained in connection with the operations of our activities. This regulatory framework imposes significant actual, day-to-day compliance burdens, costs and risks on us. In addition, we need to adapt to the regulatory requirements of the different countries where we operate. Uncertainty or changes to any such regulation in any of the countries where we operate could adversely affect the return of our current plants and our results of operations and cash flows. We are also subject to significant environmental regulation, which, among other things, requires us to obtain and maintain regulatory licences, permits and other approvals and comply with the requirements of such licences, permits and other approvals and perform environmental impact studies on changes to projects. In addition, our assets need to comply with strict environmental regulation on	**Low**	≈	During 2022, electricity market prices have increased in Spain, following the trend initiated in the second half of 2021. This is resulting in higher cash collections. Since our renewable assets in Spain have the right to receive a “reasonable rate of return”, higher electricity prices have caused a reduction of the regulated remuneration component in 2022 and will cause a further reduction of the regulated component starting from 2023 (we refer to “Regulation in Spain” under “Events during the period” section). Volatility in electricity market prices can cause volatility in our results of operations.	- An individual responsible for local compliance has been appointed in each geography where we are present to solve day to-day issues. These employees report to the General Counsel. We have local legal teams in each geography that are usually assisted by local external lawyers. Our local internal and external lawyers are in close contact with the regulation and potential regulation changes in each geography. These, together with the asset managers, proactively track and monitor any potential regulatory change. - We have a Quality, Environmental, and Health and Safety Management System in-place certified under ISO 9001, 14001 and 45001 standards, which are audited annually by an external third party. - The corporate operations department performs annual internal audits on our assets to ensure compliance with regulation and our best practices and to promote continuous

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
air emissions, water usage and contaminating spills, among others. As a company with a focus on ESG and most of the business in renewable energy, environmental incidents can also significantly harm our reputation. In addition, in several of the jurisdictions in which we operate including Spain and Chile, we are exposed to remuneration schemes which contain both regulated incentives and market price components. In such jurisdictions, the regulated incentive or the contracted component may not compensate for fluctuations in the market price component, and, consequently, total remuneration may be volatile. Our assets in Spain receive a remuneration based on a "reasonable rate of return".				improvement. Geographic VPS and local teams take ownership of managing this risk, with the support of the Compliance Management Committee.
Risks Related to Taxation: changes to tax regulations could adversely affect the return of our current assets. We are subject to changes in tax regulation in all the jurisdictions where we have assets. Our future tax liability may be greater than expected if we do not use sufficient NOLs to offset our taxable income. We have NOLs that we can use to offset future taxable income. Based on our current portfolio of assets, which includes renewable assets that benefit from an accelerated tax depreciation schedule, and subject to potential tax audits, which may result in income, sales, use or other tax obligations, we do not expect	**Low**	⇧	Changes in tax regulations have been announced in some countries where we operate. We do not expect any material impact from these changes. In November 2021, 137 countries agreed to implement the "Two Pillars Solution", an OECD/ G20 Inclusive Framework initiative, which aims to reform the international taxation policies and ensure that multinational companies pay taxes wherever they operate and generate profits. "Pillar Two" of this initiative generally provides for an effective	- Management and specialised teams with broad experience monitor these developments. - Engagement with local authorities on tax matters. - Support of reputable external tax consultants with proven expertise in each jurisdiction. - The Corporate Tax Department (under the CFO supervision) and local teams take ownership of managing this risk.

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
to pay significant taxes in the upcoming years in most of our assets. Although we expect these NOLs will be available as a future benefit, in the event that they are not generated as expected, or are successfully challenged by the local tax authorities, or are subject to future limitations, our ability to realise these benefits may be limited. Some countries where we operate could implement changes to regulations regarding tax loss, the content of which are largely uncertain at this time.			global minimum corporate tax rate of 15% on profits generated by multinational companies with consolidated revenues of at least €750 million, calculated on a country-by country basis. This minimum tax would be applied on profits in any jurisdiction wherever the effective tax rate, determined on a jurisdictional basis, is below 15%. Any additional tax liability resulting from the application of this minimum tax will be payable by the parent entity of the multinational group to the tax authority in such parent's country of residence. The OECD and its members are still working on the coordinated implementation of the minimum tax, it is expected to be in force in the UK and the EU for fiscal years commencing on January 1, 2024. The global minimum tax may have a negative impact on our financial condition, results of operations and cash flows. In addition, our NOL carryforwards and certain recognised built-in losses may be limited by Section 382 of the IRC if we experience an "ownership change." In general, an "ownership change" occurs if 5% shareholders of our stock increase their collective ownership of	

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
			the aggregate amount of the outstanding shares of our company by more than 50 percentage points, generally over a three-year testing period. In 2019, the Internal Revenue Service issued proposed regulations concerning the calculation of built-in gains and losses under Section 382. After receiving public comments, in May of 2022 the IRS announced that they will issue new proposed regulations on calculating built in gains and losses following an ownership change. If the proposed regulations are enacted and depending on its final outcome, they may significantly limit our annual use of pre-ownership change U.S. NOLs in the event a new ownership change occurs after the new rule is in place The government of South Africa approved new limitations for tax years ending on or after March 31, 2023. The net interest expense deductibility will be limited to 30% of the EBITDA and the NOLs carried forward may only be applied against 80% of taxable income of the corporate income tax. These new limitation may have a negative impact in our cash flows.	
Cybersecurity risk We are dependent upon information technology systems to run our operations.	**Low**	⇧	The number of cyber-attacks to companies has been increasing in the last few years. Many	- We have implemented prevention, monitoring and threat-detection

Risk / Impact	Risk Appetite	Risk Trend	Assessment of Change in Risk Year-on-Year	Mitigation of Risk
Our information technology systems are subject to disruption, damage or failure from a variety of sources, including, without limitation, computer viruses, security breaches, cyber-attacks, ransomware attacks, malicious or destructive code, phishing attacks, natural disasters, design defects, denial-of-service attacks or information or fraud or other security breaches. Given the unpredictability of the timing, nature and scope of information technology disruptions, we could be subject to production stops, unavailability in our transmission lines, operational delays, the compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, other manipulation or improper use of our systems and networks or financial losses from remedial actions, any of which could have a material adverse effect on our financial condition, results of operations or cash flows.			of these attacks have focused on critical infrastructure. There have been cyberattacks within the energy industry on electricity infrastructure such as substations and related assets in the past and there may be such attacks in the future. Our generation assets, transmission facilities, storage facilities, information technology systems and other infrastructure facilities and systems could be direct targets of, or otherwise be materially adversely affected by such activities.	measures following international standards including ISO 27000. - Internal and external audits to ensure that our cybersecurity controls are effective, including simulated and targeted cyberattacks to our servers and employees accounts. - Employees training to detect, monitor and prevent threats. - Our information systems that support business processes are certified under the ISO 27001 standard and are audited annually by an external third party. - The Corporate IT team (under the CFO's supervision) and local teams take ownership of managing this risk.

Financial Risk Management

We refer to Note 3 to the Consolidated Financial Statements for more detail on Financial Risk Management.

ESG Materiality Analysis

Stakeholder Inclusiveness

Our stakeholders have a broad range of interests and viewpoints. We believe that collaboration with them is key to our success. As such, we listen and do our best to gain stakeholders' trust, thus leading to a more stable and long-term relationships. Across the Company, we engage with our stakeholders to obtain input that can be helpful as we execute on our strategy.

We believe that systematic stakeholder engagement, executed properly, is likely to result in ongoing learning within the Company, as well as increased accountability to a wide range of stakeholders.

Atlantica has a Stakeholder Policy in-place to emphasise the importance of collaboration with our shareholders, employees, suppliers, customers, business partners, local communities, and debt investors to generate a stable and predictable business environment.

We have made a two-way engagement channel available for our stakeholders to build trusting long-term relationships:

	Key Stakeholders						
	Shareholders	Employees	Suppliers	Customers	Business Partners	Local Communities	Debt Investors
Face-to-face meetings, video, or phone calls[1]	✓	✓	✓	✓	✓	✓	✓
Annual Reports[2]	✓	✓	✓	✓	✓	✓	✓
Social Media[1]	✓	✓	✓	✓	✓	✓	✓
Materiality Assessment Survey[2]	✓	✓	✓	✓	✓		✓
Press Releases[1]	✓	✓	✓	✓	✓	✓	✓
Website Content[1]	✓	✓	✓	✓	✓	✓	✓
Whistleblower Channel[3]	✓	✓	✓	✓	✓	✓	✓
Annual General Meeting (AGM)[2]	✓						
Earnings Presentations[4]	✓						✓
Roadshows[4]	✓						✓
Intranet[1]		✓					
Employee Climate Survey[5]		✓					
Training[1]		✓	✓				

(1) Regular or on an as-needed basis; (2) On an annual basis; (3) Always available; (4) On a quarterly basis; (5) At least every three years.

ESG Materiality Assessment

We consider a topic to be material from an ESG perspective if it represents one of the Company's most significant impacts on (i) the economy, environment, and people, including impacts on human rights, and (ii) our business. Our materiality assessment is based on international sustainability standards GRI and SASB, and ESG rating entity assessments.

We have performed a double materiality assessment. We have identified the most important impacts on society (i.e., impacts on the economy, the environment and people) and the most important impacts on the Company. This analysis is one of the most important tools Atlantica uses to set its priorities. It enables us to identify potential risks and opportunities, focus on key ESG priorities that may materially impact our stakeholders and our businesses, on how we can best mitigate these impacts, and to respond adequately in a dynamic and rapidly changing sustainability landscape.

In 2021, we gained input from 50 internal and external stakeholders. In 2022, we internally updated our materiality analysis to better take into account our impacts on (i) the economy, the environment and the people and (ii) our businesses. To do so, we used the information received from our stakeholders in 2021 as well as insights obtained during 2022 through the two-way engagement channel previously mentioned. Considering that our strategy and business model have not changed since 2021 and that we engage with our stakeholders on a continuous basis, we believe to have an up-to-date understanding of themes material to our stakeholders. In addition, to assess impact on our business, we have considered the reputational, operational, regulatory and financial risks and opportunities that a topic could pose.

The materiality process was divided into five main steps, as shown in the table below:

Step 1. Map material topics	Update the list of material topics
Step 2. Prioritise topics based on their impact on our society	Identify material impacts on our society (i.e., economic, environment and people)
Step 3. Prioritise topics based on their impact on our business	Identify material impacts on our business
Step 4. Set a response and an implementation plan	Agree priorities with senior management, anchor the prioritised topics in our internal governance structure and implement ESG programmes and initiatives into our day-to-day business activities
Step 5. Disclose ESG-related information	Publish annual ESG key performance indicators. Disclosure should serve towards the continued dialogue on ESG material topics

As part of our 2022 materiality assessment, we have identified four key topics. These are:

	Climate Change	Occupational Health and Safety	Human Rights, Ethics and Integrity	Environmental Impacts
Impact on Society	Positive impact: 75% of our 2022 revenues are from renewable energy production. With our renewable energy production, in 2022 we avoided the emission of 6.9 million tonnes of CO_2e, helping to mitigate climate change. Negative impact: However, we also generate GHG emissions in our business, mostly at ACT, our efficient natural gas plant in Mexico.	Potential negative impact: Incidents could harm (i) our employees, (ii) those of our contractors working at our assets and (iii) close-by local communities.	Our business impacts the lives of people across our own operations, our supply chains, and communities. Positive impact: We foster communities' economic prosperity through local purchasing, the hiring of local employees, etc. Potential negative impact: However, we need to make sure that we always respect human rights in everything we do and that no one is adversely impacted, specifically in regions or industries where regulations are weaker.	Our assets occupy large areas of land, generate hazardous and non-hazardous waste, and some of our power generation assets use water in power generation processes. Potential negative impact: If we do not properly manage our waste, it could damage the environment and biodiversity in or close to our assets. Hazardous waste could also harm our employees and those of our contractors working at our assets. Positive impact: we have reforestation programmes and targeted biodiversity programmes.
Impact on Business	Positive and negative impacts: Our assets and	Potential negative impacts: Health and	Potential negative impact: If we do not	Potential negative impacts: Incidents or

	operations are exposed to climate-related risks and opportunities, including physical and transition risks, as well as opportunities (detailed information provided in the TCFD section).	safety incidents at our premises could generate potential financial losses, civil and criminal liabilities, damaging our reputation.	ensure that human rights are respected across our operations, supply chains, and communities, we risk severe regulatory and reputational damage to our business.	accidents causing spills, an inappropriate use of water or non-compliance with environmental regulation, including water management, could generate potential financial losses, civil and criminal liabilities, damaging our reputation.
Our Response	✓ We intend to continue investing in renewable energy assets ✓ Approved SBTi intensity target to reduce Scopes 1 and 2 per unit of energy generated ✓ New internal targets to: (i) reduce Scope 3 emissions and (ii) achieve Net Zero GHG emissions ✓ Process to offset GHG emissions ✓ Monitor weather conditions in-real time ✓ Insurance policy ✓ Transition and physical risks evaluated through scenario analysis	✓ Health and safety policy, processes and procedures ✓ ISO 45001 compliant ✓ Comprehensive safety programmes ✓ Regular internal and external audits ✓ Reinforced safety procedures during the construction phase ✓ Provided safety training to our employees and those of our contractors ✓ Short term variable compensation of CEO and Geographic VPs include safety targets	✓ Human rights policies, processes and procedures ✓ Human rights matters reviewed as part of the internal compliance annual due diligence activities ✓ Compliance with FCPA and UK Bribery Act ✓ Internal and external verification on our policies with local rules and regulations ✓ Internal and external due diligence processes for new suppliers ✓ Communication channels in-place to report any misconduct or instances of non-compliance	✓ Environment and biodiversity policy, processes and procedures ✓ ISO 14001 compliant ✓ Regular monitoring of environmental KPIs ✓ Analysis of initiatives to reduce leaks and water consumption ✓ Regular internal and external audits ✓ New internal target to reduce water consumption at our power generation assets
Reference	Strategic Report: - Our Sustainable Business Model and Strategy - TCFD (Environmental Sustainability) Governance Section: - Sustainability Governance UNGC	Strategic Report: - Occupational Health and Safety - Asset Management Governance Section: - Sustainability Governance	Strategic Report: - Human Rights - Section 172 Governance Section: - Business ethics - Sustainability Governance	Strategic Report: - Environmental Sustainability - Asset Management Governance Section - Sustainability Governance

We have identified 10 material topics based on the impact on our society and our business:

Note: Atlantica's Management considers all topics disclosed in the Materiality Matrix when planning and executing business activities, independently to their impact as shown in the Matrix.

Material Topics	Reference
Occupational Health and Safety	- Occupational Health and Safety (Strategic Report; Social Sustainability) - Key Performance Indicators (Strategic Report) - Section 172 Statement (Strategic Report)
Climate Change	- Our Sustainable Business Model and Strategy; Key Performance Indicators; Environmental Sustainability and TCFD (Strategic Report)
Human Rights, Ethics and Integrity	- Human Rights and Anti-Slavery and Human Trafficking Statement (Strategic Report; Social Sustainability) - Business Ethics (Governance Section) - Section 172 Statement (Strategic Report)
Environmental Impact (waste, water and biodiversity)	- Environmental Sustainability (waste, water and biodiversity sections); Key Performance Indicators (Strategic Report); Section 172 Statement (Strategic Report)
Asset Management	- Asset Management (Strategic Report)
Data Security	- Cybersecurity and Data Privacy; Section 172 Statement (Strategic Report)
Human Capital	- People and Culture (Strategic Report; Social Sustainability) - Section 172 Statement (Strategic Report)
Diversity and Equal Opportunities	- People and Culture (Strategic Report; Social Sustainability) - Key Performance Indicators (Strategic Report) - Business Ethics (Governance Section)
Supply Chain Management	- Supply Chain Management (Strategic Report; Social Sustainability) - Section 172 Statement (Strategic Report)
Community Development	- Local Communities (Strategic Report; Social Sustainability) - Key Performance Indicators (Strategic Report) - Section 172 Statement (Strategic Report)

Note 1: Corporate Governance and ESG-related documents and policies are available on our website.
Note 2: Material topics are addressed in the Global Reporting Initiative (GRI) Content index and Sustainability Accounting Standards Board (SASB) Index ("Other Information" Section).

Atlantica's management determined while reviewing 2022's materiality assessment process, and after analysing international best practices, ESG rating assessments, and peer frameworks, that in addition to these topics, it was important to address the Company's approach to innovation and tax management.

Next year, we will look into how we can further strengthen our double materiality assessment.

ESG Data Review

Atlantica's management is responsible for the completeness, accuracy and validity of the information contained in this report. The data presented is based on the input received from internal data collection, management systems and external stakeholders. Certain parts of this report have been subject to external and/or internal assurance. We conduct regular internal audits to review our management system, including the procedures to collect information from our assets and the main data reported.

In 2022, independent third parties have been engaged to verify our reported Scope 1, 2 and 3 GHG emissions under a reasonable level of assurance;

- In Mexico, our Scope 1 and 2 greenhouse emissions were reviewed by ANCE, a leading certification association across industries in Mexico and our Scope 3 emissions were reviewed by DNV, an independent expert in assurance and risk management.
- In Spain, our Scope 1 stationary greenhouse emissions were reviewed by AENOR, a not-for-profit entity that fosters standardisation and certification across industrial and service sectors.
- Our Scope 3 emissions and Scope 1 and 2 emissions for the rest of the assets were reviewed by DNV.

In 2022, DNV has been engaged to verify Atlantica's air quality (i.e., non-GHG emissions), waste, water and health and safety indicators and their compliance with GRI Reporting under a limited level of assurance.

In addition, in 2022 Atlantica's Internal Audit team reviewed the completeness and accuracy of certain environmental, social and governance performance indicators, including GHG emissions, water and waste management, health and safety, energy consumption, supply chain, people and culture and investment in local communities.

Furthermore, Atlantica's Accounting and Disclosure Committee reviewed this Integrated Annual Report prior to its publication.

Atlantica's Board of Directors approved this report prior to its publication.

Environmental Sustainability

At Atlantica, our strategy focuses on climate change solutions in the power and water sectors. We intend to be part of the solution to climate change. Our long-term strategy reflects this. We are committed to investing mostly in renewable energy assets as enablers of the energy transition.

We have a greenhouse gas emissions (GHG) reduction objective approved by the Science Based Targets initiative (SBTi). Atlantica targets to reduce Scope 1 and 2 GHG emissions per kWh of energy produced by 70% by 2035 from a 2020 base year[30]. This objective is particularly ambitious for a company like Atlantica, where approximately 75% of our 2022 revenues consists of renewable energy production, an activity which already has a very low rate of emissions per unit of energy produced.

In addition, we have a goal to maintain over 80% of our adjusted EBITDA generated from low carbon footprint assets including renewable energy, storage, transmission infrastructure and water assets.

Following our long-term commitment to sustainability, we have set new targets to reduce our:

- GHG emissions. We target to:
  (i) reduce our Scope 3 GHG emissions per kWh of energy generated by 70% by 2035 from a 2020 base year, and
  (ii) achieve Net Zero GHG emissions by 2040.
- Non-GHG emissions. We target to reduce our non-GHG emissions[31] per kWh of energy generated by 50% by 2035 from a 2020 base year.
- Water consumption. We target to reduce our water consumption per kWh of energy generated by 50% by 2035 from a 2020 base year.

Our Environmental Policy was approved by the Board of Directors in May 2020 and was last amended in December 2021. The policy is available at www.atlantica.com.

Task Force on Climate-Related Financial Disclosures (TCFD)

We have voluntarily reported climate-related financial disclosures largely consistent with the recommendations of TCFD Guidance 2021 on climate-related financial disclosures. We will continue working towards improving these disclosures acknowledging this is an evolving area.

This section is structured using the four TCFD pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

The analysis has been prepared based on the TCFD guidance, advice of expert third-party consultants, and internal expertise.

[30] The target boundary includes steam generation. Targets are considered 'science-based' if they are in line with the levels recommended by climate science to meet the goals set out in the Paris Agreement to limit global warming to "well-below 2ºC". The SBTi target was approved in 2021. We expect to reduce Scopes 1 and 2 per unit of energy generated mainly by (i) investing in renewable energy assets and (ii) implementing measures to reduce emissions over time. We refer to Atlantica's 2022 CDP's Climate Change questionnaire (section C3) for additional details on our climate-related strategy.

[31] Non-GHG emissions including nitrogen oxide (NOx), sulphur dioxide (SO_2) and carbon monoxide (CO).

TCFD Elements	Recommended Disclosure	Cross Reference	Current Status	Future Priorities
1) Governance	a) Describe the Board's oversight of climate related risks and opportunities	Sustainability Governance (Business ethics section) and section 1 below	- Board and Management Committees review risks and opportunities as part of their areas of responsibility - Climate related risks and opportunities are integrated into our strategy and business model - Climate change and environmental sustainability is a major consideration of our business at all levels - Climate change and ESG-related training provided to employees (including management)	- At Board level: continue supervising ESG and climate-related matters, initiatives, risks and opportunities - At Management level: maintain different committees to efficiently address ESG and climate-related matters - Increased linkages between sustainability performance and remuneration
	b) Describe management's role in assessing and managing climate related risks and opportunities	Sustainability Governance (Business ethics section) and section 1 below		
2) Strategy	a) Describe the climate related risks and opportunities the organisation has identified over the short, medium and long term	Section 2 below	- Screened for potential climate-related risks and opportunities and conducted climate-related scenario analysis to determine and assess Atlantica's 2030 and 2050 key risk and opportunity impacts - ESG and climate change integrated into financial planning	- Continue screening and analysing potential climate-related risks and opportunities - Continue investing in assets that are environmentally sustainable and managing them sustainably
	b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy and financial planning	Section 2 below		
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2C or lower scenario	Section 2 below		
3) Risk Management	a) Describe the organisation's processes for identifying and assessing climate related risks	Principal Risks and Uncertainties section and section 3 below	- ISO 31000 aligned risk management framework incorporating climate-related risks - Climate change is considered a strategic risk, hence is continually reviewed across at business and corporate level - Transition and physical risks evaluated through scenario analysis - Climate-related risks included in our Risk Map	-Continue developing our risk assessment processes to better identify emerging climate-related risks and to manage climate-related risks effectively
	b) Describe the organisation's processes for managing climate related risks	Principal Risks and Uncertainties section and section 3 below		
	c) Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation's overall risk management	Principal Risks and Uncertainties section and section 3 below		
4) Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process	Environmental Sustainability and section 4 below	- Scopes 1 and 2 reported since 2015 and Scope 3 since 2019 - Externally reviewed 100% of Scopes 1, 2 and 3 since 2020 - Approved SBTi intensity target to reduce Scopes 1 and 2 per unit of energy generated - New internal targets to: (1) reduce Scope 3 emissions and achieve Net Zero GHG emissions, (2) reduce non-GHG emissions and (3) reduce water consumption at generating assets - Internal carbon price of \$20-\$35 per ton of CO_2 to evaluate investment opportunities[32] - Process to offset GHG emissions	-Continue analysing and implementing climate-related reporting best practices -Measure progress to reach targets
	b) Disclose Scope 1, Scope 2 and if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks	Environmental Sustainability and section 4 below		
	c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against these targets	Environmental Sustainability and section 4 below		

1. Governance

We refer to the subsections Business Ethics and Sustainability Governance within the Governance section for a description of the role of the Board of Directors and Management in terms of climate-change.

We refer to the Directors' Report for details on the Board of Directors' profiles.

2. Strategy

In 2022 we screened for potential climate-related risks and opportunities and conducted a climate-related scenario analysis to analyse Atlantica's 2030 and 2050 key risk and opportunity impacts.

The risks were identified following a two-step process. In the first place, an initial screening was carried out to determine which physical and transition risks are most likely to affect all our businesses and geographies. Once the initial screening was completed, company-specific data (e.g., historical records of past events, input from internal stakeholders) was taken into account to determine the key risks most likely to affect Atlantica as well as their potential impact on our activities.

We refer to the ESG Materiality Analysis for details on our materiality assessment.

Physical Risks: Methodology and Key Findings

The physical risk analysis covered fourteen regions and eight different climate hazards. The selection took into consideration Atlantica's key technologies, countries and assets, past events that affected Atlantica's or other peers' operations, and climate scenarios that project how the intensity or frequency of certain climate hazards might change as a result of global warming.

Summary of Potential Impacts of Physical Climate Risks[33]

Risk	Technology	Potential Impacts
Changing wind patterns	Wind power	The wind power plants are designed for the prevalent wind direction to work as efficiently as possible. A change in the wind direction and /or wind speeds may impact the power production efficiency.
Increase in mean temperatures	Solar, wind power	Increasing temperatures reduce the efficiency of solar power production. Increasing mean air temperature lowers air density which causes less efficient wind power production. Solar PV panels exposed to high temperatures age more quickly.
Droughts/water scarcity	Solar, geothermal energy	Water is needed for steam turbines, cooling condensers etc. If there is less water available, water costs may increase. Water restrictions may occur affecting the cooling capacity of the plants.

[32] We apply a carbon price when we evaluate investments in natural gas assets with long-term useful life. The economic impact is evaluated as an additional cost. In 2022, we did not evaluate investments in natural gas assets. In 2021, when the carbon pricing cost was factored in the investment opportunity model of a gas plant in North America, the Investment Committee decided that the potential investment was not reaching the minimum returns required for the specific sector and geography and rejected any potential investment.

[33] From a climate-related perspective, potential physical climate risks include short-term (1-2 years), medium-term (3 to 10 years) and long-term (over 11 years) horizons. We have updated this climate-related classification based on our long-term decarbonisation strategy and SBTIs updated guidance.

Increasing mean water temperatures	Water desalination	Warmer sea water may contribute to the growth of algae that negatively affect the membranes inside the desalination plant. In addition, higher water temperatures reduce the feed pressure and the membranes performance.
Landslides caused by heavy precipitation	Solar, transmission infrastructure	Heavy rains can cause flooding close to transmission lines, which can result in landslide which can damage towers. This can lead to business interruption and require repair work. Flooding of solar PV fields may prevent access to the site or destroy components.
Severe winds/ wind gusts	Solar	Severe winds can damage solar fields and destroy components, requiring repair work.
Wildfires	Transmission infrastructure	If the transmission lines cause a wildfire, it could result in damage, including damage to third parties and subsequent liabilities.
Severe winter weather and hail	Wind power, natural gas, solar	Severe winter weather, like the storm in February 2021 in Texas, could cause supply from wind farms to decline due to wind turbine equipment freezing. In addition, natural gas assets could trip offline due to operational issues caused by freezing conditions. Furthermore, hail can damage solar fields and destroy components, requiring repair work.

Assessment of the current and short-term exposure to potential impacts of physical climate risks:

Risk	Type of Risk	Evaluation
Chronic Physical	Changing wind patterns	The design of our plants is appropriate considering the current prevailing wind direction.
	Increase in mean temperatures	Our solar and wind plants have been in operation for approximately 10 years. Since our plants started operations, we have not observed a decrease in efficiency that might be attributable to an increase in temperatures, even in those years with higher temperatures. To avoid health and safety issues, we undertake operation and maintenance activities in those timeframes with less heat intensity.
	Droughts/water scarcity	Atlantica has historically only withdrawn approximately 50% of the total regulatory water limits permitted at our solar assets. Even if the water limits were reduced, we believe we have sufficient margin to withdraw enough water to keep our plants working properly. Our local asset management teams systematically track and monitor water availability as a key KPI of the asset.
	Increasing mean water temperatures	Water temperature in the region where our desalination plants are located typically ranges from 15°C in winter to 26°C in summer (monthly averages). For the moment, we have not experienced a proliferation of algae which may result in a loss of efficiency in the desalination process.
Acute Physical	Landslides caused by heavy precipitation	In our transmission lines, heavy precipitation may cause landslides which can damage the towers in our transmission lines. In the case that we faced an event such as this, it would typically affect one or two towers, especially taking into consideration the distance between towers. An event like this is covered by our insurance policy, thus the remaining risk is currently not considered material.

Severe winds/wind gusts	Our geographic VPs and our operations team monitor weather conditions in real-time at each of the assets to adopt the required protection measures. An event like this is covered by our insurance policy, so the remaining risk is currently not considered material.
Wildfires	Our largest transmission lines ATS and ATN are located in arid regions, with little or no vegetation. Most of our transmission lines in Chile are also located in areas with low risk of wildfires. After the acquisition of Chile TL4, we have dedicated significant efforts to manage the vegetation in proximity to the line. In addition, in 2019 one of our off-takers, PG&E, a large utility company in California, filed for bankruptcy protection under Chapter 11 due to liabilities related to its potential involvement in wildfires in California in 2017 and 2018. PG&E emerged from Chapter 11 in 2020. During this process, a Wildfire Fund was created to pay eligible claims for liabilities arising from wildfires. New regulation further mitigates this risk.
Severe winter weather and hail	Hail impacting our solar panels is covered by our insurance policy, so the remaining risk is currently not considered material. In addition, we do not have hedge agreements where we need to deliver the contracted power even if the facility is not in operation.

We believe that physical climate risks are adequately managed based on our policies, procedures, processes and systems in-place.

Assessment of the medium and long-term exposure to potential impacts of physical climate risks through scenario analysis

We evaluated the potential changes in the selected risks as projected by the Representative Concentration Pathway (RCP) 8.5, a business-as-usual scenario. This scenario assumes that GHG emissions will continue rising at today's rate until the end of the century, with little mitigation efforts. By the end of the century, the RCP 8.5 scenario projects a rise of approximately 4ºC in global mean temperature by 2100, compared to pre-industrial levels.

Under the RCP 8.5 scenario, chronic and acute physical risks become greater and more frequent as a result of the increase in the average global temperature.

The analysis carried out focused on the Company's specific locations. Furthermore, scientific literature such as the (i) NASA Centre for Climate Simulations (NCCS), and (ii) Aqueduct Floods Hazard Maps and Aqueduct Global Maps 3.0 from the World Resources Institute (WRI) that included projections from different climate models were consulted to further analyse future climate conditions in the medium (2030) and long term (2050).

A qualitative rating was assigned, ranging from low to high, which reflects the future changes in the frequency and/or severity of the hazard from baseline conditions under a RCP 8.5 scenario.

Potential Changes in Frequency and Severity of the Hazard from Baseline Conditions under RCP 8.5

Risk	Technology	Geography	2030 Potential Change	2050 Potential Change
Increase in mean temperatures	Solar	North America		
		South America		
		EMEA		
	Wind power	North America		
		South America		
Droughts/water scarcity	Solar	North America	Uncertain / Moderate	Uncertain / Very High
		EMEA		
	Geothermal	North America	Uncertain / Low	Uncertain / Low
Changing wind patterns	Wind power	South America		
Increasing mean water temperatures	Water desalination	EMEA		
Landslides caused by heavy precipitation	Transmission infrastructure	South America		
	Solar	South America	Uncertain / Moderate	Uncertain / Moderate
Severe winds / wind gusts	Solar	North America		Uncertain / Moderate
		EMEA		Uncertain / Moderate
Wildfires	Transmission Infrastructure	South America	Uncertain / Low	Uncertain / Low
Lightning/ thunderstorms	Wind power	South America		Uncertain / Low

Uncertain	Low	Moderate	High	Very High

We have completed a detailed analysis of four physical risks which have been selected based on (i) potential change in 2030 and 2050 with respect to baseline conditions, (ii) risk exposure at asset level, and (iii) Atlantica's management assessment. The identified physical climate risks impacts were:

Potential Physical Climate Risks Impacts

Risk	Results
Changing wind patterns in wind assets	We do not expect a change in the wind direction and/or wind speeds may significantly impact the power production efficiency in the mid-term.
Increase in mean temperatures in solar and wind assets	We estimate that (i) a reduction of the efficiency of solar power production, and (ii) lower air density which causes less efficient wind power production, could have, if no additional mitigation measures were implemented, a maximum annual revenue loss of approximately $1 million in 2030.
Droughts/water scarcity in solar assets	If there is less water available, water costs may increase. Water restrictions may affect the cooling capacity of the plants. For example, we estimate that droughts and water scarcity in Spain could have, if no additional mitigation measures were implemented, an annual revenue loss between approximately $75 thousand and $1.1 million in 2030.
Landslides caused by heavy precipitation in transmission infrastructure	Flooding close to transmission lines can damage towers. This can lead to business interruption and require repair work. We estimate that landslides could have, if no additional mitigation measures were implemented, an annual damage between approximately $30 thousand and $3.0 million in 2030.

Note 1: Different hypothesis and approaches have been used to calculate these physical climate risks impacts, including the advice of expert third-party consultants and internal expertise (including the Chief Executive Officer and other senior managers). Additional disclosure on physical climate risks impacts calculations is provided in Atlantica's 2022 CDP's Climate Change questionnaire (section C2 Risks and Opportunities) available on our website.
Note 2: By 2050, some of the physical climate-related risks analysed may not impact us since we could replace some of the existing technologies with others with for example, lower water consumption. By 2050, we expect physical climate risks impacts to be immaterial.

Based on the work completed (i.e., including historical records of past events, input from different stakeholders and RCP 8.5 scenario analysis where chronic and acute physical risks become greater and more frequent as a result of the increase in the average global temperature), the potential impact of physical climate-related risks on our short, medium and long-term assets' financial performance (i.e., revenues, costs) and financial position (i.e., asset, liabilities) is expected to be immaterial[34]. From a physical risk perspective, the results of the work completed indicate that Atlantica's short, medium and long-term strategy and asset portfolio would be resilient to physical climate-related changes.

Transition Risks and Opportunities: Methodology and Key Findings

Transition Climate Risks Description and Mitigation

Risk	Risk Description	Risk Mitigation
Current Regulation (policy and legal)	Atlantica is directly affected by climate-related risks driven by laws, regulations, taxation, disclosure of emissions and other practices. For example, we are subject to the requirements of the U.K. Climate Change Act 2008 on GHG emissions reporting. In addition, our U.S. solar plants are for example, subject to permits under the Clean Air Act.	- Asset managers are responsible for monitoring asset activities in line with local regulations and contractual requirements (environmental, permits, etc.). Local compliance managers are responsible for managing and resolving compliance issues in the geographies under their responsibility, including ensuring compliance with current regulations.
Emerging regulation (policy and legal)	Changes in regulation could have a negative impact on Atlantica's future growth or profitability.	- Various internal working groups and management regularly review risks that arise from new regulatory developments and its potential impacts.
Reputation	If our reputation suffered, our cost of capital could increase, and it could be more difficult for us to access capital. In addition, some potential employees, clients, and /or suppliers could perceive Atlantica as a less appealing company as a result of a deterioration in our reputation.	- GHG reduction objective on Scope 1 and 2 emissions approved by the Science Based Targets initiative (SBTi). - We target to maintaining over 80% of our adjusted EBITDA generated from low carbon footprint assets. - We have set new internal targets to reduce: (1) Scope 3, (2) non-GHG emissions and (3) water consumption - We have also set a new internal target to achieve Net Zero GHG emissions.
Downstream	Some of our clients are large utilities or industrial corporations. They are also exposed to significant climate change-related risks, including current and emerging regulation, acute and chronic physical risks. A negative climate-related risk impact on our clients, including their credit quality could lead to their inability to comply with their obligations under our existing contracts.	- Large utilities and industrial corporations strive to comply with the highest ESG and climate change standards and to maintain their credit ratings.

Note: all these transition-related risks and their mitigation plans apply to the Company in the short, medium and long-term. We refer to Atlantica's 2022 CDP's Climate Change questionnaire (section C2) for additional details on transition-related risks.

The transition risks prioritised for this analysis relate to policy, technology and market developments. The analysis considered two of the scenarios provided in the World Energy Outlooks (WEO) 2021 report prepared by the International Energy Agency (IEA).

[34] We categorize risks depending on their potential impact on (1) CAFD pre-corporate debt service and asset value (equity value) of the company and (2) health and safety and environment. Additional disclosure on risk impacts is provided in Atlantica's 2022 CDP's Climate Change questionnaire (section C2 Risks and Opportunities) available on our website.

IEA Sustainable Development Scenario (SDS)	- Assumes strong policy support and international cooperation in meeting the United Nations Sustainable Development Goals (SDGs) along with a major transformation of the global energy system - Full alignment with the Paris Agreement - Global average temperature increase is limited to below 2°C by the end of the century
IEA Stated Policies Scenario (STEPS)	- Assumes current and announced policies, plans, and trajectories and their implications for energy demand, emissions, carbon markets, and energy security - Global average temperature increases of approximately 3°C by the end of the century.

As global decarbonisation ambitions increase, the physical impacts of climate change decrease, but transition risk increases as more aggressive and disruptive policies are required to achieve the necessary global warming temperature goal.

Based on the work completed (i.e., including historical records, input from different stakeholders and existing risk mitigation plans), the potential impact of transition-related risks on our short, medium and long-term assets' financial performance (i.e., revenues, costs) and financial position (i.e., asset, liabilities) is expected to be immaterial, hence we have not analysed transition-related risks under SDS and STEPS scenarios.

Opportunities

We have focused on two opportunities for our medium and long-term scenario analysis:

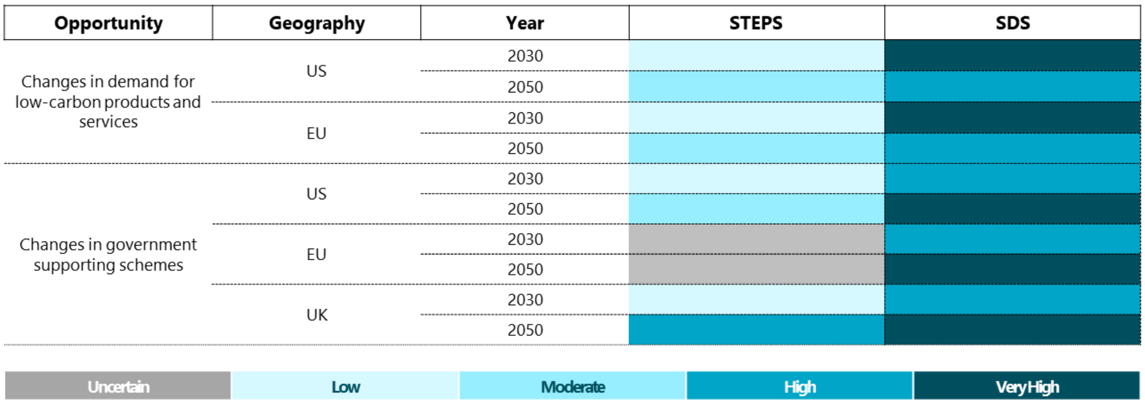
Opportunity	Scenario	Geography	Potential Changes in 2030 and 2050
1.Changes in Demand for Low-Carbon Products and Services may lead to increased demand for products and services due to rising adoption of renewables.	STEPS	US	This scenario assumes an extension of renewable tax credits for solar, and onshore and offshore wind, as well as 100% carbon-free electricity by 2050 in 20 states. In addition, this scenario assumes that a target of 30 GW offshore wind capacity by 2030 will be achieved. This scenario projects that there will be an increase in demand for renewable energy, which will be more prominent between 2030-2050 compared to 2020-2030.
		EU	This scenario assumes that the renewable energy market in the EU will continue to grow, as country members move rapidly toward decarbonisation. This includes a successful completion of the already announced coal phase-out plans considered in 16 member states, including Spain. This scenario assumes a strengthening of national energy transition plans with a particular focus on offshore wind targets and increased electrification of the economy, particularly in transport. These developments could further de-risk renewable energy investments which could in turn, facilitate the penetration of renewables in the power generation mix.
	SDS	US	Demand for renewable energy is projected to grow rapidly, accelerating during the period 2020-2030 compared to 2030-2050.
		EU	Demand for renewable energy is projected to grow rapidly, accelerating during the period 2020-2030 compared to 2030-2050.

Opportunity	Scenario	Geography	Potential Changes in 2030 and 2050
2.Changes in Government Supporting Schemes may lead to increased competitiveness and to a lower risk when investing in renewable energy.	STEPS	US	The US has achieved notable reductions in CO_2 emissions over the past decade, led by the transformation of the power sector. Policy dynamics are expected to be supportive for the development of the renewable energy market. The opportunity is assessed to be higher in the long run, as more stringent policies are expected to be implemented in the US to further reduce its GHG emissions footprint.
		UK	The UK has set ambitious goals to reach its carbon neutrality goal by 2050, with the electricity sector shifting due to investment in offshore wind and solar PV. The government's support for the development of renewable energy in order to meet its climate commitments is expected to intensify during 2030-2050.
	SDS	US	The ambitious 2021 U.S. Long-Term Strategy "Pathways to Net-Zero Greenhouse Gas Emissions by 2050" is consistent with limiting global warming to 1.5°C. The policies that would need to be implemented by the U.S. to reach this goal represent an opportunity for Atlantica, with more initiatives to be expected during the period 2030-2050.
		EU	The EU's track record in decarbonising the electricity system through renewable energy technologies, notably offshore wind, but also solar photovoltaic, suggests that the EU is on track to reach its climate targets. This opportunity has a higher consideration in the long-term than in the mid-term, taking into consideration that the policies aiming to deliver the EU's Green Deal will intensify during that period.
		UK	This scenario assumes that the U.K. administration will implement all policies required to reduce emissions down to a level consistent with the Paris Agreement. The changes in the government supporting schemes in the long-term is expected to favour the renewable energy market more than in the mid-term.

Note: We refer to "Our Sustainable Business Model and Strategy" for additional disclosures on our: (i) short-term opportunities ("growth visibility" section), (ii) growth pipeline of assets under development pipeline and (iii) competitive strengths to execute our business strategies.

A qualitative rating was assigned, ranging from low to high, which reflects the potential future changes in (i) demand for low-carbon products, and (ii) government supporting schemes under STEPS and SDS scenarios.

Potential Opportunities by Geography under STEPS and SDS Scenarios in the Medium (2030) and Long-Term (2050)



From a transition perspective, the combination of market trends, including the growing demand for clean energy supported by expanding GHG reduction targets, and the increasingly favourable economics of clean energy, creates many opportunities for our business.

According to Bloomberg New Energy Finance 2022, renewable energy is expected to account for the majority of new investments in the power sector in most markets. In Bloomberg's economic transition scenario, 22.9 TW of new capacity additions are expected by 2050. Solar PV, wind and battery storage see the largest deployment with 19.5 TW, collectively capturing 85% of this new power capacity. Total required investment in energy infrastructure over the next three decades tops $119 trillion. To achieve this, annual investment will need to more than double from around $2.0 trillion, to $4.1 trillion

In addition, in the U.S. the Inflation Reduction Act was signed into law in 2022 and includes a bundle of measures to incentivise clean energy investment and storage.

Considering that we are a sustainable infrastructure company with a majority of our business in renewable energy assets and that we (i) complement our renewable assets portfolio with storage, efficient natural gas, and transmission infrastructure assets, as enablers of the transition towards a clean energy mix and (ii) hold water infrastructure assets, a sector at the core of sustainable development, we believe that our diversification by business sector and geography (including the U.S. and the European Union), our know-how and operating expertise in our key markets together with a critical mass of assets in several geographic areas, as well as our access to capital provided by being a listed company will assist us in benefiting from the expected transition towards a more sustainable power generation mix in our markets.

Based on the work completed (i.e., including historical investments, our competitive strengths, identified growth opportunities and SDS and STEPS scenario analysis), Atlantica's short, medium and long-term strategy would be resilient and would be well positioned to take advantage of transition-related opportunities.

We refer to "Our Sustainable Business Model and Strategy" section for further details on our growth plans.

We refer to Atlantica's 2022 CDP's Climate Change questionnaire (section C2) for additional details on transition climate-related opportunities.

We refer to the "Reporting under the European Union Taxonomy" section for further details on clean revenues, Adjusted EBITDA, and capital allocation and capital expenditures (investments and maintenance capex).

3. Risk Management

Atlantica's Board of Directors is responsible for supervising climate change risk analysis. Day-to-day risk management activities are led by the Head of Risk Management[35]. Climate change risks and opportunities are also discussed, whenever considered, in the ESG Committee and in the Geographic Committees. In addition, when we evaluate potential investments, the Investment Committee evaluates all potential risks related to the potential investment, including ESG and climate-related risks. Atlantica has developed a risk analysis methodology based on ISO 31000 and on standard market practices.

We refer to the "Principal Risks and Uncertainties" section for a detailed description of our risks, including how our risks are assessed and prioritised (i.e., based on their likelihood and magnitude of the impact).

We refer to the "Sustainability Governance" section for further details on processes and committees for identifying, assessing and managing ESG and climate-related risks.

4. Metrics and Targets

This Integrated Annual Report discloses our annual performance across many climate-change related areas. This information is disclosed in the Environmental Sustainability section. We refer to sections "Greenhouse Gas Emissions" and "Water Management".

We refer to Atlantica's 2022 CDP's Climate Change questionnaire, sections C2 and C3, for additional metrics on climate-related risks and opportunities, and on our climate strategy, respectively.

[35] The Head of Risk Management participated in the screening for potential climate-related risks and opportunities and in the climate-related scenario analysis to analyse Atlantica's 2030 and 2050 key risk and opportunity impacts.

Greenhouse Gas Emissions

Key facts:

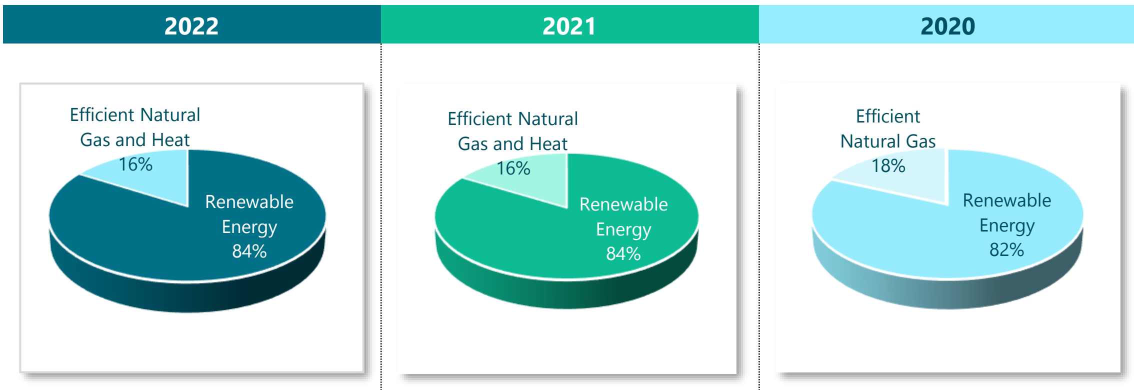
- ✓ GHG emissions reduction objective approved by SBTi: **reduce Scope 1 and 2 GHG emissions per kWh of energy produced by 70% by 2035 from a 2020 base year**
- ✓ New GHG emissions reduction target: **reduce Scope 3 GHG emissions per kWh of energy produced by 70% by 2035 from a 2020 year base**
- ✓ New GHG emissions reduction target: **achieve net zero GHG emissions by 2040**
- ✓ **Increased CO_2e emissions avoided** vs. 2021 ▲ 17%
- ✓ **GHG emission rate** per unit of energy generated **decreased** to 168 gCO_2e/kWh (vs. 185 gCO_2e/KWh in 2021)
- ✓ **Offset 320 thousand tonnes of Scope 1 GHG emissions (**▲ 23% vs. 2021)

Atlantica complies with the (i) 2008 U.K. Climate Change Act on GHG reporting, (ii) Commission Regulation (EU) No 601/2012, (iii) ISO 14064-1:2018 Greenhouse gases, Part 1, on quantification and reporting of GHG emissions and removals, and (iv) GHG Protocol on GHG quantification.

We have followed the operational control approach to calculate our 2022, 2021 and 2020 GHG emissions data. Under the operational control approach, a company accounts for 100% of the GHG emissions from operations over which it has control.

As of December 31, 2022 and 2021, approximately 84% of our installed power generation capacity relates to renewable energy assets and 16% refers to ACT and Monterrey, two efficient natural gas-fired power generation assets in Mexico, and one district heating plant in Canada.

Installed Capacity in Generation Assets, MW



Note: We have revised 2021 figures to account for our 55 MWt district heating installed capacity plant.

ACT is located in a gas complex belonging to our client. Our plant does not purchase or pay for the natural gas, it is just one more step in our client's production process (i.e., ACT receives natural gas and water from its client and in exchange provides electricity and steam). The client bears the cost and also all the responsibility for environmental obligations. Nevertheless, following reporting best practices we are consolidating all

ACT's environmental indicators, including GHG emissions, water and waste.

ACT has an "efficient cogeneration facility" status granted by the Mexican energy regulator that is renewed each year. The Mexican regulator categorises facilities that deliver energy above a defined efficiency threshold as "efficient plants". This status allows ACT to benefit from certain favourable conditions regarding interconnection and transmission.

In 2022 independent third parties have been engaged to verify our reported Scope 1, 2 and 3 GHG emissions under a reasonable level of assurance. In Mexico, our Scope 1 and 2 greenhouse emissions were reviewed by ANCE and our Scope 3 emissions were reviewed by DNV. In Spain, our Scope 1 stationary greenhouse emissions were reviewed by AENOR. Our Scope 3 emissions and Scope 1 and 2 emissions for the rest of the assets were reviewed by DNV. We refer to the ESG Data Review section for additional information on the third-party entities.

% of Reviewed GHG Emissions in 2022, 2021 and 2020

	2022	2021	2020
Scopes 1, 2 and 3 Reviewed Emissions	100%	100%	100%

In 2022 we avoided emissions of approximately 6.9 million tonnes of equivalent CO_2, compared with a 100% fossil fuel-based generation plant, versus approximately 5.9 million tonnes of equivalent CO_2 in 2021.

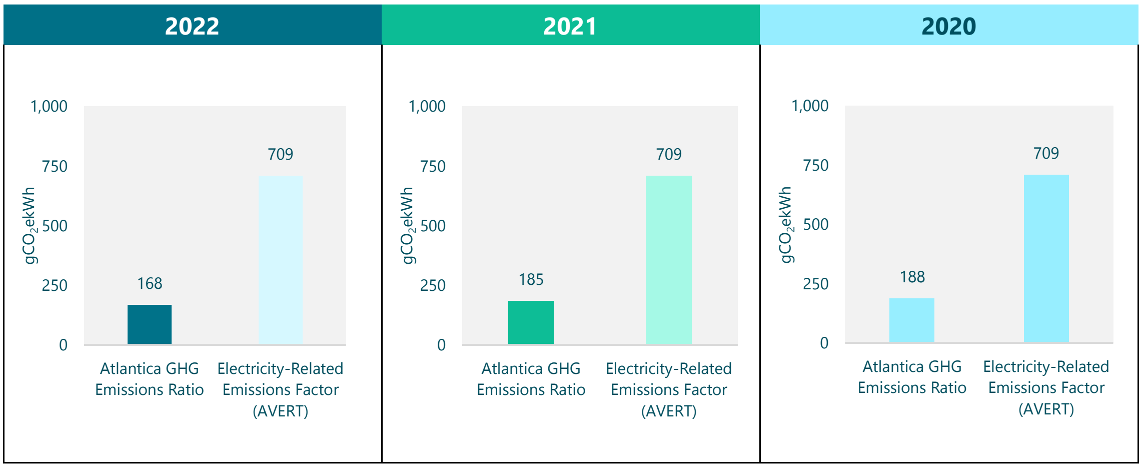
GHG Emissions Avoided by Generating Technologies

In millions tonnes	2022	2021	2020
Scopes 1, 2 and 3 GHG Emissions Avoided	**6.9**	**5.9**	**5.4**

We base our avoided emissions calculations on the "Greenhouse Gas Equivalencies Calculator" and the Avoided Emissions and Generation Tool (AVERT) U.S. national weighted average CO_2 marginal emission rate, to convert reductions of kilowatt-hours into avoided units of CO_2 emissions. We consider electric and steam generation in the calculation.

In 2022, the GHG emissions avoided increased compared to 2021 largely due to the contribution from the recently acquired renewable assets Coso, Vento II, Italy PV 1, Italy PV 2, Italy PV 3, Italy PV 4, Chile PV 3 and La Sierpe bringing approximately 812 GWh of incremental electricity generation.

In 2022 and 2021 Atlantica's Scopes 1 and 2 GHG emission rate per unit of energy generated was well-below those of fossil fuel-based generation.



We quantified and reported on the GHG emissions figures following the GHG Protocol:

- Scope 1: Direct emissions of GHG from sources that are owned or controlled by the Company.
- Scope 2: Indirect emissions of GHG from consumption of purchased electricity, heat or steam.
- Scope 3: Indirect emissions of GHG not included in Scope 2 that occur in the Company's value chain, including both upstream and downstream emissions, and the investments in joint ventures where partners have control.

Our reported emissions include emissions of carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) as CO_2 equivalents[36].

We calculated Scopes 1 and 2 emissions using the GHG inventories conversion factors indicated by the organisations listed below:

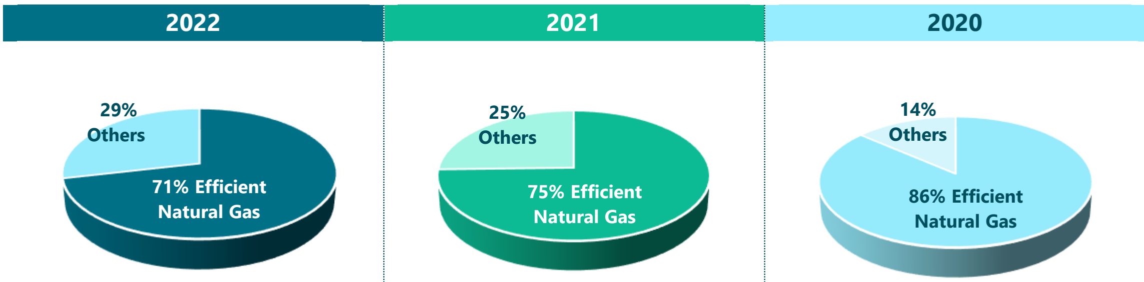
- Intergovernmental Panel on Climate Change ("IPCC").
- United States Environmental Protection Agency ("EPA").
- 2022 GHG National Inventory from the Ministry of Ecological Transition in Spain.

We calculated Scope 3 emissions using an economic input-output analysis and key emission factors from CEDA's 5.0[37] database. We also used the fuel consumption activity data and emission factors disclosed at WTT DEFRA 2022[38] to calculate Scope 3 emissions.

In 2022, approximately 71% of the Scopes 1 2 and 3 GHG emissions generated came from our efficient natural gas plants in Mexico.

[36] Some of our transmission lines use sulfur hexafluoride (SF6). We analysed this KPI following our internal process and procedures and concluded that the SF6-related GHG emissions are not significant.
[37] CEDA stands for "Comprehensive Environmental Data Archive", a set of databases designed to assist on environmental system analysis throughout the supply chain.
[38] WTT DEFRA 2022 stands for "Department of Environment Food and Rural Affairs", GHG conversion factors from resource extraction, production and delivery.

GHG Emissions by Technology



Others: Renewable energy, water desalination assets, and transmission lines.

Others: Renewable energy, water desalination assets, and transmission lines.

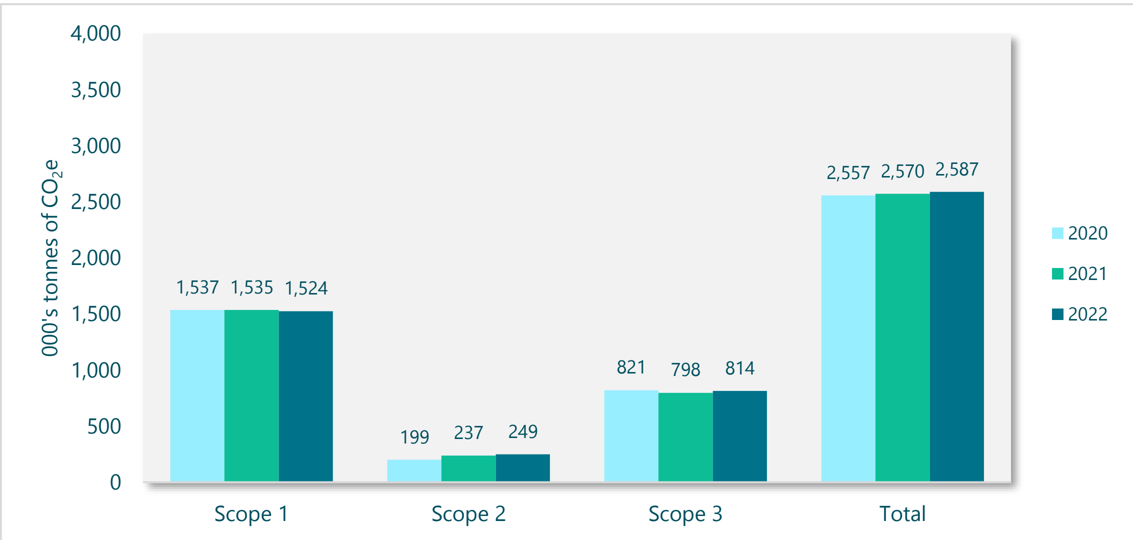
Others: Renewable energy, water desalination assets, and transmission lines.

Note: 2022 was the first full year we consolidated COSO, our geothermal asset in the U.S.

Following U.K. GHG regulation disclosure, GHG emissions generated in the U.K. were less than 0.001% in both 2022 and 2021.

In 2022, as part of our commitment to sustainability, we offset 320 thousand tonnes of Scope 1 CO_2 emissions through Certified Emissions Reduction (CERs) credits, compared to 260 thousand tonnes of Scope 1 CO_2 offset emissions in 2021.

GHG Emissions Breakdown by Scope Including Offset GHG Emissions

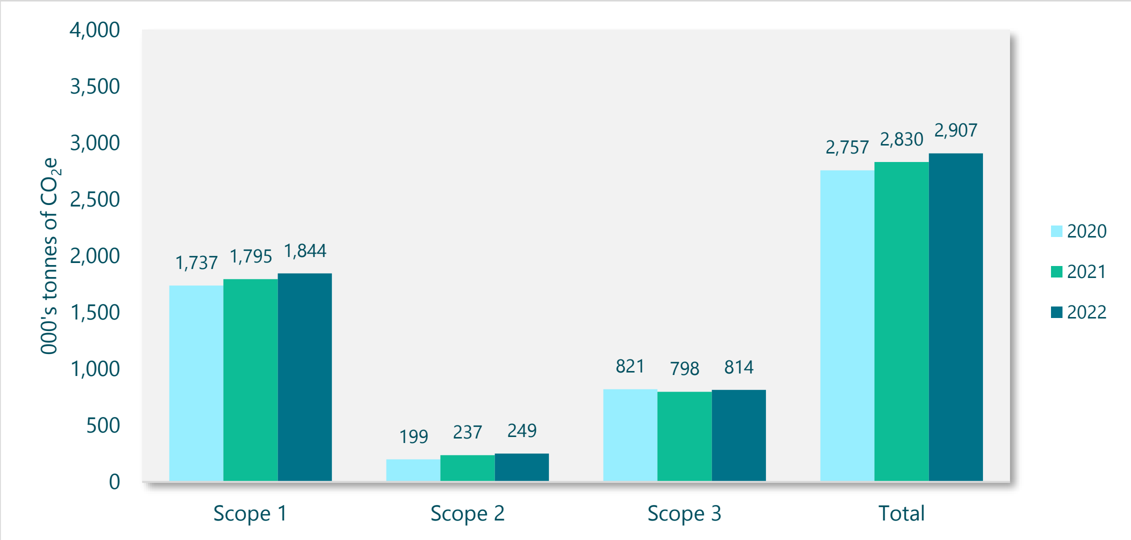


Note: Scope 2 market-based figure

The GHG emissions offsetting mechanism reduced our total Scopes 1, 2 and 3 GHG emissions by 11% and our Scope 1 GHG emissions by 17%, compared to 10% and 17% respectively, in 2021. We believe this initiative proves our sustainability focus and further demonstrates Atlantica's commitment to fighting climate change.

The graph below shows our GHG emissions in 2020, 2021 and 2022 (without offsets):

GHG Emissions Breakdown by Scope



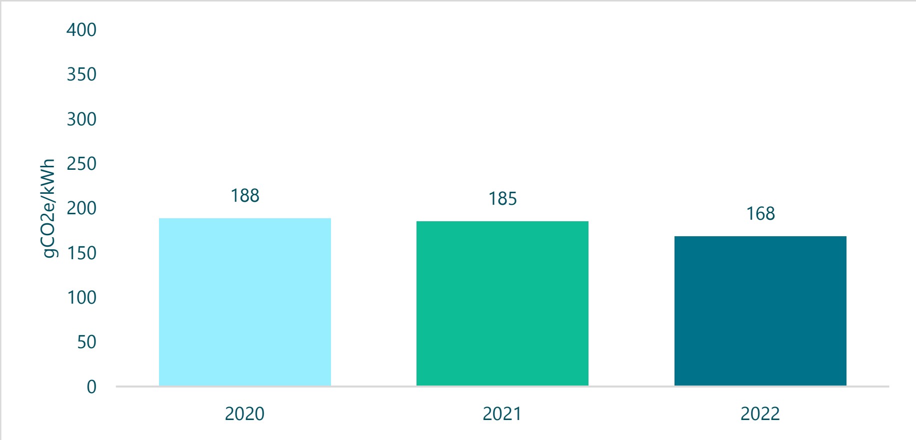
Note: Scope 2 market-based figure

Scope 1 emissions include CO_2 emissions from Coso, our geothermal asset in California, since we acquired the asset in April 2021. The area where our asset is located releases GHG emissions to the atmosphere, mostly in the form of CO_2 that already exists and is released progressively in a natural process. With our activity, while we produce electricity, we are accelerating this process of release of already existing CO_2. Following the GHG protocol, we record these emissions as part of our Scope 1 emissions even though these emissions were not created by Atlantica.

In 2022, our Scope 1 emissions increased mainly due to Coso, as this asset was fully consolidated for the entire year 2022 while only for 8 months in 2021 (i.e., we closed the acquisition of Coso in April 2021). In 2022, production increased at ACT, however emissions generated by this asset decreased in accordance with the Scope 1 updated conversion factors in Mexico for these type of plants. In 2021, ACT's offtaker requested less electricity and steam, hence decreased natural gas consumption and emissions. A tolling agreement exists for this asset, according to which we receive water and natural gas from the client and in return we provide electricity and steam.

In addition, our Scopes 2 and 3 emissions increased slightly due to the increased water production at our water desalination assets. In 2022 our desalination plants achieved high levels of availability.

Scopes 1 and 2 GHG Emissions Rate per Unit of Energy Generated[39]



Our Scopes 1 and 2 GHG emissions rate per unit of energy generated decreased from 185 gCO_2e/kWh in 2021 to 168 gCO_2e/kWh in 2022. This decrease was largely due to additional production from recently acquired renewable energy assets, partially offset by higher Scope 1 emissions from Coso, as previously discussed.

Non-Greenhouse Gas Emissions

Atlantica generates (i) nitrogen oxide (NO_x), excluding nitrous oxide (N_2O) which is computed within the GHG emission calculation, (ii) sulphur dioxide (SO_2), and (iii) carbon monoxide (CO). Our efficient natural gas plants in Mexico generate most of these emissions.

NO_x, SO_2 and CO Emissions as of December 31, 2022, 2021 and 2020

	2022			2021			2020		
Tonnes	NO_x	SO_2	CO	NO_x	SO_2	CO	NO_x	SO_2	CO
Mexico	546.7	-	333.2	493.8	-	328.1	534.8	-	385.1
Spain	15.1	0.6	5.9	15.4	0.6	6.0	15.2	0.6	4.6
Algeria	6.5	0.3	2.5	8.4	0.4	3.3	-	-	-
Canada	1.6	-	9.5	1.2	-	7.3	-	-	-
Total	**569.9**	**0.9**	**351.2**	**518.9**	**1.0**	**344.7**	**550.0**	**0.6**	**389.7**

Note: We have revised 2021 figures to account for our controlling water desalination asset investments that produce non-GHG emissions.

NO_x and CO emissions increased mainly due to higher production at ACT, which resulted in higher emissions.

Our assets do not generate any lead (Pb) or mercury (Hg), and limited amounts of particulate matter (PM), volatile organic compounds (VOC) and hazardous air pollutants (HAP).

[39] Scopes 1 and 2 GHG emissions rate per unit of energy is an accepted SBTi ratio for the utility sector, hence we believe it is a generally accepted industry-specific GHG efficiency ratio.

Following our long-term commitment to sustainability, we have implemented a new non-GHG emissions reduction target. We target to reduce our non-GHG emissions[40] per kWh of energy generated by 50% by 2035 from a 2020-year base.

Energy Management

Our renewable energy, efficient natural gas and water assets consume energy from different sources, including purchased fuel and electricity and, self-generated energy. In 2022, Atlantica consumed 8,371 GWh of energy compared to 8,376 GWh of energy in 2021.

In 2022 and 2021 approximately 99% of fuel consumption came from ACT, our efficient natural gas asset. In 2022, ACT had higher production, resulting in higher fuel consumption. This is the main reason for the increase in Atlantica's energy consumption in 2022 compared to 2021.

Energy Consumption and Generation in 2022, 2021 and 2020

In GWh	2022	2021	2020
Consumption of fuel	7,328	7,543	8,545
Consumption of Purchased Electricity for own use	569	537	448
Consumption of Self-Generated Renewable Energy	474	296	294
Total Energy Consumption	**8,371**	**8,376**	**9,287**
Electricity generation	7,818	6,889	5,815
Thermal energy generated	4,616	4,092	4,463
Total Net Energy Generated[1]	**12,434**	**10,981**	**10,278**
Total net energy consumption within the organisation[2]	(4,063)	(2,605)	(991)

[1] Includes 49% of Vento II wind portfolio production since its acquisition. Does not include curtailment in wind assets for which we receive compensation.

[2] If negative, energy generation is higher than energy consumption.

Following U.K. energy consumption regulation disclosure, energy consumption in the U.K. was less than 0.001% in both 2022 and 2021.

Reporting our activities under the European Union Taxonomy

The European Union (EU) Taxonomy defines economic activities that can be considered environmentally sustainable. It is aimed at investors, companies, and financial institutions, covers a wide range of industries and is intended to protect against greenwashing, help companies plan the transition to a decarbonised economic model, and help shift investments where they are most needed. Reporting is not mandatory for Atlantica, but we have decided to voluntary provide revenue, Adjusted EBITDA and capex information from our business activities.

The table below summarises the percentage of our activities that are considered Eligible and Aligned to the European Union Taxonomy:

[40] Non-GHG emissions including nitrogen oxide (NOx), sulfur dioxide (SO2) and carbon monoxide (CO).

		Eligible Activities[1]	Aligned Activities[1]
2022	Revenue	83%	78%
	Adjusted EBITDA	85%	81%
	Capex	98%	97%
2021[3]	Revenue	85%	81%
	Adjusted EBITDA	85%	80%
	Capex	60%[4]	60%
2020	Revenue	89%	85%
	Adjusted EBITDA	87%	83%
	Capex	97%[5]	97%

Note: On January 1, 2023, the "Taxonomy Complementary Climate Delegated Act" entered into force to include among others, certain gas power activities as part of the EU's transition towards climate neutrality. The table above does not consider our efficient natural gas assets as taxonomy eligible nor aligned as we are currently analysing their compliance with the previously mentioned "Taxonomy Complementary Climate Delegated Act."

1 We have determined that (i) our solar and wind renewable energy plants, transmission infrastructure and water assets are taxonomy eligible activities, and (ii) wind and solar renewable energy plants, and transmission infrastructure are taxonomy aligned activities. We are currently analysing if our (iii) geothermal asset is a taxonomy eligible and aligned activity, and if (iv) water assets are taxonomy aligned.

2 Includes 2022 third-party investments, as well as other capex investments in the existing portfolio.

3 We have revised 2021 figures following the updated 2022 classification.

4 2021 includes investments in Coso, Vento II, Chile PV2, La Sierpe, Italy PV 1, 2 and 3, Rioglass, and other capex investments in existing portfolio.

5 Includes 2020 investments at Solana and Chile PV1, and other capex investments in existing portfolio.

Water Management

Key facts:

- ✓ **4th consecutive year withdrawing less than 60%** of water available under existing permits
- ✓ **New water consumption target: reduce our water consumption per kWh of energy generated by 50% by 2035 from a 2020 base year**

Atlantica is committed to using water efficiently in its operations. This covers two main types of water use:

1. Power generation in the assets that use cycled water in the turbine circuit and in refrigeration processes.
2. Generation of drinking water for local communities and industries through the desalination of sea water.

We are also committed to: (i) calculating and monitoring our water usage and promoting rational and sustainable use of water in compliance with our Environmental Policy, (ii) limiting water consumption as much as possible and operating our assets using an amount of water well below legal limits, and (iii) continuing to improve our water management beyond compliance. We aim to reduce the water consumption of our plants over time.

We generally have water permits at our assets that limit total water withdrawals. We operate our assets well below these limits.

Risk Assessment

Atlantica's risk assessment includes management of water risks. These water-associated risks could be potentially material to many of our generation and water desalination assets. We refer to the TCFD section for additional details on water-related risks.

Our local asset management teams systematically track and monitor water availability as a key KPI. Our internal operations team performs annual audits of our assets aimed at reviewing compliance with our best practices, identifying and mitigating risks, and promoting constant improvement. These audits cover a broad range of areas, including water management.

Regarding regulatory changes, we have local legal teams in each geography who work generally with the support of local external lawyers. Our local internal and external lawyers are in close contact with the regulation and potential regulation changes in each geography. These, together with the asset managers, monitor any potential regulatory change.

We participate in integrated watershed management initiatives in certain key asset locations. For example, in Spain, we (i) participate in the Drainage Commission meetings and in the Watershed Governing Board, (ii) have regular or as-needed meetings with the Hydrographic Confederations to address specific water matters. In addition, we test water samples at reservoirs to verify the quality of the water discharged and comply with total water withdrawal requirements permitted under the existing regulatory limits.

Water Used for / in Power Generation

<u>Renewable Energy Assets</u>

Some of our renewable assets use water in their power generation process. These plants use water for cooling condensers during power generation. We withdraw fresh water primarily from rivers and aquifers. The Company holds permits to withdraw water from these sources and adheres to regulations on water quality. The difference between water withdrawn from and returned to its source is our water consumption which occurs because of evaporation.

We measure the water we withdraw and return using the installed water metres on the plants' pumping equipment. The reported volumes represent the total readings measured by the water metres at all our assets without adjusting for our interest in the assets.

The water metres are sealed and are normally subject to audit by the inspector representing the local water authorities. We comply with the requirements and regulations of the applicable local regulatory authorities in the areas in which we operate. We regularly report the results of our water statistics to the local water agencies.

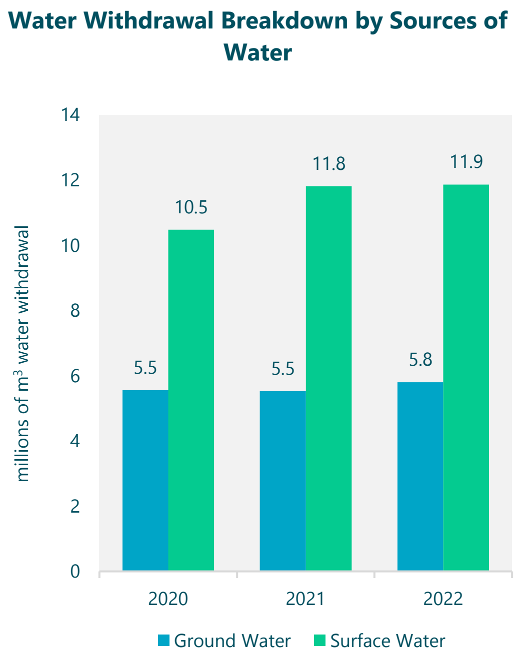
We have implemented initiatives to reduce our water consumption. For example, we have installed an air-dry cooling system, instead of cooling towers, to refrigerate the condensers at one of our plants.

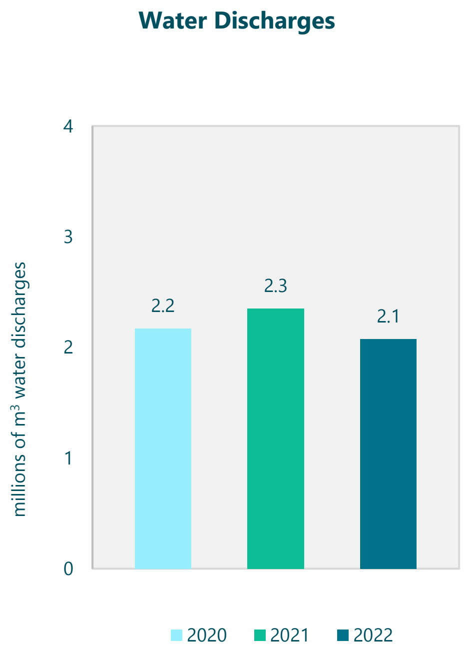
Efficient Natural Gas Plant

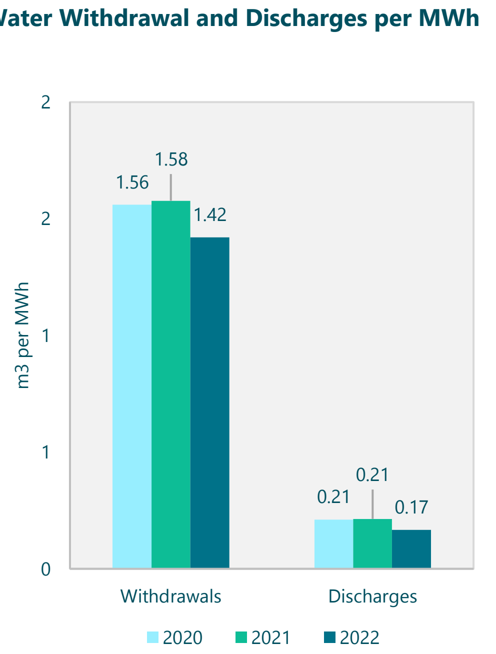
The ACT plant is an efficient natural gas cogeneration facility with a rated capacity of approximately 300 MW and between 550 and 800 metric tonnes per hour of steam. ACT produces electricity and steam.

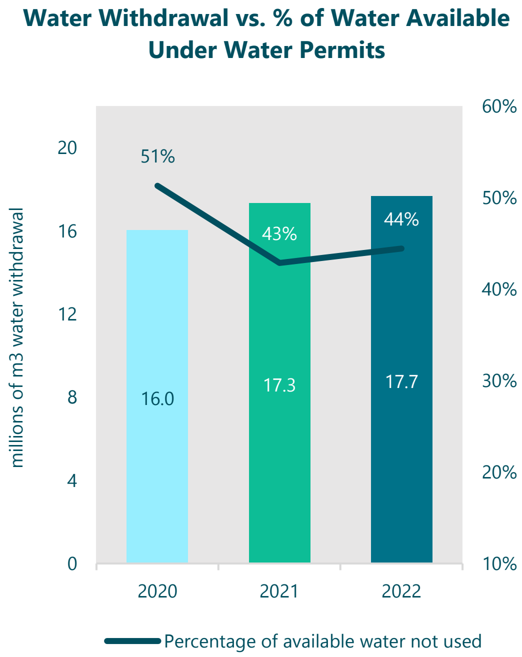
The water necessary to operate the plant is withdrawn and supplied by our client. The water received is transformed to high pressure steam through heat recovery steam generators and delivered back to the client.

The following charts set out water management KPIs for power generation assets for 2020, 2021 and 2022:





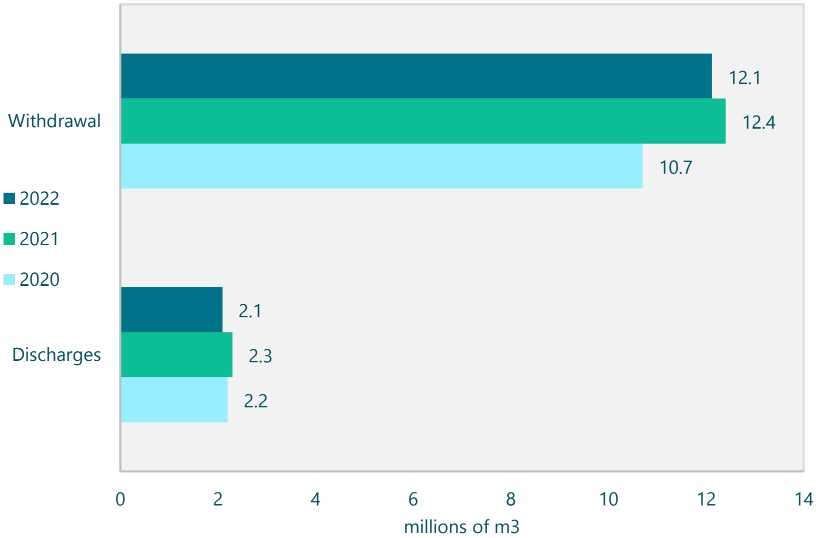




Source: In-house. We have revised 2021 water withdrawal breakdown by sources of water following the updated 2022 classification (i.e., we have reclassified 0.1 million of m³ water withdrawal to ground water).

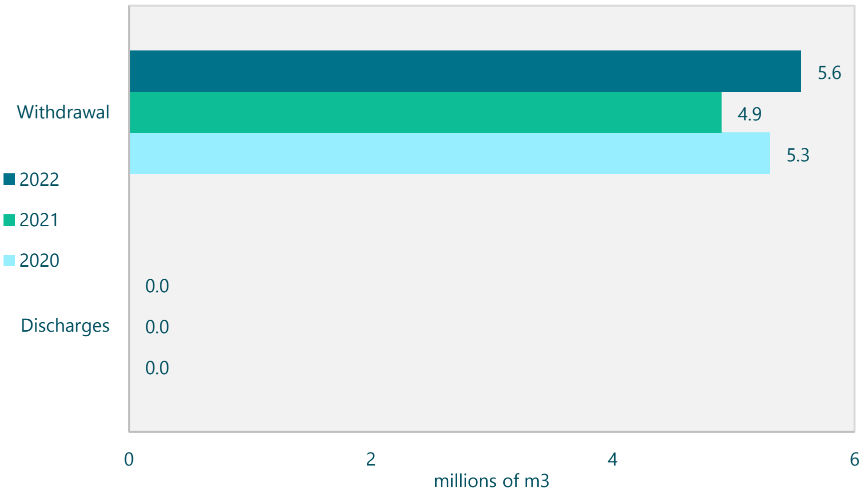
Water Withdrawal and Discharges in millions of m³

Renewable Energy Assets



In 2022, water withdrawal decreased mainly due to the lower production at our solar assets in Spain.

Efficient Natural Gas Plant (ACT)



At ACT, water received is transformed to high pressure steam through heat recovery steam generators and delivered back to our client. In 2022, water withdrawn was 0.7 million cubic metres higher because of higher production per the client request, which resulted in higher water withdrawal.

In 2022 and 2021, we had nine power generation assets located in extremely high or high baseline water stress areas as classified by the World Resources Institute's (WRI) Aqueduct Water Risk Atlas Tool.

Extremely High or High Baseline Water Stress Areas of our Generating Assets

Generating Asset	Technology	Geography	Baseline Water Stress Areas
Helioenergy	Solar	EMEA	Extremely High
Helios	Solar	EMEA	Extremely High
PS	Solar	EMEA	Extremely High
Solacor	Solar	EMEA	Extremely High
Solnova	Solar	EMEA	Extremely High
Solaben	Solar	EMEA	High
Mojave	Solar	North America	High
Solana	Solar	North America	High
Coso	Geothermal	North America	High

Note: we have excluded solar PV assets as these consume minimum amounts of water.

The following table breaks down total water withdrawal by source and water stress areas for our power generation assets.

Withdrawal by Water Source in 2022, 2021 and 2020

In millions of m^3	2022		2021		2020	
	All areas	Water stress areas[1]	All areas	Water stress areas	All areas	Water stress areas
Surface water	**6.3**	**6.2**	**6.9**	**6.8**	**5.1**	**5.0**
Fresh water	5.1	5.0	5.7	5.6	4.0	3.9
Other water	1.2	1.2	1.2	1.2	1.1	1.1
Groundwater	**5.8**	**5.8**	**5.5**	**5.5**	**5.6**	**5.6**
Fresh water	0.2	0.2	-	-	-	-
Other water	5.6	5.6	5.5	5.5	5.6	5.6
Third-party water[2]	**5.6**	**-**	**4.9**	**-**	**5.3**	**-**
Fresh water	5.6	-	4.9	-	5.3	-
Other water	-	-	-	-	-	-
Produced Water	**-**	**-**	**-**	**-**	**-**	**-**
Fresh water	-	-	-	-	-	-
Other water	-	-	-	-	-	-
Total power generation	**17.7**	**12.0**	**17.3**	**12.3**	**16.0**	**10.6**

1 Water stress areas classification according to 2022 Aqueduct Water Risk Atlas.

2 Third-party water corresponds to surface water withdrawn and supplied by our client.

All water withdrawals intended for use in power generation are generally strictly regulated by government authorities, which issue the permits and determine the maximum permitted withdrawal volumes, to ensure that no significant negative effects occur.

After use in cooling and other auxiliary processes, approximately 19% of the water withdrawn at solar facilities is returned to the environment. At ACT, the water we receive from our offtaker is transformed into high pressure steam through heat recovery steam generators and delivered back to the client.

The following table breaks down total water discharge by source and water stress areas for our power generation assets.

Discharge by Water Source in 2022, 2021 and 2020

In millions of m³	2022		2021		2020	
	All areas	Water stress areas[1]	All areas	Water stress areas	All areas	Water stress areas
Surface water	**1.9**	**1.8**	**2.2**	**2.1**	**2.0**	**1.9**
Fresh water	1.5	1.4	1.7	1.6	1.6	1.5
Other water	0.4	0.4	0.5	0.5	0.4	0.4
Groundwater	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**
Fresh water	-	-	-	-	-	-
Other water	0.2	0.2	0.2	0.2	0.2	0.2
Third-party water	**-**	**-**	**-**	**-**	**-**	**-**
Fresh water	-	-	-	-	-	-
Other water	-	-	-	-	-	-
Produced Water	**-**	**-**	**-**	**-**	**-**	**-**
Fresh water	-	-	-	-	-	-
Other water	-	-	-	-	-	-
Total power generation	**2.1**	**2.0**	**2.3**	**2.3**	**2.2**	**2.1**

[1] Water stress areas classification according to 2022 Aqueduct Water Risk Atlas.

The water discharged to the environment is reused, without affecting the natural environment.

The following table details total water consumption at generating assets, considered as the difference between total water withdrawal and water discharged.

Consumption by Water Source in 2022, 2021 and 2020

In millions of m³	2022		2021		2020	
	All areas	Water stress areas[1]	All areas	Water stress areas	All areas	Water stress areas
Surface water	**4.4**	**4.4**	**4.7**	**4.7**	**3.1**	**3.1**
Fresh water	3.6	3.6	4.1	4.0	2.4	2.4
Other water	0.8	0.8	0.7	0.7	0.7	0.7
Groundwater	**5.6**	**5.6**	**5.4**	**5.4**	**5.4**	**5.4**
Fresh water	0.2	0.2	0.1	0.1	-	-
Other water	5.4	5.4	5.3	5.3	5.4	5.4
Third-party water	**5.6**	**-**	**4.9**	**-**	**5.3**	**-**
Fresh water	5.5	-	-	-	5.3	-
Other water	-	-	-	-	-	-
Produced water	**-**	**-**	**-**	**-**	**-**	**-**
Fresh water	-	-	-	-	-	-
Other water	-	-	-	-	-	-
Total power generation	**15.6**	**10.0**	**15.0**	**10.1**	**13.8**	**8.5**

[1] Water stress areas classification according to 2022 Aqueduct Water Risk Atlas.

Water used in Water Desalination

Some parts of the world are suffering from ongoing drought which, combined with a water supply that is unfit for human consumption, can foster disease and death. Water scarcity also affects food production. The desalination of sea water provides a climate-independent source of drinking water.

We withdraw sea water for desalination as specified in the agreements for our investments in three desalination plants.

In 2022, we withdrew 280.1 million cubic metres of sea water, from which we removed salt and minerals during the desalination process at our water treatment facilities to prepare it for human consumption. The difference between water withdrawn from and returned to the sea is the desalinated potable water delivered to the water utility, as specified by our take-or-pay agreements for the consumption needs of approximately 3 million people. In 2022, we produced 123.3 million cubic metres of desalinated water and returned 156.8 million cubic metres (56%) back to the sea.

We invest in three water assets that are located in extremely high or high baseline water stress areas as classified by the WRI Aqueduct Water Risk Atlas Tool.

Extremely High or High Baseline Water Stress Areas of our Water Desalination Assets

Water Desalination Asset	Technology	Geography	Baseline Water Stress Areas
Honaine	Water desalination	EMEA	Extremely High
Tenes	Water desalination	EMEA	Extremely high
Skikda	Water desalination	EMEA	Medium-High

Water Withdrawal, Desalinated Potable Water Production and Discharges in 2022, 2021 and 2020

In millions of cubic metres	2022	2021	2020
Water (seawater) withdrawal	280.1	284.7	211.0
Desalinated potable water production	123.3	115.7	92.3
Water discharges (returned to the sea)	156.8	169.0	118.7

Note: We have revised 2020 and 2021 figures following the updated 2022 classification (i.e., account for water at Honaine, a non-controlling investment, based on our percentage of economic interest in the project).

100% of water withdrawn in 2022, 2021 and 2020 is seawater that does not affect water stress areas.

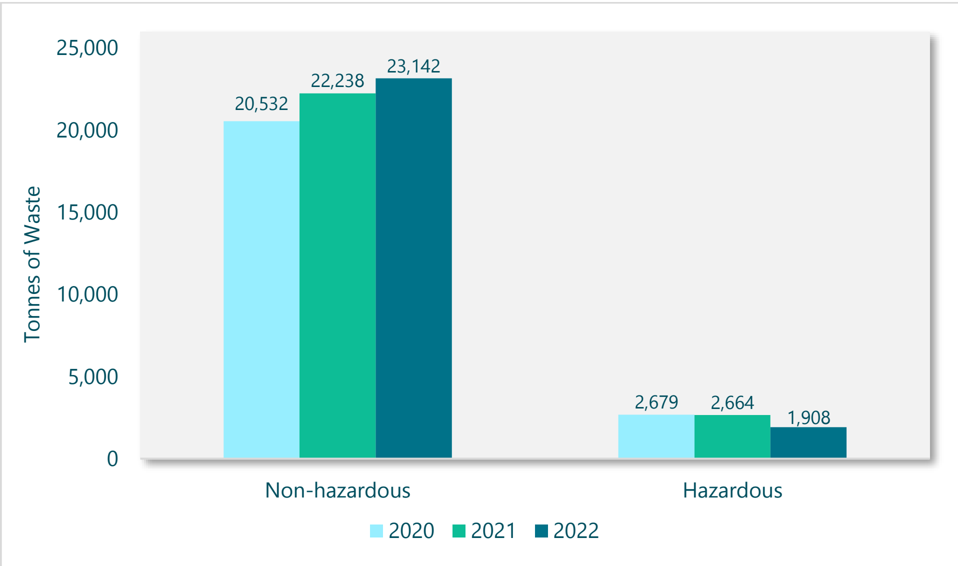
Waste Management

The Company's assets produce two main types of waste, hazardous and non-hazardous. Our processes generate hazardous waste through the use of chemical products. Waste that does not contain substances that are potentially harmful to human health or the environment is defined as non-hazardous waste.

Atlantica is committed to reducing waste and has a comprehensive waste management system with controls in place. In 2022 we continued to implement new initiatives that improved our leak prevention capabilities. We also provided enhanced employee waste-related training, updated our leaks procedure with best practices and insights gained, and identified new recycling and reuse initiatives.

In the U.S., where some of our largest solar assets are located, we have an environmental management plan to minimise our waste impact based on these four principles: (1) Reduce, (2) Reuse, (3) Recycle, and (4) Replace. For example, at Mojave, one of our solar U.S. assets, the company provided re-usable utensils to the employees to encourage them to use fewer plastic utensils during 2022. In 2021, the company had previously improved the water treatment plant process and its recycling programme (sorting metals between steel and stainless steel).

Tonnes of Hazardous and Non-Hazardous Waste in 2020, 2021 and 2022



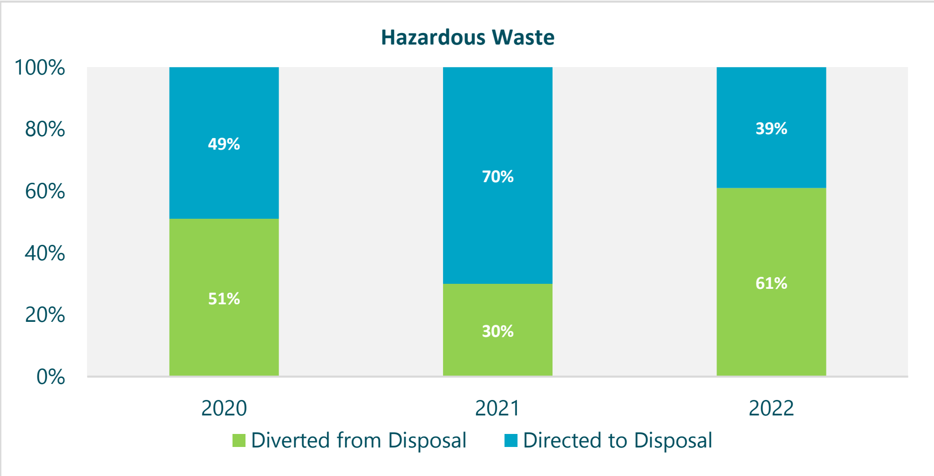
Non-Hazardous Waste

Non-hazardous waste corresponds mainly to the wastewater[41] from treatment plants and the reuse of wastewater before discharge. The increase in non-hazardous waste in 2022 is mainly driven by the inclusion of Rioglass in our waste indicators. Rioglass is a supplier of spare parts and services to the solar industry that we acquired in 2021.

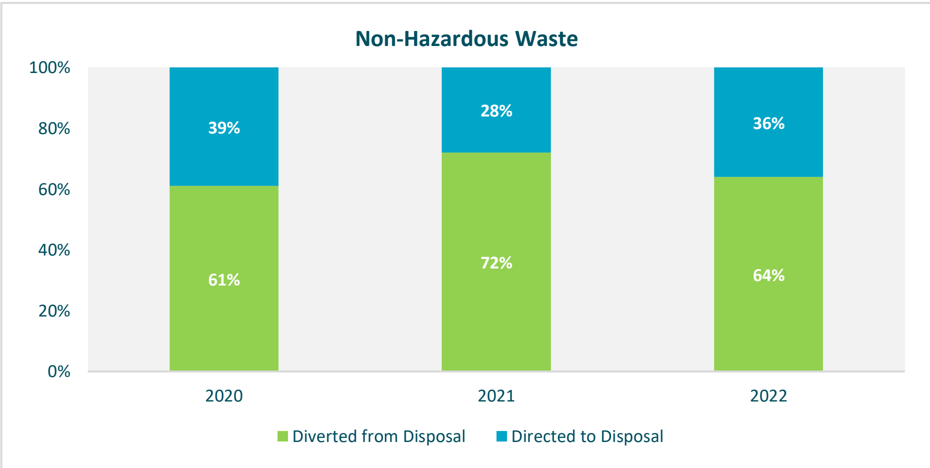
Hazardous Waste

Hazardous waste is reused, recycled or disposed.

Hazardous Waste Reused, Recycled or Disposed in 2022, 2021 and 2020



Note: Diverted from disposal refers to reused or recycled waste, and directed to disposal refers to waste disposed.



Environmental Compliance

We promote the highest environmental standards and a culture of continuous improvement to minimise our environmental risks. Among others, we: (i) have certified our environmental management system (EMS) under ISO 14001, (ii) regularly monitor environmental KPIs, (iii) perform annual environmental audits on our assets to ensure compliance with our best practices, identifying and mitigating risks, and sharing lessons

[41] Wastewater treatment is the process of improving the quality of wastewater and converting it into an effluent that can be either returned to the nature or incorporated to the water cycle with minimum environmental issues or that can be reused.

learnt to promote continuous improvement, (iv) have an ERP-software that enables us to have strict control over our assets, (v) have in-house legal and compliance teams supervising compliance with contractual and existing and/or new regulation requirements, and (vi) provide regular environmental training to our employees and contractors working at our plants.

In 2022, we had one instance of non-compliance that was resolved with an immaterial sanction ($0.8 thousand).

In 2021, we had one instance of non-compliance that was resolved without sanction, two that were resolved with an immaterial sanction ($7 thousand). In 2020, we received an approximately $64 thousand sanction related to an environmental accident that occurred in 2019 at one of our assets in Spain, and an approximately $800 sanction related to a missing semi-annual report in North America. We undertook all necessary measures to minimise their impact, informed public authorities, performed a root-cause analysis, implemented corrective actions to remediate contaminated soils, thus reducing the impact and, internally shared the insights gained.

Number of Accidents by Category

Severity	2022	2021	2020
Moderate	8	9	7
High	0	1[1]	2

Volume of Spills

Litres	2022	2021	2020
Amount of spills	4,146	2,829	31,559

Fines and Penalties

USD '000s	2022	2021	2020
Fines and penalties[2]	1	7	65

1 In 2021, the high severity accident corresponds to Monterrey, an associate where we do not have control.

2 The fines and penalties paid vary from year-to-year depending on the nature of the violation and the timing of its resolution.

The volume of spills increased in 2022 compared to 2021 mainly due to one heat transfer fluid spill and one chemical spill of approximately 1,000 litres each at two solar plants in Spain. These spills are included in waste indicators in the year when the fluid is removed.

We consider all environmental fines and penalties over the period 2020-2022 to be non-material.

Biodiversity

Key facts:

✓ **Proactive approach to protect flora and fauna close to our assets**

The protection of the ecosystem is a critical issue for global sustainability; we intend to promote its conservation as an essential means for environmental, economic and social progress.

We are aware that our assets can cause interactions with various ecosystems, landscapes and species. The Company therefore commits to promoting biodiversity, allowing balanced co-existence, and conserving, protecting and promoting the natural ecosystem.

Our commitment includes having "no net loss" or impacts on biodiversity conservation in the areas where we operate, minimizing deforestation in all our operational activities and selecting suppliers taking into consideration the biodiversity impact of their products or services. We seek to avoid operational activities in close proximity to World Heritage areas and IUCN Category I-IV protected areas.

We also have various tools to help manage our biodiversity matters:

- Strict control of GHG and non-GHG emissions, water, and hazardous and non-hazardous waste. We expect our measures to reduce emissions, water consumption and waste, to minimise biodiversity impacts.
- Quality and environmental management systems certified under ISO 9001 and 14001, respectively.
- Existing consultation guidelines with local communities that enable us to identify and manage local stakeholders and communities of interest, including potential biodiversity matters.
- Asset managers and the compliance, internal audit and legal corporate teams who regularly supervise asset contractual obligations, including biodiversity covenants.
- Geographic Committees are held once a month between Geographic VPs and heads of several corporate functions to update and discuss key asset matters.

Some of our solar plants are close to protected areas, while two of our transmission lines cross some areas that are also considered protected.

Asset	Location	Technology	Size	Type of Biodiversity	Listing of Protecting status
Helios 1 & 2	Near a protected area: "Tablas de Daimiel"	Solar Generation	2x50MW	Wetland	National Park
Solnovas 1 & 3 & 4 and Solaben 2 & 3, 1 & 6	Near zones of special protection for birds	Solar Generation	3x50MW 4x50MW	Birds	Zones of Special Protection of birds as per Spanish Government
ATN	Our transmission lines cross three zones: (1) National Reserve Junin, (2) National Park Huascaran, (3) Hunt reserve Sunchubamba	Transmission Line	379 miles in total	Terrestrial	(1) National Reserve (2) National Park (3) Hunt reserve
Palmucho	Our transmission line crosses the National Reserve Altos de Pemehue	Transmission Line	2 miles	Terrestrial	National Reserve

We apply the mitigation hierarchy[42] in our environmental impact assessments to achieve biodiversity "no net loss". In our sector, environmental impact assessments are typically prepared in the design and construction stages, where opportunities for impact avoidance are far greater as siting and design may be influenced. During 2022 most of our assets were in operation and we had three solar projects under construction. In these projects, for example, alternatives were analysed to avoid placing new infrastructure in protected areas or areas with a high biodiversity value. During the construction process, we comply with permitting, law and regulation in-place, and seek to minimise the environmental impacts to be as low as possible, as well as restoring affected areas.

In addition, typical potential biodiversity impacts caused by solar assets under development or construction include (i) habitat loss through clearance or displacement, (ii) barrier effects, (iii) pollution, (iv) habitat degradation, and (v) introduction of invasive alien species.

Typical potential biodiversity impacts caused by operational renewable energy assets include: (1) solar assets (i) barrier effects (assets occupying large landscapes and/or fences acting as a barrier), (ii) pollution (dust, light, noise and vibration, solid/liquid waste), (iii) habitat degradation due to changes in hydrology and water availability and quality, (iv) wildlife mortality due to attraction to evaporation ponds, (v) bird collisions (with solar panels), and bird mortality, (2) wind assets (i) barrier effects (assets occupying

[42] The mitigation hierarchy is comprised of a sequence of four steps: (a) Avoidance, (b) Minimisation, (c) Restoration, and (d) Offsets.

a) Avoidance: Measures taken to anticipate and prevent the creation of impacts. For avoidance to be effective, biodiversity risks need to be identified early in the project planning stages. It is the most important step of the mitigation hierarchy.
b) Minimisation: Measures taken to reduce the duration, intensity and/or extent of impacts that cannot be completely avoided, as far as is practically feasible. Typically undertaken either in the construction or operational stages.
c) Restoration: Measures aimed at repairing specific biodiversity features or ecosystem services damaged by project impacts that could not be completely avoided or minimised. Typically undertaken during construction or decommissioning.
d) Offset: Measures taken to compensate for significant adverse residual impacts.

large landscapes and/or fences acting as a barrier), (ii) pollution (dust, light, noise and vibration, solid/liquid waste), and (iii) bird and bat collisions with turbine blades, (3) geothermal assets (i) noise and sight pollution, (ii) gas emissions.

We have implemented controls aligned with the mitigation hierarchy approach to minimise our potential biodiversity impacts.

Project Phase	Mitigation Hierarchy	Controls
Construction and operational phase	Minimisation	- Abatement controls: steps taken to reduce levels of pollutants (e.g. light, noise, gases or liquids) that could have negative biodiversity impacts. - Operational controls: measures taken to manage and regulate the actions of people, including project employees and contractors. - Physical controls: adapting the physical design of project infrastructure to reduce potential impacts.

Some specific examples during the operational phase include:

Technology	Control	Measure	Receptor	Description
Solar	Physical	Modify security fencing to minimise barrier effects	Small- and medium-sized animals	Modifications to fencing to facilitate animal movement
Solar	Abatement	Reduce water use	General	Employ dry instead of wet cooling and cleaning technologies at some solar assets, such as air cooling (dry cooling and cleaning)
Solar	Physical	Prevent drowning or poisoning of wildlife	All wildlife	Fencing to keep wildlife away from ponds
Wind	Physical	Reduce collision risk	Birds	Shutdown wind turbines on demand

At Atlantica, we also consider reforestation as a measure to improve flora and fauna in those geographies where we operate.

Our summarised biodiversity strategy by geography is:

	Strategic Areas		
	Protection of Fauna	Protection and Management of Vegetation	Protection of Impacts to Water
U.S.	✓	✓	✓
Colombia	✓	✓	-
Uruguay	✓	-	-
Spain	✓	✓	✓
Italy	✓	✓	-
Argelia	-	✓	-

2022 key biodiversity initiatives by technology and geography were:

Solar Assets

United States

At Mojave, we continue to monitor and survey the protected Mojave desert tortoise, gopherus agassizii, golden eagle, burrowing owl, american badger, desert fox and Mojave ground squirrel. For example, the plant has a desert tortoise exclusion fence clearance survey and translocation plan. These conditions were established by the California Energy Commission (CEC) for the approval of the Mojave solar plant. In 2022, we invested $34 thousand to repair one of the tortoise guards on Harper Lake Road to assure safety of the tortoises.

We have also set up measures to protect birds and animals from potential damage caused by our evaporation ponds, if they drank evaporated pond water, which is high in salt minerals. We hired third party biologists and environmental specialists to continuously study the behaviour of local and migrating birds and animals to protect them by actively deterring them from the evaporation ponds. We use various avian deterrents approved by the CEC. Among these deterrents are the emissions of noises resembling their predators, water spraying, and "eagle eyes". We also installed two nets at the cooling tower at our facility in Mojave. These nets follow recommendations of and have been approved by the California Energy Commission (CEC) and are part of our commitment to avoid bird fatalities at the plant. Our specialists continue to identify ways to protect birds and animals, and always do so in coordination with the CEC. According to our approved Bird Monitoring Study that complies with condition BIO-17, we continuously monitor bird life at and around the Mojave project, survey collected dead birds and transfer bird carcasses found to local authorities within the surrounding area of the plant for further autopsies to determine cause of death. We have not had any violations or non-compliance in this respect in the past three years.

Currently one evaporation pond is netted and the three remaining ponds are scheduled to be completed in 2023. In addition, we continue to support the "Wetland and Wildlife Care Centre" programme, a non-profit organisation that takes care of the rehabilitation and release of native wildlife. We consider this sponsorship very important as they treat any injured wildlife we might bring to them, which in some cases are species considered to be endangered.

At our Solana plant in Arizona, we continue to control the flora and fauna of the natural wash area located north of our solar plant. We annually send approximately 477-acre feet of water to the Bull Durham Wash as a minimisation action after the nearby farmland changed to industrial use. By doing so, many birds are now stopping in this wash as opposed to our evaporation ponds while minimizing the impact of industrial farmland located close-by.

Bull Durham Wash

Evaporation pond net

Tortoise guard on Harper Lake Road

At our Coso geothermal facility, we perform quadrennial studies on the endangered Mojave Ground Squirrel. This includes trapping and tagging the local population for monitoring purposes, and production of reports to document findings. Also, although the Coso area has not been designated as a desert tortoise habitat, all personnel are trained to address tortoise encounters in the unlikely event they occur. Additionally, studies are performed to monitor any potential impact due to the cooling tower drift on the vegetation or wildlife near the facility.

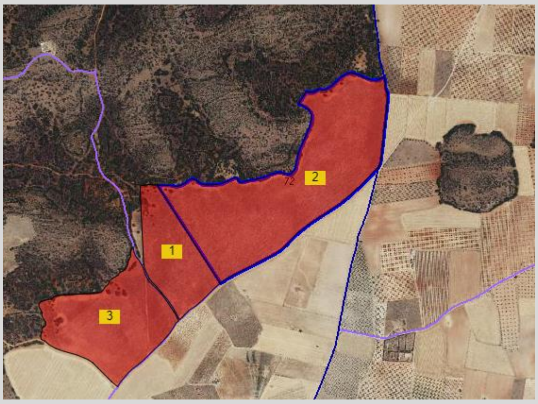
Colombia

In 2022, prior to the start of the construction of La Tolua and Tierra Linda solar PV projects, a fauna and flora relocation programme was carried out following all legal requirements. The programme aimed to relocate the animals and plants to areas with conditions identical to those found in their natural habitats.

Spain

In 2022, we continued to deliver on our reforestation programme in Spain. The main initiatives include:

- We planted 460 holm oaks close to one of our solar plants amounting to an investment of $40 thousand.
- Reforestation of approximately 45 hectares with 8,800 holm oaks, 4,500 quercus coccifera and small plants. Total investment amounted to $110 thousand.



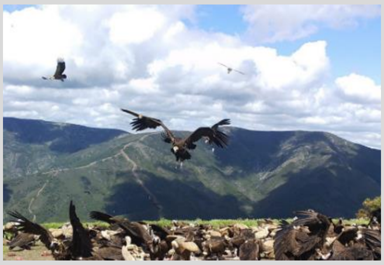
New reforestation area


Planting of holm oaks

In addition, we continued to carry out maintenance actions on the more than 220 hectares (540 acres) already planted.

Furthermore, we continued to collaborate with local administrations in Spain to protect species, including vultures (aegypius monachus), eagles (aquila adalberti) and other steppe birds settled close to our plants. We donated approximately $80 thousand to provide food and participated in the census and monitoring of these birds aimed at locating the birds' nesting areas on private agricultural land.

Monitoring of bird populations



Vultures feeding area

Planting of oleaginous plants

Eagle's nest

Italy

None of our solar PV assets in Italy are close to protected areas. We have put voluntary biodiversity initiatives in-place including: (i) vegetation control activities without using pesticides, and (ii) security fences that facilitate animal movement, thus minimizing barrier effects.

Vegetation close to our assets under control

Wind Assets

Uruguay

We constantly monitor and report on the impact of spinning blades on local species of birds at our three wind farms in Uruguay. The scientific monitoring studies are performed by independent biodiversity consultants contracted by our projects. Studies cover a census of birds to analyse bird mortality and monitor the protected birds, including the black-chested buzzard-eagle (Geranoaetus melanoleucus), the loica pampeana, the black-and-white monjita (xolmis dominicanus), and the straight-billed reedhaunter (limnoctites rectirostris).

At Cadonal and Palmatir, we have implemented an enhanced monitoring system to manage and mitigate the mortality of endangered species. In particular, we have an alarm protocol to shutdown selective turbines on demand to minimise the black-chested buzzard-eagle's risk of collision with spinning blades.

Summarised Protocol

Alarm level	Black-chested buzzard-eagle at risk	Procedure
Red	Black-chested buzzard-eagle flying <300 metres away from wind turbines.	Immediate turbine(s) shutdown.
Orange	Black-chested buzzard-eagle flying between 300 and 500 metres away from wind turbines.	Prepare turbine(s) shutdown.
Yellow	Black-chested buzzard-eagle flying >500 metres away from wind turbines and within the wind farm perimeter.	On-hold.
Green	Black-chested buzzard-eagle is no longer at risk. It is >500 metres away from wind turbines and outside the wind farm perimeter.	No further action required.

Note 1: Different alarm levels can be triggered consecutively.

Note 2: Employees receive specific training to correctly identify black-chested buzzard-eagle vs. other similar birds.

In 2022, 2021 and 2020, we did not record any black-chested buzzard-eagle mortal event caused by collisions with wind turbines.

On a yearly basis, Atlantica develops its biodiversity plan in accordance with the Environmental Operation Management Plan (PGAO). The plan is approved by the National Environmental Governmental Agency (DINAMA).

Moorish Eagle

Moorish Eagle and Pampas Loica

Water Desalination Assets

In May 2022, along with local associations and authorities, we organised the clean-up of two beaches close to our desalination plants. Many volunteers participated in the initiative, including families with children of different ages, and we took advantage of the event to raise awareness about the importance of clean coasts for the conservation of marine species.

Beach clean-up

Social Sustainability

Human Rights

We are committed to conducting our business in a manner that respects the rights and dignity of our employees and those linked to our activities, including our supply chain. We respect internationally recognised human rights, as set out in the International Bill of Human Rights, the International Labour Organisation´s (ILO) Declaration Core Conventions and the OECD Due Diligence Guidance for Multinational Enterprises.

Labour practices at Atlantica, including our employees and directors, are governed by our Human Rights Policy. This Policy aims to ensure respect for human rights in all our day-to-day activities – regardless of local practices -, implementing the commitments defined by our policies and international reference standards, directives and conventions, and establishing the procedures to ensure compliance with them.

We also have a Code of Conduct, Supplier Code of Conduct, Corporate Governance Guidelines and an Anti-Bribery and Anti-Corruption Policy to identify and mitigate any type of violations of human rights that are linked to our operations, products or services and by our business relationships. These documents include specific sections on integrity, dignity, health and safety and labour practices (including those of our suppliers), equal opportunities, non-discrimination, environmental protection (including environmental accidents that could affect our employees or subcontractors' employees and/or local communities), cybersecurity and data protection.

In addition, we have a Diversity and Inclusion Policy to formalise our zero tolerance to discrimination against anyone based on any personal characteristic, such as ethnic background, culture, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health, disability, pregnancy, or any other characteristic protected by law. We provide equal opportunities to all employees, including supportive and understanding workplace environments where employees feel welcomed, respected and listened to, and where they can realise their full potential regardless of their race, colour, sex, age, religion, ethnicity, nationality, or disability. We seek to provide a climate of confidence where employees can raise issues. Any behaviour which is not acceptable must be reported through the Ethical Mailbox that Atlantica has established to report any kind of abuse.

Furthermore, we acknowledge the rights of workers to collectively bargain the terms and conditions of work as defined by international reference standards, directives and conventions. Collective bargaining refers to all negotiations which take place between the employer on the one hand, and one or more workers' organisations (trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers. Additional information on collective bargaining is disclosed in the People and Culture section.

Atlantica's management has implemented different measures to identify, assess and mitigate potential human rights-related risks. These include:

- An Internal Compliance team that reviews human rights-related matters as part of their annual due diligence activities. The compliance team is responsible for monitoring that human rights are internally respected, providing human rights related training to our employees, and assessing the supply chain across the jurisdictions in which we operate to identify any potential breach. Additional information on compliance training is disclosed in the Business Ethics section. Information on our supply chain is disclosed in the Anti Modern Slavery & Human Trafficking Statement and in the Supply Chain Management Section, both part of the Strategic Report.
- A Code of Conduct that sets forth on working with third parties who operate under principles that are similar to those set out in the Code of Conduct. Additional information on our Code of Conduct is disclosed in the Business Ethics section.
- A Supplier Code of Conduct to which our suppliers must adhere to and which includes human rights and labour standard principles. Additional information on our Supplier Code of Conduct is disclosed in the Supply Chain Management section.
- Internal and external due diligence processes for new suppliers. Additional information is disclosed in the Supply Chain Management section.
- Regular internal and external audits to review compliance with data protection rules and regulations. Additional information is disclosed in the Cybersecurity and Data Privacy section.
- A Corporate Operations team that audits health and safety procedures at the asset level, as well as operational and environmental performance to implement insights gained and best practices. Additional information is provided on the Health and Safety Asset Management sections.
- An Investment Committee that reviews, as part of its due diligence when acquiring new assets, that the asset and/or the potential investment partner have not had any human rights incidents or sanctions.
- A Head of Risk Management who reviews risk management processes, procedures and tools implemented by the Company, including human rights-related risks affecting our operating portfolio as well as assets under development or under construction. Atlantica's Risk Map is reviewed by the Risk Management Committee and presented to the Board on a quarterly basis. Additional information on our risk management function is disclosed in the Sustainability Governance section.
- Rights of local communities. Our Geographic VPs and local asset managers lead community relations, including monitoring community matters and their development. Additional information on local communities is disclosed in the Local Communities section.
- Tolerating no salary discrimination for any reason, including gender. Different employees, including men and women in a similar position, can have different salaries based on the results of their performance evaluations. Additional information on gender equality is disclosed in the People and Culture section.
- Reporting our "Communication-On-Progress" on our commitment to the Sustainable Development Goal (SDG) Nº8 (Decent Work and Economic Progress) through this Integrated Annual Report and directly through the United Nations webpage. Additional information on our commitment to SDGs is disclosed in the United Nations Global Compact (UNGC) section.
- Proposing changes to the Compliance and ESG-related policies to the Board, as well as maintaining our internal processes and procedures aligned with best practices.

- Providing communication channels to report any misconduct or instances of non-compliance with human rights. These include the whistleblower channel and the compliance channel. We have implemented several initiatives to encourage their use. Additional information on our communication channels is disclosed in the Business Ethics section.

In addition, we have partners at some of our assets. In some cases, such as at Solacor 1 & 2, Solaben 2 & 3, Seville PV, Kaxu, Skikda, Tenes and Chile PV 1, 2 and 3, we have control over the asset. In other cases, such as Honaine, Monterrey or Vento II, we do not manage the projects' day-to-day operations. As an example, our partner at Vento II is EDP Renewables (EDPR), a company with ethical standards similar to those set out in our Code of Conduct. In any case, our Geographic VPs maintain regular engagement and dialogue with our partners. To the extent possible, considering Atlantica's ownership interest, we try to introduce our business ethics practices, including our human rights-related practices, in affiliates where we do not have control.

We confirm that no human rights incidents were reported or identified during 2022, 2021 or 2020.

We plan to continue analysing, implementing and reporting initiatives to improve our human rights procedures going forward.

Anti-Slavery and Human Trafficking Statement

In May 2022 our Board of Directors amended and approved our "U.K. Anti-Modern Slavery and Human Trafficking Statement" under the Modern Slavery Act, 2015. The statement, available on www.atlantica.com, outlines the steps taken by the Company to address the risk of slavery and human trafficking occurring within our operations and supply chains.

At Atlantica, we respect internationally recognised human rights, as set out in the International Bill of Human Rights, the International Labour Organisation´s (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Due Diligence Guidance for Multinational Enterprises.

We seek to identify or mitigate any type of violations of human rights that are directly or indirectly linked to our operations, products or services. We have a Human Rights Policy in-place aimed at safeguarding respect for human rights in all our day-to-day activities, implementing the commitments defined by our policies and international reference standards, directives and conventions, and establishing the procedures to ensure compliance with them.

We have analysed our supply chains across the jurisdictions in which we operate and most of our suppliers are suppliers of equipment and services for our assets, as well as financial and professional services organisations, including banks, legal advisors, accountants, consultants and insurers. We believe we have a robust due diligence system in place for the management of human rights issues.

Measures to identify, assess and mitigate potential risks relating to respecting human rights include that our new suppliers are subject to internal due diligence and, when applicable, required to confirm that their organisation will comply with our corporate policies and our Supplier Code of Conduct (available at www.atlantica.com), which includes expectations with regards to sustainable development in the following areas: business integrity and ethical standards, human rights and labour standards, environmental sustainability, and reporting concerns and compliance monitoring. Through our Supplier Code of Conduct, we encourage our suppliers to conduct their operations respectfully with fundamental human rights, as affirmed by the Universal Declaration of Human Rights. In this regard, Atlantica joined the United Nations Global Compact (the "UNGC") initiative in January 2018 and formally adopted the UN Global Compact Ten Principles in the fields of human rights, labour, environment and anticorruption. We are determined to make the UNGC and its principles an integral part of the strategy, culture and day-to-day operations of Atlantica and its suppliers.

In addition, we provide our employees, shareholders and other stakeholders with the whistleblower channel (available at www.atlantica.com), a specific communication channel with management and the governing bodies that serves as an instrument to report any misconduct, instances of non-compliance with our compliance policy framework, as well as unethical or unlawful behaviour, including any suspected or actual form of modern slavery taking place within the business or supply chain.

Atlantica has zero tolerance for modern slavery, and we confirm that no incidents of modern slavery were reported or identified during 2022, 2021 or 2020.

Training was provided in 2022, 2021 and 2020 to our employees about our Code of Conduct and corporate policies through our online training platform, in-person training, and/or real-time video conferencing. The training includes specific content related to human and labour rights, in order to promote the Human Rights Policy throughout our organisation.

All our employees must annually read, understand, and commit to following our corporate governance policies.

Supply Chain Management

Description of the Supply Chain

In 2022 we engaged with approximately 2,860 suppliers across all the regions we operate in, compared to 2,570[43] in 2021 and 1,200 in 2020. The increase in the number of suppliers in 2022 compared to 2021 was mainly due to the: (i) internalisation of the operation and maintenance services at part of our solar assets in Spain and at Kaxu, (ii) recently acquired assets in Italy, and (iii) construction activity.

During 2022 we had forty-one assets in operation and three solar projects under construction. As we continue to increase our development and construction activities, we have updated our purchasing policies, processes and procedures, and hired additional purchasing personnel to manage a higher number of suppliers in different geographies. Our purchasing team is also preparing a pool of prequalified construction subcontractors in different geographies based on, among others, their experience, costs and health and safety records.

[43] We have revised the total number of suppliers in 2021 to account for those of COSO, our 135 MW installed capacity geothermal plant in the U.S., and Chile PV 1 and PV 2, two solar PV assets under our renewable energy platform with 95 MW aggregated installed capacity, which were acquired in 2021.

We expect our suppliers to adhere to our Supplier Code of Conduct. We include our requirements in our contractual arrangements with suppliers. Understanding that some suppliers may face challenges in adhering to every aspect of the Code, from the onset of our business relationship, we pledge to work with those suppliers to help them comply.

Our Supply Chain Strategy

In 2022 and 2021 ~100% of our suppliers adhered to our Supplier Code of Conduct. We have a supply chain management strategy comprised of five priorities:

(1)	Maintaining a resilient and agile supply chain that complies with all rules and regulations, including best practices set out in our Supplier Code of Conduct.
(2)	Ensuring that the purchase of all goods, supplies, external professional services and works required to perform our day-to-day activities are performed in a timely, efficient and effective manner. As such, our internal general purchasing policy and standardised procedures are maintained and regularly updated in all our geographies.
(3)	Maintaining a comprehensive risk management approach. We seek to reduce purchasing costs over time through new or existing suppliers, while minimizing the potential supply chain risks on our businesses and maintaining ESG standards. As such, vendors are evaluated (internally and/or externally) before being hired and are regularly reviewed thereafter.
(4)	Maintaining a robust information system that enables the Purchasing Department to identify business needs, in advance, while being supported by a comprehensive vendor database that includes a multiple-level approval system.
(5)	Identifying and implementing international purchasing best practices.

Considering that "Integrity, Compliance and Safety" is our first value and prevails over the rest, in 2022 we provided compliance-training to all employees who are involved in purchasing, including anti-corruption and anti-bribery practices. We refer to the Business Ethics sections for further details on compliance-related training.

Our Suppliers

Our Tier 1 suppliers are those who directly supply goods, materials or services to the Company. Within Tier 1 suppliers, we consider critical Tier 1 suppliers those with a total annual expense equal to or higher than $250 thousand.

Our Tier 2 suppliers are those who supply goods, materials or services to our suppliers at the next level up in our supply chain.

In 2022, we had 2,860 suppliers, out of which 120 were considered Critical Tier 1 suppliers. These represent approximately 4% of the total number of suppliers and approximately 70% of our total purchase expense. In 2021, we had 2,570 suppliers, out of which 117 were considered Critical Tier 1 suppliers. These represented approximately 5% of the total number of suppliers and approximately 60% of our total purchase expense in 2021.

Comprehensive Risk Management Approach

The Purchase, Compliance and Risk Management teams play a key role in establishing mechanisms to avoid negative impacts from our suppliers: avoid conflicts of interest, bribery and corruption, comply with human rights and labour standards, comply with our occupational health and safety targets and work with environmentally sustainable suppliers.

Atlantica uses SAP, an ERP system, to track suppliers general information, purchase orders and payments. As of December 31, 2022, SAP is used at all our assets, with the exception of our recent investments in Colombia, Chile and Italy, and at our water assets. In 2022 and 2021, companies without SAP represented less than 7% and 6%, respectively, of our total revenue. We plan to implement SAP at recent investments during 2023. We believe having one single database of suppliers and one process for the entire organisation helps to prevent supply chain risks.

We have several lines of defence to mitigate supply chain risks:

Line of Defence	Measure	Periodicity	Responsible
1st line	Internal pre-screening evaluation of new suppliers	Always	Compliance, Quality, Risk Management, Purchasing
2nd line	Manage and supervise suppliers as per contracts	Always	Asset Managers, Corporate Departments, Legal
3rd line	Identify, monitor, mitigate and report Company risks, including potential supply chain-related risks	Quarterly	Risk Management
4th line	External supplier evaluation	Annually	Third-party vendor
5th line	Test that supply chain activities follow our internal processes and procedures	Annually	Internal Audit
6th line	Supplier evaluation every three years	Every 3 years	Compliance, Purchasing, Risk Management

1st line of defence: Atlantica's internal pre-screening evaluation of all new suppliers follows a 4-step process:

- Step 1: Initial supplier evaluation to verify among others, the suppliers' general information, bank account certificates and taxpayer identification number.
- Step 2: Verify the suppliers' technical qualification including their experience, capabilities, management systems in-place (e.g., ISO 9001, 14001), as well as other specific technical requirements.
- Step 3: Compliance due diligence assessment based on our internal policies, processes and procedures, including among others, checking the supplier adherence to our Supplier Code of Conduct[44] and verifying that the supplier has no conflicts of interest nor corruption or bribery accusations.
- Step 4: Financial solvency check – reviewed for services or products above $50 thousand – undertaken by the Risk Management Department.

1st Line of Defence in 2022, 2021 and 2020

	2022	2021	2020
Internal pre-screening evaluation of new suppliers	100%	100%	100%

We identified seven potential new suppliers that were disqualified (vs. two in 2021) during the pre-screening internal approval process.

2nd line of defence: asset managers at the operational level and the head of each Corporate Department manage their supplier activities as per the contracts. The Internal

[44] We understand that some our suppliers may face challenges in adhering to every aspect of the Code. Thus, we have set up minimum Supplier Code of Conduct requirements that are reviewed by the Compliance Department on a case-by-case basis.

Legal Department, as well as external legal counsels when needed, provide support (e.g., drafting and revising contracts, disputes, etc.) to prevent material adverse impacts, including environmental and social impacts. In case of failure or violations of Atlantica's commitments which have significant impact on, for example, environment, human or labour rights, Atlantica may terminate, suspend or revoke the contract.

To strengthen our second line of defence, align Atlantica's safety standards to those activities of our subcontractors working at our premises and prevent material adverse social impacts, we also have: (1) local teams, including asset managers, ensuring our procedures are being followed by all subcontractors working at our plants, (2) a central operations team performing regular health and safety audits of subcontractors employees to monitor compliance with legal regulations, safety guidelines included in contractual agreements, and our safety best practices, (3) health and safety written procedures, including emergency response plans and a safety app to be followed by subcontractors employees, and (4) training safety awareness including subcontractor employees. We refer to the Health and Safety section for additional information on health and safety.

3rd line of defence: our corporate Risk Management Department carries out quarterly reviews of all Company risks, including those related to our supply chain. We refer to the Risk and Uncertainties and the Sustainability Governance sections for additional disclosure on risk management.

4th line of defence: following a thorough analysis, in 2022 we changed our external evaluation provider to Achilles, an independent, international well-known company that evaluates suppliers based on:

- Environment, including GHG emissions, water and waste management, energy consumption, biodiversity and environmental management systems.
- Social, including health and safety, child labour, discrimination and harassment, diversity, training and investments in local communities.
- Governance, including corporate social responsibility, human rights, adherence to the United Nations Sustainable Development Goals, and management of the vendor's supply chain (i.e., sub-supplier environmental and social practices).

Achilles methodology is built on international standards including ISO 26000, the United Nations Global Compact and the Global Reporting Initiative reporting requirements.

Achilles annual evaluation process includes:
- A scorecard per supplier with a zero to one hundred (0 – 100) score, and medals (silver, gold and platinum) when applicable. The scorecards also provide guidance on strengths and improvement areas for each supplier.
- Engagement with suppliers to determine appropriate actions on improvement areas (if necessary).

4th Line of Defence in 2022, 2021 and 2020

	2022	2021	2020
External supplier evaluation as a percentage of total annual operating expenses	~45%	>51%	>51%

We externally pre-screened suppliers representing ~45% of the Company's annual operating expenses.

5th line of defence: our Internal Audit Department annually tests that our supply chain activities follow internal policies, procedures and processes. We refer to the Sustainability Governance section and the Audit Committee Report for additional disclosure on the internal audit activities.

6th line of defence: in 2022, we implemented a new supplier evaluation process to assess all suppliers every three years. The Compliance team monitors suppliers' activities to verify that they continue to operate under the principles set out in our Supplier Code of Conduct. An objective and systematic analysis is performed to analyse the continuation of the contractual relationship. Non-compliance may result in terminating, suspending, or revoking the contract.

Supply Chain Targets

Following our commitment to supply chain management we have updated our targets:

Target	Status
Internal pre-screening evaluation of new suppliers (i.e., Tier 1 suppliers)	✓
External supplier evaluation: review 70% of total annual operating expenses (i.e., Tier 1 suppliers) by 2024 year-end[1]	On-track
Supplier evaluation every three years: internally review 100% of all suppliers every three years (first full year applying this process was in 2023)	-

(1) Following third party evaluation changes in 2022 we have updated the target.

Spending on Local Suppliers

We acknowledge that our day-to-day activities have impacts on local communities. We foster communities' economic prosperity through local purchasing and hiring of local employees. We have stakeholder and community development and involvement policies in-place to generate a stable and predictable business environment that enables us to promote local communities environmental, economic and social progress, reduce risks and identify opportunities. The policies are available on our website.

We buy local whenever purchases are made to suppliers from the same country where the service or the material is used. In 2022 and 2021, more than 90% of our total purchases in the geographies where we have assets were made from local suppliers.

Customer Management

We derive our revenue from selling electricity, electric transmission capacity, water desalination capacity and heat. Our customers are mainly comprised of electric utilities and corporations, with which we typically have entered into PPAs with. We also have electric systems and government owned electricity and transmission companies as customers. We do not have individuals or retail clients as customers in any of our assets.

Our Geographic VPs and local managers are responsible for managing customers relations. Considering that most of our clients are large electric utilities and corporations in different countries, each geography has implemented its own procedures and consultation guidelines to communicate with customers to manage their needs efficiently and effectively. This usually involves physical meetings or phone calls between our local employees and customers. We have learnt from our "boots-on-the-ground" approach that, in addition to complying with contract obligations, we need to adapt to the local culture.

We have an in-house system that enables us to measure the success of our customer relations. We generally have a very fluid and good rapport with all our clients. We do not have a direct relationship with state-owned electric systems (for example, solar assets in Europe and wind assets in South America). Considering the limited number of offtakers within our portfolio, we do not have a formal customer survey in place as some integrated electric utilities may have.

We also perform annual reviews with some of our clients to check that we comply with certain key areas. In addition, we have communication channels to report any misconduct, irregularities or instances of non-compliance, including a whistleblower and a compliance channel, as detailed in the Business Ethics section. Furthermore, we leverage on this Integrated Annual Report, social media, press releases and website content to provide additional information to our customers.

Customer-related topics are discussed, on an as-needed basis, in the Business and Geographic Committees, allowing senior corporate management to better assess customer-related matters.

People and Culture

We believe that by providing a healthy working environment for our employees, and by enhancing social and professional development, we will attract and retain valuable employees. Employees are a core component of our present and future success.

Our values and Code of Conduct set out what we expect of all our people. The honesty, integrity and sound judgement of our employees and directors is essential to Atlantica's reputation and success. We seek employees who have the right skills and who understand and embody the values and expected behaviours that guide our business activity.

We perform an employee climate survey at least every three years to assess employees' satisfaction. The goal is to receive feedback, as well as engage with our employees. The survey is confidential, managed by a third party, and results are aggregated, shared and discussed with supervisors. In October 2022 we carried out an employee climate survey. Approximately 78% of employees took part and the general engagement with the Company was 68%, compared to 77% in October 2020. This decrease was largely driven by the integration processes from recently acquired assets. In 2022, Atlantica scored highly in several areas, including employees' satisfaction with their immediate manager/supervisor. This survey also helped us to identify certain areas for improvement. Management prepared action plans for those areas. The Board receives reports on the survey results together with action plans that management intends to take moving forward.

We use a platform, called Meta4 as our global system for human resources management. Meta4 is accessible to all Atlantica employees. It is an interactive tool that allows employees to access and manage their development, performance reviews, benefits, compensation, work-time planning, etc.

To improve communication with our people we have implemented several measures:

- Our CEO updates Atlantica's employees on key priorities in open sessions with Q&A at least twice a year.

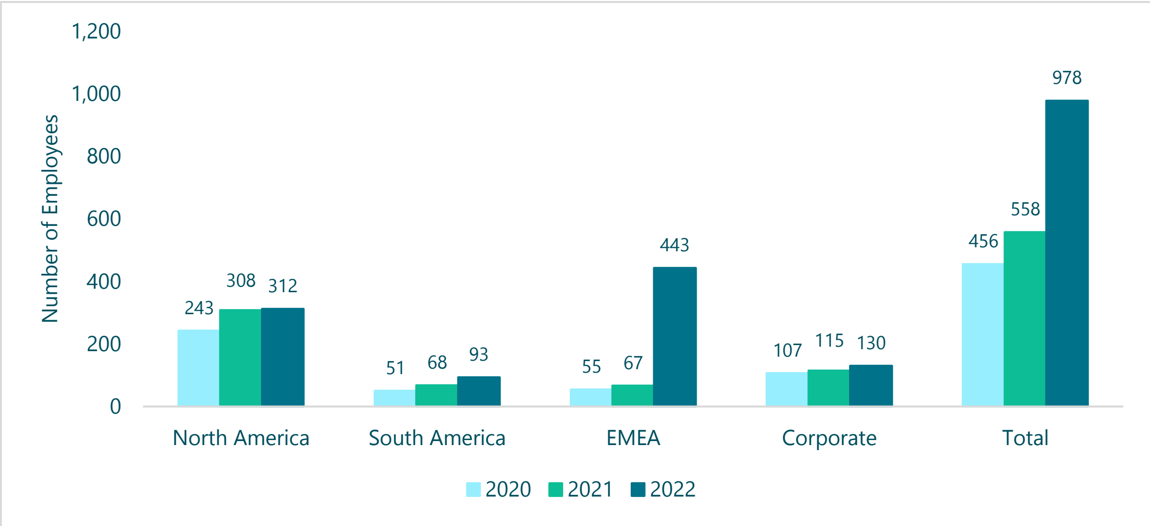
- In 2022, we held two Strategic Sessions in the U.S. and Spain. Most of Atlantica's office employees attended. Our CEO, CFO and other key senior management presented Atlantica's recent milestones at the corporate and geographic level, key priorities going forward, and highlighted the importance of our values, compliance, risk and purchasing process and procedures.
- Also in 2022, some Country Managers held specific sessions with local employees to address key priorities in the geography under their responsibility.
- Our senior management takes part in our "Atlantica's Management Model" training to discuss with our employees, excluding those performing operation and maintenance activities, the Company's long-term strategy and business model, recent milestones, growth strategy, as well as values, policies and procedures. We promote an informal and open environment to foster discussions with employees in groups of less than 20 people. Employees can express their ideas and concerns without evaluation or retaliation. The feedback is analysed and shared with Atlantica's management in monthly management meetings. Where appropriate, we devise action plans and assign one or several managers responsibility for their implementation.
- We periodically publish Atlantica-related news via our internal intranet and LinkedIn.

Atlantica has implemented a "Work-life balance management policy" to achieve an effective balance between work and life outside the workplace. Atlantica's management believes that employees are most productive when they have a certain flexibility to fulfil their professional and personal responsibilities. Under this policy Atlantica's employees have the opportunity to request remote work for one business day per week under certain terms and conditions.

As of December 31, 2022, our workforce increased to 978 from 558 as of December 31, 2021. The increase was mostly due to:

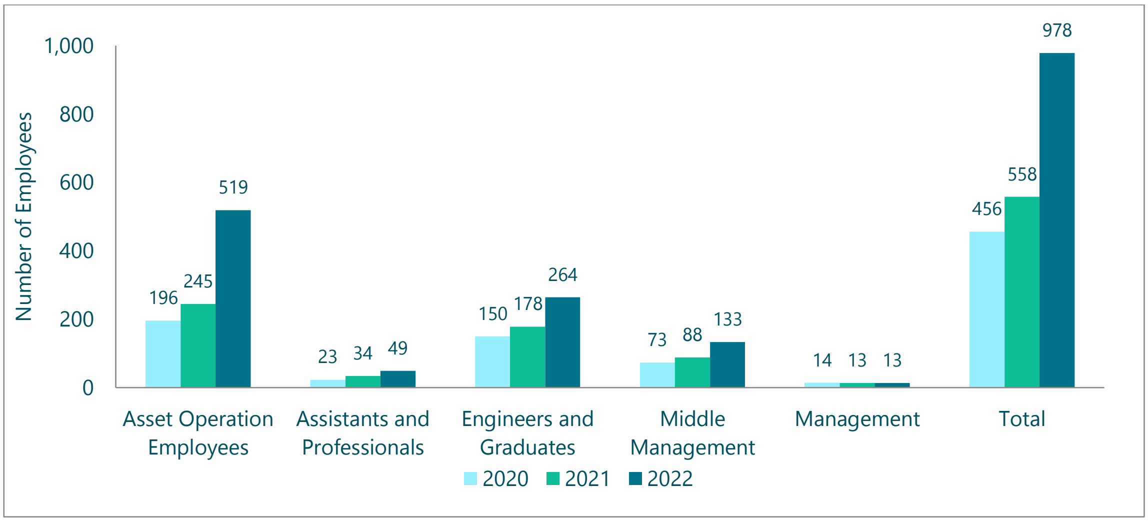
- The internalisation of the operation and maintenance services at Kaxu in February 2022, bringing 70 employees, and at part of our solar assets in Spain in June 2022, bringing 205 employees; and
- The integration of Rioglass, a supplier of spare parts and services in the solar industry. Key performance indicators for Rioglass have been included from January 1, 2022 and Rioglass employees were 130 as of that date. Atlantica has control of Rioglass since January 1, 2021; however this subsidiary was in a restructuring process during 2021 and we did not have reliable and comparable information for the year 2021. Our 2021 people and culture key performance indicators did not include data from this subsidiary.

Number of Employees per Geography as of December 31, 2020, 2021 and 2022



Our corporate employees support our assets in roles including Operations, Health and Safety, Environment and other certain corporate areas including Corporate Development, Finance, Consolidation, Administration, Tax, Internal Audit, Human Resources, Insurance and Legal.

Number of Employees by Category as of December 31, 2020, 2021 and 2022



The percentage of women at the Board of Directors, management level (without including middle management level and without including directors) and over total number of employees as of December 31, 2022, 2021 and 2020 was:

	2022	2021	2020
Women on the Board of Directors	22%	25%	25%
Women at Management Level	23%	23%	21%
Women at Atlantica	20%	25%	27%

As of December 31, 2022, 193 out of 978 employees were women, representing 20% of the Company's personnel. In 2021, 141 out of 558 employees were women, or 25% of the total headcount. The decrease of women at Atlantica during 2022 as a percentage of total employees was mostly due to the (i) internalisation of the operation and maintenance services at Kaxu and at part of our solar assets in Spain. These activities added 275 new employees to our workforce in EMEA, of which approximately 90% were men, and (ii) integration of Rioglass employees, adding 130 new employees to our workforce in EMEA, out of which approximately 85% were men. Without considering Asset Operation Employees 160 out of 459 employees were women, representing 35% of the Company's personnel.

Employees at 2022, 2021 and 2020 year-end by employment type and by contract type were:

		2022			2021			2020		
		Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
By employment type	Full-time[1]	785	193	**978**	417	141	**558**	333	123	**456**
	Part-time	-	-	-	-	-	-	-	-	-
	Total	**785**	**193**	**978**	**417**	**141**	**558**	**333**	**123**	**456**
By type of contract	Indefinite	743	182	**925**	399	132	**531**	329	114	**443**
	Temporary	42	11	**53**	18	9	**27**	4	9	**13**
	Total	**785**	**193**	**978**	**417**	**141**	**558**	**333**	**123**	**456**

[1] Voluntary working time reductions have been included under full-time employment contracts.

Employees at 2022, 2021 and 2020 year-end by contract type and by geography were:

	2022					2021					2020			
	North America	South America	EMEA	Corporate	**Total**	North America	South America	EMEA	Corporate	**Total**	North America	South America	EMEA*	**Total**
Indefinite	311	60	429	125	925	308	51	63	109	531	243	41	159	443
Temporary	1	33	14	5	53	-	17	4	6	27	-	10	3	13
Total	**312**	**93**	**443**	**130**	**978**	**308**	**68**	**67**	**115**	**558**	**243**	**51**	**162**	**456**

(*) Corporate employees included in EMEA in 2020.

Employees at 2022, 2021 and 2020 year-end by age group were:

	2022			2021			2020		
Age	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
< 30	117	35	152	64	26	90	50	24	74
31-40	321	82	403	158	59	217	126	48	174
41-50	217	60	277	111	43	154	90	41	131
>51	130	16	146	84	13	97	67	10	77
Total Employees	**785**	**193**	**978**	**417**	**141**	**558**	**333**	**123**	**456**

The average age of our workforce in 2022, 2021 and 2020 was 40 years old.

Average Number of Employees

The table below shows the average number of employees for the years 2022, 2021 and 2020 on a consolidated basis:

Average Number of Employees by Geography	2022	2021	2020
North America	306	296	237
South America	87	61	46
EMEA	360	61	54
Corporate	121	109	104
Total	**874**	**527**	**441**

Average Number of Employees by Category	2022	2021	2020
Management	13	13	14
Middle Management[1]	132	85	73
Engineers and Graduates	234	162	142
Assistants and Professionals	46	27	21
Asset Operations Employees	449	240	191
Total	**874**	**527**	**441**

Average Number of Employees by Gender	2022	2021	2020
Male	696	396	325
Female	178	131	116
Total	**874**	**527**	**441**

[1] Middle Management mainly consists of employees who: (i) manage a specific area, (ii) supervise a group of employees, or (iii) are considered key personnel within the organisation.

Collective Bargaining Agreements

The percentage of employees that are covered by company specific collective bargaining agreements was 11% in 2022, 8% in 2021 and 14% in 2020. The 2022 increase versus 2021 was mostly due to the internalisation of the operation and maintenance services at Kaxu and at part of our solar assets in Spain. Part of these operation and maintenance employees are trade union members.

If we include sector collective bargaining agreements, the percentage of employees that are covered by collective bargaining agreements is 60% in 2022, 40% in 2021, and 50% in 2020.

Diversity and Inclusion Policy and Opportunities

We believe that the diversity of our workforce is an asset that enriches the Company with fresh ideas, perspectives and experiences. We acknowledge the contribution of people of different genders, nationalities, cultures, races, professional backgrounds, abilities, socio-economic backgrounds and age. Our belief is that employees with diverse skills represent an important resource identifying innovative solutions and improving our business performance, which ultimately benefits all our stakeholders.

We provide a work environment free of discrimination, intimidation and sexual and non-sexual harassment, where everyone can participate in the success of the business and where all employees are valued for the distinctive skills and experiences they bring to the Company.

Initiatives and Recognitions

- In January 2023, Atlantica was included for the 3rd consecutive year in the Bloomberg Gender-Equality Index (GEI).
- During 2022, 2021 and 2020 more than 80% of the employees hired by the Kaxu operation and maintenance supplier were black citizens, exceeding the minimal

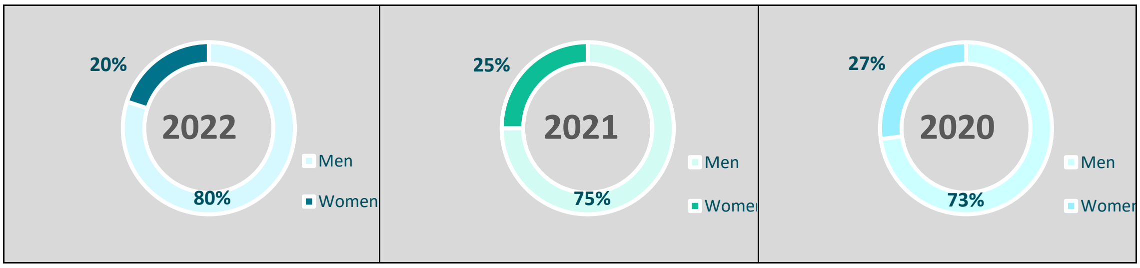
requirements defined by the project. Furthermore, almost 50% of employees working at the plant in 2022, 2021 and 2020, came from local communities, also exceeding the minimal requirements defined by the project. Due to its remote location and technical skill requirements, the Kaxu plant provides job opportunities to citizens from different regions in South Africa. As of December 31, 2022, 2021 and 2020, approximately 95% of the employees were South African citizens, while the remaining 5% are support staff from different countries.

- In 2022, the Company performed a human capital analysis at certain locations aimed at guaranteeing equal opportunities to our employees and to promoting a culture of diversity and inclusion. The main objectives of this analysis were:
  - Preventing any kind of gender discrimination, either direct or indirect.
  - Reinforcing Atlantica's commitment to its employees to ensure equal opportunities and to eradicate any potential conduct that may discriminate any employee due to their gender or family situation.
  - Promoting effective equality measures among men and women and guaranteeing the same opportunities to hiring candidates, internal professional development and working conditions for all employees.
  - Promoting work-life conciliation and ensuring that such balanced work-life conciliation does not negatively impact employees.
- Atlantica is a signatory to the Women's Empowerment Principles since 2020, a set of good business practices that promote equality between men and women across all areas of the organisation.

In 2022, 2021 and 2020, we were not notified of any incidents relating to potential situations of discrimination.

Gender-Related Information

Employees by Gender as of December 31, 2022, 2021 and 2020



We operate in a sector that has historically employed a majority of men, especially in operation and maintenance activities. We seek to remove any barriers we might have including unconscious bias and to empower women and ensure that they progress with the same opportunities as men. During 2022, we promoted a total of 34 employees, 27 men and 7 women, compared to 50 employees in 2021, out of which 44 were men and 6 were women.

Promoted Employees by Gender in 2022, 2021 and 2020

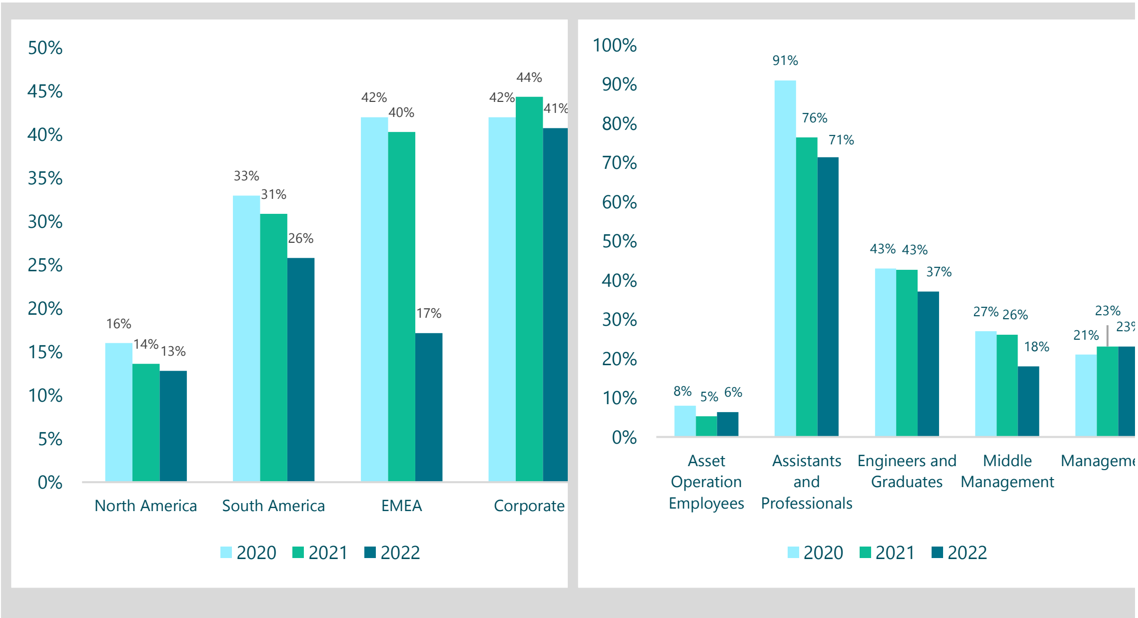
	2022			2021			2020		
	Male	Female	**Total**	Male	Female	**Total**	Male	Female	**Total**
Number of promotions	27	7	**34**	44	6	**50**	15	8	**23**

All employees returned to work in 2022, 2021 and 2020 after parental leave. 89% of employees were still employed 12 months after returning to work in 2022. The outstanding 11% voluntarily left the Company due to personal reasons. In 2021, all employees were still employed 12 months after returning to work. In addition to rules and regulations, management encourages employees to take parental leave.

Parental Leave in 2022, 2021 and 2020

	2022			2021			2020		
	Male	Female	**Total**	Male	Female	**Total**	Male	Female	**Total**
Parental leave	28	8	**36**	11	19	**30**	14	7	**21**

Women by Geography and by Category as of December 31, 2020, 2021 and 2022



The decrease of women in the EMEA region during 2022 was mostly due to the internalisation of the operation and maintenance services at Kaxu and at part of our solar assets in Spain, as well as the integration of the Rioglass employees. These activities added 405 new employees to our workforce in EMEA, of which approximately 90% were men, and most were asset operation employees, but also engineers and graduates and middle managers.

In addition, during 2022 we hired additional personnel in Colombia and Peru, of which approximately 65% and 75% respectively, were men.

Gender Pay Gap Analysis

Atlantica guarantees respect for salary equality rights. Monitoring pay equality is one of the key factors to ensuring the creation of an inclusive and respectful culture without differentiation based on gender, age, race or any other personal factor.

The Company is determined to ensure that there is no gender-based inequality in its activities by offering equal pay for equal work in all the businesses and countries where it does business.

We believe it is important to understand the difference between the concepts of salary gap and salary equality:

- The pay gap shows the difference between the average salary received by men and women.
- Pay equality is the right of men and women to receive the same salary for the same work.

At Atlantica, there is no salary discrimination for any reason, including gender. Different employees, including men and women in a similar position, can have different salaries based on the results of their performance evaluations.

The Pay Gap is measured subtracting the average female compensation from the average male compensation and dividing the result by the average of the higher earning gender (male or female) compensation.

2022, 2021 and 2020 Pay Gap by Category

	2022	2021	2020
Management	18%	18%	23%
Middle management	16%	29%	29%
Senior engineers and graduates	7%	15%	14%
Engineers and graduates	10%	8%	6%
Assistants and professionals	(14%)	(8%)	(33%)
Asset operation employees	29%	10%	6%
Average Salary by Gender	**13%**	**26%**	**30%**

Note 1: Data includes fixed salary, short-term bonus and long-term incentive plans without adjusting for factors such as job function, level, education, performance, location, or exchange rate differences. Overtime has not been included.

Note 2: The CEO has been excluded from the analysis as we believe that including his compensation would distort the results.

Note 3: Management consists of the members of the Management Committee.

Note 4: Middle management consists of certain employees who manage a specific area, supervise a group of employees, or are considered key personnel within the organisation.

The overall pay gap decreased in 2022 compared to 2021 mainly due to the internalisation of the operation and maintenance services at Kaxu and at part of our solar assets in Spain, as well as the integration of Rioglass. Most of these new employees are asset operation employees, who are approximately 90% men and, on average, have lower remuneration than Atlantica's average salary.

The integration of these activities also added middle managers and senior engineers and graduates based in Spain and South Africa, who have lower remuneration than the average mostly due to the countries where they are based.

In the category "Asset operation employees", the pay gap has increased to 29% from 10% in 2021, but the increase is due to the fact that we are adding information from different countries where average salaries are very different. On a country-by-country basis, the pay gap difference for this category in the U.S. was 6%, in Spain 11% and 0% in South Africa. Approximately 93% of all asset operation employees are based in these 3 countries.

In addition, the gender pay gap information is also affected by the lower presence of females in management and engineering positions, which is common in the energy sector. In addition, female representation is significantly lower in age groups above 40, where salaries are usually higher.

To mitigate this situation and accelerate the progressive reduction of gender pay-gap, Atlantica continues to analyse several initiatives:

- Ensuring that we progressively build a pool of females to undertake management positions.
- Promoting STEM careers among female students.
- Always considering female candidates when hiring new employees.

Recruitment and Retention

Our career development programme, performance assessment and skill training programmes are aimed at talent retention and development.

In 2022, we hired 204 employees. The "under 30" and "31-40" age categories (37% and 38%, respectively) led our hiring's by age, while North America (35%) led by geography.

Employees Hired in 2022, 2021 and 2020 by Age and Gender

	2022			2021			2020		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
< 30	57	19	**76**	21	9	**30**	18	11	**29**
31-40	63	14	**77**	36	12	**48**	20	5	**25**
41-50	34	5	**39**	14	6	**20**	12	3	**15**
>51	12	0	**12**	7	1	**8**	8	1	**9**
Total Employees	**166**	**38**	**204**	**78**	**28**	**106**	**58**	**20**	**78**

Employees Hired in 2022, 2021 and 2020 by Geography and Gender

	2022			2021			2020		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
North America	64	8	**72**	44	9	**53**	37	8	**45**
South America	33	11	**44**	15	4	**19**	3	5	**8**
EMEA	52	11	**63**	10	4	**14**	9	-	**9**
Corporate	17	8	**25**	9	11	**20**	9	7	**16**
Total Employees	**166**	**38**	**204**	**78**	**28**	**106**	**58**	**20**	**78**

Average Employee Turnover Rate in 2022, 2021 and 2020

	2022	2021	2020
Employee voluntary turnover rate	12.8%	11.0%	7.5%
Employee voluntary turnover rate without U.S. activities	9.7%	5.9%	2.7%
Employee involuntary turnover rate	9.4%	5.9%	2.9%
Employee total turnover rate	22.2%	16.9%	10.1%

Note 1: Turnover rates calculated based on the average number of employees during the year.
Note 2: Employee turnover rate includes dismissals, finalisation of temporary contracts, retirement and others.
Note 3: 2021 data was revised following the updated 2022 classification.

In 2022, the employee voluntary turnover increased to 12.8%, from 11.0% in 2021. This was mainly due to the low unemployment and high rotation in the U.S.. If we exclude our employees in the U.S., our employee voluntary turnover would have remained at 9.7% in 2022 and 5.9% in 2021.

In addition, the employee involuntary turnover increased to 9.4%, from 5.9% in 2021. 63% of non-voluntary turnover corresponded to the restructuring process at Rioglass, which started in 2021 and was finalised in 2022.

Employee Turnover in 2022, 2021 and 2020 by Age and Gender

	2022			2021			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
< 30	38	10	**48**	13	2	**15**	11	3	**14**
31-40	58	14	**72**	25	7	**32**	10	2	**12**
41-50	44	3	**47**	13	6	**19**	7	4	**11**
>51	25	2	**27**	18	5	**23**	9	-	**9**
Total Employees	**165**	**29**	**194**	**69**	**20**	**89**	**37**	**9**	**46**

Employee Turnover in 2022, 2021 and 2020 by Geography and Gender

	2022			2021			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
North America	62	8	**70**	54	13	**67**	31	3	**34**
South America	11	8	**19**	6	2	**8**	-	-	**-**
EMEA	86	7	**93**	2	-	**2**	2	1	**3**
Corporate	6	6	**12**	7	5	**12**	4	5	**9**
Total Employees	**165**	**29**	**194**	**69**	**20**	**89**	**37**	**9**	**46**

We perform exit surveys with all our employees who voluntarily decide to resign. Our aim is to identify weaknesses and improvement opportunities that can help reduce voluntary turnover.

We offer a remuneration package that includes monetary and non-monetary compensation. In 2022, 2021 and 2020 we based our compensation policy on these four pillars:

- Pre-defined remuneration bands based on market surveys provided by several external consultants for certain positions.
- Annual performance appraisal for 100% of our employees.
- Variable compensation based on Company targets, department and individual targets.

- Long-term incentive plan for certain employees.

Our People and Culture Department receives remuneration data from two separate external consultants for certain positions based on position and location.

In 2022, approximately 59% of our employees with variable remuneration had targets linked to ESG performance, compared to 58% in 2021 and 57% in 2020.

The package offered by Atlantica includes monetary compensation and remuneration in-kind, depending on the employee's position, and on local practices in the countries where we operate. In addition, we offer flexible compensation in certain locations, which sometimes presents tax advantages for employees. Under current local regulations, we offer 401(k) retirement plans in the U.S. We also finance a high percentage of our employees' health insurance costs and their immediate family in most of the countries where we are based.

Development and Training

Part of our supervisor's mission is to collaborate with each of his or her team members to evaluate performance through the Annual Performance Appraisal (APA), a talent and development management module of Meta4. As part of the individual appraisal process, the supervisor evaluates the performance during the period in nine standardised areas. The manager also identifies individual targets for the coming period and sets training actions in the Annual Training Plan (ATP). Supervisors set individual meetings with their teams once the assessment is completed to share results and explain the action plan defined in depth. Employees can provide feedback about their own performance, improvement opportunities, etc. It is an ongoing process, normally spread over a year to ensure its effectiveness.

Once the APA is completed by supervisors, we conduct a calibration process to ensure that evaluations are consistent and as fair as possible across the entire organisation.

In addition, we plan to perform a 360º feedback process for certain management profiles, including senior and middle management, where managers receive feedback from their supervisor, peers and direct reports. Full confidentiality is guaranteed as the data is processed and summarised by external consultants.

Considering that we are a flat and lean organisation, it can be challenging for us to provide development opportunities to talented employees. We have a programme in-place to identify key members of our workforce. The goal is to consider employees' for internal transfers to other positions, functions or geographies. In 2022, we continued to strengthen our organisational structure. We bolstered our asset management capabilities by designating new country managers and other key asset management positions in some of our geographies. Most of these positions were filled with internal promotions.

We also have an internal job site on our intranet where we inform employees of job vacancies in order to promote internal mobility between different departments.

Regarding our training programme, we identify training categories to improve distinct sets of skills, integrate them into Atlantica's team and culture, and as a measure to retain talented employees:

- **Introduction to Atlantica**. All new employees must attend our "Introduction to Atlantica" course during their induction period. In addition, all employees receive training on our compliance and management policies.
- **Management skills.** We offer soft management-skills courses to improve negotiation, team-working, team-building, decision-making, leadership and communication, among other skills.
- **Technical knowledge courses.** Our training plans also include technical knowledge courses specific to different technical fields.
- **Languages**. We offer several language courses to our employees to allow them to operate effectively in an international setting.
- **Health and Safety.** This is part of our core values. We offer several training courses to both our employees and operation and maintenance personnel to reinforce it. We refer to the "Occupation Health and Safety" section detailed below.

As of December 31, 2022 and 2021, Atlantica offered over 150 different training programmes to its employees. Each employee agrees on the definitive training programme with his or her manager and, the People and Culture Department.

Training Hours in 2022, 2021 and 2020

	Total Hours of Training				Total Average Hours of Training per Employee		
	2022	2021	2020		2022	2021	2020
Management	321	170	558	Management	27	13	40
Middle Management	3,724	2,689	2,636	Middle Management	31	32	36
Engineers and Graduates	10,740	9,281	3,740	Engineers and Graduates	40	57	26
Assistants and Professionals	1,189	413	321	Assistants and Professionals	26	15	13
Asset Operations Employees	11,548	6,846	7,202	Asset Operations Employees	23	29	38
Total	**27,521**	**19,399**	**14,457**	**Total Average**	**29**	**37**	**33**

(*) 2021 data was revised following the updated 2022 classification.

In 2022, the employees completed 29 hours of training on average compared to 37 in 2021. The decrease is due to the internalisation of the operation and maintenance services at part of our solar assets in Spain and at Kaxu. These services brought mostly asset operation employees and engineers and graduates who received training during part of 2022 (i.e., since their incorporation date).

Key Management for 2022

We have a key management team with extensive experience in developing, financing, managing and operating contracted sustainable infrastructure assets. Our key management in 2022, 2021 and 2020 includes:

Name	Position	Year of Birth
David Esteban	VP EMEA	1979
Emiliano Garcia	VP North America	1968
Irene M. Hernandez	General Counsel and Chief of Compliance	1980
Francisco Martinez-Davis	Chief Financial Officer	1963
Antonio Merino	VP South America	1967
Stevens C. Moore	VP Corporate Development	1973
Santiago Seage	Chief Executive Officer and Director	1969

There are no potential conflicts of interest between the private interests or other duties of the key management members listed above and their duties to Atlantica. There are no family ties among any of our senior management and Board of Directors.

As of December 31, 2022, the average age of our key management team was 51 years old.

The biographies of the key management team are:

David Esteban,

Vice President EMEA

Mr. Esteban has served as Vice President of our operations in EMEA since July 2014. He had previously served in Abengoa's Corporate Concession department for two years. Before joining Abengoa, Mr. Esteban worked for the management consulting firm Arthur D. Little for seven years in the industries of Telecoms & Energy and then moved to a private equity firm specialised in renewable energy investments in Europe for three years.

Emiliano Garcia,
Vice President North America

Mr. Garcia serves as Vice President of our North American business. Mr. Garcia was previously the General Manager of Abengoa Solar in the United States and of the Solana Power Plant. Before that, he held a number of managerial positions in various Abengoa companies over two decades. Mr. Garcia holds a Bachelor's degree in Engineering from Madrid Technical University.

Irene M. Hernandez,

General Counsel and Chief Compliance Officer

Ms. Hernandez has served as our General Counsel since June 2014 and also serves as Chief Compliance Officer and Head of People and Culture. Prior to that, she served as head of our legal department since the date of our formation. Before joining Abengoa, she worked for several law firms. Ms. Hernandez holds a law degree from Complutense Madrid University and a Master's degree in law from the Madrid Bar Association (Colegio de Abogados de Madrid (ICAM)).

Francisco Martinez-Davis,
Chief Financial Officer

Mr. Martinez-Davis was appointed as our Chief Financial Officer on January 11, 2016. Mr. Martinez-Davis has more than 30 years of experience in senior finance positions both in the United States and Spain. He has served as Chief Financial Officer of several large industrial companies. Most recently, he was Chief Financial Officer for the company responsible for the management and operation of metropolitan rail service of the city of Madrid where he was also member of the Executive Committee. He has also worked as CFO for a retailer and as Deputy General Manager in Finance and Treasury for Telefonica Moviles. Prior to that, he worked for different investment banks in New York City and London for more than 10 years, including J.P. Morgan Chase & Co. and BNP Paribas. Mr. Martinez-Davis holds a Bachelor of Science, cum laude, in Business Administration from Villanova University in Philadelphia and an MBA from The Wharton School at the University of Pennsylvania.

Antonio Merino,
Vice President South America

Mr. Merino serves as Vice President of our South American business. Previously, he was the Vice President of Abengoa's Brazilian business, as well as the head of Abengoa's commercial activities and partnerships in South America. Mr. Merino holds an MBA from San Telmo International Institute.

Stevens C. Moore,
Vice President Corporate Development

Mr. Moore has more than 25 years of experience in finance positions in Spain, the United Kingdom and the United States. He has worked in various positions in structured and leveraged finance at Citibank and Banco Santander, and vice president of M&A at GBS Finanzas. Most recently, he was Director of Corporate Development and Investor Relations at Codere, the Madrid stock exchange listed international gaming company. He holds a B.A. degree in history from Tulane University of New Orleans, Louisiana.

Key management compensation, excluding the Chief Executive Officer, in 2022, 2021 and 2020:

In USD thousands	2022	2021	2020
Short-Term Employee Benefits	**2,294**	**2,365**	**2,144**
- Fixed and variable remuneration	2,294	2,365	2,144
LTIP Awards	**2,176**	**839**	**156**
- Options vested under LTIP	733	839	156
- Restricted Stock Units vested under the LTIP	1,443		
One-offs	**684**	**653**	**423**
- One-off plans	684	653	423
Post-employment benefits	-	-	-
Other long-term benefits	-	-	-
Termination benefits	-	-	-
Total	**5,154**	**3,857**	**2,723**

Note: The table includes compensation for 6 key executives, excluding the Chief Executive Officer. Detailed information on the Board of Directors remuneration, including the Chief Executive Officer's remuneration, is disclosed in the Directors' Remuneration Report.

Short-term employee benefits to management are paid in Euros and have been converted to US$ using the average foreign exchange rate for each period.

"LTIP Awards" include share options and share units vested in 2022. In addition, "One-off Awards" include share units vested in 2022. The vested options and share units have been included in the remuneration table above valued using the share price at the vesting date. Under the LTIP and one-off plans, the 6 key executives, excluding the CEO, hold as of December 31, 2022 83,855 restricted share units, convertible into shares in the future, and 22,061 unexercised vested share options 72,612 unvested share options which were underwater at 2022 year-end. In 2021, the 6 key executives, excluding the CEO, held 103,559 share units, convertible into shares in the future and 154,282 share options.

Risks Linked with Human Capital

General key risks associated with human capital include attracting and retaining qualified personnel as well as maintaining a diversified workforce to enrich the Company with fresh ideas, perspectives and experiences. In addition, digital transformation requires cultural and organisational changes and continuous training to avoid overall company human capital risks.

As detailed in different sections of this Integrated Annual Report, Atlantica has put different measures in place to mitigate human capital risks, including: (i) providing equal opportunities to all employees, (ii) implementing an effective diversity and inclusion policy throughout the Company, (iii) promoting in-house professional opportunities, providing training programmes to improve skills and technical knowledge, establishing fixed and variable remuneration considering data from external consultants (for key personnel), financing a high percentage of health insurance costs, and subsidizing fitness as measures to attract and retain employees; and (iv) auditing processes to ensure compliance with all human capital legal requirements, process and procedures.

Occupational Health and Safety

Key facts:

- ✓ Maintained health and safety KPIs below sector average
- ✓ Improved health and safety reporting based on international best practices

Atlantica, its Board and its management are committed to prioritising and actively promoting health and safety as a tool to protect the integrity and health of our employees and those of our subcontractors at our assets or work centres. We promote a safe operating culture across Atlantica and encourage our subcontractors to adopt a preventive culture in the operation and maintenance activities as reflected in our corporate health and safety policy available on our website.

Health and Safety Management System

Our Health and Safety Management System is ISO 45001 compliant. An external third party (DNV) audits our management system annually. Our ISO 45001 certification is valid until 2024.

In addition, we perform periodic health and safety audits of our operation and maintenance suppliers to monitor compliance with legal regulations, contractual requirements, and our safety best practices.

Health and Safety Best Practices

Our health and safety performance indicators include both our employees´ and subcontractors' data.

The Company's health and safety best practices programme is a key management tool. It has been in place since 2017 and we regularly update it to include insights gained from our peers, contractors and suppliers. During 2022, we continued implementing new best practices as well as incorporating our best practices to newly acquired assets, including:

- Safety awards. We provide (i) quarterly awards to our employees and subcontractors for the best safety observation reported, and (ii) annual award to the best improvement opportunities.
- Safety Day. In 2022 we held our Safety Day online and physically at some of our assets depending on COVID-19 pandemic restrictions. Over 750 Atlantica's employees and subcontractors' employees took part. We honoured 30 Atlantica and subcontractors' employees with awards for their commitment to safety.

2022 Safety Day Pictures

Behaviour Based Safety Programme

In 2022 we started the implementation of the new programme "SafeStart", aimed at improving employees and subcontractors' employees behaviour regarding safety and at reducing the number of accidents caused by human errors over time.

SafeStart is an add-on to our existing health and safety policy, process and procedures.

We plan to continue its implementation during 2023 and 2024.

Safety App

We have a mobile safety app for our employees and those of our subcontractors to raise safety awareness at all our assets. The app provides valuable information on safety rules, information on the use of personal protective equipment ("PPE") during hazardous activities, emergency instructions and first aid procedures. It also serves as an important communication channel with internal and external employees working at our assets to improve safety through lessons learned.

In 2022, we improved the "Walk and Talk" module to easily and efficiently report unsafe acts and conditions and prevent accidents.

The app also serves as a tool to promote risk awareness and improve safety knowledge. On a monthly basis, we launch questions related to "how much do you know about safety?" through the quiz module. Atlantica provides monthly awards to quiz winners.

COVID-19 Pandemic

In 2022, our COVID-19 Committee, which included the Chief Executive Officer, the Geographic VPs, the Health and Safety Manager and other members of Atlantica's management team, continued adapting measures based on new information released on COVID-19 in each specific location where our assets and offices are located and took all necessary actions to manage the risks affecting our employees, operations and stakeholders.

As COVID-19 became endemic and restrictions eased in most of the geographies where we operate, we decided to finalise the COVID-19 Committees in July 2022. Since then, COVID-19 KPIs continue to be discussed at monthly Health and Safety Committees. From January to July 2022, the COVID-19 Committee held 28 meetings.

In 2022 and 2021 we operated our assets and provided a reliable service to all our clients, with no disruptions to availability or production because of COVID-19.

Health and Safety Performance Indicators

During 2022 we had forty-one assets in operation and three solar projects under construction. We intend to increase our construction activities in the upcoming years. Accordingly, and following international best practices, we have improved our reporting and disclosed our Lost Time Frequency Index (LTFI) and Total Recordable Frequency Index (TRFI) for both assets in operation and assets under-construction.

LTFI represents the total number of lost-time accidents recorded, including major injuries (defined as death or serious accidents[45]), in the last 12 months per million hours worked.

Our LTFI ended 2022 at 2.9, compared to 2.3 in 2021. The increase was mainly due to the number of accidents with lost-time at our assets under construction, which was partially offset by the LTFI improvement at our assets in operation.

Lost Time Frequency Index (LTFI) in 2020, 2021 and 2022

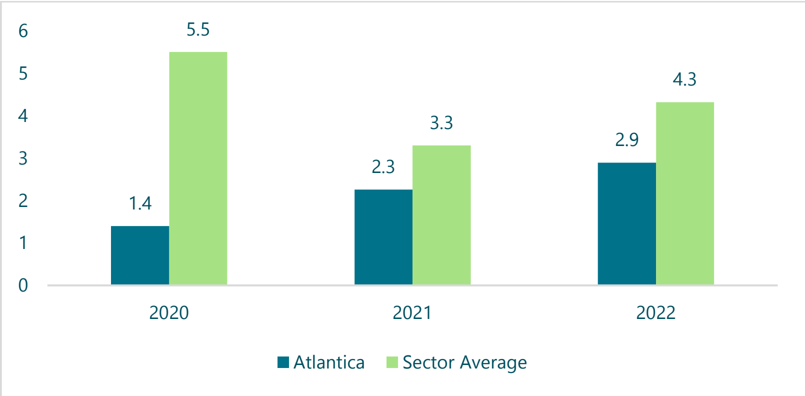
In 2023, we seek to improve our LTFI performance by implementing new construction policies, processes, procedures and best practices, and performing internal audits to ensure compliance with our existing best practices, promote continuous improvement

[45] Serious accidents include severe burns, amputation, paraplegia, tetraplegia, major surgery and state of coma.

and share lessons learnt between assets. In addition, we are preparing a pool of prequalified construction subcontractors based on, among others, their health and safety performance indicators.

Atlantica's LTFI is below the sector average.

LTFI Below Sector Average in 2020, 2021 and 2022



Note: The Sector Average is calculated based on the Public National Indices weighted by Atlantica's actual working hours in each geography. Sources: U.S. and Canada: Bureau of Labour Statistics (2021) and Canada Government (2019); Mexico: Secretaria del Trabajo y Prevision Social (2021); Spain, South Africa and Algeria: Instituto Nacional de Estadisticas (2021); Italy: Istituto Nazionale per l'Assicurazione Contro gli Infortuni sul Lavoro (2021); Peru, Chile and Colombia: Superintendencia Seguridad Social Chile (2021), Oficina General de Estadística y Tecnologías de la Información y Comunicaciones (2021) and Ministerio de Salud y Protección Social (2022); Uruguay: Banco del Seguros del Estado (2020). For each year, we are considering the most recent available public information.

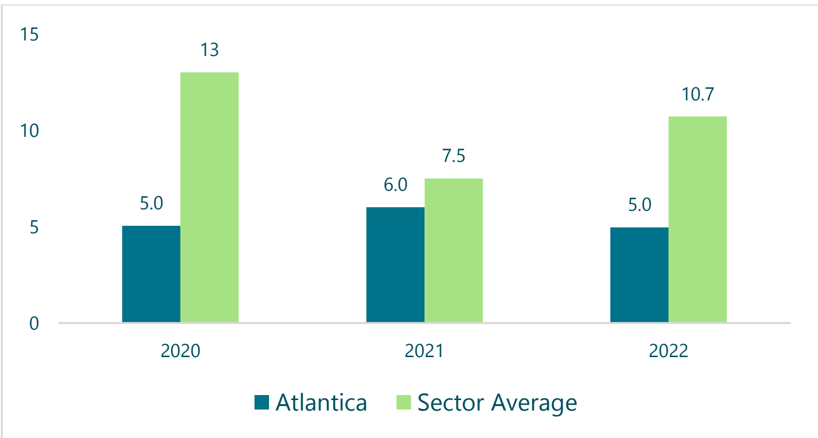
In addition, TRFI represents the total number of recordable accidents with and without lost-time recorded in the last 12 months per million hours worked.

Our TRFI ended 2022 at 5.0, compared to 6.0 in 2021. In 2022, at our assets in operation, we decreased both the number of accidents without lost-time and the number of accidents with lost-time while increasing the number of employees in our workforce. As of December 31, 2022, our workforce increased to 978 from 558 as of December 31, 2021. This increase was mostly due to: (i) the internalisation of the operation and maintenance services at Kaxu and at part of our solar assets in Spain, bringing approximately 275 employees and moving safety KPIs from our subcontractors to our employees category, (ii) the integration of Rioglass, bringing approximately 130 new employees as of January 1, 2022 (additional information is disclosed in the People and Culture section), and (iii) new asset operations employees in different geographies.

Total Recordable Frequency Index (TRFI) in 2020, 2021 and 2022

Atlantica’s TRFI is below the sector average.

TRFI Below Sector Average in 2020, 2021 and 2022



Note: The Sector Average is calculated based on the Public National Indices weighted by Atlantica’s actual working hours in each geography. Sources: U.S. and Canada: Bureau of Labour Statistics (2021) and Canada Government (2019); Mexico: Secretaria del Trabajo y Prevision Social (2021); Spain, South Africa and Algeria: Instituto Nacional de Estadisticas (2021); Italy: Istituto Nazionale per l'assicurazione contro gli infortuni sul lavoro (2021); Peru, Chile and Colombia: Superintendencia Seguridad Social Chile (2021), Oficina General de Estadística y Tecnologías de la Información y Comunicaciones (2021) and Ministerio de Salud y Protección Social (2022); Uruguay: Banco del Seguros del Estado (2020). For each year, we are considering the most recent available public information.

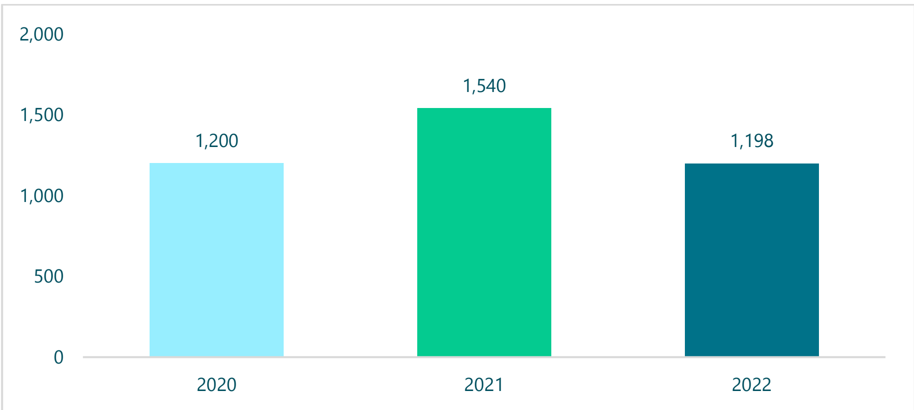
In 2022 we continued to work on the integration of recently acquired assets in order to implement our safety culture in all regions. We undertook all necessary measures to minimise potential safety impacts, performed specific external and internal audits, issued new safety campaigns and bulletins, improved safety inspections, procedures and training, and extended health and safety bonuses to certain employees to improve supervision.

The fatality performance indicator at our sites or facilities (including our employees, subcontractors and other third-party employees at our plants) has been zero, and we have recorded no major injuries since our incorporation.

We also monitor near-misses and unsafe acts and conditions through our Total Recordable Deviation Index (TRDI). This index represents the number of near-misses and unsafe acts and conditions recorded in the last 12 months per million hours worked. The goal of this Key Performance Indicator (KPI) is to encourage the identification and communication of near misses and unsafe acts and conditions by our employees and our contractors' employees. Given the fact that this helps identify risks and implement adequate preventive measures, the higher the performance indicator is, the better.

In 2022 our TRDI decreased compared to the previous year. Even though we have enhanced risk identification processes and communication initiatives at our assets, identifying near misses and unsafe acts and conditions becomes more difficult year-over-year. Our preventive reporting programme, mainly through Walk and Talk, has progressed alongside our measures to managing and mitigating risks. We believe in the health and safety processes and procedures we have in place, hence we expect the Total Recordable Deviations to remain relatively stable in the future.

Total Recordable Deviations Index



Note: We have revised 2020 figures to account for the final number of near-misses and unsafe acts and conditions

We also have a Health and Safety Committee with asset employee representatives at those assets where we operate and maintain our assets directly. In the rest of our assets, our operation and maintenance subcontractors have a Health and Safety Committee with their employees' representatives. As asset owners, we are regularly informed on the results of these committees.

Following GRI requirements, the Occupational Disease performance indicator, caused by occupational activities which have a high incidence or high risk of specific diseases, is zero both for our employees and for our subcontractors' employees'. We do not consider COVID-19 an occupational disease.

By 2022 year-end, approximately 60% of our assets had achieved more than 1,000 days without lost time accidents and approximately 70% over 500 days without lost-time accidents.

Local Communities

Key facts:

- ✓ Community investments focused on improving infrastructure and supporting education

We acknowledge that our day-to-day activities have impacts on nearby communities. We recognise that the communities where we operate are where some of our employees and other stakeholders live and raise their families, and where part of our future workforce is educated and trained. We foster communities' economic prosperity through local purchases and by hiring local employees. As such, it is key for us to be both proactive and a valued member of our communities.

We have a Stakeholder Policy and a Local Community Investment and Development Policy in place that set the basis to support local communities, collaborate with them and promote their environmental, economic and social progress. Both policies are available on our website.

Our Geographic VPs and local managers are responsible for community relations and monitoring community development programmes. Monitoring KPIs include quantitative, qualitative, remote and physical analysis.

Each geography has its own procedures and consultation guidelines in place to speak with community leaders and identify local needs. This usually involves physical meetings or phone calls between our local employees and local communities. We have learnt from our "boots-on-the-ground" approach that we need to adapt to local requirements and that communities located close-by may have very different needs, which evolve over time. A proactive approach and scheduled activities undertaken by our local employees to efficiently identify and manage local stakeholders and communities of interest is key to the success of our relationship with local communities.

We engage and work collaboratively with local communities from the development phase. We also comply with permitting, local law and regulation in-place, and have purchased locally where possible and hired local employees during the construction phase. During 2022 we had forty-one assets in operation and three solar projects under construction. We intend to increase our development and construction activities in the upcoming years.

In addition, ex-post controls are usually performed. Once an investment is completed, Atlantica's employees visit the site to review the investment's outcome and speak with local stakeholders. The agreement reached with the community along with the local stakeholders' feedback, provides sufficient information to conclude on our investment positively or negatively. Lessons learnt are then internally shared within Atlantica if deemed appropriate.

We have a grievance mechanism for local stakeholders to directly contact our local managers. We also have corporate communication channels to report any misconduct, irregularities or instances of non-compliance, as detailed in the Business Ethics section.

We also take a proactive approach to preventing, detecting and acting on local community conflict risks concerning water resources. Any potential risk or grievances concerning water resources would be addressed and followed-up in our regular communications with them. In 2022, 2021, and 2020 we did not receive any negative feedback from local communities regarding our management of water resources, including at those assets located on water-stressed areas, nor have we been subject to water-related incidents with substantial impact on cost or revenues.

To emphasise the importance of local community engagement, some local managers have to achieve certain social objectives as part of their variable remuneration.

Considering that Atlantica is present in different geographies, our local communities long and short-term strategy varies depending on the communities needs:

	Medium / Long-Term		Short-Term[2]
	Infrastructure[1]	Education / Skill Development	Basic Needs[3]
U.S.	-	✓	-
Peru	✓	-	✓
Chile	✓	✓	-
Colombia	✓	-	✓
Spain	-	✓	-
South Africa	✓	✓	✓
Algeria	-	✓	✓

1 Infrastructure usually involves building, maintaining or upgrading roads, cleaning irrigation canals, etc.

2 One-year period.

3 Basic needs includes food and clothes donations.

In 2022, we invested $1.5 million in local communities, compared to $1.3 million and $1.2 million in 2021 and 2020, respectively.

In Peru and Chile, we have several employees who visit the areas where we own and manage our transmission lines. Among others, they review that: (i) we comply with all our obligations including Health and Safety, environmental conditions, permits, etc., (ii) we listen to the communities' needs and, (iii) we jointly agree to develop, execute and monitor development programmes with those communities. These employees report to the Country Manager. Local needs are discussed in the Geographic Committee if deemed necessary.

Peru

Local communities near our assets in Peru generally require road maintenance support. We have an annual plan in place to execute road maintenance.

In 2022, we invested approximately $294 thousand in different initiatives that benefited local communities located near our transmission lines and our mini-hydroelectric power plant. In 2021 and 2020 we invested approximately $289 thousand and $115 thousand, respectively.

2022 investments mainly relate to:

- ✓ Improving infrastructures (i.e., road construction and maintenance, cleaning irrigation canals, providing irrigation maintenance supplies, etc.)
- ✓ Supporting indigenous people through agriculture and livestock development projects.

Construction and maintenance of roads

Chile

In 2022, we invested approximately $85 thousand in initiatives that benefited (i) 18 indigenous communities representing more than 1,000 people of different ethnicities. The funds were invested in house improvements, small businesses, cultural activities and sustainable agriculture initiatives, and (ii) 40 students who received support to pay education tuition fees and purchase school supplies.

Colombia

In 2022, we invested approximately $74 thousand in initiatives that benefited local communities, mostly indigenous people, close to our PV plants, including among others, Christmas presents to children and the construction of a nursery to preserve local plant species.

Algeria

During 2022, we donated approximately $30 thousand to the local communities near the water desalination plants. We also donated approximately $30 thousand in 2021 and 2020.

<u>Skikda</u>

Donations benefited needy families in the Skikda commune. These included school supplies kits and bags for 188 schoolchildren and food baskets.

Donation of school supplies

Donation of food

Honaine

Donations benefited needy families in the Honaine commune. These included school supplies kits and bags for 200 schoolchildren and food baskets.

Donation of school supplies

Donation of food

In March 2022, the three water desalination assets celebrated the World Water Day. Both local and regional authorities attended the events, which included a presentation and a tour of the assets.

World Water Day Event

South Africa

We participate in substantial social and economic development activities in South Africa as part of a collaborative effort with the Department of Energy of South Africa. Kaxu is located in the Khai Ma Local Municipality of Northern Cape Province. Kaxu's social and economic development activities are governed by an Implementation Agreement with the South African Department of Energy. This agreement sets out key economic development obligations to positively benefit local communities. Kaxu contributes 1.1%

of its yearly collections to be reinvested in the local communities that lie within an approximately 50km (31 miles) radius of the site, as well as a very remote community beyond this distance.

In 2022, Kaxu invested approximately $916 thousand in community activities, including:

- We continued supporting two of our flagship programmes, Kindergarten and Soup Kitchens project, which give meals to children and people in need from communities near our facilities. Investment: $96 thousand.
- Education and skills development is one of the key elements to promote economic community development. Kaxu addresses this need by means of an internship and bursary programme The bursary programme grants the youth within nearby local communities the opportunity to study at any tertiary institution of their choice in the country. The programme includes tuition fees, accommodation and a monthly allowance to help with the living expenses of each student. Our Internship programme allows young individuals to gain valuable experience to prepare them for the South African Labour market. Investment: $149 thousand
- We distributed school clothing at primary schools (Back2School Programme). Investment: $51 thousand.
- We provided local schools with additional teachers to assist with overcrowded classrooms. Investment: $66 thousand.
- We upgraded basic needs infrastructure comprising of water supply and purification plants, as well as equipment upgrades to a local hospital. Investment: $55 thousand.
- We supported three regional community-based agricultural programmes through equipment, infrastructure and materials. We plan to continue supporting them until they become self-sustainable. Investment: $167 thousand.

As part of our obligations, we also help create jobs to empower black citizens from local communities. During 2022 and 2021, 79% and 81%, respectively, of the employees hired by the Kaxu operation and maintenance supplier were black citizens, exceeding the requirements defined by the project. Furthermore, approximately 30% of employees working at the plant in 2022 and 2021, came from local communities, also exceeding the requirements defined by the project. Due to its remote location and technical skill requirements, the Kaxu plant provides job opportunities to citizens from various different areas in South Africa. As of December 31, 2022 approximately 95% of the employees were South African citizens, and the remaining 5% are support staff from different countries.

Agriculture

Agricultural support in Onseepkans

Melon harvest delivered to market

Social Welfare Support

Kindergarten feeding scheme programme

Back2School Programme – New uniforms

Infrastructure and Equipment Upgrades

Hot water and air-conditioning provided to a local hospital

Spain

In 2022, we donated $2.5 thousand to the Congregation of Little Sisters of the Poors, an organisation that helps elderly people in need in different countries.

Donation to the Congregation of Little Sisters of the Poor

In Spain, we also promoted the benefits of clean energies among local communities. We invited university students and organised a birdwatching trip with two ornithologists for 40 schoolchildren to one of our solar plants.

United States

<u>Solana</u>

In 2022, Solana donated backpacks and supplies to the Gila Bend School valued at $5 thousand, an automated external defibrillator (AED) to the Gila Bend Fire Department valued at $1.6 thousand, and $1 thousand to the Paloma School for a Family Fun Night.

AED donation to the Gila Bend Fire Department

<u>Mojave</u>

In 2022, Mojave donated $5 thousand to the Mojave Environmental Education Consortium (MEEC) to provide training and resources to local students in projects such as energy, air quality, water quality and sustainability, as well as enrolment in a field trip programme. In addition, we also donated a business copier machine to a local school to support the educators.

Coso

In 2022, we provided cash donations of $108 thousand to support college scholarships, local youth sports, schools, and various local organisations and charities. We also provided support for the building of a new pavilion at one of the local parks. In addition, we sponsored fishing derbies, concerts, fairs, parades and other events that generated revenues for the local communities.

Support to the Eastern Sierra Foundation


Donations to the Bishop Sunrise Rotary

Asset Management

Asset management refers to the systematic process of developing, operating, maintaining and improving the assets in the most cost-effective manner, while considering costs, risks, opportunities and performance factors. Asset management also involves health and safety, environmental matters, compliance, financial, economic and other practices applied to the assets.

Excellence and efficiency are part of our core values. We believe in the outstanding and disciplined operation of our assets, while seeking operational excellence in a cost-efficient manner. Atlantica' asset management policy is publicly available on our website.

Asset managers supervise day-to-day activities of each of our assets and report to three Geographic VPs, who have full responsibility and accountability for the assets they manage. In addition, the corporate operations team supports asset managers by auditing the assets' health and safety, operational and environmental performance by implementing best practices and improvements, and by developing asset management tools, while the internal audit team audits asset records, processes and procedures.

Summarised Asset Management and Corporate Department Functions

Asset Management Functions	Corporate Department[1] Supporting Functions
Manage operation and maintenance activities. Implement best practices and audit recommendations, and share lessons learned	Operations, health and safety, environment and quality
ESG management[2], including implementing a zero-accident culture, minimizing environmental impacts, and overall asset risk identification and mitigation	Accounting, financing, budget control, administration, tax, insurance and information technology[3]
Cash management, budget-tracking, preparing financials	Internal audit and risks management
Manage relationships with all asset stakeholders	Legal, compliance, and people and culture
Measure, monitor and report asset KPIs	Purchasing

1 Corporate departments focused on supporting and controlling geographies.

2 We encourage you to read section Sustainability Governance for further details on ESG-related functions.

3 We encourage you to read section Innovation Management for further details on enhanced machine learning capabilities aimed at improving asset performance.

Asset Management Approach

Atlantica's asset management objectives and targets are set on an annual basis. These are discussed and agreed at the Health and Safety, ESG and Operations Committee. The Board of Directors approves consolidated key performance indicators.

We believe in a disciplined and efficient asset management approach. To achieve this, we monitor the performance of our assets in real time. We identify deviations, analyse them, learn from potential errors and apply corrective actions whenever needed.

We believe that by investing in our monitoring and predictive capabilities, we will improve our asset performance over time. We refer to the Innovation Management section for detailed information on our data analytics and machine learning initiatives.

We have monthly KPIs on health and safety, operation and maintenance, environmental metrics, equipment availability and overall plant performance. We also have an ERP-software that enables us to have strict control over our inventory, spare parts, work orders, work permits, accounting, and maintenance records among other thigs.

Atlantica's Health and Safety, Environmental and Quality Management System are ISO 45001, 14001, and 9001 compliant, respectively, for the activities of acquisition and management of contracted assets. An external third party (DNV) audits our Health and Safety, Environmental and Quality Management System annually. Our certifications, obtained for the first time in 2015, were renewed in May 2021 and are valid until May 2024. In addition, our Information Security Management System (ISMS) is ISO 27001 compliant. This certification was obtained in September 2022 and is valid until September 2025.

The Company's management system gives us a high degree of confidence that we comply with our own policies and with the regulations in force in each of the countries we operate in. In particular, we measure and monitor the environmental impact of our activities (including among others how these impact our local communities close to our assets as well as other stakeholders), and we analyse initiatives to reduce our GHG and non-GHG emissions, water consumption, and hazardous and non-hazardous waste.

We perform annual internal audits on our assets to ensure compliance with our best practices and to promote continuous improvement. The Operations Department audits all our assets at least every two years. The purpose of these audits is to perform an in-depth operational, maintenance, engineering, health and safety and environmental indicators assessment, as well as to assess compliance with internal corporate reporting requirements. The internal audit team reviews the internal controls and financial information of all our assets on an annual basis. Specific internal audits may be carried out on certain assets on an as-needed basis.

Audit findings are discussed between the Geographic VPs, Asset Managers and the Operations Director or the Head of Internal Audit. Key audit findings are discussed in the Geographic Committees, allowing senior corporate management to better assess our business activities, identify improvement areas and implement corrective action plans when necessary. In 2022, we had 13 of our assets audited by the Operations team, which resulted in recommendations for 273 improvement actions (vs. 91 in 2021). A high percentage of these improvement actions relate to non-material findings corresponding to operation and maintenance, health and safety, and environmental internal standards. In 2022, we identified 182 additional improvement actions compared to 2021. This was mainly due to the increased number of assets audited (including recently acquired assets where we have performed audits following Atlantica's asset management standards, process and procedures), and the increased scope of our audits. In 2021, due to COVID-19 restrictions, some audits were performed remotely and some others were performed partially, resulting in a lower number of identified improvement actions.

Number of Assets Audited and Improvement Actions in 2022, 2021 and 2020

	2022	2021	2020
Number of assets audited	13	7	12
Number of identified improvement actions	273	91	173

Note 1: We have revised 2021 and 2020 figures following the updated 2022 classification (e.g., account for Solacor 1&2 as one asset (vs. two assets)).

Note 2: Approximately 20% of the identified improvement actions in 2022 have been implemented. The rest (improvement actions mainly identified in Q3 and Q4 2022 audits) are expected to be implemented during 2023.

Note 3: All improvement actions identified in 2021 were implemented during 2021 and 2022.

Geographic VPs, Asset Managers and the Corporate Operations team dedicate time and effort to implement improvement actions. The progress on implemented improvement actions are reviewed at different management committees.

To meet Atlantica's asset management objectives, the Company provides specific training to its employees. In 2022, training received by our asset employees included health and safety, enhanced technical skills on electric systems, heat exchangers, and hydraulic pumps among others, and compliance-related programmes. Atlantica's senior management is convinced that well-trained employees will foster continuous day-to-day improvement, hence improving asset performance.

Our asset management functions include ESG factors. On the environmental side, asset managers are generally requested to share lessons learnt, implement best practices, measure, monitor and report KPIs, and implement internal audit recommendations and actions to reduce our environmental footprint. Regarding the social dimension, asset managers are requested to implement measures to promote and maintain a zero-accident culture. On the governance dimension, asset managers are requested to proactively manage asset risks and ensure asset compliance with internal and external rules and regulations.

Summarised Key Asset Management ESG-Related Responsibilities

Environment	Social	Compliance
- Identify environmental risks, improve efficiency and reduce overall costs. - Implement environmental audit findings recommendations. - Share lessons-learnt and implement operational, environmental, and quality best practices. - Maintain environmental and quality management system certifications. - Measure, monitor, and report key GHG and non-GHG emissions, waste and water indicators. Implement actions to reduce their impact. - Implement biodiversity initiatives.	- Implement a zero-accident culture at all assets. - Identify health and safety risks, perform walk & talks. - Implement health and safety audit findings recommendations. - Share lessons-learnt and implement health and safety best practices. - Maintain health and safety management system certifications. - Measure, monitor, and report key social indicators, including health and safety, and people and culture key metrics. - Propose suppliers considering the environmental and biodiversity impacts of their product/service. - Support long-term development of local communities close to our assets.	- Compliance with all internal and external rules, regulations, processes, and procedures. - Proactively manage and report asset risks. - Promote reporting of any complaints and concerns, as well as any breaches of the Code of Conduct or any conduct contrary to ethics, law, or the company's standards.

Asset Closure

We are committed to rehabilitating land to its "before-use" state, minimizing negative impacts. As of December 31, 2022, our assets had a weighted average remaining contract life of approximately 14 years[46]. Our first Power Purchase Agreements (PPA) or regulated contract where we have operational control ends in 2031 and in many cases the useful life of the asset goes beyond the duration of the PPA. For example, the PPA of Lone Star II, one of the assets in our Vento II portfolio where we own a 49% stake, ended in January 2023 and the asset continues operating, selling electricity at electricity market prices. No asset has been dismantled since our incorporation. We believe that we can continue operating some of our assets beyond their contract or regulatory life. ATN and ATS transmission lines property will be transferred to the government at the end of the concession period. For the rest of the assets, if or when we decide to stop operations after the contracted period, we are committed to dismantling the asset and returning the

[46] Calculated as weighted average years remaining as of December 31, 2022 based on CAFD estimates for the 2023-2027 period, including assets that have reached COD before March 1, 2023.

land to its original state. In most of the assets, the process would consist of taking equipment apart. We do not expect any environmental or landscape impact after dismantling.

On a yearly basis, we update our dismantling provision. The estimated total amount of dismantling costs include health and safety and environmental measures to avoid significant environmental or landscape impacts. We plan to involve local communities in the dismantling activities. Our Chief Executive Officer and Geographic VPs hold responsibility and accountability for future land closure and rehabilitation. For more information on dismantling provisions, please read our 2022 financial statements available in this report.

In USD million	2022	2021	2020
Dismantling provision	141	125	88

The dismantling provision increase from $125 million in 2021 to $141 million in 2022 was mainly due to dismantling obligations from recently acquired assets. The increase from $88 million in 2020 to $125 million in 2021 was mainly due to the reduction of the useful life of our solar plants in Spain from 35 years to 25 years after COD following the Energy and Climate Policy Framework adopted by Spain in 2020. The useful life reduction increased the dismantling provision as the dismantling of the plants is expected to occur earlier.

Innovation Management

Within the energy sector, innovation contributes to the fight against climate change through new or enhanced technologies that enable more sustainable, reliable and efficient solutions, including storage and green hydrogen solutions. Innovation is also key in the development of new tools and systems to more efficiently operate and manage sustainable infrastructure assets. Artificial intelligence in general, and particularly data analytics and machine learning, provide new solutions to predictive analysis for the maintenance and operation of generating assets in a sustainable and cost-effective manner.

We own a total of 31 patents and technology licences, as well as 6 patents currently in approval process, related to key components of our assets. We have an Operations Department that dedicates time and effort to identifying potential measures to improve asset performance, reduce operating costs and develop tools to manage our assets more efficiently. We also have joint-collaboration agreements in place with universities and innovation institutions as well as with certain suppliers and service providers across the regions where we operate to develop intelligent solutions to improve asset performance.

In addition, we have an in-house advanced analytics team to improve the performance of our existing technologies. The advanced analytics team focuses on data analytics and machine learning technologies to provide accurate energy production forecasts, predict equipment breakdowns or malfunctions, and reduce the risk of major outages as well as health and safety and environmental risks, among others.

In 2022, we continued (1) strengthening our modelling, data analytics and artificial intelligence capabilities, and (2) moving forward on our digitalisation roadmap to cover a broader scope of key components and the range of failure mechanisms. In particular, we have: (i) expanded our portfolio of machine learning models, physical models and diagnosis capabilities, and (ii) signed new and increased scope of existing collaboration agreements with equipment manufacturers. We have also continued to deploy sensors and tools on key equipment at our assets in order to collect asset information and develop data-driven models to:

- Detect anomalies and operational deviations of key equipment,
- Diagnose faults or failure and assessing their root causes,
- Predict expected fault progression, and
- Recommend the most suitable maintenance actions, among other actions.

Furthermore, we have improved our remote monitoring capabilities of our assets from our centralised monitoring centre, including the development and automatisation of operational reports. We have also hired additional specialised personnel.

We have already benefited from our innovation initiatives. For example, thanks to deployed sensors on key equipment and our data analytics capabilities, we have been able to prevent failures in: (1) wind turbines, (2) electric transformers in solar and wind assets, and (3) water feed pumps in solar assets. We expect that our efforts in operational innovation will continue, over time, to reduce costs, to improve asset performance, maximizing energy production, minimizing risks and to extending the useful life of our assets.

Cybersecurity and Data Privacy

Our information security policies, procedures and processes apply to all our activities in all the geographies where we operate.

Cybersecurity

Atlantica has a digitalised, cloud-based collaborative work environment in-place that promotes a strong cybersecurity culture.

Atlantica relies on both a physical and a digital technological infrastructure to support its processes and operations. These systems are subject to disruption, damage or failure from a variety of sources, including, without limitation, computer viruses, security breaches, cyber-attacks, ransomware attacks, malicious or destructive code and phishing attacks. Cybersecurity incidents, in particular, are constantly evolving and include malicious software, attempts to gain unauthorised access to data and other electronic security breaches that could lead to disruptions in systems, unauthorised release of confidential or otherwise protected information and to the corruption of data. We have preventive, detective and reactive controls in-place to avoid and/or mitigate damage or failure to our plants that could lead to business disruption (i.e., being unable to operate our plants or to access our Enterprise Resource Planning (ERP) systems). These controls are based on international standards, frameworks, best practices, internal and external audit recommendations, and insights gained from other companies.

Details on our cybersecurity risks are addressed in the Principal Risks and Uncertainties section of the Strategic Report.

To prevent cybersecurity risks, we regularly review our capabilities, reassess our IT policy, incident response procedure and, cybersecurity practices, as well as review our communication and cybersecurity related training across the Company to support resilience across our ecosystems. In 2022, we continued investing time and effort in strengthening prevention, monitoring and threat-detection measures in line with international standards. For example, our Information Security Management System (ISMS) is ISO 27001 compliant. Our certification was obtained in September 2022 and is valid until September 2025. We also increased our on-site and cybersecurity measures to ensure that our systems remain functional to serve the operational needs of our blended on-site and remote workforce, keeping them in operation to ensure uninterrupted service to our customers. These measures ranged from software improvement, tailored communications to raising security awareness among our workforce, and implementing mandatory IT security training aimed at detecting, monitoring and preventing threats. For example, our employees received training on identifying phishing in its different forms (e.g., email, phone calls, SMS, etc.) its potential consequences (e.g., data breaches, plant operation disruption, economic loss, reputational damage, etc.) and implementing sophisticated corporate and personal password maintenance.

We also regularly conduct internal and external audits to ensure that our cybersecurity controls are updated and effective, including simulated and targeted cyberattacks to our servers and employees' accounts. The results of this ethical hacking exercise are published quarterly in a "Wall of shame" that is accessible to every employee in the IT Security Hub. We regularly update our risk map on identifying, evaluating and mitigating information security risks. High-level areas of focus are IT policies, human resources security, access control, physical security, operational and communication security, cryptography, incident management, supplier relationships, business continuity and compliance.

Cybersecurity-Related Incidents in 2022, 2021 and 2020

	2022	2021	2020
Number of cybersecurity incidents	0	0	0

Cybersecurity governance

The Board is responsible for the effective oversight of the Company's strategy and performance, financial reporting, corporate governance process, and internal control and risk management framework, including cybersecurity risks. The Board of Directors is informed at least twice a year on the cybersecurity strategy, measures and systems to securely protect and safeguard Atlantica's information.

At the management level, our Head of IT, with approximately 25 years of experience in information security, is responsible for implementing Atlantica's cybersecurity strategy. The Head of IT reports to the Chief Financial Officer (CFO) and is a member of both the Management Committee and the Compliance Management Committee. The Chief Executive Officer, the CFO and the Head of IT review Atlantica's information security at least on a monthly basis.

Data Privacy

All Atlantica's activities, including those of our directors and employees, as well as everyone we have a relationship with, are required to comply with our Compliance Policy on privacy and personal data protection. This policy is based on the European General Data Protection Regulation (GDPR), the U.K. Data Protection Act (DPA) and applies to all Atlantica companies. In particular, the Policy sets a framework that enables compliance with local data protection and privacy laws, and defines a baseline for those countries where there are no equivalent legal requirements.

We have several mechanisms in-place to ensure effective implementation of our Privacy Policy:

- Our Code of Conduct addresses privacy and personal data protection. All employees receive annual training on our code. The code is approved annually by Atlantica employees.
- Clear and direct data protection and privacy responsibilities.
  - The Compliance Management Committee is responsible for coordinating and managing personal data protection activities. It is also responsible for reassessing, on an annual or as-needed basis, the compliance and efficacy of our data protection and privacy policies. To do so, regular internal and biannual external audits are conducted to identify and mitigate potential privacy and personal data risks and their compliance with rules and regulations. For example, as part of these audits, we review that all our activities comply with data protection and privacy regulations, including the GDPR requirements. We are committed to protecting all stakeholder information, including that of employees, suppliers (including subcontractors working at our assets), investors and other stakeholders confidential data. In particular:
    - The Head of IT and Administration leads day-to-day data protection activities and is responsible for implementing the control measures and developments needed to ensure compliance with rules and regulations on data protection in Atlantica's information security management systems.
    - The Head of Risk Management oversees risk management processes, procedures and tools implemented by the Company, including the risk map. Data protection and privacy is included in the risk map. The Board of Directors monitors risks on a quarterly basis as part of the Company's risk management assessment.
  - Personal data and privacy issues can be escalated to the Compliance Management Committee through face-to-face meetings, video or phone calls, or via email (dataprotection@atlantica.com, or compliance@atlantica.com).
- We provide data protection training to acquaint employees on the rights of individuals to control their personal information and data confidentiality, integrity and availability.
- Data protection documentation is available to all Atlantica employees on the Company's intranet. In addition, we publicly inform stakeholders about our privacy data measures on our website (https://www.atlantica.com/web/en/privacy-policy/index.html) providing details on:

(i) the nature of the information captured,
(ii) the use of the collected information,
(iii) the possibility for stakeholders to decide how private data is collected, used, retained and processed,
(iv) how long the information is kept on corporate files, and
(v) how the information is protected.

We do not use stakeholder's data collection outside of the primary purpose for which the data was collected, including, but not limited to, selling targeted ads or transferring data or information to a third-party through either sale, rental, or sharing.

We have a zero-tolerance approach to privacy and data breaches. In 2022, 2021 and 2020 we did not identify any substantiated complaints regarding leaks, thefts, or losses of stakeholder data.

Incidents Relating to Data Protection and Privacy in 2022, 2021 and 2020

Number of substantiated complaints	2022	2021	2020
- From regulatory entities	0	0	0
- From other sources	0	0	0
Total substantiated complaints	**0**	**0**	**0**

Tax Management

Tax Strategy

Atlantica has a tax strategy in place that serves as a set of principles and guidelines for all our geographies. This strategy is based on values of integrity, compliance, and excellence, complies with Schedule 19 of the U.K. Finance Act 2016, and is publicly available on our website.

Our tax policy, procedures and processes apply to our tax operations, reporting and compliance of Atlantica and its subsidiaries.

The Tax Strategy applies to directors, officers, finance and administration personnel, tax professionals employed by Atlantica, as well as other stakeholders, including tax advisors and service providers.

General Principles

Atlantica is committed to complying with all tax obligations and providing disclosure to tax authorities. Compliance for Atlantica means paying the right amount of tax in the right place at the right time.

We are also committed to applying the Organisation for Economic Co-operation and Development (OECD) tax guidelines for multinational companies - including the adoption of the arm's length principle in intra-group related party transactions following OECD guidelines - and complying with the tax legislation in force in those countries where we operate.

Atlantica's Tax Strategy is governed by the following tax practices:

- **Legality. Attitude towards tax planning**

Our business activities are conducted in compliance with tax obligations in the countries where we are present. We do not engage in aggressive tax planning and do not participate in artificial tax avoidance schemes to reduce our tax liability. Our tax planning is supported by economic arguments. In addition, we engage with external tax advisors where there is need for tax guidance and support.

- **Tax risk management and tax governance**

  We have implemented risk management tools to identify, monitor and mitigate any potential tax risk.

  The management and control of tax risk begins with the identification and classification of the risks to which we are subject. We regularly assess our tax risks and uncertainties. The effectiveness of our tax procedures is ensured through different workflows of approval, periodic monitoring of tax affairs with corporate departments and local employees, external advisory, and periodic internal and external audits.

  Atlantica's Corporate Tax Department trains, educates and supports corporate and local departments that manage or process tax data.

- **Appropriate relationship with tax authorities**

  We seek to have a relationship with tax authorities based on integrity, transparency and good faith, aiming to resolve any potential dispute in a timely manner by working collaboratively with them.

  We engage with tax advisors where a particular tax law or regulation is unclear or subject to interpretation to be fully compliant or to help the administration team in those geographies where we do not have a local tax team.

Tax governance bodies and organisation

Atlantica has integrated the Tax Strategy into its businesses. The tax strategy is applied through different governance bodies at Board and management level.

Board of Directors	- Responsible for the effective oversight of among others, Atlantica's tax affairs. - The Board reviews potential tax risks when evaluating investments and receives tax updates on an as-needed basis.
Audit Committee (at Board level)	- The Audit Committee assists the Board in fulfilling its oversight responsibilities concerning the risks, including the tax function. - The Audit Committee receives tax updates on an as-needed basis.
Business Committee	- Analyse short and medium-term key decisions and define appropriate action plans to implement these decisions, including tax affairs.
Investment Committee	- Analyse potential growth opportunities considering tax affairs.
Accounting and Disclosure Committee	- Responsible for analysing and implementing the Company's most significant accounting policies, including those related to tax accounting affairs and decide on the appropriate disclosure of tax matters.

Key tax-related departments and responsibilities include:

Corporate tax Department	- Under the CFO´s supervision, is responsible for the design, development, implementation and coordination of the tax function following our Tax Strategy.

	-	Meets with Geographic VPs, country managers and tax advisors among others, are held to control tax risks.
Local tax and administration departments	-	Responsible for the execution of the tax functions. They are responsible for the tax compliance functions in the countries under their responsibility in coordination with the Corporate Tax Department.
Geographic VPs and country managers	-	Overall responsible for the assets they manage, including tax affairs in the countries under their responsibility.
Consolidation Department	-	Responsible for the accounting policies, including the tax accounting matters and deferred taxes.
Internal audit Department	-	Oversee internal controls, evaluate policies, procedures and tools implemented by the Company, including those related to the tax function.

Tax stakeholder engagement, management of stakeholder concerns, and mechanisms for reporting unethical or unlawful tax behaviour

We have different communication channels in place to report any misconduct or instances of non-compliance with our compliance policy framework, including tax irregularities, or unethical or unlawful tax behaviour. These are the whistleblower and the compliance channels. Additional information is provided in the Ethics section of this Strategic Report.

Section 172 Statement

The Board is ultimately responsible for the long-term success of the Company. Our Directors are aware of their responsibility to promote the success of the Company in accordance with Section 172 of the Companies Act 2006 and have acted in accordance with these responsibilities during the year.

The Board's Approach to Section 172 and Decision-Making

The Board acknowledges that Atlantica's purpose is to support the transition towards a more sustainable world by investing in and managing sustainable infrastructure assets, while creating long-term value for its shareholders, employees, suppliers, customers, business partners, local communities and debt investors. As such, the Board has considered their interests and the impact of its decisions on these stakeholders as part of its decision-making process. When making such decisions, each Director has acted in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its stakeholders.

The Board believes governance of the Company is best achieved by delegation of its authority for the executive management to the Chief Executive Officer, subject to a set of defined limits and monitoring by the Board. The Board routinely monitors the delegation of authority, ensuring that it is regularly updated, while retaining ultimate responsibility.

Stakeholder Identification and Engagement

At Atlantica, we acknowledge that our stakeholders have a broad range of interests and viewpoints. We believe that collaboration with them is key to our success. As such, we listen and do our best to gain stakeholders' trust, thus leading to a more stable and long-term relationship. Across the Company, we engage with our stakeholders to obtain input that can be helpful as we execute on our strategy.

We believe that systematic stakeholder engagement, executed properly, is likely to result in ongoing learning within the Company, as well as increased accountability to a range of stakeholders.

We have made a two-way engagement channel available for our stakeholders to build trusting long-term relationships. We refer to the ESG materiality analysis for further information on stakeholder inclusiveness.

The Board ensures that stakeholder considerations are considered in strategic decision-making by requiring that strategic proposals include an analysis of key stakeholder impacts, which form part of the decision-making process.

Our Employees

Our people are fundamental for the long-term success of the Company. Atlantica, its Board and its management are committed to prioritising and actively promoting health and safety. In addition, we provide a work environment free of discrimination, intimidation and sexual and non-sexual harassment where everyone can participate in the success of the business. We refer to sections Health and Safety, Business Ethics, Human Rights, and People Management.

We perform an employee climate survey at least every three years to assess employees' satisfaction. The goal is to receive feedback, as well as to engage with our employees. The survey is confidential, managed by a third-party, and results are aggregated, shared and discussed with supervisors. In October 2022 we carried out an employee climate survey. Approximately 78% of employees took part and the general engagement with the Company was 68%. Atlantica scored highly in several areas, including employees' satisfaction with their immediate manager/supervisor. This survey helped us to identify certain areas for improvement. Management prepared action plans for those areas. The Board receives reports on the survey results together with action plans that management intends to take moving forward.

We refer to the Employees, Diversity and Inclusion, Business Ethics, Our People and Culture, Health and Safety and Data Privacy sections for further employee-related details and initiatives.

Key employee-related metrics followed by the Board include:

		2022	2021
Health and Safety	Total Recordable Frequency Index (TRFI)[47]	5.0	6.0
	Lost Time Frequency Index (LTFI)[48]	2.9	2.3
	Near Misses Unsafe Acts and Unsafe Conditions Frequency Performance Indicator	1,198	1,540
Human Rights	Number of human rights incidents	0	0
Employee	Voluntary Turnover by year-end	12.8%	11.0%
	Total turnover by year-end	22.2%	16.9%
	Average Annual Training per employee (in hours)	29	37
Percentage of Women	At Management Level	23%	23%
	Over Total Number of Employees	20%	25%
Data Protection and Privacy	Number of data protection and privacy incidents	0	0

Note 1: Turnover rates calculated based on the average number of employees in each year.
Note 2: Health and safety industry benchmarks provided in the Health and Safety section.

Our Shareholders and Debt Investors

The support and engagement of our shareholders, potential shareholders, debt investors and capital markets is key for the future success of our business. Continued access to capital is of vital importance to the long-term success of our business, especially considering that our strategy includes distributing a high portion of the cash we generate as dividend and growing that dividend through acquisitions and investments.

We strive to effectively communicate our strategic objectives and operating and financial performance through our engagement activities, including:

1 Total Recordable Frequency Index (TRFI) represents the total number of recordable accidents with and without lost-time recorded in the last 12 months per million hours worked.

2 Lost Time Frequency Index (LTFI) represents the total number of lost-time accidents recorded in the last 12 months per million hours worked.

- Dialogue with shareholders, prospective shareholders and analysts, led by the Chief Executive Officer, Chief Financial Officer and Head of Investor Relations. Our Chair of the Board and Independent Directors are also available to meet institutional shareholders.
- Quarterly earnings presentations with Q&A.

Major investor relations engagement activities carried out in 2022 include:

- 132 meetings with existing and potential investors.
- Attendance at 21 investor conferences and roadshows.

Investors can contact our Head of Investor Relations or access all public information on our website (www.atlantica.com).

The Board periodically receives feedback on the views of our shareholders, including their main issues and concerns. The Board also reviews reports from sector analysts on the Company.

The Annual General Meeting is also an important part of effective engagement and communication with shareholders. All shareholders have the opportunity to ask questions at our AGM meetings. The Chair of the Board and the Chairs of all the Committees at Board level are available to answer questions at that meeting.

We also maintain a dialogue with the two proxy advisory agencies covering Atlantica to explain the main resolutions included in the notice to our AGM and answer any questions they may have.

The Environment and Local Communities

Our Board of Directors believes climate change can lead to significant risks and opportunities for the Company and its stakeholders. Our strategy is focused on climate change solutions in the power and water sectors and we therefore see sustainability and climate change as a growth opportunity for us.

We have a GHG reduction objective approved by the Science Based Targets initiative (SBTi). Atlantica targets to reduce Scope 1 and 2 GHG emissions per kWh of energy generated by 70% by 2035 from a 2020 base year[49].

In addition, we have a goal to maintain over 80% of our adjusted EBITDA generated from low carbon footprint assets including renewable energy, storage, transmission infrastructure and water assets.

Following our long-term commitment to sustainability, we have set new targets to reduce our:

1. GHG emissions. We target to:
   (i) reduce our Scope 3 GHG emissions per kWh of energy generated by 70% by 2035 from a 2020 base year, and
   (ii) achieve Net Zero GHG emissions by 2040.

[49] The target boundary includes steam generation.

2. Non-GHG emissions. We target to reduce our non-GHG emissions[50] per kWh of energy generated by 50% by 2035 from a 2020 base year.
3. Water consumption. We target to reduce our water consumption per kWh of energy generated by 50% by 2035 from a 2020 base year.

Our Board takes sustainability targets into consideration while making decisions, including capital allocation. Our Board also monitors the main impacts that our assets may have on the environment through waste.

Furthermore, we acknowledge that our day-to-day activities have impacts on nearby communities.

The key metrics followed by the Board are:

			2022	2021
At least 80% of adjusted EBITDA coming from low carbon footprint assets			89%	88%
GHG Emissions	Scope 1	thousand tonnes of CO_2	1,844	1,795
	Scope 2	thousand tonnes of CO_2	249	237
	Scope 3	thousand tonnes of CO_2	814	798
	Total	thousand tonnes of CO_2	2,907	2,830
	Scopes 1 and 2 GHG Emission Rate per Unit of Energy Generated	tonnes of gCO_2/kWh	168	185
	Offsets	thousand tonnes of CO_2	320	260
Water Management in Power Generation	Withdrawal	m^3 per MWh	1.42	1.58
	Discharges	m^3 per MWh	0.17	0.21
Waste Management	Hazardous waste	tonnes of waste	1,908	2,664
	Non-hazardous waste	tonnes of waste	23,142	22,238
Community Investment and Development			Investments focused on improving infrastructure and supporting education	

We refer to the Key Performance Indicators, Environmental Sustainability and Local Communities sections for further environment and local communities-related details and initiatives.

Our Suppliers and Business Partners

We have a Supplier Code of Conduct and expect our suppliers to adhere to it. We include our requirements in our contractual arrangements with suppliers. The Board reviews our Code of Conduct and Supplier Code of Conduct on an ongoing basis, at least once per year. In addition, we have a Modern Slavery and Human Trafficking Statement which sets out the steps taken to prevent modern slavery in our business and supply chains.

[50] Non-GHG emissions including nitrogen oxide (NOx), sulfur dioxide (SO_2) and carbon monoxide (CO).

In 2022 we continued the environmental certification of our suppliers described in the Supply Chain Management section.

In addition, we have partners in some of our assets. In some cases, such as at Solacor 1 & 2, Solaben 2 & 3, Seville PV, Kaxu, Skikda, Tenes and Chile PV 1, 2 and 3, we have control over the asset. In other cases, such as Honaine, Monterrey or Vento II, we do not manage the projects' day-to-day operations. As an example, our partner in Vento II is EDP Renewables (EDPR), a company with ethical standards similar to those set out in our Code. In any case, our Geographic VPs maintain regular engagement and dialogue with our partners. To the extent possible, considering Atlantica's ownership interest, we try to apply our Code of Conduct and business ethics practices in affiliates where we do not have control.

Among others, the key metrics followed by the Board are:

	2022	2021
Adherence of new suppliers to Atlantica's Supplier Code of Conduct	~100%	~100%
Internal pre-screen evaluation of new suppliers	100%	100%
External supplier evaluation[1]	~45%	>51%

[1] Percentage of total annual operating expenses

We refer to the Supply Chain Management section for further supply chain-related details.

Our Customers

Our customers are mainly comprised of electric utilities and corporations. We also have electric systems and government owned electricity and transmission companies as customers.

Engagement with clients is achieved through dialogue led by Geographic VPs, country managers and/or asset managers. This generally enables us to identify and react in advance to our customers' needs. We listen and do our best to gain our customers' trust, thus leading to a more stable and long-term relationship.

We refer to the Customer Management section for further customer-related details.

Strategic Decisions

In 2022, the main decisions relate to our strategy going forward and the investment in new assets.

Investments

Our Board analyses and approves, if deemed appropriate, investment and acquisition opportunities proposed by our Investment Committee. We refer to section "Events during the Period" under the "Strategic Report" section for more information.

When approving these investments, the Board continued to promote the transition towards a low-carbon energy industry and a business model based on sustainable development. The Board considered our long-term growth plan, expected returns for each investment, impact on GHG emissions and environmental targets, synergies with existing assets, risks involved in each asset investment (operational, country and off-taker credit risk, etc.), and potential impacts to communities and the environment. The Board also considered resources available to finance these investment in the context of our broader growth plan. While deciding investments, the Board took into consideration the interest of all our stakeholders.

We refer to the Events During the Period section (Strategic Report) for further details on our 2022 investments approved by the Board.

Corporate Financing

In February 2022 we established an "at-the-market programme" (ATM) under which we may offer and sell from time to time up to $150 million of our ordinary shares. During 2022 we issued and sold 3.4 million shares, representing gross proceeds of $114.9 million.

When approving this financing, the Board took into consideration our strategic growth plan, the Company's corporate leverage and how the financing decisions affect all our stakeholders. The Board also considered the impact of their decisions on shareholders and debt investors and concluded that the financing transactions would promote the long-term success of the Company.

We refer to the Events During the Period and Financial Review sections for further details on our financing activities during 2022.

Dividends

In 2022, the Board decided to pay total dividends of $1.77 per share to our shareholders in quarterly dividends, a 3.2% increase with respect to the previous year. Details of the dividend policy are included in Directors' Report, where we explain our long-term approach to dividends. The Board decides the dividend on a quarterly basis. The Directors considered the performance of our assets, cash available for distribution generated in the period, available liquidity under our financing arrangements and investment plans of the Company. The Directors also considered the net corporate debt position of the Company.

The Board deliberated on and concluded that the level of dividends approved would promote the long-term success of the Company.

We refer to the Events During the Period and Financial Review sections for further details on our 2022 dividends.

Going Concern Basis

The Group has prepared the consolidated financial statements on a going concern basis. The Directors have considered a number of factors in concluding in their going concern assessment covering the period to March 31, 2024. The Directors have a reasonable expectation that the Group and Company will meet its commitments as they fall due over the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing the Group's consolidated financial statements and Company's standalone financial statements. For further information, please refer to Note 2.1 of the consolidated financial statements for the going concern basis.

Approval

This Strategic Report was approved by the Board of Directors on February 28, 2023 and signed on its behalf by Santiago Seage, Director and Chief Executive Officer.

Director and Chief Executive Officer

Santiago Seage

February 28, 2023

Governance

Governance

Business Ethics

"Integrity, Compliance and Safety" is our first value and prevails over the rest. We are committed to promoting ethical business practices and complying with all relevant laws and regulations. Atlantica has a Code of Conduct to ensure consistent and effective commitment to Integrity and Compliance.

The Company also has policies, processes, and procedures in-place to prevent, avoid and mitigate actions improper or contrary to law and to ensure ethical principles are applied in all our activities. We have measures in place to prevent and combat corruption effectively and efficiently. Our Anti-Bribery and Anti-Corruption Policy applies to all Atlantica businesses.

Atlantica business activities are governed by laws that prohibit bribery supporting global efforts to fight corruption. Specifically, the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act 2010 make it a criminal offense for companies, as well as their officers, directors, employees, and agents, (or any other person) to give, request, promise, offer or authorise the payment of anything of value (such as money, any advantage, benefits in kind, or other benefits) to a foreign official, foreign political party, officials of foreign political parties, candidates for foreign political office or officials of public international organisations to obtain or retain business. Similar laws have been or are being adopted by other countries. Private bribery is also illegal under U.S. laws, the U.K. Bribery Act, and the laws of other jurisdictions in which Atlantica operates.

Atlantica is a member of the United Nations Global Compact (UNGC) initiative. The UNGC and its principles are an integral part of Atlantica's strategy and our objective is to also make it part of our suppliers' strategy. Please read further details in the UNGC section of this Integrated Annual Report.

We have zero tolerance for modern slavery and we confirm that no incidents of modern slavery were reported or identified during 2022, 2021 and 2020. Please see additional details on modern slavery in the Anti-Slavery and Human Trafficking Statement of this Report and Accounts.

All our employees must annually read, understand, and commit to following our corporate governance policies. In addition, all our officers and employees working with confidential information sign a formal commitment annually acknowledging our insider trading policy.

We regularly provide training to all our employees on our corporate policies to promote our compliance culture and to ensure that all our employees understand and apply all our compliance policies.

We encourage our employees and other stakeholders to address any questions or comments they may have to our compliance team. We have different communication channels available to report any misconduct or instances of non-compliance with our compliance policy framework. These are:

- Whistleblower channel: Either through our website or via email. Additional information is provided in the Whistleblower section.

- Compliance channel: Email to (i) communicate any potential irregularities or (ii) request advice. Additional information is provided in the Compliance Management Committee section.

Code of Conduct

Atlantica has implemented a Code of Conduct to ensure commitment to Integrity and Compliance. The Code applies to all directors, officers, and employees of Atlantica Sustainable Infrastructure plc and each of its subsidiaries, including controlled and associated non-controlled companies. We make every effort to apply this Code at associated non-controlled companies given Atlantica ´s level of participation. We also seek to work or partner with third parties that adhere to principles that are similar to those set out in this Code. As an example, when we evaluate potential co-investments with business partners, the Investment Committee and more specifically, the Head of Risk Management, reviews the business partner's code of conduct as part of the due diligence process.

In 2022, two Code of Conduct incidents were identified and investigated following our internal process and procedures. As a result, among other actions, the employment of those employees involved was terminated, and comprehensive anti-bribery and anti-corruption training was provided to local employees. In 2021 and 2020 we did not identify, nor did we receive, any notification of non-compliances or breaches in relation to the Code of Conduct.

Atlantica's Code of Conduct prohibits political involvement of any kind on the Company's behalf. Neither the Company, nor its directors, employees, or representatives on its behalf, can make political contributions (donations to politicians, political parties, or political organisations) or sponsor events whose exclusive purpose is political propaganda. In 2022, 2021 and 2020 neither Atlantica, nor any of its subsidiaries made any financial or in-kind political contributions to political campaigns, ballots measures, referendums, political organisations, lobbyists or lobbying organisations, trade associations with political impact nor other tax-exempt groups, whether directly or indirectly.

All Atlantica employees must annually read, understand, and commit to following our Code of Conduct.

Compliance Management Committee

Atlantica's Compliance Management Committee is comprised of the General Counsel, the Head of Risk Management, and the Head of IT and Administration. The Committee is supervised by the General Counsel - who is also the Compliance Officer, the Secretary of the Board of Directors and the Head of People and Culture - and reports its activities to the Business Committee (at Management level), the Nominating and Corporate Governance Committee (at Board level) and the Board, as applicable. The Compliance Management Committee's main objective is to support the Compliance Officer and assist all our employees and the Board in implementing the compliance programmes, policies and procedures required by laws and regulations, as well as by best corporate practices. The Compliance Management Committee receives regular reports from local managers in each of our geographies where we are present on compliance-related matters.

We have a compliance mailbox (compliance@atlantica.com) where our employees and other stakeholders can send any questions and/or comments they may have. We encourage our stakeholders to report any irregular behaviour through any of the available communication channels in place. We have incorporated the communication channels in many public documents as well as in internal training to encourage its use.

Anti-Bribery and Anti-Corruption Policy

We have an anti-bribery and anti-corruption safeguard and reporting policy and procedures to forestall and prevent operations related to corruption, bribery, and fraud. The Policy establishes that:

- Any type of bribery is prohibited.
- Political Contributions are forbidden. Charitable donations and Sponsorships are subject to internal review and approval.
- Travel, entertainment, and gifts may never be accepted for the purpose of improperly obtaining, retaining business, or securing any improper advantage from public officials or private persons.
- Using an independent contractor, agent, consultant, intermediary, reseller, distributor or any other third party to pay or give a bribe is strictly prohibited.

Additionally, accounting procedures and internal control over financial reporting prohibit cash payments other than well documented petty cash disbursements which have to follow very strict procedures.

A summarised version of our Anti-Bribery and Anti-Corruption Policy is available on our website.

Operations Assessed for Risks Related to Corruption

Atlantica has a Criminal Risk Prevention Programme to mitigate the risk of engaging in activities that would violate laws in countries where such violations could result in criminal liability. The criminal risk map for each geography describes the types of offences that may raise criminal liability for legal entities. Offences vary across jurisdiction and includes financial offences, money laundering, corruption, bribery, and illicit trade crimes.

In 2022, local external lawyers reviewed our criminal risk map contained all key corruption crimes in each geography where we are present.

Whistleblowing Channel

The Whistleblowing Channel is an essential part of Atlantica's commitment to preventing fraud, irregularities, and corruption. It is available on our website to all employees and stakeholders in two languages. It is managed by the Audit Committee and serves as a tool to report any complaints and concerns about management, as well as any breaches of the Code of Conduct or any conduct contrary to ethics, law, or Company standards. Confidentiality and no retaliation are the essential operating principles of the channel. We may suspend these principles only where the claimant did not act in good faith.

In 2022, we received one communication through the Whistleblower Channel. The matter was analysed following our internal process and procedures. We concluded that the communication was unrelated to Atlantica Sustainable Infrastructures plc, its affiliates and its businesses. In 2021 and 2020 no communications were received through the Whistleblower Channel in relation to any irregularities. We have implemented initiatives to encourage its use, including descriptive and user-friendly disclosure on how to use it, providing two languages to report misconducts, directly through our internal online and in-person compliance training, and disclosing our ethics mailboxes in many of our publicly available reporting.

Training and Communication about anti-corruption policies and procedures

Atlantica has a training programme on the Code of Conduct and related-policies. This includes the Anti-Corruption Policy, FCPA training and the Criminal Risk Prevention Programme. Training is provided to all employees on an annual basis. In addition, Directors generally receive training addressing topics such as Sarbanes-Oxley regulation, directors' duties and governance requirements under the Nasdaq rules, the U.S. Securities and Exchange Commission and the U.K. Companies Act 2006.

In 2022, 2021 and 2020, we provided training to our employees on our corporate policies to promote our compliance culture and to ensure that all our employees understand and apply all our compliance policies. We believe the training helps employees to: (i) identify "red flags" corruption warning signs, (ii) mitigate corruption risks, (iii) report a breach and understand the steps the Company takes to address whistleblower complaints, including protection from retaliation, and (iv) understand potential sanctions driven by compliance breaches.

In 2022, compliance-related training was provided to employees through our online training platform, in-person training, and real-time video conferencing.

Summarised Compliance Training

Training	Goals	Type	Minutes per Employee	Participants
Code of Conduct awareness	Acquaint employees with the importance of the Code of Conduct through real-life cases.	Online platform	8	551
Anti-Corruption	Acquaint employees with the importance of identifying and avoiding situations that could involve corruption or conflicts of interest through real-life cases.	Online platform	8	551
Anti-Money Laundering	Acquaint employees with the mechanisms or procedures aimed at giving the appearance of legitimacy or legality to goods or assets of criminal origin.	Online platform	8	551
Data Protection	Acquaint employees with the rights of individuals to control their personal information and data confidentiality, integrity and availability.	Online platform	8	551
Environment, Social and Governance (ESG), Human Rights, Unconscious Bias, Gender Equality and Sexual Harassment	Acquaint employees with key ESG, human rights unconscious bias, diversity and inclusion principles, gender equality and sexual harassment measures, regulations and policies.	Online platform	8	574
Sexual Harassment and Discrimination	Acquaint employees with sexual harassment and discrimination prevention.	Online platform	78	74
Anti-Bribery & Anti-Corruption	Acquaint employees with corruption in the private and public sectors, international regulation, corruption risk mitigation, sanctions driven by compliance breaches and Atlantica's anti-corruption policy.	In-person and real-time video conferencing	60	55
Atlantica Management Model	Acquaint office employees on Atlantica's (1) long-term strategy, business model, recent milestones, and growth strategy, and (2) Compliance. Average training time: 3.5 hours (50% on Compliance matters).	In-person and real-time video conferencing	105	300

Note: All Atlantica employees receive compliance training. The difference between our total workforce as of December 31, 2022, and the Participants to the compliance-related training (except specific local sessions such as the sexual harassment and discrimination, anti-bribery & anti-corruption and the Atlantica Management Model trainings) is mainly due to: (i) new hirings and (ii) recently closed acquisitions (i.e., we are in the process of fully integrating certain subsidiaries to our policies, processes and procedures). The employees that were not members of our workforce at the time of the training will receive compliance-related training in the sessions scheduled for 2023.

In 2022, Atlantica employees received a total of ~1,025 hours of compliance-related training, compared to ~200 hours in 2021. On average, each Atlantica employee received ~1.15 hours (~70 minutes) compliance training in 2022, compared to 0.38 hours (~23 minutes) in 2021.

Trade Associations

In 2022, Atlantica contributed $192.5 thousand to associations or organisations related to power generation, clean energy, and sustainability.

Trade Associations Costs in 2022, 2021 and 2020

In thousands of U.S. dollars	2022	2021	2020
Trade associations contributions[1]	192.5	121.3[2]	66.5

[1] None of these contributions relate to trade associations with political impact (i.e., political campaigns, ballots measures, referendums, political organisations, lobbyists or lobbying organisations, nor other tax-exempt groups).

[2] We have revised 2021 figures to account for the final cost of each trade association.

In thousands of USD

Trade Associations	Country	2022	2021	2020
Geothermal Resource Council	U.S.	3.3	3.3	-
Bishop Chamber of Commerce	U.S.	2.5	2.5	-
Lone Pine Chamber of Commerce	U.S.	2.5	2.5	-
Ridgecrest Chamber of Commerce	U.S.	1.8	1.8	-
Indian Wells Valley Economic Development Corporation	U.S.	5.0	5.0	-
American Council on Renewable Energy	U.S.	12.5	12.5	-
Independent Energy Producers Association	U.S.	30.0	-	-
Mexican Energy Association (AME)	Mexico	17.4	17.3	8.0
Association for Cogeneration (COGENERA)	Mexico	2.5	2.0	1.9
Spanish Chamber of Commerce	Mexico	-	1.0	-
National Chamber of Electric Manufacturers (CANAME)	Mexico	-	-	7.6
Association for Transmission Lines (ATX)	Chile	44.5	-	-
Association for Renewable Energy (ACERA)	Chile	1.7	2.2	1.4
Association for Renewable Energy (SPR)	Peru	7.9	7.7	2.7
Energy Association (SNMPE)	Peru	16.3	17.7	16.6
Association for Electric Energy Generation (AUGPEE)	Uruguay	3.4	2.9	2.6
Spanish Association of Energy Storage (ASEALEN)	Spain	3.7	5.3	-
Association for the CSP sector (Protermosolar)	Spain	24.9	25.7	23.3
Spanish Confederation of Business Organisations (CEOE)	Spain	12.6	11.9	2.4
	Total	**192.5**	**121.3**	**66.5**

Sustainability Governance

Given that it is the ultimate decision-making body, the Board of Directors is the highest level of responsibility for ESG and climate change-related matters. The CEO, in his executive role and as Director of the Board, holds the leading position and responsibility in relation to ESG and climate change-related matters.

ESG and climate change encompass many of Atlantica's key daily and long-term activities. It is a cross-functional activity that involves Geographic VPs, country and asset managers, as well as multiple corporate departments, including among others, the Operations, Health and Safety, Environment, Compliance, People and Culture, and Corporate Development Departments.

Sustainability Governance Structure

Board of Directors

Nominating and Corporate Governance Committee	Audit Committee
Compensation Committee	Related Party Transactions

Management

Business Committee	Management Committee	Geographic Committee
Compliance Management Committee	Health and Safety, ESG and Operations Committee	Internal Audit Committee
Risk Management Committee	Accounting and Disclosure Committee	Investment Committee

Corporate and Business Areas

Board of Directors: ESG and Climate Change Related Responsibilities and Functions

- ✓ The Board is responsible for the effective oversight of the Company's strategy and performance, financial reporting, corporate governance process, and internal control and risk management framework, including ESG and climate-related risks and opportunities. It is also ultimately accountable to shareholders for the long-term performance of the Company and value creation for shareholders and other stakeholders in a sustainable manner.
- ✓ The Board oversees the implementation of ESG and climate change initiatives and prioritises internal resources committed to the advancement of objectives. The CEO, in his executive role and as Director of the Board, manages, supervises and has a leading position and responsibility over ESG and climate change-related matters, including informing on and/or submitting the following actions for Board approval:

Topic	Frequency
Potential ESG and climate-related risks and mitigation plans	Quarterly or on an as-needed basis. For example, in 2022 the Board was informed (i) twice on the climate-related scenario analysis on Atlantica's 2030 and 2050 key potential risk and opportunity impacts, and (ii) quarterly on our risk map (including climate-related risks)
New and/or updated ESG and climate change policies and targets	Annual
Environment, climate change and social key performance indicators and their status against established objectives (if applicable)	Health and safety: always Other social KPIs: annual Environment and climate change KPIs (GHG emissions, water, and waste): semi-annual
Best practices to improve ESG and climate change performance over time	Annual or an as-needed basis
Process to offset Atlantica's GHG emissions	Annual
Integrated Annual Report with comprehensive ESG disclosures	Annual
Results of ESG-related rating evaluation assessments	Annual and on as-needed basis
Investment proposals in non-renewable generating assets consider Atlantica's long-term ESG and climate change targets	Always

- ✓ The Audit Committee assists the Board in fulfilling its oversight responsibilities concerning the management of risks, controls and processes, including potential ESG factors that could be risk drivers, as well as compliance with ESG and climate-change reporting requirements.
- ✓ The Nominating and Corporate Governance Committee assists the Board in fulfilling its oversight responsibilities concerning compliance topics, including ESG-related policy approvals.

At Atlantica, we believe that our comprehensive approach to ESG, as well as the level of engagement on ESG-related topics at the Board and Management level, enables us to deliver on heightened ESG demands from our stakeholders.

Management: ESG and Climate Change Related Responsibilities and Functions

Atlantica has integrated ESG and climate change into its businesses via policy making, ESG planning, risk management, and KPI setting and tracking. At the management level, we have assembled committees with different responsibilities based on Atlantica's priorities. These committees are led by senior management members with diverse perspectives and experiences to efficiently and effectively address ESG related matters, risks and opportunities.

<table>
<tr><th colspan="3">Business Committee</th></tr>
<tr><td>Frequency</td><td colspan="2">Weekly</td></tr>
<tr><td>Key ESG-related functions</td><td colspan="2">- Implement short and medium-term key strategic decisions (based on the business strategy approved by the Board), including, but not limited to, health and safety, environment, people and culture, compliance, and risk matters.
- Analyse and implement ESG-related best practices.
- Approve (at Management level) climate change-related targets.</td></tr>
<tr><td rowspan="5">Key committee member* responsibilities</td><td>CEO</td><td>Leads Business Committee.</td></tr>
<tr><td>CFO</td><td>Responsible for among others, ESG and IT matters across our businesses.</td></tr>
<tr><td>Geographic VPs</td><td>Responsible for the assets they manage, including ESG and climate change-related matters.</td></tr>
<tr><td>General Counsel</td><td>The General Counsel - who is also the Compliance Officer, the Secretary of the Board of Directors and the Head of People and Culture - is responsible among others, for Atlantica's legal, people and culture and compliance activities and reports to the Nominating and Corporate Governance Committee (at Board level) and the Board, as applicable.</td></tr>
<tr><td>Head of Operations</td><td>Responsible for all health and safety, operations, environmental and quality aspects across all assets.</td></tr>
</table>

(*) Other employees attend meetings by invitation.

<table>
<tr><th colspan="3">Health and Safety, ESG and Operations Committee</th></tr>
<tr><td>Frequency</td><td colspan="2">Monthly</td></tr>
<tr><td>Key functions</td><td colspan="2">- Set health and safety targets.
- Set environmental protection measures.
- Review key health and safety and environmental KPIs as well as best practices, lessons learned and implementation progress in relation to audit recommendations.</td></tr>
<tr><td rowspan="4">Key committee member responsibilities</td><td>CEO</td><td>Leads Health and Safety, ESG and Operations Committees.</td></tr>
<tr><td>Geographic VPs*</td><td>Responsible for the assets they manage, including ESG and climate change-related matters.</td></tr>
<tr><td>Head of Operations</td><td>Responsible for all health and safety, environmental and operations aspects across all assets, including improving asset performance, KPI monitoring, regular environmental and operational audits, analysing measures to reduce health and safety and environmental impacts, and implementing best practices.</td></tr>
<tr><td>Head of ESG</td><td>Identifies sustainability best practices, proposes actions to the CEO and Geographic VPs and monitors the implementation of approved proposals.</td></tr>
</table>

(*) Certain country managers attend by invitation of Geographic VPs.

<table>
<tr><th colspan="3">Compliance Management Committee</th></tr>
<tr><td>Frequency</td><td colspan="2">Quarterly, and on an as-needed basis</td></tr>
<tr><td>Key ESG-related functions</td><td colspan="2">- Support the Compliance Officer and assist all our employees and the Board in implementing the compliance programmes, policies and procedures required by laws and regulations, as well as by best corporate practices.</td></tr>
<tr><td rowspan="3">Committee member responsibilities</td><td>General Counsel</td><td>The General Counsel - who is also the Compliance Officer, the Secretary of the Board of Directors and the Head of People and Culture - is responsible among others, for Atlantica's legal, people and culture and compliance activities and reports to the Business Committee (at Management level), the Nominating and Corporate Governance Committee (at Board level) and the Board, as applicable.</td></tr>
<tr><td>Head of Risk Management</td><td>Oversees risk management processes, procedures and tools implemented by the Company, including the risk map.</td></tr>
<tr><td>Head of IT and Administration</td><td>Oversees IT (including cybersecurity matters), and personal data protection processes and procedures.</td></tr>
</table>

Investment Committee		
Frequency	Generally once a week and on an as-needed basis	
Key ESG-related functions	Analyse potential growth opportunities considering: (1) impacts on Atlantica's climate change-related commitments and targets, (2) ESG and climate change risks in due diligence analysis, and (3) carbon pricing to evaluate investment opportunities.	
Key committee member* responsibilities	VP Corporate Development	Responsible for identifying, analysing, and presenting potential growth opportunities to the Investment Committee. Oversees all due diligence processes.
	Head of Risk Management	Responsible for identifying and evaluating risks for potential investments, including ESG and climate change risks.

(*) The Head of Operations and the Head of Finance co-lead the Investment Committee. The CEO, the CFO and the General Counsel are also permanent committee members. Other employees attend meetings by invitation.

Other ESG-related committees include:

- Risk Management Committee: Held once a month between the CEO, the CFO and the Head of Risk Management. This committee addresses all Company risks, including those related to our operating portfolio as well as assets under development or under construction. Atlantica's risk map is reviewed and presented to the Board on a quarterly basis. ESG and climate change risks are always considered in the risk analysis process.
- Internal Audit Committee: Held once a month between the CEO, CFO and Head of Internal Audit. This committee addresses corporate and business impacts driven by internal audit day-to-day activities, including, but not limited to, effectiveness of internal controls, anti-fraud procedures, policy evaluation, implementation progress of audit recommendations, and external auditor reviews on Atlantica and its affiliates. The Head of Internal Audit reports to the Audit Committee (at Board level).
- Accounting and Disclosure Committee: Reviews the Form 20-F, the Integrated Annual Report and quarterly reports including quarterly financial statements prior to their publication. The Accounting and Disclosure Committee is comprised by the Chief Financial Officer, the Head of Investor Relations and Reporting and the Head of Accounting and Consolidation. The Head of Internal Audit attends meetings by invitation. The Accounting and Disclosure Committee approves the accounting criteria to be applied by the Company, discusses new reporting requirements and approves quarterly financial statements and disclosure.

Directors' Report

The directors are pleased to present their Integrated Annual Report on the affairs of the Company and its subsidiaries, together with the Consolidated Financial Statements and Auditor's Report, for the year ending December 31, 2022.

Strategic Report

The Strategic Report was prepared in accordance with the Companies Act 2006 which requires the Company to set out a fair review of our business during the financial year, including a financial analysis at year-end and the trends and factors likely to affect the future development, performance and position of the business.

Review of Business and Future Developments

The Strategic Report includes an indication of likely future developments in our business.

Dividends

We intend to distribute a significant portion of our cash available for distribution as dividends, after considering the cash available for distribution that we expect our assets will be able to generate, less reserves for the prudent conduct of our business, on an annual basis. We intend to distribute a quarterly dividend to shareholders. We intend to grow our business via organic growth through the optimisation of the existing portfolio and through investments, development and construction of new assets and acquisitions. We believe this will facilitate the growth of our cash available for distribution and enable us to increase our dividend per share over time. However, the determination of the amount of cash dividends to be paid to holders of our shares will be made by our Board of Directors and will depend upon our financial condition, results of operations, cash flow, long-term prospects and any other matters that our Board of Directors deem relevant. Our Board of Directors may, by resolution, amend the cash dividend policy at any time.

Our cash available for distribution is likely to fluctuate from quarter to quarter, in some cases significantly, as a result of the seasonality of our assets, the terms of our financing arrangements and maintenance and outage schedules, among other factors. Accordingly, during quarters in which our assets generate cash available for distribution in excess of the amount necessary for us to pay our stated quarterly dividend, we may reserve a portion of the excess to fund cash distributions in future quarters. During quarters in which we do not generate sufficient cash available for distribution to fund our stated quarterly cash dividend, if our Board of Directors so determines, we may use retained cash flow from other quarters, and other sources of cash, to pay dividends to our shareholders.

We refer to section "Financial Review - Use of Liquidity and Capital Requirements – C. Cash dividends to investors."

Risks Regarding Our Cash Dividend Policy

There is no guarantee that we will pay quarterly cash dividends to our shareholders. We do not have a legal obligation to pay any dividend. While we currently intend to grow our business and increase our dividend per share over time, our cash dividend policy is subject to all the risks inherent in our business and may be changed at any time as a result of certain restrictions and uncertainties, including the following:

- The amount of our quarterly cash available for distribution could be impacted by restrictions on cash distributions contained in our project-level financing arrangements, which require that our project-level subsidiaries comply with certain financial tests and covenants in order to make such cash distributions. Generally, these restrictions limit the frequency of permitted cash distributions to semi-annual or annual payments, and prohibit distributions unless specified debt service coverage ratios, historical and/or projected, are met. When forecasting cash available for distribution and dividend payments we have aimed to take these restrictions into consideration, but we cannot guarantee future dividends. In addition, restrictions or delays on cash distributions could also happen if our project finance arrangements are under an event of default.
- Additionally, indebtedness we have incurred under the Green Senior Notes, the Note Issuance Facility 2020, the 2020 Green Private Placement and the Revolving Credit Facility contain, among other covenants, certain financial incurrence and maintenance covenants, as applicable.
- We and our Board of Directors have the authority to establish cash reserves for the prudent conduct of our business and for future cash dividends to our shareholders, and the establishment of or increase in those reserves could result in a reduction in cash dividends from levels we currently anticipate pursuant to our stated cash dividend policy. These reserves may account for the fact that our project-level cash flows may vary from year to year based on, among other things, changes in the operating performance of our assets, operational costs, capital expenditures required in the assets, collections from our off-takers, electricity market prices, compliance with the terms of project debt including debt repayment schedules and cash reserve accounts requirements, compliance with the terms of corporate debt, compliance with all the applicable laws and regulations and working capital requirements. Our Board of Directors may increase the reserves to account for the seasonality that has historically existed in our assets' cash flows and the variances in the pattern and frequency of distributions to us from our assets during the year.
- We may lack sufficient cash to pay dividends to our shareholders due to cash flow shortfalls attributable to a number of operational, commercial or other factors, including low availability, low production, low electricity prices in our assets with exposure to merchant revenues, unexpected operating interruptions, legal liabilities, costs associated with governmental regulation, changes in governmental subsidies, delays in collections from our off-takers, changes in regulation, as well as increases in our operating and/or general and administrative expenses, maintenance capital expenditures, principal and interest payments on our and our subsidiaries' outstanding debt, income tax expenses, inability to upstream cash from our

subsidiaries or to do it in an efficient manner, working capital requirements or anticipated cash needs at our project-level subsidiaries.

- We may pay cash to our shareholders via capital reduction in lieu of dividends in some years.
- Our project companies' cash distributions to us (in the form of dividends or other forms of cash distributions such as shareholder loan repayments) and, as a result, our ability to pay or grow our dividends, are dependent upon the performance of our subsidiaries and their ability to distribute cash to us. The ability of our project-level subsidiaries to make cash distributions to us may be restricted by, among other things, the provisions of existing and future indebtedness, applicable corporation laws and other laws and regulations.
- Our Board of Directors may, by resolution, amend the cash dividend policy at any time. Our Board of Directors may elect to change the amount of dividends, suspend any dividend or decide to pay no dividends even if there is ample cash available for distribution.

Our Ability to Grow our Business and Dividend

We intend to grow our business via organic growth through the optimisation of the existing portfolio, repowering, hybridisation with other technologies, expansion of our current assets and through investments in development and construction of new assets, as well as acquisitions of new assets. We believe this will facilitate the growth of our cash available for distribution and enable us to increase our dividend per share over time.

Our policy is to distribute a significant portion of our cash available for distribution as a dividend. We expect we will rely primarily upon external financing sources, including commercial bank borrowings and issuances of debt and equity securities in capital markets, to fund any future growth capital expenditures. To the extent we are unable to finance growth externally, our cash dividend policy could significantly impair our ability to grow because we do not currently intend to reserve a substantial amount of cash generated from operations to fund growth opportunities. If external financing is not available to us on acceptable terms, our Board of Directors may decide to finance investments with cash from operations, which would reduce or impair our ability to pay dividends to our shareholders. Our Board of Directors may also decide to finance our investments with cash generated from operations to increase the capital dedicated to finance development, construction and acquisition of new assets and foster our growth.

To the extent we issue additional shares to fund our business, our growth or for any other reason, the payment of dividends on those additional shares may increase the risk that we will be unable to maintain or increase our per share dividend level. Additionally, the incurrence of additional commercial bank borrowings or other debt to finance our growth would result in increased interest expense, which in turn may impact our cash available for distribution and, in turn, our ability to pay dividends to our shareholders.

Capital Structure

Details of the share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 13 to the Consolidated Financial Statements. The Company has one class of ordinary shares which are listed on the NASDAQ Global Select Market under the symbol "AY." Our shares carry no right to fixed income and each share provides the owner the right to one vote at General Meetings of the Company.

When Algonquin acquired a 25% stake in our equity, Atlantica signed a Shareholders Agreement with Algonquin, which set forth that, if and to the extent provided in our articles of association, Algonquin had the right to appoint to our Board the maximum number of directors that corresponds to Algonquin's holding of voting rights as per articles of association but in no event more than (i) such number of directors as corresponds to 41.5% of our voting securities; and (ii) 50% of our Board less one, and if the resulting number is not a whole number, it shall be rounded up to the next whole number. In 2019, Algonquin completed the purchase of 3,384,402 ordinary shares and increased its equity interest in Atlantica to 44.2%.

On December 11, 2020 Atlantica closed an underwritten public offering of 5,069,200 ordinary shares (including those sold pursuant to the underwriters' over-allotment option) at a price of $33 per new share. Algonquin purchased 4,020,860 ordinary shares of the Company in a private placement, which closed on January 7, 2021, which represents the pro rata number of shares required to maintain their previous equity ownership in the Company. As a result, as of January 7, 2021 Algonquin was the beneficial owner of 48,962,925 ordinary shares, representing 44.2% of the issued and outstanding ordinary shares.

On August 3, 2021, we established an "at-the-market programme" and entered into the Distribution Agreement with J.P. Morgan Securities LLC, as sales agent, under which we may offer and sell from time to time up to $150 million of our ordinary shares, including in "at-the-market" offerings under our universal shelf registration statement on Form F-3 and a prospectus supplement that we filed on August 3, 2021. On the same date we entered into the ATM Plan Letter Agreement with Algonquin, pursuant to which we will offer Algonquin the right but not the obligation, on a quarterly basis, to purchase a number of ordinary shares to maintain its percentage interest in Atlantica. For the year ended December 31, 2022, we issued and sold 3,423,593 ordinary shares under such programme at an average market price of $33.57 per share pursuant to our Distribution Agreement, representing gross proceeds of $114.9 million and net proceeds of $113.8 million. Pursuant to the ATM Plan Letter Agreement, we delivered a notice to Algonquin quarterly in order for them to exercise their rights thereunder.

As of December 31, 2022, Algonquin owned 48,962,925 ordinary shares, representing a 42.2% of the issued and outstanding ordinary shares.

In addition, as of December 31, 2022, there was no treasury stock and there have been no transactions with treasury stock during the period then ended.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, the SEC listing rules, the U.K. Companies Act 2006 and related legislation. The Articles of Association may be amended by special resolution of the shareholders.

Substantial Shareholdings

Name	Ordinary Shares Beneficially Owned	Percentage
5% Beneficial Owners		
Algonquin (AY Holdco) B.V." [(1)]	48,962,925	42.2%

Notes:

(1) This information is based solely on the Schedule 13D filed on May 10, 2022 by Algonquin Power & Utilities Corp., a corporation incorporated under the laws of Canada. The direct beneficial owner of the shares is Algonquin (AY Holdco) B.V.

To the best of our knowledge and based on public information, the majority of other shareholders are mainly United States-based institutional investors.

Change of Control

If any investor acquires over 50.0% of our shares or if our ordinary shares cease to be listed on the NASDAQ or a similar stock exchange, we may be required to refinance all or part of our corporate debt or obtain waivers from the related noteholders or lenders, as applicable, due to the fact that all of our corporate financing agreements contain customary change of control provisions and delisting restrictions. If we fail to obtain such waivers and the related noteholders or lenders, as applicable, elect to accelerate the relevant corporate debt, we may not be able to repay or refinance such debt (on favourable terms or at all), which may have a material adverse effect on our business, financial condition results of operations and cash flows. Additionally, in the event of a change of control we could see an increase in the yearly state property tax payment in Mojave, which would be reassessed by the tax authority at the time the change of control potentially occurred. Our best estimate with current information available and subject to further analysis is that we could have an incremental annual payment of property tax of approximately $10 million to $12 million, which could potentially decrease progressively over time as the asset depreciates. There could also be other tax impacts and other impacts that we have not yet identified. Furthermore, a change of control could trigger an ownership change under Section 382 of the IRC.

Furthermore, in order to protect the Company's know-how and to ensure continuity in terms of attainment of business objectives, the policy approved by our shareholders at the 2017 Annual General Meeting, introduced certain termination payments to key executives, including the Chief Executive Officer in the case of a change of control. This is addressed in the Policy on Payments for Loss of Office section of this report. In addition, if there is a change in control, all awards under long-term incentives shall vest in full on the date of the change in control.

A change of control means that a third party or coordinated parties: (i) acquire directly or indirectly by any means a number of shares in the Company which (together with the shares that such party may already hold in the Company) amount to more than 50% of the share capital of the Company or, (ii) appoint or have the right to appoint at least half of the members of the Board of Directors of the Company.

Directors

Our Board is comprised of nine directors.

All the directors meet the U.S. securities or NASDAQ's qualifications from independence except our CEO. Atlantica's Board has determined that Mr. Banskota and Mr. Trisic are not independent based on their relationship with Algonquin, which is currently Atlantica's largest shareholder with a 42.2% ownership. Mr. Banskota is the current Chief Executive Officer of Algonquin, while Mr. Trisic held a senior executive role at Algonquin until April 2022. The Board has also determined that the rest of the non-executive directors, Mr. Aziz, Ms. Del Favero, Ms. Eprile, Mr. Forsayeth, Mr. Hall and Mr. Woollcombe are independent. Mr. Edward C. Hall has been an independent director since he was appointed on August 2, 2022.

			Committee Memberships(*)			
Name, Primary Occupation	**Independent**	**Other Public Company Boards**	**A**	**N&CG**	**C**	**RPT**
William Aziz *President and Chief Executive Officer of BlueTree Advisors Inc.*	Yes	1	✓		★	✓
Arun Banskota *President and Chief Executive Officer of Algonquin*	No	1				
Debora Del Favero *Co-Founder of CMC Capital Limited*	Yes	-		★	✓	
Brenda Eprile *Director and Chair of the Audit Committee of Westport Fuel Systems Inc.*	Yes	1	★			✓
Michael Forsayeth *Former Chief Executive Officer and Director of Granite Real Estate Investment Trust*	Yes	-	✓	✓		★
Edward C. Hall[1] *Chairman of Cypress Creek Renewables, and Vice Chairman of Japan Wind Development*	Yes	-				
Santiago Seage *Chief Executive Officer of the Company*	No	-				
George Trisic *Former Chief Governance Officer and Corporate Secretary of Algonquin*	No	-				
Michael Woollcombe *Partner of Voorheis & Co. LLP and Executive Vice-President of VC & Co. Inc.*	Yes	-				

(*) A = Audit Committee; N&CG = Nominating and Corporate Governance Committee C = Compensation Committee;
RPT = Related Parties Transactions Committee

(1) Edward C. Hall was appointed in 2022

★ Chair ✓ Member

The Board is committed to promoting the success of the Company. The Board is responsible to shareholders for its performance and for the strategy and management of the Company, its values, its governance and its business.

Directors are obliged, among other duties, to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. All directors are expected to spend the time and effort necessary to properly discharge their responsibilities.

The main objectives of the Board may be summarised as follows:

- Providing entrepreneurial leadership;
- Setting strategy;
- Ensuring the human and financial resources are available to achieve objectives;

- Reviewing management performance;
- Setting the Company's values and standards; and
- Ensuring that obligations to shareholders and other stakeholders are understood and met.

Under English law, the Board of Directors is responsible for management, administration and representation of all matters concerning the relevant business, subject to the provisions of relevant constitutional documents, applicable laws and regulations, and resolutions duly adopted at annual general meetings.

In addition, the Board of Directors is entitled to delegate its powers to an executive committee or other delegated committee or to one or more persons, unless the shareholders, through a meeting, have specifically delegated certain powers to the Board and have not approved the Board of Director's delegation to others.

The Board has established four Board Committees. Membership, roles, duties and authority of these committees are described in their Terms of Reference, available in Atlantica's website (www.atlantica.com). These Terms of Reference are reviewed and updated by the Board on a yearly basis. The Board Committees are:

- **Audit Committee.** Responsible for monitoring the effectiveness of Atlantica's financial reporting, internal control and risk management systems, as well as the integrity of the Company's external and internal audit processes. We refer to the Audit Committee Report for additional information on its responsibilities and activities, membership, attendance, external audit assessments, internal audit plan, and whistleblower management.

- **Compensation Committee.** Responsible for setting the remuneration for directors and recommending and monitoring remuneration for senior management. We refer to the Directors' Remuneration Report for additional information on its role, membership, attendance and activities.

- **Nominating and Corporate Governance Committee.** Responsible for reviewing the structure, size and composition of the Board as well as updating and/or issuing governance-related documents following corporate governance rules, developments and best practices.

- **Related Parties Transactions Committee.** Responsible for overseeing the implementation of a system for identifying, monitoring and reporting related-parties transactions.

The directors who served throughout 2022 and to the date of this report were as follows:

Name	Role	Term
William Aziz	Director, Independent	Appointed on May 5, 2020.
Arun Banskota	Director	Appointed on April 28, 2020.
Debora Del Favero	Director, Independent	Appointed on May 5, 2020.
Brenda Eprile	Director, Independent	Appointed on May 5, 2020.
Michael Forsayeth	Director, Independent	Appointed on May 5, 2020.
Edward C. Hall	Director, Independent	Appointed on August 2, 2022.
Santiago Seage	Director and Chief Executive Officer	Appointed on December 17, 2013, resigned March 9, 2018, re-appointed on December 19, 2018 and elected on June 20, 2019.
George Trisic	Director	Appointed on October 9, 2020.
Michael Woollcombe	Director, Independent and Chair of the Board	Appointed on May 5, 2020.

There are no family relationships among any of our executive officers or directors. There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors listed above and their duties to Atlantica, except in the case of Mr. Banskota, who serves as President and Chief Executive Officer at Algonquin, and Mr. Trisic, who retired from a senior executive role at Algonquin Power Utilities Corp in April 2022.

Detailed biographical information on Atlantica's Board of Directors is available on our website. The Company's Board of Directors represents a balanced structure in terms of diverse professional and industry backgrounds (i.e., financial, legal and regulatory, governance, diversity and social responsibility, energy sector, etc.), gender and geographical experience (i.e., experience in international business environments), enabling making good use of complementary views, insights and opinions to assess problems from a broader point of view, and making it more likely that the Board will take into account the best interests of all stakeholders. In August 2022, the Nominating and Corporate Governance Committee proposed to the Board of Directors, and the Board approved, the appointment of Mr. Hall as an independent non-executive director. Mr. Hall brings a deep understanding of electricity markets worldwide, power generation technologies and utility operations.

As of December 31, 2022, the Board of Directors' average tenure is less than 3 years and the Board members average age is 61 years old.

Board member profiles:

William Aziz

Director Since: 2020
Year of Birth: 1956
Independent

William Aziz is the President and Chief Executive Officer of BlueTree Advisors Inc. Mr. Aziz is a director and Chair of the Audit Committee of TSX-listed Maple Leaf Foods Inc. and a member of the Advisory Board for Fengate Real Assets. He has served as a director of a number of publicly-traded companies.

Mr. Aziz is a graduate of the Ivey School of Business at Western University in Honors Business Administration. He is also a Chartered Professional Accountant and holds the ICD.D. designation. Mr. Aziz also completed the Institute of Corporate Directors Governance College at the Rotman School of Business, University of Toronto.

VOTING RESULTS FOR 2022 ELECTION

For: 85,384,735 (99.70%) / Withheld: 162,330 (0.19%) / Against: 90,961 (0.11%)

KEY SKILLS AND EXPERIENCE

- Governance / Other Directorships
- Stakeholder
- Energy Sector
- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management

BOARD AND COMMITTEE ATTENDANCE FOR 2022: 17/17 MEETINGS – 100%

- Board: 10 of 10
- Audit Committee: 4 of 4
- Compensation Committee: 2 of 2
- Related Parties Transactions Committee: 1 of 1

COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: 2,500
- Deferred Restricted Share Units (DRSUs): -
- Total Value Shares & DRSUs ($'000)[1]: 65

SHAREHOLDING REQUIREMENTS

- 3x fixed compensation: to be met in a 5-year period starting in May 2021

(1) Assuming a share price of $25.90 as of December 31, 2022.

Arun Banskota

Director Since: 2020
Year of Birth: 1961
Non-Independent

Arun Banskota is the President and Chief Executive Officer of Algonquin. Mr. Banskota joined Algonquin in February 2020 and has 30 years of experience in senior roles from a combination of industries such as renewable energy development, construction, financing, and operations. He has also served as manager of multiple large business units and three start-ups in the clean-tech space.

Mr. Banskota holds a Masters of Arts from the University of Denver, and a Master of Business Administration from the University of Chicago.

VOTING RESULTS FOR 2022 ELECTION

For: 84,159,217 (98.27%) / Withheld: 157,125 (0.18%) / Against: 1,321,684 (1.54%)

KEY SKILLS AND EXPERIENCE

- CEO / Senior Executive
- Governance / Other Directorships
- Stakeholder
- Energy Sector
- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Health & Safety, Climate Change, Environment
- Governance, Diversity & Social Responsibility

BOARD AND COMMITTEE ATTENDANCE FOR 2022: 10/10 MEETINGS – 100%

- Board: 10 of 10

COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: -
- Deferred Restricted Share Units (DRSUs): -
- Total Value Shares & DRSUs ($'000) : -

SHAREHOLDING REQUIREMENTS

- Non-applicable

Debora Del Favero

Director Since: 2020

Year of Birth: 1964

Independent

Debora Del Favero is the Co-Founder of CMC Capital Limited, a U.K.-based corporate finance advisory boutique specialized in M&A. Ms. Del Favero is a senior executive with deep international mergers & acquisitions and corporate finance experience including the renewables sector. Previously, for over 17 years, she held senior roles in the London and New York offices of the Investment Banking Division of Credit Suisse.

Ms. Del Favero holds a Masters of Arts in Economics and Business Administration from Bocconi University in Milan, Italy, with a focus on corporate finance and commercial law.

VOTING RESULTS FOR 2022 ELECTION

For: 84,184,944 (98.30%) / Withheld: 119,599 (0.14%) / Against: 1,333,483 (1.56%)

KEY SKILLS AND EXPERIENCE

- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management

BOARD AND COMMITTE ATTENDANCE FOR 2022: 15/15 MEETINGS – 100%

- Board: 10 of 10
- Compensation Commitee: 2 of 2
- Nominating & Corporate Governance Committee: 3 of 3

COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: -
- Deferred Restricted Share Units (DRSUs): 2,608(1)
- Total Value Shares & DRSUs ($'000) (2): 68

SHAREHOLDING REQUIREMENTS

- 3x fixed compensation: to be met in a 5-year period starting in May 2021

(1) Includes non-vested DRSUs dividend equivalent rights as of December 31, 2022.

(2) Assuming a share price of $25.90 as of December 31, 2022.

Brenda Eprile

Director Since: 2020

Year of Birth: 1954

Independent

Brenda Eprile sits on a variety of public and private company boards. She currently chairs the board of Global Container Terminals Inc. and is also a director and Chair of the Audit Committee of Westport Fuel Systems Inc. Ms. Eprile has been a director of Westport since 2013, and previously served as Chair of the Board and as Chair of the HRC Committee. From 2000 to 2012, Ms. Eprile was a Senior Partner at PwC and led its Canadian Risk Advisory Services practice.

Ms. Eprile is a Fellow Chartered Professional Accountant and holds the ICD.D. designation. She also holds an MBA from the Schulich School of Business at York University.

VOTING RESULTS FOR 2022 ELECTION

For: 85,385,193 (99.70%) / Withheld: 117,630 (0.14%) / Against: 135,203 (0.16%)

KEY SKILLS AND EXPERIENCE

- Governance / Other Directorships
- Stakeholder
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Governance, Diversity & Social Responsibility

BOARD AND COMMITTE ATTENDANCE FOR 2022: 15/15 MEETINGS – 100%

- Board: 10 of 10
- Audit Committee: 4 of 4
- Related Parties Transactions Committee: 1 of 1

COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: 13,000
- Deferred Restricted Share Units (DRSUs): -
- Total Value Shares & DRSUs ($'000) (1): 337

SHAREHOLDING REQUIREMENTS

- 3x fixed compensation: to be met in a 5-year period starting in May 2021

(1) Assuming a share price of $25.90 as of December 31, 2022.

Michael Forsayeth

Director Since: 2020
Year of Birth: 1954
Independent

Michael Forsayeth is an experienced business leader having held Chief Executive Officer, Chief Financial Officer and other senior executive positions in several large public and private real estate, hospitality, foodservice and other businesses over his career. Mr. Forsayeth was CEO and a director of Granite Real Estate Investment Trust. Prior to this he served as Granite's Chief Financial Officer.

Mr. Forsayeth is a CPA and CA and spent nine years with Coopers & Lybrand (now PwC) in various areas including the audit practice and a secondment in its London, England office. Mr. Forsayeth holds a Bachelor of Commerce (Honours) from Queen's University.

VOTING RESULTS FOR 2022 ELECTION

For: 85,061,366 (99.33%) / Withheld: 158,580 (0.19%) / Against: 418,080 (0.49%)

KEY SKILLS AND EXPERIENCE

- CEO / Senior Executive
- Other Directorships
- Stakeholder
- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Health & Safety
- Governance, Diversity & Social Responsibility

BOARD AND COMMITTE ATTENDANCE FOR 2022: 18/18 MEETINGS – 100%

- Board: 10 of 10;
- Audit Committee: 4 of 4
- Nominating and Corporate Governance Committee : 3 of 3
- Related Parties Transactions Committee: 1 of 1

COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: 2,500
- Deferred Restricted Share Units (DRSUs): 4,075(1)
- Total Value Shares & DRSUs ($'000)(2): 170

SHAREHOLDING REQUIREMENTS

- 3x fixed compensation: to be met in a 5-year period starting in May 2021

(1) Includes non-vested DRSUs dividend equivalent rights as of December 31, 2022
(2) Assuming a share price of $25.90 as of December 31, 2022

Edward C. Hall

Director Since: 2022
Year of Birth: 1959
Independent

Edward Hall is a director and advisor with 35 years of experience in all facets of the electricity industry. Mr. Hall brings a deep understanding of electricity markets worldwide, power generation technologies and utility operations.

Mr. Hall serves as Chairman of Cypress Creek Renewables, Vice Chairman of Japan Wind Development Company and as a Director of Wellesley Municipal Light.

Mr. Hall holds a B.S. in Mechanical Engineering (Tufts University) and M.S. in Finance and Technology Innovation (MIT Sloan School of Management.

VOTING RESULTS FOR 2022 ELECTION

Appointed on August 2, 2022

KEY SKILLS AND EXPERIENCE

- CEO / Senior Executive
- Governance / Other Directorships
- Stakeholder
- Energy Sector
- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Health & Safety, Climate Change, Environment
- Governance, Diversity & Social Responsibility

BOARD AND COMMITTE ATTENDANCE FOR 2022: 4/4 MEETINGS – 100%

- Board: 4 of 4

COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: 1,500
- Deferred Restricted Share Units (DRSUs): -
- Total Value Shares & DRSUs ($'000) (1): 39

SHAREHOLDING REQUIREMENTS

- 3x fixed compensation: to be met in a 5-year period starting in August 2022

(1) Assuming a share price of $25.90 as of December 31, 2022.

Santiago Seage

CEO of Atlantica

Director Since: 2015
Year of Birth: 1969
Executive
Non-Independent

Santiago Seage has served as a director since our formation in 2013 until March 2018 and from December 2018. Mr. Seage has served as our Chief Executive Officer since our formation, except for the six-month period between May and November 2015, while he was Chairman of our Board and Chief Executive Officer of Abengoa. Prior to the foregoing, he served as Abengoa Solar's CEO beginning in 2006. Before that, he was a partner with McKinsey & Company.

Mr. Seage holds a degree in Business Management from ICADE University in Madrid.

VOTING RESULTS FOR 2022 ELECTION

For: 85,131,637 (99.41%) / Withheld: 154,895 (0.18%) / Against: 351,494 (0.41%)

KEY SKILLS AND EXPERIENCE

- CEO / Senior Executive
- Governance / Other Directorships
- Stakeholder
- Energy Sector
- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Health & Safety, Climate Change, Environment
- Governance, Diversity & Social Responsibility

BOARD AND COMMITTE ATTENDANCE FOR 2022: 10/10 MEETINGS – 100%

- Board: 10 of 10

COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: 77,000
- Share Units[1]: 94,559
- Total Value Shares ($'000)[2]: 4,443

SHAREHOLDING REQUIREMENTS

- 6x fixed compensation to be met in a 5-year period starting in May 2021

(1) Includes non-vested Share Units as of December 31, 2022.
(2) Assuming a share price of $25.90 as of December 31, 2022.

George Trisic

Director Since: 2020
Year of Birth: 1960
Non-Independent

George Trisic retired from a senior executive role at Algonquin in April 2022 where he was most recently Chief Sustainability Officer with responsibility for leading the sustainability and government affairs. He has broad experience managing high growth, start up and expanding businesses across multiple sites and regions. His skill set includes leading multi-functional groups in finance, human resources, legal and IT in a senior executive role.

Mr. Trisic holds a Bachelor of Law Degree from the University of Western Ontario. Additionally, he holds a Chartered Director certification from the Directors College (McMaster University).

VOTING RESULTS FOR 2022 ELECTION

For: 84,160,473 (98.27%) / Withheld: 159,487 (0.19%) / Against: 1,318,066 (1.54%)

KEY SKILLS AND EXPERIENCE

- CEO / Senior Executive
- Governance
- Stakeholder
- Energy Sector
- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Health & Safety, Climate Change, Environment
- Governance, Diversity & Social Responsibility

BOARD AND COMMITTE ATTENDANCE FOR 2022: 10/10 MEETINGS – 100%

- Board: 10 of 10

COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: 1,000
- Deferred Restricted Share Units (DRSUs): 3,962[1]
- Total Value Shares & DRSUs ($'000)[2]: 129

SHAREHOLDING REQUIREMENTS

- 3x fixed compensation: to be met in a 5-year period starting in April 2022

(1) Includes non-vested DRSUs dividend equivalent rights as of December 31, 2022.
(2) Assuming a share price of $25.90 as of December 31, 2022.

Michael Woollcombe

Chair of the Board

Director Since: 2020

Year of Birth: 1968

Independent

Michael Woollcombe has been a Partner of Voorheis & Co. LLP and Executive Vice-President of VC & Co. Inc. for more than 20 years. Mr. Woollcombe is one of the leading special situations advisors in Canada and has been centrally involved in directing numerous high-profile shareholder disputes, proxy contests, M&A transactions, special committee mandates, internal and independent corporate investigations and complex restructurings.

Mr. Woollcombe holds a Bachelor of Commerce (Honours) from Queen's University and an LLB from the University of Western Ontario.

VOTING RESULTS FOR 2022 ELECTION

For: 85,396,374 (99.72%) / Withheld: 157,440 (0.18%) / Against: 84,212 (0.10%)

KEY SKILLS AND EXPERIENCE

- Governance / Other Directorships
- Stakeholder
- Mergers & Acquisitions /Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Governance, Diversity & Social Responsibility

BOARD AND COMMITTE ATTENDANCE FOR 2022: 10/10 MEETINGS – 100%

- Board: 10 of 10

COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: 5,000
- Deferred Restricted Share Units (DRSUs): 12,225 (1)
- Total Value Shares & DRSUs ($'000) (2) : 446

SHAREHOLDING REQUIREMENTS

- 3x fixed compensation: to be met in a 5-year period

(1) Includes non-vested DRSUs dividend equivalent rights as of December 31, 2022.

(2) Assuming a share price of $25.90 as of December 31, 2022.

	Total	William Aziz	Arun Banskota	Debora Del Favero	Brenda Eprile	Michael Forsayeth	Edward Hall	Santiago Seage	George Trisic	Michael Woollcombe
Independent (in accordance with the Board of Directors' determination[51])	**6**	✓		✓	✓	✓	✓			✓
CEO/Senior Executive: CEO or senior executive experience with a large publicly traded organisation	**5**		✓			✓	✓	✓	✓	
Governance/ Other Directorships: Director of public company and/or significant governance role	**8**	✓	✓		✓	✓	✓	✓	✓	✓
Stakeholder: Experience in managing stakeholders or represents stakeholder group	**8**	✓	✓		✓	✓	✓	✓	✓	✓
Energy Sector: Senior executive experience in the energy sector	**5**	✓	✓				✓	✓	✓	
Mergers & Acquisitions /Growth Strategy: Senior executive experience with mergers, acquisitions and/or business growth strategy	**8**	✓	✓	✓		✓	✓	✓	✓	✓
Compensation and Human Resources: Understanding and experience with human resources issues and compensation policies	**9**	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial: Senior financial executive experience / Corporate or project finance/ Capital allocation	**9**	✓	✓	✓	✓	✓	✓	✓	✓	✓
Legal and Regulatory: Legal and regulatory experience	**9**	✓	✓	✓	✓	✓	✓	✓	✓	✓
International: Experience in international business environments	**9**	✓	✓	✓	✓	✓	✓	✓	✓	✓
Enterprise Risk Management	**9**	✓	✓	✓	✓	✓	✓	✓	✓	✓
Health and Safety, Climate Change, Environment	**5**		✓			✓	✓	✓	✓	
Governance, Diversity and Social Responsibility	**7**		✓		✓	✓	✓	✓	✓	✓

[51] Atlantica's Board has determined that Mr. Banskota and Mr. Trisic are not independent based on their relationship with Algonquin, which is currently Atlantica's largest shareholder with a 42.2% ownership. The Board has also determined that the rest of the non-executive directors, Mr. Aziz, Ms. Del Favero, Ms. Eprile, Mr. Forsayeth, Mr. Hall and Mr. Woollcombe are independent.

Board Diversity Matrix as of December 31, 2022 and 2021

	2022	2021
Total Number of Directors	9	8

	Female		Male		Non-Binary		Did Not Disclose Gender	
	2022	2021	2022	2021	2022	2021	2022	2021
Part I: Gender Identity								
Directors	2	2	7	6	-	-	-	-
Part II: Demographic Background								
African American or Black	-	-	-	-	-	-	-	-
Alaskan Native or Native American	-	-	-	-	-	-	-	-
Asian[1]	-	-	1	1	-	-	-	-
Hispanic or Latinx[2]	-	-	1	1	-	-	-	-
Native Hawaiian or Pacific Islander	-	-	-	-	-	-	-	-
White[3]	2	2	5	4	-	-	-	-
Two or More Races or Ethnicities	-	-	-	-	-	-	-	-
LGBTQ+	-	-	-	-	-	-	-	-
Did Not Disclose Demographic Background	-	-	-	-	-	-	-	-

The information provided above is based on the voluntary self-identification of each member of the Company's Board of Directors.

Note: demographic background definitions include:

(1) Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

(2) Hispanic or Latinx – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term Latinx applies broadly to all gendered and gender-neutral forms that may be used by individuals of Latin American heritage, including individuals who self-identify as Latino/a/e.

(3) White (not of Hispanic or Latinx origin) – A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

Membership and Attendance

A total of 10 Board of Directors meetings were convened in 2022 with an attendance of 100%.

Director	Membership		Role	Attendance / Eligible to attend
	From	To		
William Aziz	May 2020	n/a	Director, Independent	10/10
Arun Banskota	April 2020	n/a	Director	10/10
Debora Del Favero	May 2020	n/a	Director, Independent	10/10
Brenda Eprile	May 2020	n/a	Director, Independent	10/10
Michael Forsayeth	May 2020	n/a	Director, Independent	10/10
Edward C. Hall	Aug' 2022	n/a	Director, Independent	4/4
Santiago Seage	Dec' 2018	n/a	Director and Chief Executive Officer	10/10
George Trisic	Oct' 2020	n/a	Director	10/10
Michael Woollcombe	May 2020	n/a	Director, Independent and Chair of the Board	10/10

Senior management attend meetings by invitation of the Board.

2022 Key Activities

Major areas of focus of the Board during 2022 have been as follows:

- Review of health and safety issues;
- Review environmental, social and governance (ESG) matters;
- Review and approval of the strategy of the Company: growth plan, key priorities and risks;
- Review of assets' performance and main technical issues;
- Approval and review of the budget of the Company;
- Review and approval of quarterly and annual accounts;
- Approval of significant transactions (acquisitions, partnerships, etc.);
- Review of capital markets updates; and
- Approval of dividends.

Prior to the meetings, the Secretary of the Board of Directors sent the agenda and provided sufficient notes and time for review.

Nominating and Corporate Governance Committee

Membership and Attendance

A total of three Nominating and Corporate Governance Committee meetings were convened in 2022, with an average of 100%.

Director	Membership		Role	Attendance / Eligible to Attend
	From	To		
Debora Del Favero	May 2020	n/a	Director, Independent and Chair of the Nominating and Corporate Governance Committee	3/3
Michael Forsayeth	May 2020	n/a	Director, Independent	3/3

2022 Key Activities

Major areas of focus of the Nominating and Corporate Governance Committee during 2022 have been as follows:

- The Nominating and Corporate Governance Committee proposed to the Board of Directors, and the Board approved, the appointment of a new independent non-executive director.
- Updated key corporate governance documents including amongst others, the Code of Conduct, the Supplier Code of Conduct, and the Insider Trading Policy.

Related Parties Transactions Committee

The Related Parties Transaction Committee is responsible for overseeing the implementation of a system for identifying, monitoring and reporting related-parties transactions.

As part of its duties and responsibilities, the Related Parties Transaction Committee evaluates all related parties transactions to ensure that: (1) these are not undertaken on more favourable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances, (2) no corporate or business resources of the Company are misappropriated or misapplied, and (3) any potential reputational risk issues arises as a result of or in connection with the transactions.

The Related Parties Transactions Committee shall meet as many times as required. Prior to entering into a Related Parties Transaction, the transaction shall be either approved or rejected by the non-conflicted Directors at a Board of Director's meeting upon recommendation of the Related Parties Transactions Committee.

Membership and Attendance

In 2022, the Related Parties Transactions Committee held one meeting with an attendance of 100%.

Director	Membership		Role	Attendance / Eligible to attend
	From	To		
Michael Forsayeth	May 2020	n/a	Director, Independent and Chair of the Related Parties Transactions Committee	1/1
William Aziz	May 2020	n/a	Director, Independent	1/1
Brenda Eprile	May 2020	n/a	Director, Independent	1/1

Under the principles of good corporate governance, the Code of Conduct and applicable law, any director or executive officer of Atlantica has a duty to declare any actual or potential conflict of interest in any proposed or existing transaction or arrangement. In accordance with our Policy, all transactions with related parties over US$50,000 are subject to approval or ratification by the Board.

Directors' Indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and are in force at the date of this report.

Financial Instruments

Information about the use of financial instruments by the Company is given in note 8 to the Consolidated Financial Statements. In addition, a detailed analysis of risk, including liquidity, interest rate, foreign exchange and credit risks is provided in sections "Principal risks and uncertainties" of our Strategic report.

Environmental Reporting

Environmental information such as our (i) GHG emissions and, (ii) quantity of energy consumed from activities for which the Company is responsible for and from the purchase of electricity, heat, steam or cooling by the Company for its own use is disclosed in the Strategic Report.

Employees

As part of our commitment to diversity and inclusion, we tolerate no discrimination in employment, including discrimination based on nationality, ethnicity, religion, caste, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health, disability, pregnancy, smoking habits, or any other characteristic protected by law. In particular, we are committed to create a supportive and understanding workplace environment in which all employees feel welcome, respected and listened to, and where they can realise their full potential regardless of their race, colour, sex, age, religion, ethnicity, nationality, or disability.

Atlantica's Diversity and Inclusion Policy was approved by the Board of Directors in May 2020 and was last amended in December 2021.

Additional information on Atlantica's employees and its policies can be found in the Strategic Report.

Stakeholders

Details on the methods the Board has used to engage and build strong business relationships with our suppliers, customers and other key stakeholders are given on the Strategic Report (Supply Chain Management, Customer Management and Data Privacy). Further information on how the Board considered stakeholders in its decision making can be found in the Governance Section (Business Ethics and Sustainability Governance). The section 172 statement is available in the Strategic Report.

Anti-Slavery and Human Trafficking Statement

Atlantica has published its anti-slavery and human trafficking statement in accordance with the Modern Slavery Act, 2015, which can be found on www.atlantica.com. Additional information is provided in the Strategic Report.

Political Contributions

It is the Company's policy that neither the Company nor any of its subsidiaries may, under any circumstances, make donations or contributions to political organisations, political campaigns, ballots measures, referendums, lobbyists or lobbying organisations nor other tax-exempt groups. Thus, no political donations or contributions were made during 2022, 2021 nor 2020.

Research and Development

As of December 31, 2022, we own 31 patents and technology licences related to key components of our assets, to processes and to solutions to monitor, operate and maintain our assets in a sustainable and cost-effective manner, as well as 6 patents currently in process. We also have an Operations Department that dedicates time and effort to identifying potential measures to improve asset performance, reducing operating costs and developing tools to manage our assets more efficiently. In addition, we have an in-house advanced analytics team to improve the performance of our existing technologies. Additional information on our patents and our operations and in-house advanced analytics teams is disclosed in the Strategic Report.

Corporate Governance Statement

Atlantica, as a non-premium listed company, is not required to implement the provisions of the UK Corporate Governance Code (the "Code") and has chosen to follow the requirements of the NASDAQ Listing Rules in terms of corporate governance.

Our Board is responsible collectively for providing leadership within a framework of appropriate and effective controls that enable us to assess the risk and then manage it promoting the success of the Company. The Board is also responsible for the effective oversight of the Company's strategy and performance, financial reporting, internal control and risk management framework, and corporate governance processes. It is also ultimately accountable to shareholders for the long-term performance of the Company and the delivery of sustainable shareholder and stakeholder value.

The Board has put in place a clear and robust corporate governance framework in order to facilitate the oversight role that it provides in these areas. This includes a schedule of matters reserved for the approval of the Board, such as the approval of acquisitions, the Company strategy and budgets, major capital expenditure, the Company's financial statements and its dividend policy. With the aim of allowing the Board appropriate time to focus on these key matters within the constraints of its annual programme, a number of its other responsibilities have been delegated to four principal committees. Such responsibilities are set out within the Terms of Reference for each Committee, which can be found on our website at www.atlantica.com.

Auditors

Each person who is a director at the date of approval of this Consolidated Annual Report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the U.K. Companies Act 2006.

Ernst & Young S.L. and Ernst & Young LLP are our auditors providing the audit services to the Company during 2021. Ernst & Young S.L. and other member firms of EY were appointed as external auditor of the Group in February 2019 for the period 2019 – 2022.

The Company requested at the Annual General Meeting held in May 2022 to approve the re-appointment of Ernst & Young LLP and Ernst & Young S.L. as the Company's auditors until December 31, 2023.

Events After the Balance Sheet Date

Details of significant events since the balance sheet date are contained in note 25 to the Consolidated Financial Statements.

On February 21, 2023, Atlantica's Board of Directors commenced a process to explore and evaluate potential strategic alternatives that may be available to Atlantica to maximize shareholder value. The Company believes it has attractive growth and other opportunities in front of it and is committed to ensuring that its diversified portfolio of assets and growth platform is best positioned to take advantage of those opportunities. The decision of Atlantica's Board of Directors to explore strategic alternatives has the support of the Company's largest shareholder, Algonquin. Atlantica expects to continue executing on its existing plans while the review of strategic alternatives is ongoing, including its current growth plan and its focus on continuing to invest in accretive growth opportunities. There is no assurance that any specific transaction will be consummated, or other strategic change will be implemented as a result of this strategic review.

On February 28, 2023, our Board of Directors approved a dividend of $0.445 per share which is expected to be paid on March 25, 2023 to shareholders of record on March 14, 2023.

This report was approved by the Board of Directors on February 28, 2023 and signed on its behalf by Santiago Seage, Director and Chief Executive Officer.

Director and Chief Executive Officer
Santiago Seage
February 28, 2023

Audit Committee Report

Chair's Introduction

I am pleased to introduce this report on the Audit Committee's activities during the year. The committee has continued to assist the Board in fulfilling its oversight responsibilities by monitoring the integrity of the company's financial reporting and risk management systems and challenging management and the external auditors on key issues including accounting judgements and control issues.

Brenda Eprile

Committee Chair

Committee Overview

Role of the Committee

The committee monitors the effectiveness of Atlantica's financial reporting, systems of internal control and risk management, as well as the integrity of the Company's external and internal audit processes.

Key Responsibilities during 2022

- Monitoring and obtaining assurance that the processes to identify, manage, and mitigate significant and emerging financial risks are appropriately addressed by senior management and that the system of internal control is designed and implemented effectively in accordance with Board authorised limits.
- Overseeing the appointment, remuneration, independence and performance of the external auditor and the integrity of the audit process overall, including the engagement of the external auditor to provide non-audit services to Atlantica.
- Reviewing the effectiveness of the internal audit function, Atlantica's internal financial controls and systems of internal control and risk management.
- Reviewing financial statements and other financial disclosures along with ESG indicators for clarity and monitoring compliance with relevant legal and listing requirements, and applicable financial reporting standards.
- Reviewing the systems in place to enable those who work for Atlantica to raise concerns about possible improprieties in financial reporting or other issues and for those matters to be investigated.

Meetings and attendance

There were 4 committee meetings in 2022. All members attended each meeting. Regular attendees at the meetings from management include the Chief Financial Officer, Head of Accounting and Consolidation Department, Head of Investor Relations, Head of Internal Audit, Corporate Secretary, and the external auditor.

Director	Membership		Role	Attendance / Eligible to Attend
	From	To		
Brenda Eprile	May 2020	n/a	Director, Independent and Chair of the Audit Committee. Financial Expert	4/4
William Aziz	May 2020	n/a	Director, Independent. Financial Expert	4/4
Michael Forsayeth	May 2020	n/a	Director, Independent. Financial Expert	4/4

The Directors who serve on the committee have the necessary qualifications and bring a wide range and depth of financial experience across various industries. The Board is satisfied that all three members meet the requirements to qualify as "audit committee financial experts" under applicable SEC rules. The collective knowledge, skills, experience and objectivity of the committee members enables the committee to work effectively and to have robust discussions with management on significant issues.

2022 Key Activities

Reviewing Financial Disclosure

During the year, the committee reviewed the quarterly and annual financial statements with management, focusing on the:

- Integrity of the Company's financial reporting process.
- Clarity of the disclosures.
- Compliance with relevant legal and listing requirements, and applicable financial reporting standards.
- Application of accounting policies and judgements.

In its review of financial reporting, the committee received regular updates from management and the external auditor in relation to accounting judgements and estimates, including those related to asset impairment and recoverability.

In considering Atlantica's 2022 Integrated Annual Report and Form 20-F, the committee assessed whether the reports were fair, balanced and understandable and whether they provided shareholders with the information necessary to assess Atlantica's position and performance. In making this assessment, the committee examined disclosures during the year, discussed the requirements with senior management, confirmed that representations to the external auditors had been evidenced and reviewed reports relating to internal control over financial reporting. The committee made a recommendation to the Board, who in turn reviewed these reports, confirmed the assessment and approved the reports' publication and filing.

Accounting Judgements and Estimates

The committee was briefed on a quarterly basis on the company's key accounting judgements and estimates. The primary areas of judgement and estimation considered by the committee are laid out below. These areas were discussed with management and the external auditor throughout the year and during the review of the financial statements. The committee is satisfied that the financial statements appropriately address the key accounting judgements and estimates in the reported amounts and related disclosures.

Particular attention was paid to the following significant judgements and estimates in the 2022 financial reporting.

1. Recoverability of contracted concessional assets.

2. Credit risk assessment of certain off takers / customers and potential expected losses on receivables.

3. Significant one-off transactions, including acquisitions, partnerships and other significant agreements.

4. Recoverability of tax assets.

5. Operation and maintenance risk in specific geographies.

6. Controls for identifying and evaluating potential impairment indicators or triggering events.

7. Impact of regulatory developments in particular jurisdictions.

Non-Financial Reporting

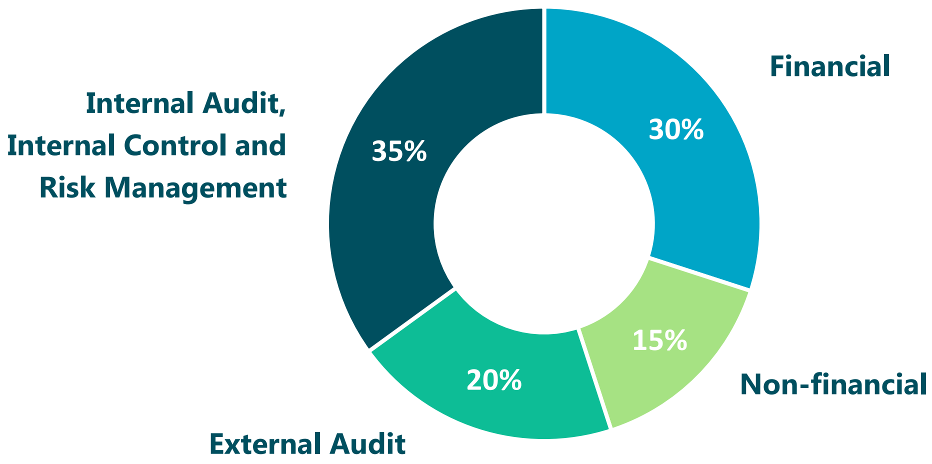
The principal risks allocated to the Audit Committee for monitoring in 2022 included those associated with:

- Counterparty risk.
- Compliance with policies and regulation.
- Financial liquidity.
- Tax risk.
- ESG indicators.

We discussed management's ongoing approach to these risk areas during our quarterly committee meetings.

In addition, during the year, the committee reviewed the Supplement on ESG to the 2021 U.K. Annual Report, focusing on the clarity and consistency of the disclosure, prior to Board approval.

Committee's Time and Responsabilities



The committee performed an annual self-assessment in 2022. We discussed the findings and areas for improvement. Climate risk was an area identified as increasing in importance.

External Audit

➢ *Assessing Audit Risk*

The external auditor prepared an audit plan for 2022 which identified key audit risks to be addressed during the audit including:

- Management override of controls related to relevant management estimates.
- Improper revenue recognition.
- Credit risk of certain significant power off-takers or customers.
- Recoverability assessment of contractual concessional assets.
- Risks related to material acquisitions or transactions.
- Significant unusual transactions.
- Financial covenants in relation to the risk of incorrect classification of current assets and liabilities.

The committee received updates during the year on the audit process, including how the external auditor challenged management's assumptions on key issues.

➢ *Assessing Audit Fees*

The Audit Committee reviews the fee structure, resourcing and terms of engagement for the external auditor annually. In addition, we review the non-audit services that the auditor provides on a quarterly basis.

Fees paid to the auditor for the year were $2.6 million (2021 $2.9 million). Non-audit fees were $0.5 million (2021 $0.6 million), which was 24% of the audit and audit-related fees (see financial statements – Note 23). Non-audit or non-audit related services consisted of tax compliance in US subsidiaries and transfer pricing services. The Audit Committee is satisfied that this level of fee is appropriate in respect of the audit services provided and that an effective audit can be conducted for this fee.

➢ *Assessing Audit Effectiveness*

Management undertook a survey which compromised questions in the following areas:

- Communication and availability.
- Technical knowledge.
- Quality of the service.
- Deadline achievements.
- Added value.
- Objectivity.

The results of the survey indicated that most geographic regions were satisfied with the performance of the external auditors. There were some areas for improvement, however none of them impacted the effectiveness of the audit. The results of the survey were discussed with EY for consideration in their 2022 audit approach. EY's proposed action plan to address these areas for improvement was reviewed with the committee. Progress on addressing these matters was discussed with management at the quarterly audit committee meetings.

The committee also held in camera meetings with the external auditors during the year and the committee chair met separately with the external auditor and Head of Internal Audit at least quarterly.

The effectiveness of the external auditor is evaluated by the committee. In this regard, the committee along with management and the external auditors, responded to a survey in relation to the following areas:

- Auditor independence, objectivity, and professional scepticism.
- Quality of the engagement team.
- Communication and interaction.
- Quality of service.

The committee assessed the auditor's approach to providing audit services and concluded that the audit team was providing the appropriate quality in relation to the services provided. The audit team has the requisite expertise, depth of knowledge, appreciation of complex issues, dedication, as well as the independence and objectivity necessary to fulfil their responsibilities to shareholders. They are able and willing to appropriately challenge management.

➢ *Assessing Auditor Reappointment and Independence*

The committee considers the reappointment of the external auditor each year before making a recommendation to the Board. The committee assesses the independence of the external auditor on an ongoing basis. The external auditor is required to rotate the lead audit partner every five years and we have discussed and agreed succession plans with EY during the year.

➢ *Oversight of Non-Audit Services*

The Audit Committee is responsible for Atlantica's policy on non-audit services and the approval of non-audit services. Audit objectivity and independence is safeguarded through the prohibition of certain non-audit services and audit-related services which fall within certain defined categories. Atlantica's policy on non-audit services states that the auditor may not perform non-audit services that are prohibited by the SEC and the Public Company Accounting Oversight Board (PCAOB).

The Audit Committee approves the terms of all audit services as well as permitted audit-related and non-audit related services.

Approvals for individual engagements of pre-approved permitted services below certain thresholds are delegated to the Head of Internal Audit. Any proposed service not included in the permitted services categories must be approved in advance either by the Audit Committee Chair or the Audit Committee before the engagement commences. The Audit Committee, Chief Financial Officer and Head of Internal Audit monitor overall compliance with Atlantica's policy on audit-related and non-audit services, including whether the necessary pre-approvals have been obtained. The categories of permitted and pre-approved services are outlined in Note 23 of the Consolidated Financial Statements included in this Annual Report. The external auditor is considered for permitted non-audit services only when its expertise and experience with Atlantica is important.

For non-audit services, the accumulated annual fees threshold is 50% of the annual audit services fees as stated in the policy.

All services performed by EY have been approved by the committee. All fees received by EY in 2022 have been approved by the committee.

	EY	Other Auditors	Total
In thousand USD			
Audit Fees	1,643	295	1,938
Audit-Related Fees	422	-	422
Tax Fees	502	-	502
Total	**2,567**	**295**	**2,862**

"Audit Fees" are the aggregate fees billed for professional services in connection with the audit of our Annual Consolidated Financial Statements, quarterly reviews of our interim financial statements and statutory audits of our subsidiaries' financial statements under the rules of England and Wales and the countries in which our subsidiaries are organised. The increase in audit fees is mainly due to inflation increase partially counterbalanced by exchange rates variations.

"Audit-Related Fees" include fees charged for services that can only be provided by our auditor, such as consents and comfort letters of non-recurring transactions, assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. Fees paid during 2022 and 2021 related to comfort letters and consents required for capital market transactions of our major shareholder are also included in this category ($204 thousand and $272 thousand in 2022 and 2021 respectively). These fees were re-invoiced and paid by our major shareholder.

"Tax Fees" include mainly fees charged for transfer pricing services and tax compliance services in our US subsidiaries.

Internal Audit

The committee reviewed and approved the 2022 Internal Audit Plan. Throughout the year the committee received quarterly reports on the findings of internal audit and actions taken to address those findings, as well as their reviews of cash distributions from its operating entities and the Group's various financial covenants. The committee also received a report from internal audit on their annual review of the system of internal control. The committee met privately with the Head of Internal Audit each quarter. The committee continued to monitor and review the effectiveness of internal audit during the year.

Whistleblowing

The committee is responsible for monitoring the management of the Whistleblower Channel. According to the Code of Conduct, any allegation received through the Whistleblower Channel will be sent to the Chair of the Audit Committee, the General Counsel and the Head of Internal Audit.

All main procedures performed, conclusions and proposed corrective measures are communicated to the committee.

The Company's whistle-blower policy encourages employees of the Company, its subsidiaries and all external stakeholders to raise concerns about suspected wrongdoing within the Group in complete confidence.

Atlantica's Whistleblower Channel is available at the Company's website www.atlantica.com.

Directors’ Remuneration Report

Introduction

This report (the ”Directors' Remuneration Report”) relates to the remuneration of the directors of Atlantica for the year ending December 31, 2022. It sets out the remuneration policy and remuneration details for the executive and non-executive directors of the Company. It has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended.

The report is split into three main areas:
- The statement by the Chair of the Compensation Committee;
- The annual report on remuneration; and
- The remuneration policy.

The Directors’ Remuneration Report and the Remuneration Policy will be submitted to a vote by shareholders at the Annual General Meeting in April 2023. The Remuneration Policy was last approved by shareholders at the Annual General Meeting in 2021. Shareholders will be asked to approve amendments to the remuneration policy at our 2023 Annual General Meeting to be held in April 2023.

The changes to the policy consist of (1) extending to executive directors the vesting conditions of the LTIP currently applicable to the rest of executives, so that 33% of the award is subject to continuing employment and 67% of the award is subject to continuing employment and achievement of a minimum 5% average annual TSR, (2) amending the performance measures applicable to the annual bonus, (3) approving a strategic review bonus and (4) updates to the change of control and delisting events in the LTIP to reflect the assessment of performance conditions under such events, and are set out in more detail below.

The Companies Act 2006 requires the auditors to report to the shareholders on certain parts of the Directors’ Remuneration Report and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Regulations. The statement by the Chair of the Compensation Committee and the remuneration policy are not subject to audit.

Statement by the Chair of the Compensation Committee

I am pleased to present the Directors’ Remuneration Report for 2022. The regular and transparent dialogue with shareholders, investors and other stakeholders is a vital element in our way of operating and, through this remuneration report, we aim to increase the awareness of our shareholders of the principles of our remuneration policy.

The Company´s remuneration policy is set in accordance with applicable law, with the aim of attracting and retaining highly skilled professional and managerial resources and aligning the interests of management with the primary objective of value creation for shareholders, for the Company, its stakeholders and the members of the Company as a whole, in the medium to long term.

A total of three Compensation Committee meetings were convened in 2022. All Committee members attended each meeting that they were eligible to attend. On February 3, 2023, the Board of Directors elected Mr. Hall independent, non-executive director, as a new member of the Compensation Committee.

The Compensation Committee focused its activities on the following objectives:

- ✓ Periodically reviewing the Chief Executive Officer's annual compensation package and performance objectives;
- ✓ Periodically reviewing the remuneration policy and overall levels of remuneration for the Chief Executive Officer and senior management team, including the long-term incentive plans, in accordance with the following criteria:
  - Seeking an alignment between incentives, business performance and creation of value for shareholders, and
  - Retention in the medium to long term of high-quality personnel who can achieve ambitious targets and face the challenges that the Company will have to face in the current and future market context.
- ✓ Periodically reviewing the remuneration levels of non-executive directors; and
- ✓ Reviewing the Company's compensation for directors, the CEO and management in comparison with its direct peers and best practices.

In 2022, most of the objectives defined for the Chief Executive Officer's variable bonus were met or exceeded and the Compensation Committee decided to approve a bonus corresponding to 102.35%% of the target variable compensation, which will be payable in 2023. In 2021, most of the objectives defined for the Chief Executive Officer's variable bonus were met or exceeded and a bonus corresponding to 105.0% of the target variable compensation was paid in 2022.

To finalise, I would like to thank our shareholders for their strong vote in favour of approving the directors' remuneration report last year, demonstrating their support of Atlantica's remuneration arrangements.

I look forward to welcoming you and receiving your support again at the Annual General Meeting this year.

Annual Report on Remuneration

1. Single Total Figure of Remuneration for Each Director (Audited)

Each independent non-executive director is entitled to receive annual compensation of $150.0 thousand. The Chair of the Board and Chairs of the committees of the Board are entitled to receive additional compensation as detailed in the table below.

Non-independent non-executive directors are entitled to be compensated on the same terms as independent non-executive directors. In 2021, non-independent non-executive directors declined compensation. In 2022, Mr. Banskota also declined compensation. Since April 2022, Mr. Trisic has received compensation after retiring from a senior executive role at Algonquin Power Utilities Corp.

The following table sets out the fee schedule for 2022 and 2021:

In thousands of U.S. Dollars	2022	2021
Annual Director Retainer		
Non-Executive Director	150.0	150.0
Annual Committee Chair Retainer		
Chair of the Board	75.0	75.0
Chair of the Audit Committee	15.0	15.0
Chair of the Nominating and Corporate Governance Committee	10.0	10.0
Chair of the Compensation Committee	10.0	10.0

The table below summarises the total annual compensation of the executive and non-executive directors who received remuneration during 2022 and 2021.

In thousands of U.S. Dollars	Salary and Fees in Cash		Salary and Fees in DRSUs[2]		Annual Bonuses		Long-Term Incentive Awards[3] (Vested)		Deferred Restricted Share Units Dividend Equivalents[4]		Total Fixed Remuneration		Total Variable Remuneration		Total	
Name[1]	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
William Aziz	160.0	160.0	-	-	-	-	-	-	-	-	160.0	160.0	-	-	160.0	160.0
Debora Del Favero	112.0	128.5	48.0	31.5	-	-	-	-	2.5	0.3	162.5	160.3	-	-	162.5	160.3
Brenda Eprile	165.0	165.0	-	-	-	-	-	-	-	-	165.0	165.0	-	-	165.0	165.0
Michael Forsayeth	75.0	100.8	75.0	49.2	-	-	-	-	4.0	0.5	154.0	150.5	-	-	154.0	150.5
Edward C Hall[5]	62.5	-	-	-	-	-	-	-	-	-	62.5	-	-	-	62.5	-
Santiago Seage[6]	727.2	816.6	-	-	931.3	1,056.3	2,992.4	1,879.8	-	-	727.2	816.6	3,923.7	2,936.1	4,651.0	3,752.7
George Trisic[7]	-	-	110.0	-	-	-	-	-	1.6	-	111.6	-	-	-	111.6	-
Michael Woollcombe	-	77.5	225.0	147.5	-	-	-	-	11.9	1.5	236.9	226.5	-	-	236.9	226.5
Total	**1,301.7**	**1,448.5**	**458.0**	**228.1**	**931.3**	**1,056.3**	**2,992.4**	**1,879.8**	**20.0**	**2.3**	**1,779.7**	**1,679.0**	**3,923.7**	**2,936.1**	**5,703.5**	**4,615.1**

1 None of the Directors received any pension entitlement and/or taxable benefits in 2022 or 2021.

2 Non-executive directors receive salary and fees via a mix of cash and Deferred Restricted Share Units (DRSUs). Following the Annual General Meeting held in May 2021, the Company determined, and Ms. Del Favero, Mr. Forsayeth, and Mr. Woollcombe agreed that 30%, 50% and 100% respectively of the annual fee payable to the director by the Company from May 31, 2021 shall be irrevocably substituted for the grant of DRSUs.

3 Long-term Incentive Awards includes awards under both the Long-term Incentive Plan (LTIP) and the One-Off Plan which vested in the year, calculating amounts using the share price at vesting date. In 2022, from the $2,992.4 thousand vested, $1,490.1 corresponded to share appreciation. In 2021, from the $1,879.8 thousand vested, $1,549.1 corresponded to share appreciation.

4 Dividend equivalent rights accumulated on the DRSU corresponding to the amount of dividends paid for one share in the period between the DRSU effective date and December 31, 2022 and 2021, respectively, multiplied by the number of DRSUs held on that date. Such rights are only payable on vesting of the DRSUs.

5 Mr. Hall was appointed to the Board on August 2, 2022 as an independent non-executive Director. Mr. Hall's 2022 fee was prorated for the year based on the annual directors' retainer.

6 The CEO's compensation is approved in Euros. It has been converted to U.S. dollars for reporting purposes, at the average exchange rate of each year, which is 1.05 $/€ in 2022 and 1.18 $/€ in 2021.

- In 2022, the CEO's total pay amounted to €4,401.7 thousand ($4,651.0 thousand). Fixed salary amounted to €690.0 thousand ($727.2 thousand), annual bonus to €870.0 thousand ($931.3 thousand) and long-term incentive awards to €2,841.7 thousand ($2,992.4 thousand).
- In 2021, the CEO's total pay amounted to €3,148.6 thousand ($3,752.7 thousand). Fixed salary amounted to €690.0 thousand ($816.6 thousand), annual bonus to €892.5 thousand ($1,056.3 thousand) and long-term incentive awards to €1,566.1 thousand ($1,879.8 thousand).

7 Mr. Trisic, non-independent non-executive director, has received compensation since April 6, 2022. Mr. Trisic's 2022 fee was prorated for the year based on the annual directors' retainer. The Company determined and Mr. Trisic agreed that 100% of his fee shall be irrevocably substituted for the grant of DRSUs.

The Remuneration Report is presented in U.S. dollars since remuneration of all directors except the CEO is defined in U.S. dollars and the functional currency of the Company is also the U.S. dollar. None of the directors received any pension entitlement and/or taxable benefits in 2022 or 2021. Each member of our Board of Directors will be indemnified for his or her actions associated with being a director to the extent permitted by law.

The increase in the remuneration of the CEO in 2022 corresponds mainly to the vesting of restricted share units granted under the LTIP in 2019, as we explain below.

Chief Executive Officer Long Term Incentives awards vested

1) *One-off plan*

An award in the form of restricted stock units (RSUs) was granted under a One-off plan to the CEO in 2019. In June 2022 and 2021, the second and third tranches vested, and shares were transferred to the CEO in accordance with the terms of the plan. The One-off plan RSUs are now fully vested.

The value of the shares transferred have been included in the Single Total Figure of Remuneration table above in their vesting period.

One-Off Plan[1]	One-Off Plan Vesting	Number of Restricted Stock Units (#)	Share Price on Vesting Date (USD)	RSUs Value at Vesting Date (000's USD)[2]
2019	June 2022[3]	14,535	31.30	528.6
	June 2021	14,535	36.50	578.8

1 Additional information on the One-off plan is disclosed in the Remuneration Policy section.

2 On each vesting date, one third of the RSUs vest (14,535 RSUs) plus dividend equivalent rights corresponding to the amount of dividends paid on one share in the period between the One-off plan effective date and the date on which the RSU vests ($5.07 per RSU for 2022 and $3.32 per RSU for 2021), multiplied by the number of RSUs vesting on that date.

3 In June 2022, the final tranche of RSUs vested. As a result, there are no other awards outstanding under this plan.

2) *Options vested under the LTIP*

One-third of each of the CEO's share options awarded in 2019, 2020 and 2021 under the LTIP vested during 2022. The 2019 and 2020 share options were exercised, and shares were transferred to the CEO in accordance with the terms of the plan. The 2021 share options vested, but they were not exercised. The 2021 share options were underwater on the vesting date.

The share options value have been included in the Single Total Figure of Remuneration table above in their vesting period.

LTIP Share Option Grant Date[1]	Share Option Vesting Date	Number of Share Options Vesting (#)	Share Price on Vesting Date (USD)	Exercise Price per Share Option (USD)	Share Options Value at Vesting Date (000's USD)[2]
2021	2022	24,948	32.53	37.98	-
2020	2022	34,494	34.48	26.39	279.1
	2021	34,494	44.17	26.39	613.3
2019	2022	40,693	31.30	19.60	476.1
	2021	40,693	36.50	19.60	687.7

1 Additional information on the LTIP is disclosed in the Remuneration Policy section.

2 The value of the share options on the vesting date is calculated using the number of share options multiplied by (the share price on the vesting date minus the exercise price per share option).

3) Restricted Stock Units vested under the LTIP

In June 2022 restricted stock units (RSUs) awarded in 2019 under the LTIP vested and shares were transferred to the CEO in accordance with the terms of the plan. In 2021 no units vested under the LTIP. The value of the vested RSUs have been included in the Single Total Figure of Remuneration table above in their vesting period.

RSU Grant Date	RSU Vesting Date	Number of Restricted Stock Units Vesting (#)	Share Price on Vesting Date (USD)	RSUs Value at Vesting Date (000's USD)[1]
2019	2022	46,987	31.10	1,708.7

[1] RSU vesting under the LTIP in 2019 includes RSUs (46,987 RSUs) plus dividend equivalent rights corresponding to the amount of dividends paid on one share RSU between the LTIP 2019 effective date and the date on which the RSU vests ($5.07 per RSU).

In 2022, most of the objectives defined for the Chief Executive Officer's variable bonus were met or exceeded and the Compensation Committee decided to approve a bonus corresponding to 102.35% of the target variable compensation, which will be payable in 2023.

	Percentage Weight	Achievement
CAFD[1] – Equal or higher than the CAFD budgeted in the 2022 budget	35%	99%
Adjusted EBITDA – Equal or higher than the Adjusted EBITDA budgeted in the 2022 budget	15%	98%
Close sustainable value accretive investments	15%	85%
Achieve health and safety targets – (Frequency with Leave / Lost Time Index below 3.9 and General Frequency Index below 10.1) based on reliable targets and consistent measure metrics	10%	120%
Management of relationships with key shareholders and partners	10%	120%
Continued executive talent development	10%	120%
Disclosure best standards	5%	85%

[1] Cash Available for Distribution (CAFD) refers to the cash distributions received by the Company from its subsidiaries, minus cash expenses of the Company, including debt service and general and administrative expenses.

In 2021, most of the objectives defined for the Chief Executive Officer's variable bonus were met or exceeded and the Compensation Committee decided to approve a bonus corresponding to 105.0% of the target variable compensation, which was paid in 2022.

The Chief Executive Officer's maximum potential bonus is 120% of such bonus, which is approximately $1,092 thousand (approximately €1,020 thousand).

No element of the Chief Executive Officer's annual bonus is deferred.

Deferred Restricted Shares Units (DRSU) Plan

The following table sets out the total compensation received by non-executive directors via a mix of cash and DRSUs in 2022:

Name	Total Remuneration (000's USD)		Total Remuneration in Cash and/or Deferred Restricted Stock Units (DRSU)					
			Remuneration in Cash (000's USD)		Remuneration in DRSUs			
					DRSUs (000's USD)		**Number of DRSUs** (#)[4]	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
William Aziz	160.0	160.0	160.0	160.0	-	-	-	-
Debora Del Favero[1]	160.0	160.0	112.0	128.5	48.0	31.5	1,619	878
Brenda Eprile	165.0	165.0	165.0	165.0	-	-	-	-
Michael Forsayeth[1]	150.0	150.0	75.0	100.8	75.0	49.2	2,530	1,372
Edward C. Hall[2]	62.5	-	62.5	-	-	-	-	-
George Trisic[3]	110.0	-	-	-	110.0	-	3,901	-
Michael Woollcombe[1]	225.0	225.0	-	77.5	225.0	147.5	7,589	4,117
Total	**1,032.5**	**860.0**	**574.5**	**631.9**	**458.0**	**228.1**	**15,638**	**6,367**

1 Following the Annual General Meeting held in May 2021, the Company determined, and Ms. Del Favero, Mr. Forsayeth, and Mr. Woollcombe agreed that 30%, 50% and 100% respectively of the annual fee payable to the director by the Company from May 31, 2021 shall be irrevocably substituted for the grant of DRSUs.

2 Mr. Hall was appointed to the Board on August 2, 2022 as an independent non-executive Director. Mr. Hall's 2022 fee was prorated based on the annual director's retainer.

3 Mr. Trisic, non-independent non-executive director, has received compensation since April 6, 2022. Mr. Trisic's 2022 fee was prorated based on the annual directors' retainer. The Company determined and Mr. Trisic agreed that 100% of his fee shall be irrevocably substituted for the grant of DRSUs.

4 The number of DRSUs granted is determined by dividing the amount of the annual compensation to be substituted for DRSUs by the market value of an ordinary share at the time of grant.

2. Remuneration of the Chief Executive Officer

The information provided in this part of the report is subject to audit.

Details for Mr. Seage, who serves in the role of the Chief Executive Officer, are set out in the "Single Total Figure of Remuneration for Each Director" section above.

In 2022, Mr. Seage was awarded $931.3 thousand as a bonus payment in accordance with his service agreement, payable in 2023. In 2021, Mr. Seage was awarded $1,056.3 thousand in accordance with his service agreement, which was paid in 2022. The CEO's bonus is approved in Euros and converted to U.S. dollars for reporting purposes at the average exchange rate of each year. The decrease in amount is due in part to the fluctuation of the Euro-Dollar exchange rate.

Scheme Interests Awarded During 2022

LTIP	Number of Restricted Stock Units	Restricted Stock Units Face Value[1] (000's USD)	Performance Criteria
2022	35,202[2]	1,197.2	RSU: 5% minimum Total Shareholder Return performance stock unit over a three-year period

1 Face Value means the maximum number of shares that would vest if performance measures are met using the share price at the grant date. The face value for the restricted stock units (RSUs) is calculated using the share price at the grant date.

2 RSUs will vest on the third anniversary of the grant date, subject to the satisfaction of the performance criteria.

If the total shareholder return ("TSR") performance condition has not been met during the vesting period, the participant's Restricted Stock Units will lapse in full on the vesting date.

The value of the RSUs granted to the CEO is equal to 70% of the previous year total annual compensation (fixed + target annual bonus) at the grant date. Further information including a description of each type of interest awarded and the basis on which the award is made is provided in the Remuneration Policy section below.

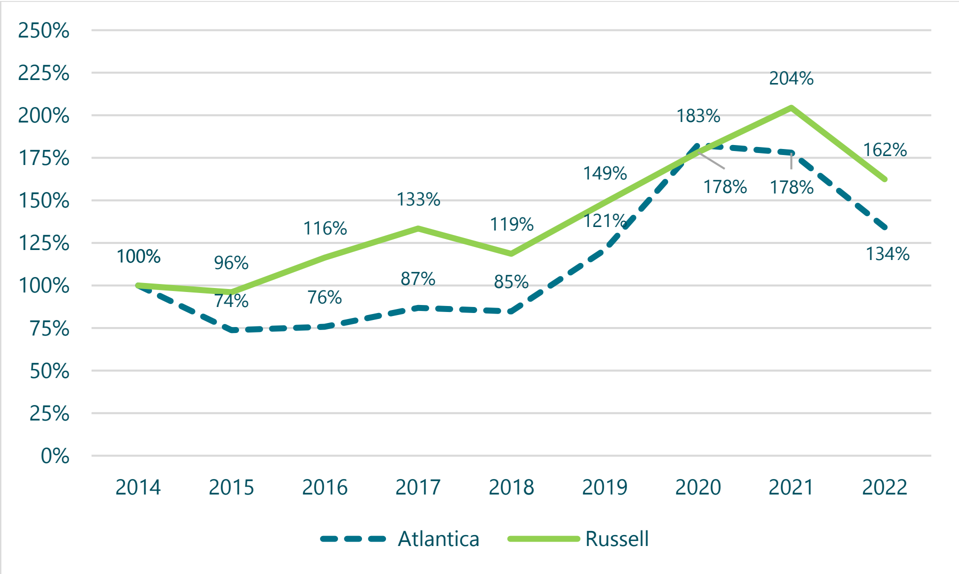
The following information provided in this part of the report is not subject to audit (unless otherwise indicated).

Total Shareholder Return and Chief Executive Officer Pay

The chart below shows the Company's total shareholder return since June 2014, the date of our Initial Public Offering ("IPO"), until the end of 2022 compared with the TSR of the companies in the Russell 2000 Index. The chart represents the progression of the return, including investment, starting from the time of the IPO at a 100%-point. In addition, dividends are assumed to have been re-invested at the closing price of each dividend payment date.

We believe the Russell 2000 Index is an adequate benchmark as it represents a broad range of companies of similar size.

TSR is calculated in U.S. dollars.



The table below shows the total remuneration of the Chief Executive Officer, his bonus and his long-term incentive awards expressed as a percentage of the maximum he is likely to be awarded.

Year	Total Pay[1] (000's USD)	Bonus		Long-Term Incentive Awards[3]	
		Percentage of Target	Amount of Bonus[2] (000's USD)	Percentage of Maximum	Value (000's USD)
2022	4,651.0	102.4%	931.3	100.0%	2,992.4
2021	3,752.7	105.0%	1,056.3	100.0%	1,879.8
2020	2,524.1	102.7%	996.4	100.0%	770.9
2019	1,685.4	100.7%	957.7	-	-
2018	2,511.1	101.8%	992.2	22.0%	751.1
2017	1,602.0	96.3%	924.2	-	-
2016	1,499.4	100.0%	940.5	-	-
2015	1,597.6[4]	-	-	-	-
2014	174.1	-	-	-	-

[1] The CEO's compensation is approved in Euros. It has been converted to U.S. dollars for reporting purposes at the average exchange rate each year. The total pay received by the CEO in thousands of Euros was €4,401.7 in 2022, €3,148.6 in 2021, €2,222.2 in 2020, €1,505.5 in 2019, €2,170.3 in 2018, €1,418.1 in 2017, €1,329.1 in 2016, €1,440.9 in 2015, and €130.9 in 2014.

2 Amount of bonus earned by the CEO at year-end and paid the next year. For example: In 2021, the CEO earned a bonus of $1,056.3 thousand, which was paid to the Chief Executive Officer in 2022.

3 Long-Term Incentive Awards includes awards granted under both the LTIP and One-Off Plan which vested in the year.

4 Includes a €1,189.5 thousand (approximately $1,319.6 thousand) termination payment received by Mr. Garoz after his leaving the Company on November 25, 2015.

The Chief Executive Officer did not receive any variable remuneration for services provided to the Company for the years ended December 31, 2015 and 2014. Mr. Seage occupied that office between January and May 2015, and again from late November 2015. Mr. Garoz held that position between May and November 2015, when Santiago Seage left the Company.

Directors', Chief Executive Officer's and Employee's Pay

The table below sets out the percentage change between 2021 and 2022 in salary and, bonus for executive and non-executive directors who received remuneration and the average per capita change for employees of the Company's group as a whole, excluding the Chief Executive Officer.

Name	**2022** (% Change from 2021 to 2022)		**2021** (% Change from 2020 to 2021)		**2020** (% Change from 2019 to 2020)	
	Salary and Fees (Cash and DRSU)	**Bonus**	**Salary and Fees (Cash and DRSU)**[1]	**Bonus**	**Salary**	**Bonus**
Non-executive directors						
William Aziz[2]	-	-	-	-	-	-
Debora Del Favero[2]	-	-	-	-	-	-
Brenda Eprile[2]	-	-	-	-	-	-
Michael Forsayeth[2]	-	-	-	-	-	-
Edward C. Hall[3]	-	-	-	-	-	-
George Trisic[4]	-	-	-	-	-	-
Michael Woollcombe[2]	-	-	-	-	-	-
Andrea Brentan[5]	-	-	-	-	3%	-
Robert Dove[5]	-	-	-	-	3%	-
Francisco J. Martinez[5]	-	-	-	-	3%	-
Jackson Robinson[5]	-	-	-	-	3%	-
Daniel Villalba[5]	-	-	-	-	3%	-
Executive director						
Santiago Seage (CEO)	0%[7]	-3%[7]	4%[7]	2%[7]	2%	2%
Employees (excluding CEO)[6]	4%	9%	4%	8%	5%	8%

Notes:

None of the non-executive directors received any bonus, and/or taxable benefits in 2022, 2021 or 2020.

1 Following the Annual General Meeting held in May 2021, the Company determined, and Ms. Del Favero, Mr. Forsayeth, and Mr. Woollcombe agreed that 30%, 50% and 100% respectively of the annual fee payable to the director by the Company from May 31, 2021 shall be irrevocably substituted for the grant of DRSUs.

2 Mr. Aziz, Mrs. Del Favero, Mrs. Eprile, Mr. Forsayeth and Mr. Woollcombe joined the Board of Directors on May 5, 2020 as independent non-executive Directors.

3 Mr. Hall was appointed to the Board on August 2, 2022 as an independent non-executive Director.

4 Mr. Trisic, non-independent non-executive director, has received compensation since April 6, 2022. The Company determined and Mr. Trisic agreed that 100% of his fee shall be irrevocably substituted for the grant of DRSUs.

5 Mr. Villalba, Mr. Dove, Mr. Martinez and Mr. Robinson were directors until May 5, 2020, and were Chair of the Board of Directors, Chair of the Nominating and Corporate Governance Committee, Chair of the Audit Committee, and Chair of the Compensation

Committee, respectively, until such date. Their percentage of salary change was calculated on a full-time equivalent basis for 2020, hence based on their total remuneration received in 2019 compared to their 2020 entitled compensation. Mr. Brentan was a director until May 5, 2020.

[6] The salary and bonus percentage change for employees (excluding the CEO) has been calculated considering the same average number of employees and the same average exchange rate in both 2022 and 2021. This is the most appropriate methodology to reflect how much the salary and potential bonus changed on a year-to-year basis as it excludes the effect of employee hires and turnover.

[7] The Compensation Committee approved (i) fixed remuneration of €690 thousand ($727 thousand converted to U.S. dollars at the December 31, 2022 average exchange rate, which is 1.05 $/€) for the Chief Executive Officer for 2022 (in 2021, the CEO's fixed remuneration was also €690 thousand), and (ii) variable remuneration of €870.0 thousand ($931.3 thousand) for 2022 compared to €893 thousand ($1,056 thousand) for 2021, representing a 3% decrease in Euros on a year-to-year basis.
The Compensation Committee approved (i) fixed remuneration of €690 thousand ($817 thousand) for the Chief Executive Officer for 2021 compared to €663 thousand ($757 thousand) for 2020, representing a 4% increase in Euros on a year-to-year basis, and (ii) variable remuneration of €893 thousand ($1,056 thousand) for 2021 compared to €873 thousand ($996 thousand) for 2020, representing a 2% increase in Euros on a year-to-year basis.

Pay Ratio Information

The average number of employees in the U.K. is below 250 employees. Following the U.K. pay ratio disclosure requirements, Atlantica is exempt from disclosing U.K. pay ratio-related information.

Relative Importance of Spend on Pay

The following table sets out the change in overall employee costs, directors' compensation and dividends.

$ in Millions	2022	2021	Difference
Spend on Pay for All Employees	80.2	78.8	1.4
Total Remuneration of Directors	5.6	4.6	1.0
Total Remuneration of employees and directors	**85.9**	**83.4**	**2.5**
Dividends Paid	**203.1**	**190.4**	**12.7**

The Company has not made any share repurchases during 2022 or 2021.

The average number of employees in 2022 in Atlantica was 874 employees, compared to 655 employees in 2021. The $1.4 million increase in spend on pay and the increase in the average number of employees is mostly due to the internalisation of the operation and maintenance activities at Kaxu and at part of our solar assets in Spain. We refer to section "People and Culture" under "Social Sustainability."

The increase in total remuneration of directors is mainly due to the vesting of the CEO's stock units awarded under the LTIP 2019, the appointment of Mr. Hall to the Board in August 2022 and the fee received by Mr. Trisic since April 2022.

3. Directors' Shareholdings (Audited)

The following table includes information with respect to beneficial ownership of our ordinary shares as of December 31, 2022 by each of our current directors and executive officers, as well as their connected persons, in relation to any compensation paid and/or benefits granted by the Company.

Directors who do not receive remuneration from the Company are not required to comply with minimum share ownership requirements.

Name[1]	Number of Shares	Number of Deferred Restricted Share Units[2]	Number of Share Units[3] subject to performance measures	Investment Value ($000's)[4]	Minimum Share Ownership Requirement	Compliance With Policy[5]	Number of Share Options Vested Unexercised[6]	Number of Share Options Not Vested[7]
William Aziz	2,500	-	-	65	3 times annual compensation	On track	-	-
Debora Del Favero	-	2,608	-	68	3 times annual compensation	On track	-	-
Brenda Eprile	13,000	-	-	337	3 times annual compensation	On track	-	-
Michael Forsayeth	2,500	4,075	-	170	3 times annual compensation	On track	-	-
Edward Hall	1,500	-	-	39	3 times annual compensation	On track	-	-
Santiago Seage	77,000	-	94,559	4,443	6 times fixed compensation	✓	24,948	84,389
George Trisic	1,000	3,962	-	129	3 times annual compensation	On track	-	-
Michael Woollcombe	5,000	12,225	-	446	3 times annual compensation	On track	-	-

[1] Mr. Banskota, non-independent, non-executive director, does not receive remuneration from the Company. Thus, he is not required to comply with minimum share ownership requirements.

[2] The number of DRSUs includes accumulated cash dividend equivalent rights, corresponding to the amount of dividends paid for one share in the period between the DRSU effective date and December 31, 2022 and 2021, respectively, multiplied by the number of DRSU on that date and divided by the share price of $25.90 as of December 31, 2022. The director shall not have any rights of a shareholder unless and until the DRSUs vest and are settled by the issuance of shares and dividend equivalent rights will not be payable until the DRSUs vest.

[3] Non-vested Share Units as of December 31, 2022. LTIP share units subject to 5% minimum Total Shareholder Return.

[4] Assuming a share price of $25.90 as of December 31, 2022.

[5] Mr. Aziz, Ms. Del Favero, Ms. Eprile, Mr. Forsayeth, Mr. Seage and Mr. Woollcombe have a 5-year window starting in May 2021 to comply with this policy. Mr. Hall and Mr. Trisic have a 5-year window starting in August and April 2022, respectively.

[6] 2021 share options (24,948) were underwater as of December 31, 2022.

[7] Share options awarded in 2020 and 2021 under the LTIP (84,389). These share options have not vested as of December 31, 2022.

Between the year end and the date of issuance of this report there have been no changes to directors' share ownership except in the case of the CEO, due to the vesting of the 2020 awards and grant of 2023 awards under the LTIP.

Under the LTIP and one-off plans, the CEO holds as of December 31, 2022, 94,559 restricted share units, convertible into shares in the future, and 24,948 unexercised vested share options and 84,389 unvested share options which were underwater at 2022 year-end. As of December 31, 2021, the CEO held 120,880 restricted share units, convertible into shares in the future and 184,524 unvested share options.

Minimum Share Ownership Requirements

The Board of Directors has minimum share ownership guidelines for directors receiving remuneration from the Company and for the executives participating in the LTIP to further align executive and shareholder interests. Directors and executives subject to these guidelines shall achieve, within a period of five years, a minimum share ownership in the Company. The value of shares owned includes shares that are issuable pursuant to the LTIP and the DRSU Plans (both vested and non-vested). Directors receiving remuneration and executives participating in the LTIP shall achieve a minimum share ownership in the Company equal in value to:

- Non-executive directors receiving remuneration from the Company: 3 times their annual compensation,
- CEO: 6 times his fixed compensation,
- CFO: 3 times his fixed compensation,
- Other executives: 2 times their fixed compensation.

The directors receiving remuneration from the Company and executives have a 2-year window to amend non-compliances with minimum share ownership requirements derived from a stock price decrease.

The directors not receiving remuneration from the Company are not required to comply with minimum share ownership requirements.

Termination Payments (Audited)

No termination payments were made to the Chief Executive Officer or any other director in 2022 nor 2021. The policy for termination payments is detailed under the section "Policy on payments for loss of office" of this report.

4. Statement of Implementation of Policy in 2022

The targets for bonuses are detailed under the section "Remuneration Policy" of this Directors' Remuneration Report. The current policy was approved at our 2021 Annual General Meeting, held in May 2021.

For 2023, the bonus measures for the remuneration of the Chief Executive Officer, will focus on five areas: financial targets, capital allocation, ESG including health and safety, management of relationships with key shareholders and partners and continued executive talent development.

This approach is intended to provide a balanced assessment on how the business has performed over the course of the year against stated objectives. Targets are aligned with the annual plan and strategic and operational priorities for the year.

For 2023 the bonus objectives are:

	Percentage Weight
CAFD – Equal or higher than the CAFD budgeted in the 2023 budget	35%
Adjusted EBITDA – Equal or higher than the Adjusted EBITDA budgeted in the 2023 budget	15%
Capital allocation management on a value accretive basis	20%
Achievement of ESG metrics including health and safety targets – (Frequency with Leave / Lost Time Index below 3.7 and General Frequency Index below 9.5)	10%
Management of relationships with key shareholders and partners	10%
Continued executive talent development	10%

5. Compensation Committee

The Compensation Committee is responsible for determining the remuneration policies of directors and the remuneration of the Chief Executive Officer and other senior members of management.

In 2022, the Compensation Committee focused its activities on the following key remuneration topics:

- Reviewing the Chief Executive Officer's annual compensation package and performance objectives,
- Reviewing Long Term Incentive Plans,
- Reviewing non-executive director's remuneration, and
- Analysing peers and comparable remuneration structures.

Membership and Attendance

As of December 31, 2022, all members of the Compensation Committee are independent, non-executive directors.

A total of three Compensation Committee meetings were convened in 2022, with an average attendance of 100%.

Director	Membership		Role	Attendance / Eligible to Attend
	From	To		
William Aziz	May 2020	n/a	Director, Independent and Chair of the Compensation Committee	3/3
Debora Del Favero	May 2020	n/a	Director, Independent	3/3

No director or senior manager shall be involved in any decision as to their own remuneration. The Chief Executive Officer and members of senior management, such as the Head of People and Culture, may attend the meetings by invitation.

The Chair of the Compensation Committee provides regular updates to the Board of Directors on the key issues discussed at the Compensation Committee's meetings.

2022 Key Activities

In 2022, the Compensation Committee proposed to the Board of Directors, and the Board approved, the Chief Executive Officer's 2021 bonus achievement and his 2022 target variable compensation. In addition, the Compensation Committee continued its work on reviewing our remuneration structure to ensure that the Company has in place an effective remuneration policy which:

- Allows the Company to attract and retain top quality talent; and
- Rewards and compensates sustainable performance to the benefit of shareholders and other stakeholders.

Remuneration Analysis

The Compensation Committee keeps the remuneration policy implemented by the Board of Directors and approved in the 2021 Annual General Meeting under review. At least once a year, the Compensation Committee reviews compensation practices for non-executive directors in similar companies.

The Compensation Committee has been particularly focused on reviewing remuneration for directors and the Chief Executive Officer, based on the information collected from external consultants that provided independent advice on remuneration best practices and market practice on directors´ minimum ownership requirements.

The Compensation Committee is responsible for proposing the remuneration of the Chief Executive Officer and the overall remuneration of the senior management to the Board of Directors, including any kind of compensation.

The Compensation Committee has the following duties regarding performance-related bonuses or variable remuneration:

- Definition of specific targets for the Chief Executive Officer and overall structure for senior management.
- Evaluation of the accomplishment of those objectives in the case of the Chief Executive Officer.

Long-Term Incentive Awards

In April 2018, the Board of Directors approved the implementation of a remuneration policy including LTIP awards. Since May 2021, LTIP awards have been granted as Restricted Stock Units only. Approximately 13 executives and the Chief Executive Officer are eligible to participate in the LTIP.

For awards granted until the end of 2021, 100% of the award was subject to (1) continuing employment (or other service relationship) and to (2) the achievement of a minimum 5% average annual TSR over a three-year period. In 2022, for executives who are not directors only, 67% of the awards was subject to the satisfaction of these two conditions and 33% of the award was subject to continuing employment only. In order to align the 2020 and 2021 award conditions to the current policy, the Board of Directors decided to offer executives who are not directors the possibility of amending the 2020 and 2021 plans so that 33% of the award is not subject to the minimum 5% average annual TSR condition, and is subject to continuing employment only, and delay the vesting period by approximately six months.

In addition, the Company is changing its remuneration policy to extend to executive directors the vesting conditions of the LTIP currently applicable to the rest of executives, so that 33% of future awards will be granted subject to continuing employment and 67% of future awards will be granted subject to continuing employment and achievement of a minimum 5% average annual TSR. Shareholders will be asked to approve amendments to the remuneration policy at our 2023 Annual General Meeting to be held in April 2023.

Voting at the 2022 Annual General Meeting

The Company takes an active interest in voting outcomes. In the event of a substantial vote against a resolution in relation to director´s remuneration, the Company would seek to understand the reasons for any such vote and would set out in the following Annual Report any actions in response to it.

At the 2022 Annual General Meeting, the Directors’ Remuneration Report votes were as follows:

	Number of votes	%
For	84,496,041	98.8%
Against	1,035,384	1.2%
Withheld*	106,601	-

* A vote “withheld” is not a vote in law and is not counted in the calculation of the proportion of votes for and against the resolution

Please refer to the Shareholder Engagement section for additional resolutions voted at the Annual General Meeting.

Remuneration Policy

The current policy was approved at our 2021 Annual General Meeting. Shareholders will be asked to approve amendments to the remuneration policy at our 2023 Annual General Meeting to be held in April 2023.

The changes to the policy consist of (1) extending to executive directors the vesting conditions of the LTIP currently applicable to the rest of executives, so that 33% of future awards granted under the LTIP will be subject to continuing employment and 67% of the award will be subject to continuing employment and achievement of a minimum 5% average annual TSR, (2) amending the performance measures applicable to the annual bonus, (3) approving a strategic review bonus and (4) updates to the change of control and delisting events for future awards granted under the LTIP and all past awards granted under the LTIP to executives participating in the strategic review bonus, to reflect the assessment of performance conditions under such events.

Non-Executive Directors:

The Company's policy is to compensate non-executive directors via cash or Deferred Restricted Share Units ("DRSUs") for the time dedicated to promoting greater alignment of interests between directors and shareholders subject to a maximum total annual compensation for non-executive directors in aggregate of two million dollars. Once a year, the Compensation Committee reviews compensation practices for non-executive directors in similar companies and the skills and experience required and may propose an adjustment in the current compensation.

The DRSU plan provides a means for directors to accumulate a financial interest in the Company and to enhance Atlantica's ability to attract and retain qualified individuals with the experience and ability to serve as directors. Pursuant to the DRSU Plan, the Company shall determine, and the directors shall agree, the percentage of their fees, starting on May 31, 2021, that shall be irrevocably substituted for the grant of Deferred Restricted Stock Units.

The number of DRSUs credited to a participant's account is determined by dividing the amount of the annual compensation to be received in DRSUs by the market value of an ordinary share at the time of the grant. Upon a participant ceasing to be a member of the Board, for any reason whether voluntary or involuntary, the DRSUs will vest. The Company shall transfer to the director a number of shares equal to the number of vested DRSUs and a number of shares equal in value to any dividends which would have been paid or payable, on such number of ordinary shares equal to the vested DRSUs, from the grant date until the vesting date. The director shall not have any shareholders' rights other than the dividend equivalent rights until the DRSUs vest and are settled by the issuance of shares.

None of the non-executive directors receive bonuses, long-term incentive awards, pension or other benefits in respect of their services to the Company.

Executive Directors:

The policy for executive directors, only applicable to the Chief Executive Officer as the only executive director, is as follows:

Name of component	Description of component	How does this component support the company's (or Group's) short and long-term objectives?	What is the maximum that may be paid in respect of the component?	Framework used to assess performance
Salary/fees	Fixed remuneration payable monthly.	Helps to recruit and retain executive directors and forms the basis of a competitive remuneration package.	Maximum amount €800 thousand (approximately $850 thousand), may be increased by 5% per year. Salary levels for peers are considered.	Not applicable. No retention or clawback.
Benefits	Opportunity to join existing plans for employees but without any increase in remuneration.			
Annual Bonus	Annual bonus is paid following the end of the financial year for performance over the year. There are no retention or forfeiture provisions.	Helps to offer a competitive remuneration package and align it with the Company's objectives.	200% of base salary.	25%-50% of CAFD. 10-15% of Adjusted EBITDA. 40%-50% of other operational or qualitative objectives. No retention. Clawback policy.
Strategic Review Bonus	One-time bonus related to the strategic review process and payable upon closing of a potential strategic transaction.	Helps retain executive directors who are relevant for the success of the strategic review process.	110% of 2023 target annual remuneration (including fixed salary + target annual bonus).	Closing of a strategic transaction as such term is defined by the Board of Directors.

Name of component	Description of component	How does this component support the company's (or Group's) short and long-term objectives?	What is the maximum that may be paid in respect of the component?	Framework used to assess performance
Long Term Incentive Awards	Restricted Stock Units subject to certain vesting periods and in part to minimum TSR.	Align executive directors and shareholders interests.	70% of target annual remuneration (including fixed salary + target annual bonus.	Restricted Stock Units granted after the approval of the proposed amendments to the Policy in 2023 subject to - Continuing employment for 33% of the award and - Continuing employment and achievement of a minimum 5% average annual TSR for 67% of the award. If the TSR performance condition has not been met during the vesting period, the participant's Restricted Stock Units subject to minimum annual TSR condition will lapse on the vesting date. Restricted Stock Units granted prior to the approval of the proposed amendments to the Policy in 2023 subject to - Continuing employment and achievement of a minimum 5% average annual TSR for 100% of the award. If the TSR performance condition has not been met during the vesting period, the participant's Restricted Stock Units will lapse in full on the vesting date. Share units. Clawback policy.

CAFD, Adjusted EBITDA and TSR have been selected as key parameters to measure the Company's performance due to their importance for our shareholders. These measures are considered standard indicators of financial performance in our sector.

Clawback Policy

The Company has an incentive compensation recoupment, or clawback policy since 2021. The policy is aimed at allowing the Company to recover performance-based compensation for three years after short-term variable compensation and/or long-term compensation awards are granted. The clawback policy is applicable to all executives who participate in long term incentive arrangements.

The clawback policy is applicable in the event of the occurrence of either of the following triggering events: material financial restatement, including a restatement resulting from employee misconduct, or in the case of fraud, embezzlement or other serious misconduct that is materially detrimental to the Company. The Compensation Committee shall retain discretion regarding application of the policy. The policy is incremental to other remedies that are available to the Company.

If a triggering event occurs, unless otherwise determined by the Compensation Committee and/or if the Company is required to prepare a material restatement of its financial statements as a result of misconduct, and the Compensation Committee determines that the executive knowingly engaged in the misconduct or acted knowingly or with gross negligence in failing to prevent the misconduct, or the Compensation Committee concludes that the participant engaged in fraud, embezzlement or other similar activity (including acts of omission) that the Compensation Committee concludes was materially detrimental to the Company, the Company may require the participant (or the participant's beneficiary) to reimburse the Company for, or forfeit, all or any portion of any short or long term variable compensation awards.

Compensation Committee Discretions

The Compensation Committee has discretion, consistent with market practice, in respect of, but not limited to, participants, timing of payments, size of the award subject to policy, performance measures and when dealing with special situations, such as change of control or restructuring.

The annual bonus is a variable cash bonus, based on the objectives described above. Those objectives include Cash Available for Distribution (CAFD) and Adjusted EBITDA, as these are key financial metrics for our industry sector. Additionally, the annual bonus includes 3-4 objectives that reflect some of the key projects, initiatives or key objectives.

Annual bonus performance targets include annual CAFD and Adjusted EBITDA performance thresholds for payment and also thresholds for the operational/qualitative targets defined by the Compensation Committee. These could vary on a year-to-year basis, hence assessment performance thresholds are analysed and updated by the Compensation Committee on an annual basis.

For the management team and key personnel, our policy is to use two external consultants to estimate market conditions for similar positions in terms of fixed and variable remuneration and, based on a performance appraisal, set a target remuneration, as a general rule, within that market practice. Variable payments are based on a number of specific measurable targets in relation to the measures described herein, which are defined by the Compensation Committee at the beginning of the year. For the rest of its employees, the Company establishes predefined remuneration ranges for different positions and reviews each individual remuneration depending on performance appraisal and within two ranges without employee consultation.

In addition, the Compensation Committee shall retain discretion regarding application of the clawback policy described in the remuneration policy section.

Long-Term Incentive Awards

The purpose of the LTIP is to attract and retain the best talent for positions of substantial responsibility in the Company, to encourage ownership in the Company by the executive team whose long-term service the Company considers essential to its continued progress and, thereby, encourage recipients to act in the shareholders' interest and to promote the success of the Company.

The long-term incentive plan permits the granting of Restricted Stock Units ("Awards") to the executive team of the Company (the "Executives"). The LTIP applies to approximately 13 Executives and the Chief Executive Officer.

In addition, the management has discretion to grant additional LTIPs to a certain group of employees and decide the value up to the 50% of the participant´s total annual compensation for the year closed before the date upon which an Award is granted.

The aggregate number of shares which may be reserved for issuance under the LTIP must not exceed 2% of the number of the shares outstanding at the time of the Awards are granted but is expected to be significantly less. In addition, total equity-based awards will be limited to 10% of the Company's issued share capital over a 10-year rolling period, in order to assure shareholders that dilution will remain within a reasonable range. In any case, the Compensation Committee may decide that, instead of issuing or transferring shares, the Executives may be paid in cash.

The value of the Awards will be defined as 50% of the Executives' total annual compensation for the year closed before the date upon which an Award is granted and, in the case of the Chief Executive Officer, would be 70% of the same previous year total annual compensation at the grant date. The award will be granted in Restricted Stock Units.

Main terms of the LTIP after the approval of the proposed amendments to the Policy in 2023:

	Main terms of the LTIP for awards granted to all Executives after the approval of the proposed amendments to the Policy in 2023 – Restricted Stock Units
Nature	Conditions shall be based on: - Continuing employment (or other service relationship) for 33% of the award and - Continuing employment and achievement of a minimum 5% average annual TSR for 67% of the award.
Exercisability and Vesting Period	33% of the shares will vest on the third anniversary of the grant date and 67% of the shares will vest on the third anniversary of the grant date but only if the annual TSR has been at least a 5% yearly average over such 3-year period. If the TSR has not met such threshold during the period, the participant's relevant Restricted Stock Units for the 67% portion will lapse on the vesting date. The Company will decide at vesting if cash or shares are given as payment.
Ownership and Dividends	The participant will be entitled to receive, for each Restricted Stock Unit held, a payment equivalent to the amount of any dividend or distribution paid on one share between the grant date and the date on which the Restricted Stock Unit vests.

Main Terms of the LTIP before the approval of the proposed amendments to the policy in 2023:

	Main Terms of the LTIP before the approval of the proposed amendments to the policy in 2023 – Restricted Stock Units	
	Executives who are not Directors	**Executives who are Directors**
Nature	Conditions shall be based on: - Continuing employment (or other service relationship) for 33% of the award and - Continuing employment and achievement of a minimum 5% average annual TSR for 67% of the award.	Conditions shall be based on continuing employment (or other service relationship) and achievement of a minimum 5% average annual TSR.
Exercisability and Vesting Period	33% of the shares will vest on the third anniversary of the grant date and 67% of the shares will vest on the third anniversary of the grant date but only if the annual TSR has been at least a 5% yearly average over such 3-year period. If the TSR has not met such threshold during the period, the participant's relevant Restricted Stock Units for the 67% portion will lapse on the vesting date. The Company will decide at vesting if cash or shares are given as payment.	The shares will vest on the third anniversary of the grant date but only if the annual TSR has been at least a 5% yearly average over such 3-year period. If the TSR has not met such threshold during the period, the participant's relevant Restricted Stock Units will lapse on the vesting date. The Company will decide at vesting if cash or shares are given as payment.
Ownership and Dividends	The participant will be entitled to receive, for each Restricted Stock Unit held, a payment equivalent to the amount of any dividend or distribution paid on one share between the grant date and the date on which the Restricted Stock Unit vests.	The participant will be entitled to receive, for each Restricted Stock Unit held, a payment equivalent to the amount of any dividend or distribution paid on one share between the grant date and the date on which the Restricted Stock Unit vests.

Effect on Termination of Employment

If a participant's employment terminates by reason of involuntary termination (death, disability, redundancy, constructive dismissal or retirement dismissal rendered unfair), any portion of his/her Award shall thereafter continue to vest and become exercisable according to the terms of the LTIP but such participant shall no longer be entitled to be granted Awards under the LTIP.

If a participant incurs a termination of employment for cause or voluntary resignation or withdrawal, share options that have vested at the termination date will be exercisable within the period of 30 days from such termination date (after which they will lapse) but any unvested Awards (options or Restricted Stock Units) shall lapse.

Change of Control

If there is a change of control, all Awards granted under the LTIP after the approval of the amendments to the Policy in 2023 and all past awards granted under the LTIP to executives participating in the strategic review bonus shall vest based on the satisfaction of performance conditions as at the time of the change in control. All Awards granted to other employees prior to this shall vest in full on the date of the change in control. The participants must exercise their share options within a period of 30 days following receipt of a change of control notice from the Company without which, the options will lapse.

Delisting

If the Company is delisted, all outstanding Awards granted under the LTIP after the approval of the amendments to the Policy in 2023 and all past awards granted under the LTIP to executives participating in the strategic review bonus shall vest based on the satisfaction of performance conditions as at the time of delisting and will be settled in cash. All Awards granted to other employees prior to this shall vest in full on the date of delisting and will be settled in cash. The cash payment for Restricted Stock Units will be the last quoted share price of the Company and the cash payment for any outstanding share options will be the difference between the last quoted share price and the exercise price for the applicable option. Such cash payments will be made after applicable tax deductions within 30 days of the delisting.

One-Off Plan

The one-off plan grants Restricted Stock Units to certain members of the management and certain members of middle management[52], consisting of approximately 25 managers including the Chief Executive Officer. The value of the award was defined as 50% of 2019 target remuneration (including salary and variable bonus). The share units vested over 3 years, one third each year starting in 2020, provided that the manager is still an employee of the Company. This was approved by shareholders at the 2019 Annual General Meeting. In 2022, the last third of stock units vested and the one-off plan ended.

Strategic Review Bonus

On February 21, 2023, Atlantica announced the initiation of a process to explore and evaluate potential strategic alternatives that may be available to Atlantica to maximize shareholder value. In connection with this process, the purpose of the strategic review bonus is to retain talent for certain positions in the organization which are relevant for the success of this process. The strategic review bonus applies to ten executives and the CEO. The value of the bonus is defined as 75% of the target annual remuneration for 2023 (including fixed salary + target annual bonus for 2023) (110% in the case of the CEO) and will become payable upon closing of a potential strategic transaction, as such term is defined by the Board of Directors. In the case of the CEO, the strategic review bonus is subject to the approval of Shareholders at the Annual General Meeting to be held in April 2023.

Pension

The executive director does not receive any pension contributions.

None of the non-executive directors receive bonuses, long-term incentive awards, pension or other benefits in respect of their services to the Company.

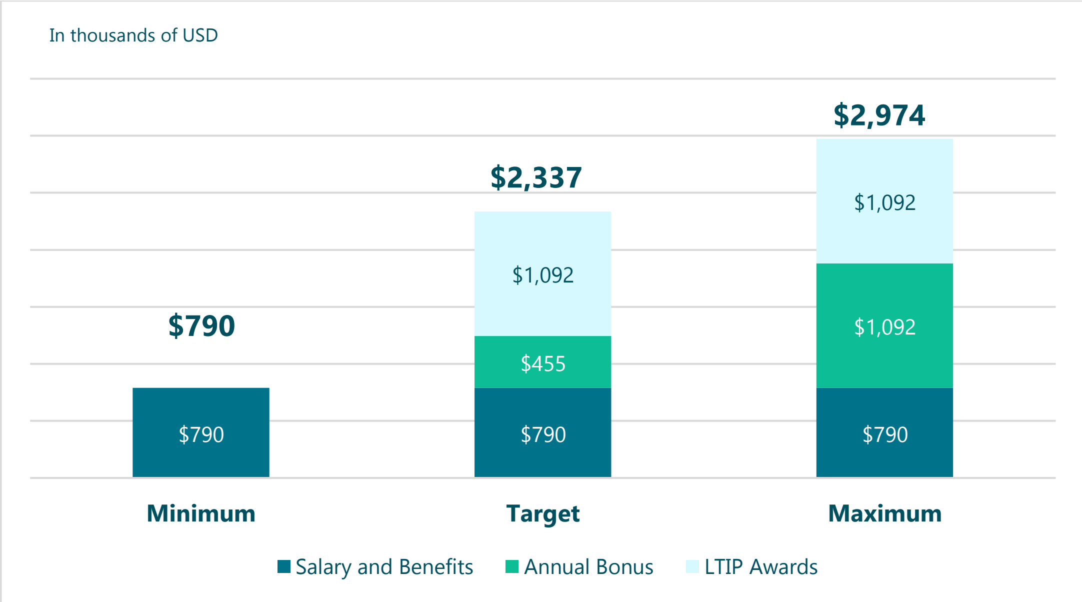
There are no provisions for the recovery of sums paid or the withholding of any sum, except for those potentially derived from the application of the clawback provision.

[52] Middle Management consists of employees who: (i) manage a specific area, (ii) supervise a group of employees, or (iii) are considered key personnel within the organization.

Chief Executive Officer Remuneration Policy

The Compensation Committee approved a fixed remuneration of €738 thousand ($790 thousand converted to U.S. dollars at the December 31, 2022 exchange rate, which is 1.07 $/€) for the Chief Executive Officer for 2023, a 7% increase versus 2022.

Total remuneration of the only executive director for a minimum, target and maximum performance in 2023 is presented in the chart below.



Assumptions made for each scenario are as follows:

Minimum:	Fixed remuneration only, assuming performance targets are not met for the annual bonus nor for the RSU and assuming no value for the options vesting in the year.
Target:	Fixed remuneration, plus half of target annual bonus and the LTIP vesting in 2023 at face value, using share price at grant date for units and option value at grant date for options, not including dividends, and assuming that the minimum annual TSR of at least a 5% yearly average over the 3-year period is met for the units.
Maximum:	Fixed remuneration, plus maximum annual bonus and LTIP vesting in 2023 at face value, using share price at grant date for units and option value at grant date for options not including dividends, and assuming that the minimum annual TSR of at least a 5% yearly average over the 3-year period is met for the units.

In addition, if we assume a 50% appreciation of the share price with respect to the grant date, maximum remuneration for 2023 including vesting long-term awards would be approximately $4,138 thousand. If we assume a 50% appreciation of the share price with respect to the December 31, 2022 share price, maximum remuneration for 2023 including vesting long-term awards would be approximately $3,959 thousand.

For 2023, the bonus measures for the remuneration of the Chief Executive Officer, will focus on five areas: financial targets, capital allocation, ESG including health and safety, management of relationships with key shareholders and partners and continued executive talent development.

This approach is intended to provide a balanced assessment of how the business has performed over the course of the year against stated objectives. Targets are aligned with the annual plan and strategic and operational priorities for the year.

The CEO's 2023 bonus objectives are disclosed under the section Annual Report on Remuneration.

Approach to Recruitment

The remuneration policy reflects the composition of the remuneration package for the appointment of new executive and non-executive directors. We expect to offer a competitive fixed remuneration, an annual bonus (for executive directors) not exceeding 200% of the fixed remuneration and participation in the LTIP. Whenever needed, the Company can contract an external advisor to hire key personnel.

Policy on Payments for Loss of Office

The Company has an agreement in-place with certain executives with strategic and key responsibilities in the Company ("Key Managers"), including the Chief Executive Officer, to protect the Company's know-how and to ensure continuity in terms of attainment of business objectives, the policy approved by our shareholders at the 2019 Annual General Meeting, introduced certain termination payments to key executives, including the Chief Executive Officer.

No payments would be made to Key Managers for dismissal for breach of contract, breach of fiduciary duties or gross misconduct, determined (in the event of a dispute) by a court of competent jurisdiction to reach a final determination.

The Company agreed with Key Managers, including the CEO, the Company would make payments for loss of office or employment in addition to the severance payment under the prevailing labour and legal conditions in their contracts or countries where they are employed if they should leave (by loss of office or employment) the Company within 2 years of a change in control. The payment would represent six months of remuneration and will be adjusted to ensure that total payment including severance payment required under prevailing laws represent at least 12 months of remuneration (including salary, benefits, long term incentive plans and variable pay), but never more than 24 months of remuneration, unless required by local law.

A change of control means that a third party or coordinated parties (i) acquire directly or indirectly by any means a number of shares in the Company which (together with the shares that such party may already hold in the Company) amount to more than 50% of the share capital of the Company; or (ii) appoint or have the right to appoint at least half of the members of the Board of Directors of the Company.

Consideration of Employee Conditions Elsewhere

Our policy is to use external consultants to estimate market conditions for specific roles of a similar level in terms of fixed and variable remuneration and, as a general rule, based on a performance appraisal, set target remuneration within that market practice.

The annual variable remuneration payment is calculated with reference to the achievement of a number of specific measurable targets defined in the previous year. Each specific target is measured on a performance scale of 0%-120%.

For the rest of its employees, the Company establishes predefined remuneration ranges for different positions and reviews each individual remuneration depending on performance appraisal within two ranges without employee consultation.

The remuneration of all employees, including the members of the management team, may be adjusted periodically in the framework of the annual salary review process which is carried out for all employees.

Overall, we expect that, following the implementation of our policies, remunerations of the Company's employees will increase in line with the market with the exception of individuals that have recently been promoted or whose remuneration is above market conditions.

Statement of Consideration of Shareholder Views

There are no comments in respect of directors' remuneration expressed to the Company by shareholders. The last Annual General Meeting was held in May 2022.

Summary of Policy for Non-Executive Directors

Name of component	How does the component support the company's objective?	Operation	Maximum
Fees and/or Deferred Restricted Share Units (DRSU)	Attract and retain high-performing non-executive directors. Align interests of non-executive directors with interests of shareholders.	Reviewed annually by the Compensation Committee and Board. The chair of the Board and the chair of each committee (except the Related Parties Committee) receive additional fees. DRSUs: the Company and the Directors shall agree the percentage of their fees that shall be paid in DRSUs. The number of DRSUs credited is determined using the market value of an ordinary share at the time of the grant. Upon a participant ceasing to be a member of the Board the DRSUs will vest. The Company shall transfer to the director a number of shares equal to the number of vested DRSUs and a number of shares equal in value to any dividends which would have been paid or payable, or such number of ordinary shares equal to the vested DRSUs, from the grant date until the vesting date. Minimum share ownership: within a period of five years, directors receiving remuneration from the Company should have a minimum share ownership in the Company of 3 times their annual compensation.	Annual total compensation for non-executive directors, in any case, the fees or DRSUs will not exceed two million dollars.
Benefits	Reasonable travel expenses to the Company's registered office or venues for meetings.	Customary control procedures.	Real costs of travel with a maximum of one million dollars for all directors.

Non-independent, non-executive directors are entitled to the same compensation as independent non-executive directors.

In 2021, the Board of Directors adopted minimum share ownership guidelines for directors receiving remuneration from the Company (see the Directors' Shareholdings section). Within a period of five years, non-executive directors receiving remuneration from the Company should have a minimum share ownership in the Company of 3 times their annual compensation.

In addition, the directors may elect to receive compensation via a mix of cash and DRSUs. The DRSUs shall vest upon the date on which the director ceases to be a member of the Board due to a voluntary or involuntary separation from service. The director shall not have any rights of a shareholder unless and until the DRSUs vest and are settled by the issuance of shares (see further detail in the Current remuneration policy section above).

Service Contracts

Mr. Seage has a service contract with Atlantica that includes a 6-month notice period.

Non-executive directors do not have a service contract. All directors will be submitted for re-election by shareholders annually at the Annual General Meeting.

Employee Benefit Trusts

The Company has not established employee trusts for share plans.

Statement of Voting at General Meetings

The remuneration report will be submitted to a vote of shareholders at the Annual General Meeting in April 2023.

Approval

This report was approved by the Board of Directors on February 28, 2023 and signed on its behalf by William Aziz, Director and Chair of the Compensation Committee.

Director and Chair of the Compensation Committee

William Aziz

February 28, 2023

Directors’ Responsibilities Statement

The directors are responsible for preparing the Integrated Annual Report and the Consolidated Financial Statements in accordance with applicable U.K. law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) and UK adopted International Accounting Standards (collectively as “IFRS”). The parent Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under Company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period.

In preparing these financial statements the directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs and in respect of the parent Company financial statements, FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- In respect of the Group financial statements, state whether International Accounting Standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- In respect of the parent company financial statements, state whether the applicable FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and the Group will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s and the Group’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility Statement

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report and directors' remuneration report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

We confirm that to the best of our knowledge:

The Consolidated Financial Statements, prepared in accordance with the International Accounting Standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole,

The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face, and

The Integrated Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on February 28, 2023 and is signed on its behalf by:

By order of the Board

Director and Chief Executive Officer

Santiago Seage

February 28, 2023

Chief Financial Officer

Francisco Martinez-Davis

February 28, 2023

Shareholder Engagement

Atlantica's Board is accountable to its shareholders. Each year, at the Annual General Meeting, shareholders have the opportunity to elect each member of our Board of Directors and to vote on the Directors' remuneration report and policy.

The proposals are published in our Annual Proxy Statement and voted on by shareholders in conjunction with the Annual General Meeting.

Proxy Item	2022	2021	2020
% shares present	75.1%	74.6%	72.7%

	Percentage Vote "For"[53]		
Proxy Item	2022	2021	2020
- Integrated Annual Report	100.0%	100.0%	99.9%
- Directors' remuneration report	98.8%	96.7%	95.6%
- Directors' remuneration policy	-	96.6%	88.3%
- Election of non-executive directors (average)	99.2%	99.8%	37.0%
- Re-election of Santiago Seage as director	99.6%	99.6%	-
- Appointment of independent auditor	99.9%	99.9%	-
- Redemption of share premium account	-	99.8%	-
- Authorise the Company to purchase its own shares	-	-	-
- Audit committee to determine auditors' remuneration	99.8%	99.9%	-
- Change the Company name	-	-	99.9%
- Appropriation of Distributable Profits and Deeds of Release	-	-	99.5%
- Authorise the Board of Directors to issue shares	98.8%	98.1%	99.9%
- Disapplication of pre-emption rights	-	-	74.6%
- Disapplication of pre-emptive rights up to an additional amount of approximately a 10% of the aggregate nominal value of the issued share capital of the Company	78.7%	80.1%	-
- Authorise the Board of Directors to issue equity securities without pre-emptive rights up to approximately a 10% of the aggregate nominal value of the issued share capital of the Company	97.4%	99.8%	-

[53] Defined as For/(For+Against), expressed as a percentage. Non-voters are not included in the calculation

Other Information

Other Information

Asset Portfolio

The following table provides an overview of our current assets as of December 31, 2022:

Assets	Type	Ownership	Location	Currency (9)	Capacity (Gross)	Counterparty Credit Ratings(10)	COD*	Contract Years Remaining(17)
Solana	Renewable (Solar)	100%	Arizona (USA)	USD	280 MW	BBB+/A3/ BBB+	2013	21
Mojave	Renewable (Solar)	100%	California (USA)	USD	280 MW	BB-/--/BB	2014	17
Coso	Renewable (Geothermal)	100%	California (USA)	USD	135 MW	Investment grade (11)	1987/ 1989	16
Elkhorn Valley(16)	Renewable (Wind)	49%	Oregon (USA)	USD	101 MW	BBB/Baa1/--	2007	5
Prairie Star(16)	Renewable (Wind)	49%	Minnesota (USA)	USD	101 MW	--/A3/A-	2007	5
Twin Groves II(16)	Renewable (Wind)	49%	Illinois (USA)	USD	198 MW	BBB-/Baa2/--	2008	3
Lone Star II(16)	Renewable (Wind)	49%	Texas (USA)	USD	196 MW	N/A	2008	N/A
Chile PV 1	Renewable (Solar)	35%(1)	Chile	USD	55 MW	N/A	2016	N/A
Chile PV 2	Renewable (Solar)	35%(1)	Chile	USD	40 MW	Not rated	2017	8
Chile PV 3	Renewable (Solar)	35%(1)	Chile	USD	73 MW	N/A	2014	N/A
La Sierpe	Renewable (Solar)	100%	Colombia	COP	20 MW	Not rated	2021	13
Palmatir	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB/Baa2/BBB-(12)	2014	11
Cadonal	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB/Baa2/BBB-(12)	2014	12
Melowind	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB/Baa2/BBB-	2015	13
Mini-Hydro	Renewable (Hydraulic)	100%	Peru	USD	4 MW	BBB/ Baa1/BBB	2012	10
Solaben 2 & 3	Renewable (Solar)	70%(2)	Spain	Euro	2x50 MW	A/Baa1/A-	2012	15/15
Solacor 1 & 2	Renewable (Solar)	87%(3)	Spain	Euro	2x50 MW	A/Baa1/A-	2012	14/14
PS10/PS20	Renewable (Solar)	100%	Spain	Euro	31 MW	A/Baa1/A-	2007& 2009	9/11
Helioenergy 1 & 2	Renewable (Solar)	100%	Spain	Euro	2x50 MW	A/Baa1/A-	2011	14/14
Helios 1 & 2	Renewable (Solar)	100%	Spain	Euro	2x50 MW	A/Baa1/A-	2012	14/15
Solnova 1, 3 & 4	Renewable (Solar)	100%	Spain	Euro	3x50 MW	A/Baa1/A-	2010	12/12/13
Solaben 1 & 6	Renewable (Solar)	100%	Spain	Euro	2x50 MW	A/Baa1/A-	2013	16/16
Seville PV	Renewable (Solar)	80%(4)	Spain	Euro	1 MW	A/Baa1/A-	2006	13
Italy PV 1	Renewable (Solar)	100%	Italy	Euro	1.6 MW	BBB/Baa3/BBB	2010	8
Italy PV 2	Renewable (Solar)	100%	Italy	Euro	2.1 MW	BBB/Baa3/BBB	2011	8
Italy PV 3	Renewable (Solar)	100%	Italy	Euro	2.5 MW	BBB/Baa3/BBB	2012	9
Italy PV 4	Renewable (Solar)	100%	Italy	Euro	3.6 MW	BBB/Baa3/BBB	2011	9
Kaxu	Renewable (Solar)	51%(5)	South	Rand	100 MW	BB-/Ba2/	2015	12

Assets	Type	Ownership	Location	Currency (9)	Capacity (Gross)	Counterparty Credit Ratings(10)	COD*	Contract Years Remaining(17)
			Africa			BB-(13)		
Calgary	Efficient natural gas	100%	Canada	CAD	55 MWt	~41% A+ or higher(14)	2010	18
ACT	Efficient natural gas	100%	Mexico	USD	300 MW	BBB/ B1/ BB-	2013	10
Monterrey	Efficient natural gas	30%	Mexico	USD	142 MW	Not rated	2018	23
ATN (13)	Transmission line	100%	Peru	USD	379 miles	BBB/ Baa1/BBB	2011	18
ATS	Transmission line	100%	Peru	USD	569 miles	BBB/ Baa1/BBB	2014	21
ATN 2	Transmission line	100%	Peru	USD	81 miles	Not rated	2015	10
Quadra 1 & 2	Transmission line	100%	Chile	USD	49 miles/ 32 miles	Not rated	2014	12/12
Palmucho	Transmission line	100%	Chile	USD	6 miles	BBB/-/ BBB+	2007	15
Chile TL3	Transmission line	100%	Chile	USD	50 miles	A/A2/A-	1993	N/A
Chile TL4	Transmission line	100%	Chile	USD	63 miles	Not rated	2016	49
Skikda	Water	34.2%(5)	Algeria	USD	3.5 M ft^3/day	Not rated	2009	11
Honaine	Water	25.5%(6)	Algeria	USD	7 M ft^3/ day	Not rated	2012	15
Tenes	Water	51%(8)	Algeria	USD	7 M ft^3/ day	Not rated	2015	17

Notes:

(1) 65% of the shares in Chile PV 1, Chile PV 2 and Chile PV 3 are indirectly held by financial partners through the renewable energy platform of the Company in Chile. Atlantica has control over these entities under IFRS 10, Consolidated Financial Statements.
(2) Itochu Corporation holds 30% of the shares in each of Solaben 2 and Solaben 3.
(3) JGC holds 13% of the shares in each of Solacor 1 and Solacor 2.
(4) Instituto para la Diversificación y Ahorro de la Energía ("Idae") holds 20% of the shares in Seville PV.
(5) Kaxu is owned by the Company (51%), Industrial Development Corporation of South Africa ("IDC", 29%) and Kaxu Community Trust (20%).
(6) Algerian Energy Company, SPA owns 49% of Skikda and Sacyr Agua, S.L. owns the remaining 16.8%. Atlantica has control over it under IFRS 10, Consolidated Financial Statements.
(7) Algerian Energy Company, SPA owns 49% of Honaine and Sacyr Agua, S.L. owns the remaining 25.5%.
(8) Algerian Energy Company, SPA owns 49% of Tenes. The Company has an investment in Tenes through a secured loan to Befesa Agua Tenes (the holding company of Tenes) and the right to appoint a majority at the board of directors of the project company. Therefore, the Company controls Tenes since May 31, 2020, and fully consolidates the asset from that date.
(9) Certain contracts denominated in U.S. dollars are payable in local currency.
(10) Reflects the counterparty's credit ratings issued by Standard & Poor's Ratings Services, or S&P, Moody's Investors Service Inc., or Moody's, and Fitch Ratings Ltd, or Fitch. Not applicable ("N/A") when the asset has no PPA.
(11) Refers to the credit rating of two Community Choice Aggregators: Silicon Valley Clean Energy and Monterrey Bar Community Power, both with A Rating from S&P and Southern California Public Power Authority. The third off-taker is not rated.
(12) Refers to the credit rating of Uruguay, as UTE (Administración Nacional de Usinas y Transmisoras Eléctricas) is unrated.
(13) Refers to the credit rating of the Republic of South Africa. The off-taker is Eskom, which is a state-owned utility company in South Africa.
(14) Refers to the credit rating of a diversified mix of 22 high credit quality clients (~41% A+ rating or higher, the rest is unrated).
(15) Including ATN Expansion 1 & 2.
(16) Part of Vento II Portfolio.
(17) As of December 31, 2022.
(*) Commercial Operation Date.

Definitions

Unless otherwise specified or the context requires otherwise in this annual report:

- references to "2020 Green Private Placement" refer to the €290 million (approximately $310 million) senior secured notes maturing on June 20, 2026 which were issued under a senior secured note purchase agreement entered with a group of institutional investors as purchasers of the notes issued thereunder;
- references to "Abengoa" refer to Abengoa, S.A., together with its subsidiaries, unless the context otherwise requires;
- references to "ACT" refer to the gas-fired cogeneration facility located inside the Nuevo Pemex Gas Processing Facility near the city of Villahermosa in the State of Tabasco, Mexico;
- references to "ADEQ" refer to Arizona's Departments of Environmental Quality;
- references to "Adjusted EBITDA" have the meaning set forth in the Section entitled "Non-GAAP Financial Measures" in the section "Financial review."
- References to "Albisu" refer to the 10 MW solar PV plant located in Uruguay;
- references to "Algonquin" refer to, as the context requires, either Algonquin Power & Utilities Corp., a North American diversified generation, transmission and distribution utility, or Algonquin Power & Utilities Corp. together with its subsidiaries;
- references to "Algonquin ROFO Agreement and Liberty GES ROFO Agreement" refer to the agreements we entered into with Algonquin and with Liberty GES, respectively, on March 5, 2018, under which Algonquin and Liberty GES granted us a right of first offer to purchase any of the assets offered for sale located outside of the United States or Canada as amended from time to time.
- references to "Amherst Island Partnership" or "AIP" refer to the holding company of Windlectric Inc;
- references to "Annual Consolidated Financial Statements" refer to the audited annual consolidated financial statements as of December 31, 2022 and 2021, including the related notes thereto, prepared in accordance with IFRS as issued by the IASB (as such terms are defined herein), included in this annual report;
- references to "ASI Operations" refer to ASI Operations LLC;
- references to "Atlantica" refer to Atlantica Sustainable Infrastructure plc and, where the context requires, Atlantica Sustainable Infrastructure plc together with its consolidated subsidiaries;
- references to "Atlantica Jersey" refer to Atlantica Sustainable Infrastructure Jersey Limited, a wholly-owned subsidiary of Atlantica;
- references to "ATM Plan Letter Agreement" refer to the agreement by and among the Company and Algonquin dated August 3, 2021, pursuant to which the Company offers Algonquin the right but not the obligation, on a quarterly basis, to purchase a number of ordinary shares to maintain its percentage interest in Atlantica at the average price of the shares sold under the Distribution Agreement in the previous quarter, as adjusted;
- references to "ATN" refer to ATN S.A., the operational electric transmission asset in Peru, which is part of the Guaranteed Transmission System;

- references to "ATS" refer to Atlantica Transmision Sur S.A.;
- references to "AVERT" refer to Avoided Emissions and Generation Tool a U.S. national weighted average CO_2 marginal emission rate, to convert reductions of kilowatt-hours into avoided units of CO_2 emissions;
- references to "Befesa Agua Tenes" refer to Befesa Agua Tenes, S.L.U;
- references to "cash available for distribution" or CAFD refer to the cash distributions received by the Company from its subsidiaries minus cash expenses of the Company, including third party debt service and general and administrative expenses;
- references to "CAISO" refer to the California Independent System Operator;
- references to "Calgary District Heating" or "Calgary" refer to the 55 MWt thermal capacity district heating asset in the city of Calgary which we acquired in May 2021;
- references to "CDP" refer to Carbon Disclosure Project a leading provider of environmental management and transparency and rates more than 9,600 companies with assets of US$106 trillion and representing over 50% of global market capitalisation;
- references to "CEDA" refer to Comprehensive Environmental Data Archive that hosts over 13 Petabytes of atmospheric and earth observation data;
- references to "Chile PV 1" refer to the solar PV plant of 55 MW located in Chile;
- references to "Chile PV 2" refer to the solar PV plant of 40 MW located in Chile;
- references to "Chile PV 3" refer to the solar PV plant of 73 MW located in Chile;
- references to "Chile TL 3" refer to the 50-mile transmission line located in Chile;
- references to "Chile TL 4" refer to the 63-mile transmission line located in Chile;
- references to "CNMC" refer to Comision Nacional de los Mercados y de la Competencia, the Spanish state-owned regulator;
- references to "Corruption" consists of the abuse of power with the goal of private gain and can be initiated by individuals in the public or private sector. Corrupt practices include, but are not limited to, bribes, extortion, collusion, conflicts of interest and money laundering;
- references to "COD" refer to the commercial operation date of the applicable facility;
- references to "Coso" refer to the 135 MW geothermal plant located in California;
- references to the "Distribution Agreement" refer to the agreement entered into with BofA Securities, Inc., MUFG Securities Americas Inc. and RBC Capital Markets LLC, as sales agents, dated February 28, 2022 as amended on May 9, 2022, under which we may offer and sell from time to time up to $150 million of our ordinary shares and pursuant to which such sales agents may sell our ordinary shares by any method permitted by law deemed to be an "at the market offering" as defined by Rule 415(a)(4) promulgated under the U.S. Securities Act of 1933, as amended;
- references to "DOE" refer to the U.S. Department of Energy;
- references to "DOE" refer to the U.S. Department of Energy;
- references to "DTC" refer to The Depository Trust Company;

- references to "EMEA" refer to Europe, Middle East and Africa;
- references to "EPC" refer to engineering, procurement and construction;
- references to "EPA" refer to United States Environmental Protection Agency;
- references to "Eskom" refer to Eskom Holdings SOC Limited, together with its subsidiaries, unless the context otherwise requires;
- references to "ETF" refer to passively managed funds;
- references to "EURIBOR" refer to Euro Interbank Offered Rate, a daily reference rate published by the European Money Markets Institute, based on the average interest rates at which Eurozone banks offer to lend unsecured funds to other banks in the euro wholesale money market;
- references to "EU" refer to the European Union;
- references to "Federal Financing Bank" refer to a U.S. government corporation by that name;
- references to "Fitch" refer to Fitch Ratings Inc.;
- references to "FCPA" refer to U.S. Foreign Corrupt Practices Act;
- references to "GEI" refer to Gender-Equality Index, an index that includes 380 companies across 11 sectors and 44 countries and regions. It measures disclosure and gender equality using indicators across five areas: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand;
- references to "Green Exchangeable Notes" refer to the $115 million green exchangeable senior notes due in 2025 issued by Atlantica Jersey on July 17, 2020, and fully and unconditionally guaranteed on a senior, unsecured basis, by Atlantica;
- references to "Green Project Finance" refer to the green project financing agreement entered into between Logrosan, the sub-holding company of Solaben 1 & 6 and Solaben 2 & 3, as borrower, and ING Bank, B.V. and Banco Santander S.A., as lenders;
- references to "Green Senior Notes" refer to the $400 million green senior notes due in 2028;
- references to "GRI" refers to Global Reporting Initiative standards, an internationally recognised standardised framework for disclosing economic, environmental and social performance;
- references to "GBP" refers to "Green Bond Principles", a voluntary process guideline that seek to support issuers in financing environmentally sound and sustainable projects that foster a net-zero emissions economy and protect the environment. GBP-aligned issuance should provide transparent green credentials alongside an investment opportunity;
- references to "Gross capacity" refers to the maximum, or rated, power generation capacity, in MW, of a facility or group of facilities, without adjusting for the facility's power parasitic consumption, or by our percentage of ownership interest in such facility as of the date of this annual report;
- references to "GWh" refer to gigawatt hour;
- references to "IAS" refer to International Accounting Standards issued by the IASB;
- references to "IASB" refer to the International Accounting Standards Board;
- references to "IFRIC 12" refer to International Financial Reporting Interpretations Committee's Interpretation 12—Service Concessions Arrangements;

- references to “IFRS as issued by the IASB” refer to International Financial Reporting Standards as issued by the International Accounting Standards Board;
- references to “ILO” refer to International Labour Rights;
- references to “Independent Director” refers to, following Nasdaq rules, a person other than an officer or employee of a company or its subsidiaries or a person who, in the opinion of the board of directors, has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Atlantica has chosen to follow the requirements of the NASDAQ Listing Rules in terms of corporate governance. As of December 31, 2022, Atlantica has determined that the non-executive directors Mr. Aziz, Ms. Del Favero, Ms. Eprile, Mr. Hall, Mr. Forsayeth and Mr. Woollcombe are independent directors as they do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Mr. Banskota and Mr. Trisic were considered non-independent based on their relationship with Algonquin, which is currently Atlantica’s largest shareholder. Mr. Banskota is the current Chief Executive Officer of Algonquin, while Mr. Trisic held a senior executive role at Algonquin until April 2022.
- references to “IPO” refer to our initial public offering of ordinary shares in June 2014;
- references to “IRA” refer to the U.S. Inflation Reduction Act;
- references to “Italy PV” refer to the six solar PV plants located in Italy with combined capacity of 9.8 MW;
- references to “IPCC” refer to the Intergovernmental Panel on Climate Change;
- references to “ITC” refer to investment tax credits;
- references to “Kaxu” refer to the 100 MW solar plant located in South Africa;
- references to “La Sierpe” refer to the 20MW solar asset in Colombia;
- references to “La Tolua” refer to the 20 MW solar PV plant located in Colombia;
- references to “LDR” refer to Lost Day Rate calculated as “(Lost Days in a Year / Total Worked-Hours) * 200,000 worked-hours;
- references to “Liberty GES” refer to Liberty Global Energy Solutions B.V., a subsidiary of Algonquin formerly known as Abengoa- Algonquin Global Energy Solutions B.V. (AAGES) which invests in the development and construction of contracted clean energy and water infrastructure contracted assets;
- references to “LIBOR” refer to London Interbank Offered Rate;
- references to “Logrosan” refer to Logrosan Solar Inversiones, S.A.;
- references to “Lost Time Frequency Index” (LTFI) refer to the total number of recordable accidents with leave (lost time injury) recorded in the last 12 months per million of worked hours;
- references to “LTIP” refer to the long-term incentive plans approved by the Board of Directors;
- references to “Mft3M ft3” refer to million standard cubic feet;
- references to “Monterrey” refer to the 142 MW gas-fired engine facility including 130 MW installed capacity and 12 MW battery capacity, located in, Monterrey, Mexico;

- references to “NMFR” refer to Near Miss Frequency Rate described by Sustainable Accounting Standards as near misses, unsafe acts and unsafe conditions frequency rate;
- references to “Multinational Investment Guarantee Agency” refer to Multinational Investment Guarantee Agency, a financial institution member of the World Bank Group which offers political insurance and credit enhancement guarantees;
- references to “MW” refer to megawatts;
- references to “MWh” refer to megawatt hour;
- references to “Moody’s” refer to Moody’s Investor Service Inc.; - references to “NOL” refer to net operating loss;
- references to “NEPA” refer to the National Environment Policy Act;
- references to “NOL” refer to net operating loss;
- references to “Note Issuance Facility 2019” refer to the senior unsecured note facility dated April 30, 2019, as amended on May 14, 2019, October 23, 2020 and March 30, 2021 for a total amount of €268 million, (approximately $287 million), with Lucid Agency Services Limited, as facility agent and a group of funds managed by Westbourne Capital as purchasers of the notes issued thereunder which was fully repaid on June 4, 2021;
- references to “Note Issuance Facility 2020” refer to the senior unsecured note facility dated July 8, 2020, as amended on March 30, 2021 of €140 million (approximately $150 million), with Lucid Agency Services Limited, as facility agent and a group of funds managed by Westbourne Capital as purchasers of the notes issued thereunder;
- references to “O&M” refer to operation and maintenance services provided at our various facilities;
- references to “operation” refer to the status of projects that have reached COD (as defined above);
- references to “Pemex” refer to Petroleos Mexicanos;
- references to “PG&E” refer to PG&E Corporation and its regulated utility subsidiary, Pacific Gas and Electric Company collectively;
- references to “PPE” refer to personal protective equipment.
- references to “PPA” refer to the power purchase agreements through which our power generating assets have contracted to sell energy to various off-takers;
- references to “PTS” refer to Pemex Transportation System;
- references to “Revolving Credit Facility” refers to the credit and guaranty agreement with a syndicate of banks entered into on May 10, 2018 as amended on January 24, 2019, August 2, 2019, December 17, 2019 and August 28, 2020, March 1, 2021 and May 5, 2022 providing for a senior secured revolving credit facility in an aggregate principal amount of $450 million;
- references to “Rioglass” refer to Rioglass Solar Holding, S.A.;
- references to “ROFO” refer to a right of first offer;
- references to “ROFO agreements” refer to the AAGES ROFO Agreement and Algonquin ROFO Agreement;

- references to “SASB” refer to Sustainability Accounting Standards Board a guidance intended for use in communications to investors regarding sustainability issues that are likely to impact corporate ability to create value over the long term;
- references to the “Shareholders’ Agreement” refer to the agreement by and among Algonquin Power & Utilities Corp., Abengoa-Algonquin Global Energy Solutions and Atlantica Sustainable Infrastructure plc, dated March 5, 2018, as amended;
- references to “Skikda” refer to the seawater desalination plant in Algeria, which is 34% owned by Atlantica;
- references to “SOFR” refer to Secured Overnight Financing Rate.
- references to “Solaben Luxembourg” refer to Solaben Luxembourg S.A;
- references to “Solnova 1, 3 & 4” refer to three solar plants with capacity of 50 MW wholly owned by Atlantica, located in the municipality of Sanlucar la Mayor, Spain;
- references to “S&P” refer to S&P Global Rating;
- references to “SDG” refer to Sustainable Development Goals a total of 17 goals defined by the UNG;
- references to “Tenes” refer to the water desalination plant in Algeria, which is 51% owned by Befesa Agua Tenes;
- references to “Tierra Linda” refer to the 10 MW solar PV plant located in Colombia;
- references to “Total-Record Incident” refer to the total number of recordable accidents with and without leave (lost time injury) recorded in the last 12 months per two hundred thousand worked hours;
- references to “Total Recordable Incident Rate” (TRIR) refer to the total number of recordable accidents with leave (lost time injury) recorded in the last twelve months per million of worked hours;
- references to “TFCD” refer to Task Force on Climate related Financial Disclosures, a set of recommendations focused on four thematic areas that represent core operational elements, including: Governance, Strategy, Risk Management and Metrics and Targets;
- references to “U.K.” refer to the United Kingdom;
- references to “UNGC” refer to United Nations Global Compact, world’s largest corporate sustainability initiative;
- reference to “U.S.” or “United States” refer to the United States of America;
- references to “WRI” refer to World Resources Institute;
- references to “WTT DEFRA” refer to Well to Tank from the Department for Environment, Food and Rural Affairs;

references to “we,” “us,” “our,” “Atlantica” and the “Company” refer to Atlantica Sustainable Infrastructure plc and its subsidiaries, unless the context otherwise requires.

Reconciliations

- **Reconciliation of Adjusted EBITDA and Cash Available For Distribution to Profit for the period attributable to the Company**

(in thousands of U.S. dollars)	For the year ended December 31, 2022	2021
Profit/(loss) for the period attributable to the Company	**$ (5,443)**	**$ (30,080)**
Profit/(loss) attributable to non-controlling interest	3,356	19,162
Income tax	(9,689)	36,220
Depreciation and amortisation, financial expense and income tax expense of unconsolidated affiliates (pro rata of our equity ownership)	24,304	18,753
Financial expense, net	310,934	340,892
Depreciation, amortisation, and impairment charges	473,638	439,441
Adjusted EBITDA	**$ 797,100**	**$ 824,388**
Atlantica's pro-rata share of EBITDA from unconsolidated affiliates	(45,769)	(31,057)
Non-monetary Items	27,996	55,809
Accounting provision for electricity market prices in Spain	25,253	*77,055*
Difference between billings and revenue in assets accounted for as concessional financial assets	61,631	*38,890*
Income from cash grants in the US	(58,888)	*(58,711)*
Other non-monetary items	-	*(1,424)*
Maintenance Capex	(18,588)	(17,722)
Dividends from equity method investments	67,695	34,883
Net interest and income tax paid	(277,284)	(342,263)
Changes in other assets and liabilities	102,896	43,696
Deposits into/ withdrawals from restricted accounts[54]	33,018	2,729
Change in non-restricted cash at project level[54]	(61,672)	2,209
Dividends paid to non-controlling interests	(39,209)	(28,134)
Debt principal repayment	(348,311)	(318,991)
Cash Available For Distribution	**$ 237,872**	**$ 225,547**

[54] "Deposits into/ withdrawals from restricted accounts" and "Change in non-restricted cash at project level" are calculated on a constant currency basis to reflect actual cash movements isolated from the impact of variations generated by foreign exchange changes during the period.

- **Reconciliation of Adjusted EBITDA to Net Cash Provided by Operating Activities**

(in thousands of U.S. dollars)	For the year ended December 31	
	2022	2021
Net cash provided by operating activities	**$ 586,322**	**$ 505,623**
Net interest and income tax paid	277,284	342,263
Changes in working capital	(78,805)	3,127
Other non-monetary items and other	(33,470)	(57,682)
Atlantica's pro-rata share of EBITDA from unconsolidated affiliates	45,769	31,057
Adjusted EBITDA	**$ 797,100**	**$ 824,388**

- **Reconciliation of CAFD to CAFD per share**

	For the year ended December 31	
	2022	2021
CAFD (in thousands of U.S. dollars)	**$ 237,872**	**$ 225,547**
Weighted Number of Shares (basic) for the period (in thousands)	114,695	111,008
CAFD per share (in U.S. dollars)	**$ 2.0740**	**$ 2.0318**

Global Reporting Initiative (GRI) Content Index

Atlantica Sustainable Infrastructure Plc has reported in accordance with the GRI Standards for the period January 1, 2022 and December 31, 2022.

GRI Standard	Description, section(s) and/or URL(s)
GRI 1: Foundation 2021	
Reporting principles	This report adheres to the following principles: • Stakeholder inclusiveness • Sustainability context • Materiality • Completeness • Accuracy • Balance • Clarity • Comparability • Reliability • Timeliness
GRI 2: General Disclosures 2021	
1. The organisation and its reporting practices	
2-1 Organisational details	Atlantica Sustainable Infrastructure Plc Great West Road, Brentford TW8 9DF, Greater London (United Kingdom) Atlantica Sustainable Infrastructure plc common shares trade on the Nasdaq Stock Exchange under the symbol "AY" Our sustainable business model and strategy (Strategic Report) Detailed asset portfolio: Asset Portfolio (Other Information)
2-2 Entities included in the organisation's sustainability reporting	Entities included in the consolidated financial statements are entities in which Atlantica has control and its associates. Report Information (About this report) Detailed asset portfolio: Asset Portfolio (Other Information)
2-3 Reporting period, frequency and contact point	Reporting period: January 1, 2022 to December 31, 2022. Frequency of reporting: Annual Contact points: Leire Perez; Gabriel Deniz Email addresses: sustainability@atlantica.com, or ir@atlantica.com Integrated Annual Report Information (About this report)
2-4 Restatements of information	2021 non-material ESG-related disclosure restatements have been performed to ensure consistency and enable comparability of information between reporting periods. Reasons for restatements of 2021 relate to changes in measurement methodologies. Certain KPIs modified in sections: - GHG emissions, non-GHG emissions, water management, reporting our activities under the European Union Taxonomy (Strategic Report; Environmental Sustainability) - Training hours (Strategic Report; Social Sustainability; People and culture) - Supply chain management (Strategic Report; Social Sustainability) - Number of assets internally audited and improvement actions (Strategic Report; Asset Management) - Trade associations (Business ethics) Effect of the ESG-related data restatement are non-material
2-5 External assurance	Data Review (About this report) - GHG emissions Scope 1, 2 and 3: 100% externally reviewed - Non-GHG emissions, water and waste KPIs 100% externally reviewed Asset management (Strategic Report; Social Sustainability): ISO 9001, 14001 and 45,001 compliant, environmental and quality management system reviewed by DNV. Data security (Strategic Report) ISO 27001 compliant

	All reviews were performed by independent third parties.

2. Activities and workers

2-6 Activities, value chain and other business relationships	Atlantica in Two Minutes Our sustainable business model and strategy; Key performance indicators; A fair review of the business; and ESG materiality analysis (Strategic Report) Supply chain management and customer management (Strategic Report; Social Sustainability) Detailed asset portfolio (Other information)
2-7 Employees	Key Performance Indicators (Strategic Report) People and Culture; Section 172 Statement (Strategic Report; Social Sustainability) Atlantica does not have non-guaranteed hours employees.
2-8 Workers who are not employees	People and Culture (Strategic Report; Social Sustainability) Atlantica does not have workers who are not employees.

3. Governance

2-9 Governance structure and composition	Sustainability governance and Directors' Report (Governance Section) Key Management (Strategic Report; Social Sustainability; People and Culture)
2-10 Nomination and selection of the highest governance body	Sustainability Governance (Governance Section) Directors' Report (Governance Section) Committee Charters (at Board level) https://www.atlantica.com/web/en/company-overview/corporate-governance/corporate-governance-documents/ Corporate Governance Guidelines (https://www.atlantica.com/wp-content/uploads/documents/Corporate-Governance-Guidelines_2021.pdf)
2-11 Chair of the highest governance body	Sustainability Governance and Directors' Report (Governance Section)
2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability governance and directors' report (Governance Section) Stakeholder engagement (About this report; ESG Materiality assessment) Stakeholder policy (https://www.atlantica.com/web/en/sustainability/stakeholder-policy/) Environmental compliance, principal risks and uncertainties and section 172 statement (Strategic Report) Human rights (Strategic Report; Social Sustainability)
2-13 Delegation of responsibility for managing impacts	Sustainability governance and directors' report (Governance Section) Principal risks and uncertainties (Strategic Report)
2-14 Role of the highest governance body in sustainability reporting	Data review (About this report) Atlantica's Board of Directors approved this Integrated Annual Report prior to its publication Directors' responsibilities statement (Strategic Report) Sustainability governance (Governance Section)
2-15 Conflicts of interest	Business ethics and directors' report (Governance Section)
2-16 Communication of critical concerns	Business ethics, sustainability governance, directors' report and audit committee report (Governance Section) Human rights (Strategic Report; Social Sustainability) Cybersecurity and data Privacy (Strategic Report)
2-17 Collective knowledge of the highest governance body	Sustainability governance and directors' report (Governance Section)
2-18 Evaluation of the performance of the highest governance body	Sustainability governance and directors' report (Governance Section)
2-19 Remuneration policies	Directors' remuneration report (Governance Section) Key management (Strategic Report; Social Sustainability; People and Culture)
2-20 Process to determine remuneration	Directors' report and directors' remuneration report (Governance Section) People and Culture (Strategic Report; Social Sustainability)

2-21 Annual total compensation ratio	Directors' remuneration report (Governance Section)

4. Strategy, policies and practices

2-22 Statement on sustainable development strategy	Our sustainable business model and strategy (Strategic Report) Sustainability governance (Governance Section)
2-23 Policy commitments	Our Purpose and Values Business ethics (Governance Section) Our Sustainable Business Model and Strategy (Strategic Report) Human rights (Strategic Report; Social Sustainability) Corporate governance policies and documents available at: https://www.atlantica.com/web/en/company-overview/corporate-governance/corporate-governance-documents/ ESG-related policies available at: https://www.atlantica.com/web/en/policies/ We apply the Precautionary Principle consistently when we assess risks related to the Environment in all our activities.
2-24 Embedding policy commitments	Sustainability governance and directors' report (Governance Section) Corporate Governance policies and documents available on our website ESG-related policies available on our website
2-25 Processes to remediate negative impacts	Business ethics and directors' report (Governance Section) Human rights (Strategic Report; Social Sustainability) Principal risks and uncertainties and environmental sustainability (Strategic Report)
2-26 Mechanisms for seeking advice and raising concerns	Business ethics and directors' report (Governance Section) People and Culture and human rights (Social Sustainability)
2-27 Compliance with laws and regulations	Business ethics and directors' report (Governance Section) Environmental compliance and cybersecurity and Data Privacy (Strategic Report) Human rights (Strategic Report; Social Sustainability) No significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the environmental, social and economic areas were received in 2022, 2021 and 2020.
2-28 Membership associations	Business ethics (Governance Section)

5. Stakeholder Engagement

2-29 Approach to stakeholder engagement	ESG materiality assessment (Strategic Report) Stakeholder engagement policy and other Compliance and ESG-related policies available on our website People and Culture, supply chain management, customer management and local communities (Strategic Report; Social Sustainability)
2-30 Collective bargaining agreements	Collective bargaining agreements (Strategic Report; Social Sustainability; People and Culture) Atlantica's remuneration package includes monetary compensation and remuneration in-kind, depending on the employee's position, and on local practices in the countries where we operate. In all cases, Atlantica's remuneration package complies with all local rules and regulations.

Material Topics

GRI 3: Material Topics 2021

3-1 Process to determine material topics	ESG materiality analysis (Strategic Report)
3-2 List of material topics	ESG materiality analysis (Strategic Report) In 2022, no significant changes were made to the list of material topics compared to the previous reporting period.

3-3 Management of material topics	ESG materiality analysis (Strategic Report) Sustainability governance and directors' directors (Governance Section) Principal risks and uncertainties and section 172 statement (Strategic Report) TCFD reporting, GHG emissions, water and waste management, and biodiversity (Strategic Report; Environmental Sustainability) Human rights, health and safety, People and Culture, supply chain management and local communities (Strategic Report; Environmental Sustainability) Asset management (Strategic Report) Independent Auditor's Report (Other information) Atlantica periodically performs internal analysis comparing current practices with benchmarks in different areas. In addition, the Compliance Management Committee periodically analyses best practices and benchmarks to improve our compliance practices over time. The Board of Directors reviews annually Atlantica's board practices and compares them to best practices following recommendations from the U.K. Institute of Directors and the main proxy advisors incorporating recommendations whenever possible. CDP (Climate Change and Water questionnaires), S&P CSA and Sustainalytics ESG assessments provide valuable information and have been used internally to improve certain areas following best practices. Asset management functions are a core part of our business and are also periodically evaluated against best practices.

Economic performance

GRI 201: Economic Performance 2016

3-3 Management of material topics	Key Performance Indicators, A Fair Review of the Business, and ESG Materiality Analysis (Strategic Report)
201-1 Direct economic value generated and distributed	Direct economic value generated, distributed and retained for the year ended December 31, 2021, 2020 and 2019:

$ in Millions	2022	2021	2020
Economic Value Generated	**1,188**	**1,290**	**1,120**
Revenue	1,102	1,212	1,013
Other Operating Income	81	75	100
Financial Income	6	3	7
Economic Value Distributed	**(925)**	**(1,030)**	**(793)**
Operating costs, including wages and benefits	(433)	(493)	(331)
Payments to providers of capital[1]	(475)	(484)	(445)
Payments to Government[2]	(15)	(52)	(16)
Community Investments[3]	(2)	(1)	(1)
Economic Value Retained	**264**	**260**	**327**

Note: Figures were determined according to GRI 201 guidelines
[1] Interest paid and Dividends paid to Company's shareholders
[2] Income tax paid
[3] Community investments in the U.S., Chile, Colombia, Peru, South Africa and Algeria

Key Performance Indicators and A Fair Review of the Business (Strategic Report)

Local Communities (Strategic Report; Social Sustainability)

Detailed financial information provided in our 2022 annual report: U.S. Securities Exchange Commission Form 20-F available on our website

201-2 Financial implications and other risks and opportunities due to climate change	Task Force on Climate-Related Financial Disclosures (Strategic Report; Environmental Sustainability) Principal risks and uncertainties (Strategic Report) 2022 CDP's Climate Change questionnaire at www.atlantica.com Sustainability governance (Governance section)

201-3 Defined benefit plan obligations and other retirement plans	The Company does not have any defined benefit compensation plans. The only retirement obligations are related to 401(k) plans in the U.S. in accordance with the regulation in place and in the U.K. also in accordance with the regulation in place.
201-4 Financial assistance received from government	2022 Consolidated Financial Statements (Other Information)

GRI 204: Procurement Practices	
3-3 Management of material topics	ESG materiality analysis (Strategic Report)
204-1 Proportion of spending on local suppliers	Supply chain management (Strategic Report; Social Sustainability) Local supplier is an organisation or person that provides a product or service in the country where we perform our business activities.

GRI 205: Anti-Corruption 2016	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Atlantica's webpage corporate Governance Section
205-1 Operations assessed for risks related to corruption	Business ethics (Governance Section) United Nations Global Compact, Principal Risks and Uncertainties, Supply Chain Management, Cybersecurity and Data Privacy, (Strategic Report; Social Sustainability)
205-2 Communication and training about anti-corruption policies and procedures	Business ethics (Governance Section) People and Culture (Strategic Report; Social Sustainability)
205-3 Confirmed incidents of corruption and actions taken	Business ethics (Governance Section) In 2022, two Code of Conduct incidents were identified and investigated following our internal process and procedures. As a result, among other actions, the employment of those employees involved was terminated, and comprehensive anti-bribery and anti-corruption training was provided to local employees.

GRI 206: Anti-Competitive Behaviour 2016	
3-3 Management of material topics	ESG materiality analysis (Strategic Report) Atlantica's Webpage: Corporate Governance Section
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No legal actions or anti-competitive behaviour, anti-trust, or monopoly practices have been taken in 2022, 2021 and 2020 Business ethics (Governance Section)

GRI 207: Tax 2019	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Atlantica's Webpage: Corporate Governance Section We have decided to voluntarily apply GRI 207 requirements
207-1 Approach to tax	Tax Strategy: Tax Management Atlantica's tax strategy is available on our website (Corporate Governance section)
207-2 Tax governance, control, and risk management	Tax Management (Strategic Report)
207-3 Stakeholder engagement and management of concerns related to tax	Tax Management (Strategic Report)
207-4 Country-by-country reporting	Confidentiality constraints

Category: Environmental

GRI 302: Energy 2016	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Environmental Sustainability (Strategic Report) We have decided to voluntarily apply GRI 302 requirements
302-1 Energy consumption within the organisation	Energy Management (Strategic Report; Environmental Sustainability) 2022 CDP Climate Change questionnaire (available at www.atlantica.com)
302-2 Energy consumption outside of the organisation	Partially disclosed. Energy consumption outside of the organisation is included in our scope 3 GHG emissions.
302-3 Energy Intensity	Energy Management Strategic Report; Environmental Sustainability. 2022 CDP Climate Change questionnaire (available at www.atlantica.com)
302-4 Reduction of energy consumption	Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability)
302-5 Reductions in energy requirements of products and services	Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability) Our Operations Department dedicates time and efforts to identify potential measures to improve efficiency at our assets. This could result in reduction of energy consumption over time. Asset Management (Strategic Report)

GRI 303: Water and Effluents 2018	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Key Performance Indicators (Strategic Report) Task Force on Climate-Related Financial Disclosures (Strategic Report; Environmental Sustainability) Water Management (Strategic Report; Environmental Sustainability) Environmental Policy available on our website
303 -1 Interactions with water as a shared resource	Water Management (Strategic Report; Environmental Sustainability)
303-2 Management of water discharge-related impacts	Water Management (Strategic Report; Environmental Sustainability) 2022 CDP Climate Change questionnaire (available at www.atlantica.com)
303-3 Water withdrawal	Water Management (Strategic Report; Environmental Sustainability) We have reported the data in million cubic metres Our Municipality Water withdrawals are immaterial
303-4 Water discharge	Water Management (Strategic Report; Environmental Sustainability) We have reported the data in million cubic metres Our Municipality Water discharges are immaterial
303-5 Water consumption	Water Management (Strategic Report; Environmental Sustainability) We have reported the data in million cubic metres Our Municipality Water consumption is immaterial

GRI 304: Biodiversity 2016	
103-1 Explanation of the material topic and its Boundary	ESG Materiality Analysis (Strategic Report) Biodiversity (Strategic Report; Environmental Sustainability) Biodiversity Policy available on our website
304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity (Strategic Report; Environmental Sustainability) Partially disclosed: Information unavailable
304-2 Significant impacts of activities, products, and services on biodiversity	Biodiversity (Strategic Report; Environmental Sustainability)
304-3 Habitats protected or restored	Biodiversity (Strategic Report; Environmental Sustainability)

304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Omission: Information incomplete

GRI 305: Emissions 2016

3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability) Environmental Policy available on our website
305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability) 2022 CDP Climate Change questionnaire (available at www.atlantica.com)
305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability) 2022 CDP Climate Change questionnaire (available at www.atlantica.com)
305-3 Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability) 2022 CDP Climate Change questionnaire (available at www.atlantica.com)
305-4 GHG emissions intensity	Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability): GHG Emission Rate per Unit of Energy Generated 2022 CDP Climate Change questionnaire (available at www.atlantica.com)
305-5 Reduction of GHG emissions	Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability) 2022 CDP Climate Change questionnaire (available at www.atlantica.com)
305-6 Emissions of ozone-depleting substances (ODS)	Omission: Information unavailable
305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_x), and other significant air emissions	Non-GHG emissions (Strategic Report; Environmental Sustainability)

GRI 306: Waste 2020

306-1 Waste generation and significant waste-related impacts	Waste management (Strategic Report; Environmental Sustainability) Environmental Policy available on our website
306-2 Management of significant waste-related impacts	Waste management (Strategic Report; Environmental Sustainability)
306-3 Waste generated	Waste management (Strategic Report; Environmental Sustainability) All the waste is managed off-site
306-4 Waste diverted from disposal	Waste management (Strategic Report; Environmental Sustainability)

Category: Social

GRI 401: Employment 2016

3-3 Management of material topics	ESG materiality analysis (Strategic Report) People and Culture (Strategic Report; Social Sustainability)
401-1 New employee hires and employee turnover	People and Culture (Strategic Report; Social Sustainability)
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	All benefits provided to full-time employees are the same to those provided to temporary or part-time employees.
401-3 Parental leave	People and Culture (Strategic Report; Social Sustainability)

GRI 402: Labour/Management Relationship 2016

3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) People and Culture (Strategic Report; Social Sustainability)
402-1 Minimum notice periods regarding operational changes	At Atlantica we generally provide a minimum of a two week notice prior to the implementation of significant operational changes that could substantially affect our employees. Where applicable, minimum number of weeks' notice is specified in the collective bargaining agreements. Unexpected events may require different notice periods.

GRI 403: Occupational Health and Safety 2018	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Occupational Health and Safety (Strategic Report; Social Sustainability) Health and Safety Policy available on our website
403-1 Occupational health and safety management system	Occupational Health and Safety (Strategic Report; Social Sustainability)
403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety (Strategic Report; Social Sustainability)
403-3 Occupational health services	Occupational Health and Safety (Strategic Report; Social Sustainability)
403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety (Strategic Report; Social Sustainability): Health and safety committees held with asset employee representatives cover all the necessary topics to promote a positive health and safety culture in our assets.
403-5 Worker training on occupational health and safety	Occupational Health and Safety (Strategic Report; Social Sustainability)
403-6 Promotion of worker health	Occupational Health and Safety (Strategic Report; Social Sustainability)
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety (Strategic Report; Social Sustainability)
403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety (Strategic Report; Social Sustainability)
403-9 Work-related injuries	Occupational Health and Safety (Strategic Report; Social Sustainability)
403-10 Work-related ill health	Atlantica does not have any work-places with high-risk incidence of diseases

GRI 404: Training and Education 2016	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) People and Culture (Strategic Report; Social Sustainability) Occupational Health and Safety (Strategic Report; Social Sustainability)
404-1 Average hours of training per year per employee	People and Culture (Strategic Report; Social Sustainability)
404-2 Programmes for upgrading employee skills and transition assistance programmes	People and Culture and Occupational health and safety (Strategic Report; Social Sustainability) Asset Management (Strategic Report) Atlantica has upgrading skills training programmes for its employees. We do not have transition assistance programmes resulting from retirement or termination of employment

404-3 Percentage of employees receiving regular performance and career development reviews	People and Culture (Strategic Report; Social Sustainability) Annual performance appraisal for 100% of our employees.

GRI 405: Diversity and Equal Opportunity 2016	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) People and Culture (Strategic Report; Social Sustainability) Diversity and Inclusion Policy available on our website
405-1 Diversity of governance bodies and employees	People and Culture (Strategic Report; Social Sustainability)
405-2 Ratio of basic salary and remuneration of women to men	People and Culture (Strategic Report; Social Sustainability)

GRI 406: Non-discrimination 2016	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) People and Culture (Strategic Report; Social Sustainability) Business ethics (Governance Section) Code of Conduct available on our website
406-1 Incidents of discrimination and corrective actions taken	People and Culture (Strategic Report; Social Sustainability) In 2022 we did not receive any communication with respect to incidents relating to potential situations of discrimination

GRI 407: Freedom of Association and Collective Bargaining 2016	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Human Rights and People and Culture (Strategic Report; Social Sustainability) Business ethics (Governance Section) Code of conduct and supplier code of conduct available on our website
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights and Anti-Slavery and Human Trafficking Statement (Strategic Report; Social Sustainability) Section 172 Statement (Strategic Report) Business ethics (Governance Section)

GRI 408: Child Labour 2016	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Business ethics (Governance Section) Code of Conduct and Supplier Code of Conduct available on our website
408-1 Operations and suppliers at significant risk for incidents of child labour	Human Rights and Anti-Slavery and Human Trafficking Statement (Strategic Report; Social Sustainability) Section 172 Statement (Strategic Report) Business ethics (Governance Section)

GRI 409: Forced or Compulsory Labour 2016	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Business ethics (Governance Section), Code of Conduct and Supplier Code of Conduct available on our website.
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Human Rights and Anti-Slavery and Human Trafficking Statement (Strategic Report; Social Sustainability) Section 172 Statement (Strategic Report) Business ethics (Governance Section)

GRI 411 Rights Of Indigenous People 2016	

3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Local Communities (Strategic Report; Social Sustainability)
411- 1 Incidents of violations involving rights of Indigenous peoples	No substantial incidents of violations involving the rights of Indigenous people have been registered in 2022, 2021 and 2020
GRI 413: Local Communities 2016	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Local Communities (Strategic Report; Social Sustainability)
413-1 Operations with local community engagement, impact assessments, and development programmes	Local Communities (Strategic Report; Social Sustainability) Partially disclosed: Information unavailable
413-2 Operations with significant actual and potential negative impacts on local communities	Given the nature of our business, we do not believe that our operations trigger significant damage to local communities.
GRI 415: Public Policy 2016	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Business ethics (Governance Section)
415-1 Political contributions	In 2022, 2021 and 2020 Atlantica nor any of its subsidiaries made any financial or in-kind political contributions to political campaigns, political organisations, lobbyists or lobbying organisations, trade associations with political impact nor other tax-exempt groups, whether directly or indirectly.
GRI 416: Customer Health and Safety 2016	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Occupational health and safety (Strategic Report; Social Sustainability)
416-1 Assessment of the health and safety impacts of product and service categories	Occupational health and safety (Strategic Report; Social Sustainability)
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	We have not identified any non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services in 2022, 2021 nor 2020.
GRI 418 Customer Privacy 2016	
3-3 Management of material topics	ESG Materiality Analysis (Strategic Report) Business ethics (Governance Section)
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and Data Privacy (Strategic Report)

Sustainability Accounting Standards Board (SASB) Index

We are a sustainable infrastructure company with a majority of our business in renewable energy assets. We complement our portfolio of renewable assets with storage, efficient natural gas and transmission infrastructure assets, as enablers of the transition towards a clean energy mix. We are also present in water infrastructure assets, a sector at the core of sustainable development.

We provide the Electric Utilities and Power Generation SASB. In addition, given that Atlantica's activity does not correspond exactly to the activity of an electric utility, we have included certain references to the Solar Technology Developers SASB, which are applicable to Atlantica.

1) Sustainability Disclosure Topics and Accounting Metrics Electric Utilities and Power Generation (Version 2018 – 10)

Topic	SASB code	Accounting metric	Section
Greenhouse emissions and energy resource planning	IF-EU-110a.1	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability)
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	Not applicable. Atlantica does not deliver power to retail customers
	IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability)
	IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfilment of RPS target by market	Not applicable. Atlantica is not a utility company, and our customers are not subject to renewable portfolio standards.
Air quality	IF-EU-120a.1	Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) particulate matter (PM_{10}), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability): Non-GHG emissions
Water management	IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Water Management (Strategic Report; Environmental Sustainability)
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	No significant incidents or non-compliances were registered during the reporting period
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water Management (Strategic Report; Environmental Sustainability): Risk assessment
Coal ash management	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	Not applicable. Atlantica does not use coal in its operations
	IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Not applicable. Atlantica does not use coal in its operations
Energy affordability	IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Not applicable. Atlantica does not sell energy to retail customers

Topic	SASB code	Accounting metric	Section
	IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Not applicable. Atlantica does not sell energy to retail customers
	IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Not applicable. Atlantica does not sell energy to retail customers
	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Not applicable. Atlantica does not sell energy to retail customers
Workforce health and safety	IF-EU-320a.1	(1) Total recordable injury rate (TRIR), (2) fatality rate, and (3) Near Misses, Unsafe Acts and Unsafe Conditions Frequency Rate (NMFR)	Occupational health and safety (Strategic Report; Social Sustainability)
End-use efficiency and demand	IF-EU-420a.1	Percentage of electric utility revenue from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Not Applicable. Atlantica does not sell electricity to retail customers. Atlantica does not sell electricity under rate base note. Atlantica does not do distribution, it does not use smart grid technology
	IF-EU-420a.2	Percentage of electric load served by smart grid technology	Not Applicable. Atlantica does not sell electricity to retail customers. Atlantica does not sell electricity under rate base note. Atlantica does not do distribution, it does not use smart grid technology
	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	Not Applicable. Atlantica does not sell electricity to retail customers. Atlantica does not sell electricity under rate base note. Atlantica does not do distribution, it does not use smart grid technology
Nuclear safety and emergency management	IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Not applicable. Atlantica does not have any nuclear asset
	IF-EU-520a.2	Description of efforts to manage nuclear safety and emergency preparedness	Not applicable. Atlantica does not have any nuclear asset
Grid Resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Not applicable
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Not applicable

2) Activity Metrics of the Electric Utilities and Power Generation.

Activity metric	SASB code	Section
Number of: (1) residential, (2) commercial, and (3) industrial customers served	IF-EU-000.A	We have a total of 47 offtakers

Activity metric	SASB code	Section
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	IF-EU-000.B	The electricity we produce is not delivered to final customers. We deliver electricity to utilities (for example APS and PG&E) and to the grid in Spain, where payments are regulated. For additional information we refer to: Our Sustainable Business Model and Strategy (Strategic Report) A Fair Review of the Business (Strategic Report) Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability): Energy management
Length of transmission and distribution lines	IF-EU-000.C	Atlantica in Two Minutes (Strategic Report) A Fair Review of the Business (Strategic Report)
Total electricity generated, percentage by major energy source, percentage in regulated markets	IF-EU-000.D	A Fair Review of the Business (Strategic Report) Greenhouse Gas Emissions (Strategic Report; Environmental Sustainability): Energy Management Form 20-F submitted to the U.S. Securities Exchange Commission
Total wholesale electricity purchased	IF-EU-000.E	Not Applicable

3) Applicable Sustainability Disclosure Topics and Accounting Metrics from Solar Technology Developers (Version 2018-10).

Topic	SASB code	Accounting metric	Section
Water Management in Manufacturing	RR-ST-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Water Management (Strategic Report; Environmental Sustainability)
	RR-ST-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water Management (Strategic Report; Environmental Sustainability)
Hazardous Waste Management	RR-ST-150a.1	Amount of hazardous waste generated percentage recycled	Waste Management (Strategic Report; Environmental Sustainability)
	RR-ST-150a.2	Number and aggregate quantity of reportable spills, quantity recovered	Waste Management (Strategic Report; Environmental Sustainability)

Environmental, Social and Other Key Performance Indicators

		Units	2022	2021	2020
Portfolio	Renewable Energy	MW	2,161	2,044	1,551
	Efficient natural gas	MW	343	343	343
	District heating	MWt	55	55	-
	Transmission lines	miles	1,229	1,166	1,166
	Water desalination	M ft^3	17.5	17.5	17.5
	Number of assets	#	41	38	27
Targets	GHG reduction objective approved by the Science Based Target (SBTi)[1]		✓	✓	-
	Maintain over 80% of Adjusted EBITDA generated from low-carbon footprint assets		✓	✓	✓
Key Performance Indicators	Revenue	$ in millions	1,102	1,212	1,013
	Adjusted EBITDA	$ in millions	797	824	796
	Cash Available for Distribution (CAFD)	$ in millions	238	226	201
	Dividends per share paid	amount in dollars	1.77	1.72	1.66

Environmental Dimension

Installed Capacity in Generation Assets, MW	Renewable Energy	MW	84%	84%	82%
	Efficient Natural Gas and Heat	MW	16%	16%	18%
GHG Emissions Avoided	Total Atlantica	Million Tonnes of CO_2	6.9	5.9	5.4
Atlantica's GHG emission rate per unit of energy generated vs. Fossil Fuel-Based Generation GHG emission rate per unit of energy generated Ratio	Scopes 1 and 2 GHG Emissions Rate per Unit of Energy Generated	gCO_2/kWh	168	185	188
	Electricity-related emissions factor (AVERT)	gCO_2/kWh	709	709	709
GHG Emissions Generated by Source	Efficient natural gas	%	71%	75%	86%
	Others	%	29%	25%	14%
GHG Emissions by Scope Including Offset GHG emissions	Scope 1	000´s tonnes of	1,524	1,535	1,537
	Scope 2	000´s tonnes of	249	237	199
	Scope 3	000´s tonnes of	814	798	821
	Total	000´s tonnes of	2,587	2,570	2,557
GHG Emissions Breakdown by Scope	Scope 1	000´s tonnes of	1,844	1,795	1,737
	Scope 2	000´s tonnes of	249	237	199
	Scope 3	000´s tonnes of	814	798	821
	Total	000´s tonnes of	2,907	2,830	2,757
ISO 14064-1 Category 3 GHG Protocol Category 3, 4, 6 and 7	Indirect GHG Emissions from transportation	000´s tonnes of	636	636	-
ISO 14064-1 Category 4 GHG Protocol Category 1, 2, 5 and 8	Indirect GHG Emissions from products used by the organisation	000´s tonnes of	79	69	-
ISO 14064-1 Category 5 GHG Protocol Category 15	Indirect GHG Emissions associated with the use of products from the organisation	000´s tonnes of CO_2e	99	93	-
	Total	000´s tonnes of	**814**	**798**	-

GHG Scope 1 Emissions by Gas:

		Units	2022	2021	2020
Fuel Consumption (Stationary)	CO_2	Tonnes	1,500,873	1,532,246	1,725,666
	CH_4	Tonnes	27	27	31
	N_2O	Tonnes	3	3	3
	CO_2e	Tonnes	1,502,347	1,533,739	1,727,345
Fuel Consumption (Mobile)	CO_2	Tonnes	2,351	1,692	699
	CH_4	Tonnes	0.1	0.1	1
	N_2O	Tonnes	0.2	0.1	-
	CO_2e	Tonnes	2,407	1,725	763
Fugitive Emissions	CO_2	Tonnes	-	-	-
	CH_4	Tonnes	308	312	313
	N_2O	Tonnes	-	-	-
	CO_2e	Tonnes	8,637	8,742	8,758
Geothermal Steam	CO_2	Tonnes	330,779	250,530	-
	CH_4	Tonnes	-	-	-
	N_2O	Tonnes	-	-	-
	CO_2e	Tonnes	330,779	250,530	-
GHG Emissions Scope 1 (Tonnes)	CO_2	Tonnes	1,834,003	1,784,467	1,726,365
	CH_4	Tonnes	335	9,512	9,641
	N_2O	Tonnes	3	758	859
	CO_2e	Tonnes	1,844,170	1,794,737	1,736,866
GHG Scope 2 Emissions by Gas Electricity Consumption	CO_2	Tonnes	249,228	236,711	199,127
	CH_4	Tonnes	-	-	-
	N_2O	Tonnes	-	-	-
	CO_2e	Tonnes	249,228	236,711	199,127
Volatile Organic Compounds (COV), Hazardous Air Pollutants (HAP), Particulate Matter (PM)	COV	Tonnes	192.0	192.0	192.0
	HAP	Tonnes	50.3	50.4	56.6
	PM	Tonnes	4.1	3.4	0.8
NO_x, SO_2 and CO Emissions	Mexico NO_x	Tonnes	546.7	493.8	534.8
	Spain NO_x	Tonnes	15.1	15.4	15.2
	Algeria	Tonnes	6.5	8.4	-
	Canada NO_x	Tonnes	1.6	1.2	-
	Total NO_x	Tonnes	**569.9**	**518.9**	**550.0**
	Mexico SO_2	Tonnes	-	-	-
	Spain SO_2	Tonnes	0.6	0.6	0.6
	Algeria	Tonnes	0.3	0.4	-
	Canada SO_2	Tonnes	-	-	-
	Total SO_2	Tonnes	**0.9**	**1.0**	**0.6**
	Mexico CO	Tonnes	333.2	328.1	385.1
	Spain CO	Tonnes	5.9	6.0	4.6
	Algeria	Tonnes	2.5	3.3	-
	Canada CO	Tonnes	9.5	7.3	-
	Total CO	Tonnes	**351.2**	**344.7**	**389.7**
Energy Consumption and Generation	Consumption of fuel	GWh	7,328	7,543	8,545
	Consumption of purchased electricity for own use	GWh	569	537	448
	Consumption of self-generated renewable energy	GWh	474	296	294
	Total Energy Consumption	**GWh**	**8,371**	**8,376**	**9,287**
	Electricity generation	GWh	7,818	6,889	5,815
	Thermal energy generated	GWh	4,616	4,092	4,463
	Total Energy Generated	**GWh**	**12,434**	**10,981**	**10,278**
	Total energy consumption within the organisation	GWh	(4,063)	(2,605)	(991)
	Consumption of fuel	GJ	26,382,560	27,154,122	30,762,477
	Consumption of purchased electricity for own use	GJ	2,047,646	1,934,588	1,613,834
	Consumption of self-generated renewable energy	GJ	1,706,458	1,065,636	1,056,989
	Total Energy Consumption	**GJ**	**30,136,664**	**30,154,346**	**33,433,299**
	Electricity generation	GJ	28,143,208	24,802,161	20,944,589
	Thermal energy generated	GJ	16,617,490	14,732,304	16,068,100
	Total Net Energy Generated	**GJ**	**44,760,698**	**39,534,464**	**37,012,689**

		Units	2022	2021	2020
	Total energy consumption within the organisation	GJ	(14,624,033)	(9,380,119)	(3,579,390)
Energy Intensity Ratio	Energy Intensity Ratio from non-renewable assets		0.33	0.24	0.09
Water Withdrawal	m^3 water withdrawal	m^3	17.7	17.3	16.0
Available Water Not Used		%	44%	43%	51%
Water Withdrawal by Sources of Water	Ground Water m^3 water withdrawal	million m^3	5.8	5.5	5.6
	Surface Water m^3 water withdrawal	Million m^3	11.9	11.8	10.4
	Public Network m^3 water withdrawal	Million m^3	-	-	-
Water Discharges	Water discharges	million m^3	2.2	2.3	2.1
Water Withdrawal and Discharges	Withdrawal	m^3 / MWh	1.42	1.58	1.56
	Discharges	m^3 / MWh	0.17	0.21	0.21
Withdrawal by Water Source	Surface water	million m^3	6.3	6.9	5.1
	Groundwater	million m^3	5.8	5.5	5.6
	Third-party water	million m^3	5.6	4.9	5.3
	Produced water	million m^3	-	-	-
	Total power generation	million m^3	17.7	17.3	16.0
Discharge by Water Source	Surface water	million m^3	1.9	2.2	2
	Groundwater	million m^3	0.2	0.2	0.2
	Third-party water	million m^3	-	-	-
	Produced water	million m^3	-	-	-
	Total power generation	million m^3	2.1	2.3	2.2
Consumption by Water Source (All Areas)	Surface water	million m^3	4.4	4.7	3.1
	Groundwater	million m^3	5.6	5.4	5.4
	Third-party water	million m^3	5.6	4.9	5.3
	Produced water	million m^3	-	-	-
	Total power generation	million m^3	15.6	15.0	13.8
Water Withdrawal, Desalinated Production and Discharges	Water (seawater) withdrawal	million m^3	280.1	284.7	211.0
	Desalinated potable water production	million m^3	123.3	115.7	92.3
	Water discharges (returned to the sea)	million m^3	156.8	169.0	118.7
Tonnes of Hazardous and Non-Hazardous Waste	Non-Hazardous Waste	Tonnes	23,142	22,238	20,532
	Hazardous Waste	Tonnes	1,908	2,664	2,679
Hazardous Waste	Reused or recycled	%	61%	30%	51%
	Disposed of in Landfills	%	39%	70%	49%
Hazardous Waste Diverted from Disposal	Preparation for reuse	Tonnes	101	47	69
	Recycling	Tonnes	131	36	2
	Other Recovery Operations	Tonnes	935	718	1,408
	Total	**Tonnes**	**1,167**	**800**	**1,478**
Hazardous Waste Directed to Disposal	Incineration	Tonnes	11	1	-
	Landfill	Tonnes	251	349	461
	Other Disposal Operations	Tonnes	479	1,515	739
	Total	**Tonnes**	**741**	**1,864**	**1,201**
Breakdown of Hazardous Waste by Composition	Waste linked to solar assets	Tonnes	1,647	2,156	-
	Other waste	Tonnes	261	508	-
	Total	**Tonnes**	**1,908**	**2,664**	**-**
Non-Hazardous Waste	Reused or recycled	%	64%	72%	61%
	Disposed of in Landfills	%	36%	28%	39%
Non-hazardous Waste Diverted from Disposal	Preparation for reuse	Tonnes	2,678	2,769	1,997
	Recycling	Tonnes	1,475	2,266	3,886
	Other Recovery Operations	Tonnes	10,721	11,005	6,679
	Total	**Tonnes**	**14,874**	**16,039**	**12,562**
Non-hazardous Waste Directed to Disposal	Incineration	Tonnes	-	-	-
	Landfill	Tonnes	7,837	6,124	7,971
	Other Disposal Operations	Tonnes	431	74	-
	Total	**Tonnes**	**8,268**	**6,198**	**7,971**
Breakdown of Non-hazardous Waste by Composition	Waste linked to solar assets	Tonnes	22,306	20,469	-
	Other waste	Tonnes	836	1,768	-
	Total	**Tonnes**	**23,142**	**22,237**	**-**

		Units	2022	2021	2020
Number of accidents by category, severity	Moderate	#	8	9	7
	High	#	0	1	2
Number of Spills		Litres	4,146	2,829	31,559
Fines and Penalties		USD '000S	1	7	65

Supply Chain Management

Suppliers Assessments	Internal pre-screening evaluation of new suppliers	%	100	100	100
	External supplier evaluation as a percentage of total annual operating expenses	%	~45	>51	>51

People And Culture

Number of Employees per Geography	North America	#	312	308	243
	South America	#	93	68	51
	EMEA	#	443	67	55
	Corporate	#	130	115	107
	Total	**#**	**978**	**558**	**456**
Employees by Employment Type and by Contract Type[55]	Full-Time	Male	785	417	333
		Female	193	141	123
		Total	**978**	**558**	**456**
	Part-time	Male	-	-	-
		Female	-	-	-
		Total	**-**	**-**	**-**
	Indefinite	Male	743	399	329
		Female	182	132	114
		Total	**925**	**531**	**443**
	Temporary	Male	42	18	4
		Female	11	9	9
		Total	**53**	**27**	**13**
	Indefinite	North America	311	308	243
		South America	60	51	41
		EMEA	429	63	159
		Corporate	125	109	-
		Total	**925**	**531**	**443**
	Temporary	North America	1	-	-
		South America	33	17	10
		EMEA	14	4	3
		Corporate	5	6	-
		Total	**53**	**27**	**13**
Number of Employees by Level	Management	#	13	13	14
	Middle Management	#	133	88	73
	Engineers and Graduates	#	264	178	150
	Assistants and professionals	#	49	34	23
	Asset Operations Employees	#	519	245	196
	Total	**#**	**978**	**558**	**456**
Number of Employees by Age	Less than 30	Male	117	64	50
		Female	35	26	24
	31-40	Male	321	158	126
		Female	82	59	48
	41-50	Male	217	111	90
		Female	60	43	41
	Over 51	Male	130	84	67
		Female	16	13	10

[55] Corporate employees included in EMEA in 2020.

		Units	2022	2021	2020
	Total	#	**978**	**558**	**456**
Average number of employees by geography	North America	#	306	296	237
	South America	#	87	61	46
	EMEA	#	360	61	54
	Corporate	#	121	109	104
	Total	#	**874**	**527**	**441**
Average number of employees by category	Management	#	13	13	14
	Middle Management	#	132	85	73
	Engineers and Graduates	#	234	162	142
	Assistants and professionals	#	46	27	21
	Asset Operations Employees	#	449	240	191
	Total	#	**874**	**527**	**441**
Average Number of employees by gender	Average number of employees by gender	Male	696	396	325
		Female	178	131	116
	Total	#	**874**	**527**	**441**
	Women at Atlantica	%	20%	25%	27%
Promoted employees by gender		Male	27	44	15
		Female	7	6	8
	Total	#	**34**	**50**	**23**
Parental leave		Male	28	19	14
		Female	8	11	7
	Total	#	**36**	**30**	**21**
Share of women by geography	North America	%	13%	14%	16%
	South America	%	26%	31%	33%
	EMEA	%	17%	40%	42%
	Corporate	%	41%	44%	42%
Share of women by level	Asset operation employees	%	6%	5%	8%
	Assistants and professionals	%	71%	76%	91%
	Engineers and graduates	%	37%	43%	43%
	Middle management	%	18%	26%	27%
	Management	%	23%	23%	21%
Share of women in all management positions, including junior, middle and top management	As % of total management positions	%	18%	26%	26%
Share of women in junior and middle management positions	As % of total junior and middle management positions	%	18%	26%	29%
Share of women in management positions in revenue-generating functions		%	17%	29%	23%
Share of women in STEM-related positions		%	8%	24%	23%
Share of entry level positions held by women		%	44%	58%	58%
Share of information technology workforce held by women		%	7%	8%	11%
Share of engineering workforce held by women		%	8%	26%	27%
Estimated people with disability considering available information		%	0.3%	0.4%	0.4%
Employee Turnover Rate	Employee voluntary turnover rate	%	12.8%	11.0%	7.5%
	Employee turnover rate without U.S.	%	9.7%	5.9%	2.7%
	Employee involuntary turnover rate	%	9.4%	5.9%	2.9%
	Employee total turnover rate	%	22.2%	16.9%	10.1%
Employee Turnover	<30	Male	38	13	11
		Female	10	2	3
	31-40	Male	58	25	10
		Female	14	7	2
	41-50	Male	44	13	7

		Units	2022	2021	2020
		Female	3	6	4
	>51	Male	25	18	9
		Female	2	5	-
	Total	**Male**	**165**	**69**	**37**
		Female	**29**	**20**	**9**
	North America	Male	62	54	31
		Female	8	13	3
	South America	Male	11	6	-
		Female	8	2	-
	EMEA	Male	86	2	2
		Female	7	-	1
	Corporate	Male	6	7	4
		Female	6	5	5
	Total	**Male**	**165**	**69**	**37**
		Female	**29**	**20**	**9**
Employees hired	<30	Male	57	21	18
		Female	19	9	11
	31-40	Male	63	36	20
		Female	14	12	5
	41-50	Male	34	14	12
		Female	5	6	3
	>51	Male	12	7	8
		Female	-	1	1
	Total	**Male**	**166**	**78**	**58**
		Female	**38**	**28**	**20**
	North America	Male	64	44	37
		Female	8	9	8
	South America	Male	33	15	3
		Female	11	4	5
	EMEA	Male	52	10	9
		Female	11	4	-
	Corporate	Male	17	9	9
		Female	8	11	7
	Total	**Male**	**166**	**78**	**58**
		Female	**38**	**28**	**20**
Percentage of open positions filled by internal candidates		%	28%	25%	24%
Total Training hours	Management	Hours	321	170	558
	Middle Management	Hours	3,724	2,689	2,636
	Engineers and Graduates	Hours	10,740	9,281	3,740
	Assistants and Professionals	Hours	1,189	413	321
	Asset Operations Employees	Hours	11,548	6,846	7,202
	Total	**Hours**	**27,521**	**19,399**	**14,457**
Total Average Hours of Training per Employee	Management	Hours	27	13	40
	Middle Management	Hours	31	32	36
	Engineers and Graduates	Hours	40	57	26
	Assistants and Professionals	Hours	26	15	13
	Asset Operations Employees	Hours	23	29	38
	Total	**Hours**	**29**	**37**	**33**
Average amount spent per employee on training and development		In thousands of USD	0.4	0.9	0.8
Gender Pay Gap	Management	%	18%	18%	23%
	Middle Management	%	16%	29%	29%
	Senior Engineers and Graduates	%	7%	15%	14%
	Engineers and Graduates	%	10%	8%	6%
	Assistants and Professionals	%	(14%)	(8%)	(33%)
	Asset Operation Employees	%	29%	10%	6%

		Units	2022	2021	2020
	Total	%	13%	26%	30%
Type of Philanthropic Activities	Charitable donations	% of total cost	3%	2%	16%
	Community Investments	% of total cost	97%	98%	84%
	Commercial Initiatives	% of total cost	-	-	-
	Total	%	**100%**	**100%**	**100%**
Philanthropic Contributions	Cash contributions	In millions of USD	1.1	1.0	1.0
	Time: employee volunteering during paid working hours	In millions of USD	-	-	-
	In-kind giving: product or services donations, projects/partnerships or similar	In millions of USD	0.4	0.3	0.2
	Total	In millions of USD	**1.5**	**1.3**	**1.2**

Health and Safety

Total Lost Time Frequency Index (LTFI)	Employees	per million of hours worked	1.0	1.9	0.0
	Subcontractors	per million of hours worked	4.2	2.4	2.0
	Total	**per million of hours worked**	**2.9**	**2.3**	**1.4**
Lost Time Frequency Index (LTFI) from our Assets in Operation	Employees	per million of hours worked	0.5	1.9	0.0
	Subcontractors	per million of hours worked	2.1	2.4	2.0
	Total	**per million of hours worked**	**1.4**	**2.3**	**1.4**
Lost Time Frequency Index (LTFI) from our Assets under Construction	Employees	per million of hours worked	8.0	0.0	0.0
	Subcontractors	per million of hours worked	14.5	0.0	0.0
	Total	**per million of hours worked**	**13.1**	**0.0**	**0.0**
Total Lost Time Injury Rate (LTIR)	Employees	per 200k hours worked	0.2	0.4	0.0
	Subcontractors	per 200k hours worked	0.8	0.5	0.4
	Total	**per 200k hours worked**	**0.6**	**0.5**	**0.3**
Lost Time Injury Rate (LTIR) from our Assets in Operation	Employees	per 200k hours	0.1	0.4	0.0
	Subcontractors	per 200k hours	0.4	0.5	0.4
	Total	**per 200k hours**	**0.3**	**0.5**	**0.3**
Lost Time Injury Rate (LTIR) from our Assets under Construction	Employees	per 200k hours	1.6	0.0	0.0

		Units	2022	2021	2020
	Subcontractors	per 200k hours	2.9	0.0	0.0
	Total	**per 200k hours**	**2.6**	**0.0**	**0.0**
Lost Time Frequency Index (LTIR) sector average vs. Atlantica	Sector Average	per million of hours worked	4.3	3.3	5.5
	Atlantica	per million of hours worked	2.9	2.3	1.4
Total Recordable Frequency Index (TRFI)	Employees	per million of hours worked	3.0	5.6	0.9
	Subcontractors	per million of hours worked	6.3	6.2	6.8
	Total	**per million of hours worked**	**5.0**	**6.0**	**5.0**
Total Recordable Frequency Index (TRFI) from our assets in operation	Employees	per million of hours worked	2.7	5.6	0.9
	Subcontractors	per million of hours worked	4.7	6.2	6.8
	Total	**per million of hours worked**	**3.8**	**6.0**	**5.0**
Total Recordable Frequency Index (TRFI) from our assets under construction	Employees	per million of hours worked	8.0	0.0	0.0
	Subcontractors	per million of hours worked	14.5	0.0	0.0
	Total	**per million of hours worked**	**13.1**	**0.0**	**0.0**
Total Recordable Incident Rate (TRIR)	Employees	per 200k hours worked	0.6	1.1	0.2
	Subcontractors	per 200k hours worked	1.3	1.2	1.4
	Total	**per 200k hours worked**	**1.0**	**1.2**	**1.0**
Total Recordable Incident Rate (TRIR) from our assets in operation	Employees	per 200k hours worked	0.5	1.1	0.2
	Subcontractors	per 200k hours worked	0.9	1.2	1.4
	Total	**per 200k hours worked**	**1.0**	**1.2**	**1.0**
Total Recordable Incident Rate (TRIR) from our assets under construction	Employees	per 200k hours worked	1.6	0.0	0.0
	Subcontractors	per 200k hours worked	2.9	0.0	0.0
	Total	**per 200k hours worked**	**2.6**	**0.0**	**0.0**
Total Recordable Frequency Index (TRFI) sector average vs. Atlantica	Sector Average	per million of hours worked	10.7	7.5	13

		Units	2022	2021	2020
	Atlantica	per million of hours worked	5.0	6	5.0
Total Recordable Deviations Index (TRDI)		per million of hours worked	1,198	1,540	1,200
Lost-day rate (LDR)	Employees	per 200k hours worked	14.1	4.1	0
	Subcontractors	per 200k hours worked	23.3	19.2	34.1
	Total	**per 200k hours worked**	**19.5**	**15.2**	**23.9**
Lost-day rate (LDR) From our assets in operations	Employees	per 200k hours worked	14.6	4.1	0.0
	Subcontractors	per 200k hours worked	21.0	19.2	34.1
	Total	**per 200k hours worked**	**18.2**	**15.2**	**23.9**
Lost-day rate (LDR) From our assets under construction	Employees	per 200k hours worked	8.0	0.0	0.0
	Subcontractors	per 200k hours worked	34.3	0.0	0.0
	Total	**per 200k hours worked**	**28.9**	**0.0**	**0.0**
Fatality Rate	Employees	#	0	0	0
	Subcontractors	#	0	0	0
	Total	#	**0**	**0**	**0**
Serious Accidents	Employees	#	0	0	0
	Subcontractors	#	0	0	0
	Total	#	**0**	**0**	**0**
Governance	Only one class of shares. No Special rights		✓	✓	✓
	% of independent directors	%	66	63	63
	Board committees only comprised of independent members		✓	✓	✓
	Ethnic minorities at Board level	%	22	25	25
	Women at Board level	%	22	25	25
	Board committees chaired by women	%	50	50	50
ESG Reporting	Global Reporting Initiative (GRI)		✓	✓	✓
	Sustainability Accounting Standards Board (SASB) (utilities + solar)		✓	✓	✓
	Task Force on Climate Change Financial Disclosure (TCFD)		✓	✓	✓

Forward-Looking Statements

This annual report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, strategies, future events or performance (often, but not always, through the use of words or phrases such as may result, are expected to, will continue, is anticipated, likely to, believe, will, could, should, would, estimated, may, plan, potential, future, projection, goals, target, outlook, predict, aim and intend or words of similar meaning) are not statements of historical facts and may be forward looking. Such statements occur throughout this annual report and include statements with respect to our expected trends and outlook, potential market and currency fluctuations, occurrence and effects of certain trigger and conversion events, our capital requirements, changes in market price of our shares, future regulatory requirements, the ability to identify and/or make future investments and acquisitions on favourable terms, ability to capture growth opportunities, reputational risks, divergence of interests between our company and that of our largest shareholder, tax and insurance implications, and more. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, important factors included in Part I, of Item 3.D. Risk Factors in our Annual Report on form 20-F filed with the SEC on March 1, 2023 (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could have a significant impact on our operations and financial results, and could cause our actual results, performance or achievements, to differ materially from the future results, performance or achievements expressed or implied in forward-looking statements made by us or on our behalf in this annual report, in presentations, on our website, in response to questions or otherwise. These forward-looking statements include, but are not limited to, statements relating to:

- The condition of, and changes in, the debt and equity capital markets and other traditional liquidity sources and our ability to borrow additional funds, refinance existing debt and access capital markets, as well as our substantial indebtedness and the possibility that we may incur additional indebtedness going forward;
- the ability of our counterparties, including Pemex, to satisfy their financial commitments or business obligations and our ability to seek new counterparties in a competitive market;
- government regulation, including compliance with regulatory and permit requirements and changes in market rules, rates, tariffs, environmental laws and policies affecting renewable energy, including the IRA and recent changes in regulation defining the remuneration of our solar assets in Spain;
- potential regulatory changes in Spain in relation to the proposed remuneration parameters for the year 2023 to be applicable to our solar assets in Spain published on December 28, 2022 in draft form and which are subject to final publication;
- changes in tax laws and regulations, including new taxes recently announced in Italy, Spain and the U.K.;
- risks relating to our activities in areas subject to economic, social and political uncertainties;

- global recession risks, volatility in the financial markets, a persistent inflationary environment, increases in interest rates and supply chain issues, and the related increases in prices of materials, labour, services and other costs and expenses required to operate our business;
- risks related to our ability to capture growth opportunities, develop, build and complete projects in time and within budget, including construction risks and risks associated with the arrangements with our joint venture partners;
- our ability to grow organically and inorganically, which depends on our ability to identify attractive development opportunities, attractive potential acquisitions, finance such opportunities and make new investments and acquisitions on favourable terms;
- risks relating to new assets and businesses which have a higher risk profile and our ability to transition these successfully;
- potential environmental liabilities and the cost and conditions of compliance with applicable environmental laws and regulations;
- risks related to our reliance on third-party contractors or suppliers, including issues with our O&M suppliers and their employees, among others, resulting from disagreements with subcontractors;
- risks related to disagreements and disputes with our employees, a union and employees represented by a union;
- risks related to our ability to maintain appropriate insurance over our assets;
- risks related to our facilities not performing as expected, unplanned outages, higher than expected operating costs and/ or capital expenditures, including as a result of interruptions or disruptions caused by supply chain issues and trade restrictions;
- risks related to our exposure in the labour market;
- risks related to extreme and chronic weather events related to climate change could damage our assets or result in significant liabilities and cause an increase in our operation and maintenance costs;
- the effects of litigation and other legal proceedings (including bankruptcy) against us our subsidiaries, our assets and our employees;
- price fluctuations, revocation and termination provisions in our off-take agreements and PPAs;
- risks related to information technology systems and cyber-attacks could significantly impact our operations and business;
- our electricity generation, our projections thereof and factors affecting production;
- risks related to our current or previous relationship with Abengoa, our former largest shareholder and currently one of our O&M suppliers, including bankruptcy and reputational risk and particularly the potential impact of Abengoa's insolvency filing and liquidation process, as well as litigation risk;
- the termination of certain O&M agreements with Abengoa and performing the O&M services directly and the successful integration of the O&M employees where the services thereunder have been recently replaced and internalised;
- our guidance targets or expectations with respect to Adjusted EBITDA derived from low-carbon footprint assets;
- risks related to our relationship with our shareholders, including Algonquin, our major shareholder;

- the process to explore and evaluate potential strategic alternatives, including the risk that this process may not lead to the approval or completion of any transaction or other strategic change;
- potential impact of the continuance of the COVID-19 pandemic on our business and our off-takers', financial condition, results of operations and cash flows;
- reputational and financial damage caused by our off-takers PG&E, Pemex and Eskom;
- our plans relating to our financings, including refinancing plans;
- risks related to Russian military actions in Ukraine and across global geopolitical tensions; and
- other factors discussed under "Risk Factors".

Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances, including, but not limited to, unanticipated events, after the date on which such statement is made, unless otherwise required by law. New factors emerge from time to time and it is not possible for management to predict all of these factors, nor can it assess the impact of each of these factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained or implied in any forward-looking statement.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTICA SUSTAINABLE INFRASTRUCTURE PLC

Opinion

In our opinion:

- Atlantica Sustainable Infrastructure plc's Group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Atlantica Sustainable Infrastructure plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise:

Group	**Parent company**
Consolidated balance sheet as at 31 December 2022	Balance sheet as at 31 December 2022
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Related notes 1 to 10 to the financial statements including a summary of significant accounting policies
Consolidated statement of changes in equity for the year then ended	
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 27 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and parent company's ability to continue to adopt the going concern basis of accounting included:

- We performed a walkthrough of the Group's financial close process to confirm our understanding of management's going concern assessment process. From this walkthrough, we obtained an understanding of management's financing structure and associated consideration of forecast activity that includes that at the corporate level and that at the project or operating company level. The finance secured by the projects is non-recourse to the Group.
  - The corporate level forecast incorporates the cash flows from the Parent and all holding and investment entities within the Group, as well as cash forecast to be distributed as dividends from the operating subsidiaries.
  - At the project level cash available for distribution is forecast after the servicing of project level debt and the maintenance of restricted cash required under these facilities.
- We performed an independent risk assessment on going concern to identify potential risks to the liquidity of the Group in order to determine whether management's process had identified all the appropriate risks.
- We obtained management's going concern assessment, which includes the forecast of corporate level cashflows, including the servicing of corporate level debt, and forecast cash available for distribution from the projects over the going concern period which covers the 13 month period to 31 March 2024.
- We assessed the adequacy of the going concern assessment period to 31 March 2024, considering whether any events or conditions foreseeable after the period indicated a longer review period would be appropriate.

- We confirmed the appropriateness of the method used in management's forecasts supporting the going concern assessment and checked its clerical accuracy.
- We have performed the following procedures over the forecasts at a project level:
- o We instructed component teams to inspect the terms of financing agreements to understand the structure of the project finance debt. We confirmed that the project debt was non-recourse to the Group.
  - o For significant components, we agreed the debt maturity profiles for project debt, including the upcoming repayment profiles, to the terms of the signed agreements with the debt providers and we also obtained confirmation from debtholders on the amounts due.
  - o We obtained management's assessment of the forecast EBITDA from projects for the going concern period. We assessed management's conclusion that related EBITDA and associated cash available for distribution were stable and predictable as they are determined by the off-take agreements or regulation in place at the Company's portfolio of projects.
  - o We assessed the reasonableness of the project forecasts of EBITDA by analysing these against their actual performance in the current and prior year.
  - o We tested management's forecasting accuracy by comparing the current year actual production volumes and EBITDA of the assets to their respective budgets, understanding any significant deviations.
  - o We assessed whether the projects were generating sufficient cashflows to fulfil their financial commitments and also allow cash distributions. This considered the projects' opening cash balances, forecast EBITDA and debt service requirements.
  - o We recalculated a sample of the forecast covenant ratios, in the going concern period to ensure that covenant testing had been performed correctly in accordance with the Group's agreements with debtholders.
- We have performed the following procedures over the corporate level forecast:
  - o We agreed the debt maturity profiles for corporate debt, including the upcoming repayment profiles, to the terms of signed agreements and we also obtained confirmation from debtholders on the amounts due.
  - o We recalculated the forecasted covenant ratios of the corporate debt in the going concern period to ensure that covenant testing had been performed correctly in accordance with the relevant agreements with debtholders.
  - o We assessed the corporate cash flow forecast and considered the appropriateness of the key assumptions used to calculate it, including the forecast distributions from the Group's projects, as above.
- We assessed the Board's conclusion that the Company's downside scenario was highly unlikely. We considered this in the context of the predictability and stability of project level cash flow generation, the amount of restricted cash held by the projects to satisfy the customary requirements under related debt, and the ringfenced nature of the project level debt facilities.

- We performed reverse stress testing to determine the minimum level of EBITDA required to allow the level of cash distribution required to meet the corporate debt covenants, whilst fulfilling the Group's financial commitments during the going concern period. We assessed whether the probability of the Group being unable to achieve such minimum level of EBITDA was remote considering the nature of the Group's cash flow generation, historical performance and diversification of the Group's assets.
- We considered the nature and extent of mitigating actions within the Board's control that could be implemented to prevent or mitigate any cash shortfall during the going concern period.
- We read the Group's going concern disclosures included in the annual report to assess whether the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent company's ability to continue as a going concern for a period of 13 months. In forming our conclusion, we noted the significant nature of the Group's cashflows as being substantially stable and regulated, the diversification by geography and business sector of the Group's projects and the non-recourse nature of project level financing.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and parent company's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of 22 components and audit procedures on specific balances for a further 13 components (6 specific scope components and 7 components to perform specified procedures). • The components where we performed full or specific audit procedures accounted for 89% of the Group's Earnings before interest, taxes, depreciation and amortisation (EBITDA), 85% of the Group's Revenue and 84% of the Group's Total assets.
Key audit matters	• Recoverability assessment of contracted concessional, property, plant and equipment ("PP&E") and other intangible assets
Materiality	• Group materiality of $21 million which represents 2.75% of the Group's EBITDA.

An overview of the scope of the parent and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group wide controls, changes in the business environment, the potential impact of climate and other factors such as recent internal audit results when assessing the level of work to be performed at each company.

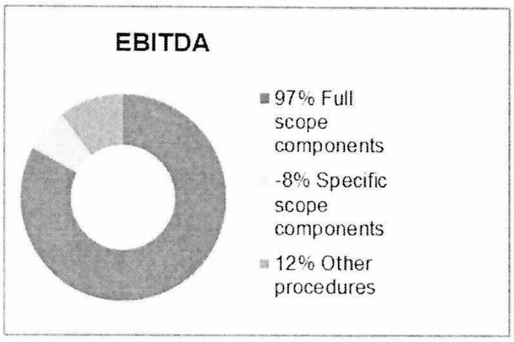
In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 103 reporting components of the Group, we selected 28 components covering entities within Spain, Mexico, USA, Peru, South Africa, UK and Luxembourg, which represent the principal business units within the Group.

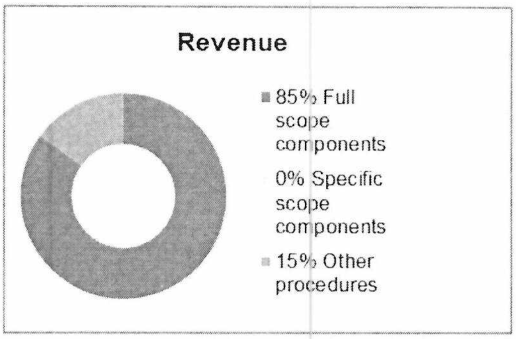
Of the 35 components selected, we performed an audit of the complete financial information of 22 component ("full scope components") which were selected based on their size or risk characteristics. For the remaining 6 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

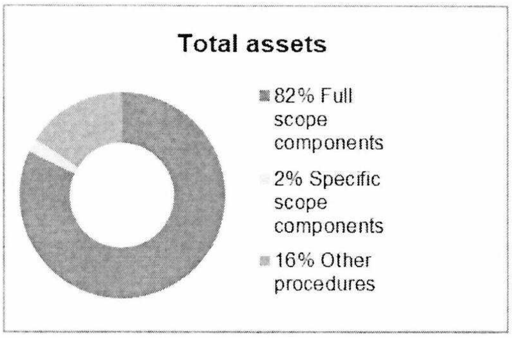
The reporting components where we performed audit procedures accounted for 89% (2021: 90%) of the Group's EBITDA, 85% (2021: 82%) of the Group's Revenue and 84% (2021: 87%) of the Group's Total assets. For the current year, the full scope components contributed 97% (2021: 50%) of the Group's EBITDA, 85% (2021: 40%) of the Group's Revenue and 82% (2021: 43%) of the Group's Total assets. The specific scope components contributed to -8% (2021: 40%) of the Group's EBITDA, 0% (2021: 42%) of the Group's Revenue and 2% (2021: 44%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group. We also instructed 7 other components to perform specified procedures designed by the Group audit team in response to specific risk factors and in order to ensure that, at the overall Group level, we reduced and appropriately covered the residual risk of error.

Of the remaining 75 components that together represent 12% of the Group's EBITDA, none are individually greater than 2.75% of the Group's EBITDA. For these components, we performed other procedures, including analytical review, testing of cash balances, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

The charts below illustrate the coverage obtained from the work performed by our audit teams.







Changes from the prior year

In the current year audit, we have added 17 full scope components which were previously specific scope components, removed 1 specified scope component and added 1 specified procedures component. This has driven the significant increase in coverage from full scope components as seen in the chart above.

Integrated team structure

Atlantica Sustainable Infrastructure Plc is a company incorporated in the UK with its headquarters based in Spain. Therefore, the primary audit team includes members from both the UK and Spain audit teams. Members of the primary audit team in both jurisdictions worked together as an integrated team. The overall audit strategy is led by the UK Senior Statutory Auditor, Jessy Maguhn, and the Spanish Senior Auditor, Ambrosio Arroyo Fernandez-Rañada. During the current year's audit cycle, a visit was undertaken by the UK Senior Statutory Auditor to the Spanish primary audit team members in Spain. The visit involved discussing the audit approach with the Spanish primary audit team members and any issues arising from the audit work, attending component closing meetings, discussing relevant audit working papers on risk areas and attending meetings with management. The UK primary audit team members interacted regularly with the Spanish primary audit team members throughout the audit and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed by the UK primary audit team members, gave us appropriate evidence for our opinion on the Group financial statements.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. The primary audit team performed centralised procedures across the entire Group. Of the six specific scope components, audit procedures were performed on one of these directly by the primary audit team. For all full scope components and the other five specific scope components, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

During the current year's audit cycle, visits were undertaken by the Spanish members of the primary audit team to component teams in the US and Spain. The UK members of the primary audit team and the UK Senior Statutory Auditor also visited the Spain component team. These visits involved discussing the audit approach with the component team and any issues arising from their work and reviewing key audit working papers. The primary audit team interacted regularly with all component teams where appropriate during various stages of the audit, were responsible for the scope and direction of the audit process, attended closing meetings and reviewed key working papers. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact Atlantica Sustainable Infrastructure plc. The Group has determined that the most significant future impacts from climate change on their strategy and operations will be from changes in weather patterns and consequential damage to physical assets as a result of failing to respond to these risks. These are explained on pages 96 to 106 in the Task Force for Climate related Financial Disclosures (TCFD) and on pages 71 to 74 in the principal risks and uncertainties. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

As explained in Note 2 to the Consolidated Financial Statements and the TCFD, the operational responses to climate change risks are still developing, and consequently financial statements cannot capture all possible future outcomes as these are not yet known. The degree of certainty of these changes may also mean that they cannot be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of UK adopted International Accounting Standards.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, and on ensuring that the effects of material climate risks disclosed on pages 71 to 74 have been appropriately considered when assessing whether assets and liabilities were susceptible to material changes in measurement as a result of climate risks and opportunities.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures. Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Recoverability assessment of contracted concessional, PP&E and other intangible assets ($7,483 million value of risk, PY comparative $8,021 million) Refer to the Audit Committee Report (page 217); Accounting policies (Note 2 of the Consolidated Financial Statements page 316); and Note 6 of the Consolidated Financial Statements (page 346). As described in Note 6 to the consolidated financial statements, the Group has recorded "Contracted concessional, PP&E and other intangible assets" of $7,483 million at December 31, 2022. Revenue derived from the Group's contracted concessional, PP&E and other intangible assets are mainly governed by power purchase agreements ("PPAs") with the Group's customers or by applicable energy regulation of each country. As described in Note 2 to the consolidated financial statements, the management reviews its contracted concessional assets, PP&E and other intangible assets for impairment indicators whenever events or changes in circumstances indicate that the carrying amounts of the assets or Group of assets may not be recoverable, or previous impairment losses are no longer adequate. As discussed in Note 6, management identified indicators of impairment at the US Solana asset and at two Chilean assets (Chile PV1 and Chile PV2) and as a result, a $61 million impairment charge has been recorded in 2022 ($43 million in 2021).	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Group's contracted concessional, PP&E and other intangible assets recoverability assessment process. Among others, we tested controls over management's identification of potential impairment indicators, as well as controls over the determination of significant assumptions used in the impairment calculation, including, the discount rates and underlying projections used in the management's impairment assessment. To test the Group's impairment indicators assessment for contracted concessional, PP&E and other intangible assets, our audit procedures included, among others, comparing actual energy production versus budget and assessing the effects of any identified changes to regulation or future market prices estimations impacting determined company assets. For impairment tests carried out during the current year, we have evaluated the design and we tested the operating effectiveness of controls over the current year impairment calculation, including management's review of the significant assumptions used. As part of our audit procedures, we assessed the appropriateness of the main inputs used in the cash flow projections, including estimated performance of the assets, prices and costs. For the discount rate, we involved our valuation specialists to assist us in calculating and developing a range of discount rates, which we compared to those used by the	Based on the audit procedures performed, we conclude that the review of the impairment indicators assessment performed by management is appropriate. For US Solana Asset and two Chilean assets, the impairment charges were identified by management and recorded for $61 million. Based on the evidence obtained and the audit procedures performed, we consider that the impairment charge is fairly stated. We conclude that the related disclosures as per IAS 36 and IAS 1 are appropriately presented in the financial statements.

Auditing the Company's recoverability assessment of contracted concessional, PP&E and other intangible assets involves significant judgment in determining whether impairment indicator existed and, if an indicator exists, in the assumptions used by management in the determination if an impairment should be recorded or reversed. The main inputs considered when evaluating for impairment indicators include the performance of the plants versus budget, changes in applicable regulations and estimates on the future electricity prices. The significant assumptions which required substantial judgement or estimation used in management's impairment calculation are discount rates and projections considering real data based on contract terms and projected changes in both selling prices and costs.	Company. We assessed the adequacy of the related disclosures in the Company's consolidated financial statements, including the sensitivity analyses on the energy production, market prices and discount rate assumptions. The above audit procedures over this risk area, covering 100% of the amount at risk, were performed by the primary audit team.	

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be $21 million (2021: $21 million), which is 2.75% (2021: 2.5%) of EBITDA. We believe that EBITDA is an earnings-based measure that is significant to users of the financial statements. This is considered to be a critical measure for users of the financial statements, given the focus on this metric by the Group's shareholders, investors and external lenders.

We determined materiality for the Parent Company to be $20 million (2021: $30 million), which is which is 1.75% (2021: 2%) of Equity. We consider equity to be an appropriate basis for materiality for a holding company, as the users of the financial statements focus on a capital-based measure.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2021: 75%) of our planning materiality, namely $16 million (2021: $16 million). We have set performance materiality at this percentage having considered the nature, the number and the impact of audit differences identified in 2021 as well as the overall control environment.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was $2 million to $6 million (2021: $2 million to $5 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $1m (2021: $1m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 288, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 249, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK adopted International Accounting Standards, FRS 101 and the Companies Act 2006), the relevant tax compliance regulations in the jurisdictions in which the Group operates, Anti-Money Laundering Regulation and General Data Protection Regulation. In addition, the Group is subject to the laws and regulations set forth by both the Securities and Exchange Commission ("SEC") and the National Association of Securities Automated Quotations ("NASDAQ"). Also, the Group operates in a number of regulated markets; it is subject to extensive regulations from the national regulatory authorities in the jurisdictions it operates in, as well as additional regulations at a state, regional and local level in certain countries, including Spain, Mexico, USA Peru, South Africa, Uruguay and Luxembourg.
- We understood how Atlantica Sustainable Infrastructure plc is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes, papers provided to the Audit Committee and correspondence received from regulatory or licensing authorities. We noted that there was no contradictory evidence.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts. Where the risk was considered to be higher, we performed audit procedures to address each identified as a fraud risk. These procedures included performing substantive testing procedures over revenue recognition, testing manual journals and involving our internal specialists to review key management

estimates (such as the recoverability assessment of contracted concessional, PP&E and other intangible assets and fair value estimates). These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of board minutes to identify any non-compliance, a review of reporting to the Audit Committee on compliance with regulations and enquiries with management, internal audit and the legal and compliance department.
- The Group owns and manages renewable energy, efficient natural gas, transmission and transportation infrastructure and water assets which operate in a regulated environment. We have obtained an understanding of the regulations and the potential impact of these on the Group. In assessing the control environment, we have considered the compliance of the Group with these regulations as part of our audit procedures, which included a review of correspondence received from the regulators where this was received. In addition, revenues derived from the Group's contracted concessional assets are governed by power purchase agreements ("PPAs") with the Group's customers or with regulators. We have agreed the conditions and prices applied per the contracts to the revenues.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Jessy Maguhn (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

3 March 2023

Consolidated Financial Statements

Consolidated Income Statement

Amounts in thousands of U.S. dollars	Note (1)	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue	4	1,102,029	1,211,749
Other operating income	20	80,782	74,670
Employee benefit expenses	24	(80,232)	(78,758)
Depreciation, amortization, and impairment charges	6	(473,638)	(439,441)
Other operating expenses	20	(351,248)	(414,330)
Operating profit		**277,693**	**353,890**
Financial income	21	5,569	2,755
Financial expense	21	(333,263)	(361,270)
Net exchange differences	21	10,257	1,873
Other financial income, net	21	6,503	15,750
Financial expense, net		**(310,934)**	**(340,892)**
Share of profit of entities carried under the equity method	7	21,465	12,304
Profit/(loss) before income tax		**(11,776)**	**25,302**
Income tax (expense)/income	18	9,689	(36,220)
Profit/(loss) for the year		**(2,087)**	**(10,918)**
Profit attributable to non-controlling interests		(3,356)	(19,162)
Profit/(loss) for the year attributable to owners of the Company		**(5,443)**	**(30,080)**
Weighted average number of ordinary shares outstanding (thousands) – basic	22	114,695	111,008
Weighted average number of ordinary shares outstanding (thousands) – diluted	22	118,501	114,523
Basic earnings per share (U.S. dollar per share)	22	(0.05)	(0.27)
Diluted earnings per share (U.S. dollar per share) (*)	22	(0.05)	(0.27)

(*) The potential ordinary shares related to the Green Exchangeable Notes and the ATM program have not been considered in the calculation of diluted earnings per share for the years 2022 and 2021 as they have an antidilutive effect (Note 22).

(1) Notes 1 to 27 are an integral part of the consolidated financial statements

Consolidated Statement of Other Comprehensive Income

Amounts in thousands of U.S. dollars	Note (1)	Year Ended December 31, 2022	Year Ended December 31, 2021
Loss for the year		**(2,087)**	**(10,918)**
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of cash flow hedges		218,737	33,846
Less: reclassification adjustments for gains transferred to profit or loss	9	38,187	58,292
Exchange differences on translation of foreign operations		(33,704)	(41,956)
Income tax relating to items that may be reclassified subsequently to profit or loss		(63,952)	(23,712)
Other comprehensive income for the year net of tax		**159,268**	**26,470**
Total comprehensive income for the year		**157,181**	**15,552**
Total comprehensive income attributable to:			
Owners of the Company		142,568	966
Non-controlling interests		14,613	14,586

(1) Notes 1 to 27 are an integral part of the consolidated financial statements

Consolidated Balance Sheet

Amounts in thousands of U.S. dollars	Note (1)	As of December 31, 2022	As of December 31, 2021
Assets			
Non-current assets			
Contracted concessional, PP&E and other intangible assets	6	7,483,259	8,021,568
Investments carried under the equity method	7	260,031	294,581
Other accounts receivable	8	86,431	85,801
Derivative assets	9	89,806	10,807
Other financial assets	8	176,237	96,608
Deferred tax assets	18	149,656	172,268
Total non-current assets		**8,069,183**	**8,585,025**
Current assets			
Inventories		34,511	29,694
Trade and other receivables	11	200,334	307,143
Other financial assets	8	195,893	207,379
Cash and cash equivalents	12	600,990	622,689
Total current assets		**1,031,728**	**1,166,905**
Total assets		**9,100,911**	**9,751,930**
Equity			
Share capital	13	11,606	11,240
Share premium	13	986,594	872,011
Capital reserves	13	814,951	1,020,027
Other reserves	9	345,567	171,272
Accumulated currency translation reserve	13	(161,307)	(133,450)
Accumulated deficit	13	(397,540)	(398,701)
Equity attributable to the Company	13	1,599,871	1,542,399
Non-controlling interests	13	189,176	206,206
Total equity		**1,789,047**	**1,748,605**
Non-current liabilities			
Long-term corporate debt	14	1,000,503	995,190
Long-term project debt	15	4,226,518	4,387,674
Grants and other liabilities	16	1,252,513	1,263,744
Derivative liabilities	9	16,847	223,453
Deferred tax liabilities	18	296,481	308,859
Total non-current liabilities		**6,792,862**	**7,178,920**
Current liabilities			
Short-term corporate debt	14	16,697	27,881
Short-term project debt	15	326,534	648,519
Trade payables and other current liabilities	17	140,230	113,907
Income and other tax payables		35,541	34,098
Total current liabilities		**519,002**	**824,405**
Total equity and liabilities		**9,100,911**	**9,751,930**

1) Notes 1 to 27 are an integral part of the Consolidated Financial Statements

The consolidated financial statements of Atlantica Sustainable Infrastructure plc, company registration no. 08818211, were approved by the board of directors and authorised for issue on 28 February 2023.

They were signed on its behalf by:

Director and Chief Executive Officer	Chief Financial Officer
Santiago Seage	Francisco Martinez-Davis
February 28, 2023	February 28, 2023

Consolidated Statement of Changes in Equity

Amounts in thousands of U.S. dollars	**Share Capital**	**Share Premium**	**Capital Reserves**	**Other reserves**	**Accumulated currency translation differences**	**Accumulated deficit**	**Total equity attributable to the Company**	**Non-controlling interest**	**Total equity**
Balance as of January 1, 2022	**11,240**	**872,011**	**1,020,027**	**171,272**	**(133,450)**	**(398,701)**	**1,542,399**	**206,206**	**1,748,605**
Profit/(Loss) for the year after taxes	-	-	-	-	-	(5,443)	(5,443)	3,356	(2,087)
Change in fair value of cash flow hedges net of transfer to income statement	-	-	-	235,732	-	1,573	237,305	19,619	256,924
Currency translation differences	-	-	-	-	(27,857)	-	(27,857)	(5,847)	(33,704)
Tax effect	-	-	-	(61,437)	-	-	(61,437)	(2,515)	(63,952)
Other comprehensive income				174,295	(27,857)	1,573	148,011	11,257	159,268
Total comprehensive income	-	-	-	174,295	(27,857)	(3,870)	142,568	14,613	157,181
Capital increase (Note 13)	366	114,583	(1,970)	-	-	-	112,979		112,979
Business Combinations (Note 5)	-	-	-	-	-	-	-	14,300	14,300
Share-based compensation (Note 13)	-	-	-	-	-	5,031	5,031	-	5,031
Distributions (Note 13)			(203,106)				(203,106)	(45,943)	(249,049)
Balance as of December 31, 2022	**11,606**	**986,594**	**814,951**	**345,567**	**(161,307)**	**(397,540)**	**1,599,871**	**189,176**	**1,789,047**

Consolidated Statement of Changes in Equity

Amounts in thousands of U.S. dollars	Share Capital	Share Premium	Capital Reserves	Other reserves	Accumulated currency translation differences	Accumulated deficit	Total equity attributable to the Company	Non-controlling interest	Total equity
Balance as of January 1, 2021	**10,667**	**1,011,743**	**881,745**	**96,641**	**(99,925)**	**(373,489)**	**1,527,382**	**213,499**	**1,740,881**
Profit/(Loss) for the year after taxes	-	-	-	-	-	(30,080)	(30,080)	19,162	(10,918)
Change in fair value of cash flow hedges net of transfer to income statement	-	-	-	97,421	-	(10,060)	87,361	4,777	92,138
Currency translation differences	-	-	-	-	(33,525)	-	(33,525)	(8,431)	(41,956)
Tax effect	-	-	-	(22,790)	-	-	(22,790)	(922)	(23,712)
Other comprehensive income	-	-	-	74,631	(33,525)	(10,060)	31,046	(4,576)	26,470
Total comprehensive income	-	-	-	74,631	(33,525)	(40,140)	966	14,586	15,552
Capital increase (Note 13)	573	60,268	128,920	-	-	-	189,761	-	189,761
Reduction of Share Premium (Note 13)	-	(200,000)	200,000	-	-	-	-	-	-
Business Combinations (Note 5)	-	-	-	-	-	-	-	8,287	8,287
Share-based compensation (Note 13)	-	-	-	-	-	14,928	14,928	-	14,928
Distributions (Note 13)	-	-	(190,638)	-	-	-	(190,638)	(30,166)	(220,804)
Balance as of December 31, 2021	**11,240**	**872,011**	**1,020,027**	**171,272**	**(133,450)**	**(398,701)**	**1,542,399**	**206,206**	**1,748,605**

(1) Notes 1 to 27 are an integral part of the Consolidated Financial Statements

Consolidated Cash Flow Statement

Amounts in thousands of U.S. dollars	Note (1)	For the year ended 2022	2021
Profit/(loss) for the year		**(2,087)**	**(10,918)**
Non-monetary adjustments			
Depreciation, amortization and impairment charges	6	473,638	439,441
Financial expense	21	335,546	359,550
Fair value (gains)/losses on derivative financial instruments	21	(19,138)	(16,785)
Shares of (profits)/losses from entities carried under the equity method	7	(21,465)	(12,304)
Income tax	18	(9,689)	36,220
Other non-monetary items		27,996	55,809
Profit/(loss) for the year adjusted by non-monetary items		**784,801**	**851,013**
Changes in working capital			
Inventories		(6,955)	5,215
Trade and other receivables	11	99,249	48,521
Trade payables and other current liabilities	17	(6,158)	(25,782)
Other current assets/liabilities		(7,331)	(31,081)
Changes in working capital		**78,805**	**(3,127)**
Income tax paid		(14,730)	(51,684)
Interest received		9,178	2,519
Interest paid		(271,732)	(293,098)
Net cash provided by operating activities		**586,322**	**505,623**
Acquisitions of subsidiaries and entities under the equity method	5&7	(50,507)	(362,449)
Investments in operating concessional assets	6	(39,107)	(19,216)
Investments in assets under development or construction	6	(36,784)	(7,028)
Distribution from entities under the equity method		67,695	34,883
Other non-current assets		1,265	2,655
Net cash used in investing activities		**(57,438)**	**(351,155)**
Proceeds from project debt	15	-	14,560
Proceeds from corporate debt	14	101,140	429,014
Repayment of project debt	15	(426,396)	(418,265)
Repayment of corporate debt	14	(80,519)	(376,154)
Dividends paid to Company´s shareholders	13	(203,106)	(190,638)
Dividends paid to non-controlling interest	13	(39,209)	(28,134)
Capital increase	13	113,072	189,454
Net cash used in financing activities		**(535,018)**	**(380,163)**
Net increase / (decrease) in cash and cash equivalents		**(6,134)**	**(225,695)**
Cash and cash equivalents at beginning of the year	12	622,689	868,501
Translation differences cash and cash equivalents		(15,565)	(20,117)

Cash and cash equivalents at the end of the year	12	**600,990**	**622,689**

(1) Notes 1 to 27 are an integral part of the consolidated financial statements. Reference to such notes is indicated here to provide with additional information on the nature of some of the lines of the Consolidated cash flow statement.

Notes to the Consolidated Financial Statements

1. General information

Atlantica Sustainable Infrastructure plc ("Atlantica" or the "Company"), a Company registered in England and Wales and incorporated in the United Kingdom (Company registration no. 08818211), is a sustainable infrastructure company with a majority of its business in renewable energy assets. Atlantica currently owns, manages and invests in renewable energy, storage, efficient natural gas and heat, electric transmission lines and water assets focused on North America (the United States, Canada and Mexico), South America (Peru, Chile, Colombia and Uruguay) and EMEA (Spain, Italy, Algeria and South Africa).

Atlantica's shares trade on the NASDAQ Global Select Market under the symbol "AY".

On January 17, 2022, the Company closed the acquisition of Chile TL4, a 63-mile transmission line and 2 substations in Chile for a total equity investment of $38.4 million (Note 5). The Company expects to expand the transmission line in 2023-2024, which would represent an additional investment of approximately $8 million. The asset has fully contracted revenues in US dollars, with annual inflation adjustments and a 50-year remaining contract life. The off-takers are several mini-hydro plants that receive contracted or regulated payments.

On April 4, 2022, the Company closed the acquisition of Italy PV 4, a 3.6 MW solar portfolio in Italy for a total equity investment of $3.7 million (Note 5). The asset has regulated revenues under a feed in tariff until 2031.

On September 2, 2022, the Company completed its third investment through its Chilean renewable energy platform in a 73 MW solar PV plant, Chile PV 3, located in Chile, for $7.7 million corresponding to a 35% of equity interest (Note 5). The Company expects to install batteries with a capacity of approximately 100 MWh in 2023-2024. Total investment including batteries is expected to be in the range of $15 million to $25 million depending on the capital structure. Part of the asset´s revenue is currently based on capacity payments. Adding storage would increase the portion of capacity payments.

On November 16, 2022, the Company closed the acquisition of a 49% interest, with joint control, in an 80 MW portfolio of solar PV projects in Chile, Chile PMGD, which is currently starting construction. Atlantica´s economic rights are expected to be approximately 70%. Total investment in equity and preferred equity is expected to be approximately $30 million and Commercial Operation Date ("COD") is expected to be progressive in 2023 and 2024. Revenue for these assets is regulated under the Small Distributed Generation Means Regulation Regime ("PMGD") for projects with a capacity equal or lower than 9MW, which allows to sell electricity through a stabilized price.

During the year 2021, the Company completed the following investments:

- In 2021, the Company closed the acquisition in two stages of the 85% equity interest in Rioglass Solar Holding S.A. ("Rioglass") that it did not previously own for a total investment of $17.1 million, resulting in a 100% ownership (Note 5). Rioglass is a supplier of spare parts and services in the solar industry and the Company gained control over the asset in January 2021.

- On January 6, 2021, the Company closed its second investment through its Chilean renewable energy platform in a 40 MW solar PV plant, Chile PV 2, located in Chile, for $5.0 million corresponding to a 35% of equity interest.

- On April 7, 2021, the Company closed the acquisition of Coso, a 135 MW geothermal plant in the United States with 18-year average contract life PPAs in place. The total equity investment was $130 million (Note 5). In addition, on July 15, 2021, the Company repaid $40 million to reduce project debt.

- On May 14, 2021, the Company closed the acquisition of Calgary District Heating, a district heating asset in Canada for a total equity investment of $22.9 million (Note 5). The asset has availability-based revenue with inflation indexation and 20 years of weighted average contract life at the time of the acquisition.

- On June 16, 2021, the Company acquired a 49% interest in Vento II, a 596 MW wind portfolio in the United States, for a total equity investment net of cash consolidated at the transaction date of approximately $180.7 million (Note 7). EDP Renewables owns the remaining 51%. The assets have PPAs with investment grade off-takers with a five-year average remaining contract life at the time of the investment.

- On August 6, 2021, the Company closed the acquisition of Italy PV 1 and Italy PV 2, two solar PV plants in Italy with a combined capacity of 3.7 MW for a total equity investment of $9 million (Note 5). On December 14, 2021, the Company closed the acquisition of Italy PV 3, a 2.5 MW solar PV portfolio in Italy for a total equity investment of $4 million (Note 5). These assets have regulated revenues under a feed in tariff until 2030, 2031 and 2032, respectively.

- On November 25, 2021, the Company closed the acquisition of La Sierpe, a 20 MW solar PV plant in Colombia for a total equity investment of $23.5 million (Note 5). The asset was acquired under a Right of First Offer ("ROFO") agreement with Liberty GES.

In addition, the following three assets that the Company had under construction during 2022, finished construction and reached or are about to reach COD:

- Albisu, a 10 MW PV asset wholly owned by the Company reached COD in January 2023. Albisu is located in the city of Salto (Uruguay). The asset has a 15-year PPA with Montevideo Refrescos, S.R.L, a subsidiary of Coca-Cola Femsa., S.A.B. de C.V. The PPA is denominated in local currency with a maximum and minimum price in U.S. dollars and is adjusted monthly based on a formula referring to U.S. Producer Price Index (PPI), Uruguay's Consumer Price Index (CPI) and the applicable UYU/U.S. dollar exchange rate.

- La Tolua and Tierra Linda, two solar PV assets in Colombia with a combined capacity of 30 MW. Each plant has a 10-year PPA in local currency indexed to local inflation with Coenersa, the largest independent electricity wholesaler in Colombia. Additionally, the Company has recently started the construction of three additional PV plants with a total capacity of 30 MW.

The following table provides an overview of the main operating assets the Company owned or had an interest in as of December 31, 2022:

Assets	Type	Ownership	Location	Currency[9]	Capacity (Gross)	Counterparty Credit Ratings[10]	COD*	Contract Years Remaining[17]
Solana	Renewable (Solar)	100%	Arizona (USA)	USD	280 MW	BBB+/A3/BBB+	2013	21
Mojave	Renewable (Solar)	100%	California (USA)	USD	280 MW	BB-/ -- /BB	2014	17
Coso	Renewable (Geothermal)	100%	California (USA)	USD	135 MW	Investment Grade[11]	1987-1989	16
Elkhorn Valley[16]	Renewable (Wind)	49%	Oregon (USA)	USD	101 MW	BBB/Baa1/--	2007	5
Prairie Star[16]	Renewable (Wind)	49%	Minnesota (USA)	USD	101 MW	--/A3/A-	2007	5
Twin Groves II[16]	Renewable (Wind)	49%	Illinois (USA)	USD	198 MW	BBB/Baa2/--	2008	3
Lone Star II[16]	Renewable (Wind)	49%	Texas (USA)	USD	196 MW	N/A	2008	N/A
Chile PV 1	Renewable (Solar)	35%[1]	Chile	USD	55 MW	N/A	2016	N/A
Chile PV 2	Renewable (Solar)	35%[1]	Chile	USD	40 MW	Not rated	2017	8
Chile PV 3	Renewable (Solar)	35%[1]	Chile	USD	73 MW	N/A	2014	N/A
La Sierpe	Renewable (Solar)	100%	Colombia	COP	20 MW	Not rated	2021	13
Palmatir	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB/Baa2/BBB-[12]	2014	11
Cadonal	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB/Baa2/BBB-[12]	2014	12
Melowind	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB/Baa2/BBB-	2015	13
Mini-Hydro	Renewable (Hydraulic)	100%	Peru	USD	4 MW	BBB/Baa1/BBB	2012	10
Solaben 2 & 3	Renewable (Solar)	70%[2]	Spain	Euro	2x50 MW	A/Baa1/A-	2012	15/15
Solacor 1 & 2	Renewable (Solar)	87%[3]	Spain	Euro	2x50 MW	A/Baa1/A-	2012	14/14
PS10 & PS20	Renewable (Solar)	100%	Spain	Euro	31 MW	A/Baa1/A-	2007&2009	9/11
Helioenergy 1 & 2	Renewable (Solar)	100%	Spain	Euro	2x50 MW	A/Baa1/A-	2011	14/14
Helios 1 & 2	Renewable (Solar)	100%	Spain	Euro	2x50 MW	A/Baa1/A-	2012	14/15
Solnova 1, 3 & 4	Renewable (Solar)	100%	Spain	Euro	3x50 MW	A/Baa1/A-	2010	12/12/13
Solaben 1 & 6	Renewable (Solar)	100%	Spain	Euro	2x50 MW	A/Baa1/A-	2013	16/16
Seville PV	Renewable (Solar)	80%[4]	Spain	Euro	1 MW	A/Baa1/A-	2006	13
Italy PV 1	Renewable	100%	Italy	Euro	1.6 MW	BBB/Baa3/BBB	2010	8

	(Solar)							
Italy PV 2	Renewable (Solar)	100%	Italy	Euro	2.1 MW	BBB/Baa3/BBB	2011	8
Italy PV 3	Renewable (Solar)	100%	Italy	Euro	2.5 MW	BBB/Baa3/BBB	2012	9
Italy PV 4	Renewable (Solar)	100%	Italy	Euro	3.6 MW	BBB/Baa3/BBB	2011	9
Kaxu	Renewable (Solar)	51%(5)	South Africa	Rand	100 MW	BB-/Ba2/BB-(13)	2015	12
Calgary	Efficient natural gas &heat	100%	Canada	CAD	55 MWt	~41% A+ or higher(14)	2010	18
ACT	Efficient natural gas & heat	100%	Mexico	USD	300 MW	BBB/B1/BB-	2013	10
Monterrey	Efficient natural gas &heat	30%	Mexico	USD	142 MW	Not rated	2018	23
ATN (15)	Transmission line	100%	Peru	USD	379 miles	BBB/Baa1/BBB	2011	18
ATS	Transmission line	100%	Peru	USD	569 miles	BBB/Baa1/BBB	2014	21
ATN 2	Transmission line	100%	Peru	USD	81 miles	Not rated	2015	10
Quadra 1 & 2	Transmission line	100%	Chile	USD	49 miles/32 miles	Not rated	2014	12/12
Palmucho	Transmission line	100%	Chile	USD	6 miles	BBB/ -- /BBB+	2007	15
Chile TL3	Transmission line	100%	Chile	USD	50 miles	A/A2/A-	1993	N/A
Chile TL4	Transmission line	100%	Chile	USD	63 miles	Not rated	2016	49
Skikda	Water	34.20%(6)	Algeria	USD	3.5 M ft3/day	Not rated	2009	11
Honaine	Water	25.50%(7)	Algeria	USD	7 M ft3/day	Not rated	2012	15
Tenes	Water	51%(8)	Algeria	USD	7 M ft3/day	Not rated	2015	17

(1) 65% of the shares in Chile PV 1, Chile PV 2 and Chile PV 3 are indirectly held by financial partners through the renewable energy platform of the Company in Chile. Atlantica has control over these entities under IFRS 10, Consolidated Financial Statements.

(2) Itochu Corporation holds 30% of the shares in each of Solaben 2 and Solaben 3.

(3) JGC holds 13% of the shares in each of Solacor 1 and Solacor 2.

(4) Instituto para la Diversificación y Ahorro de la Energía ("Idae") holds 20% of the shares in Seville PV.

(5) Kaxu is owned by the Company (51%), Industrial Development Corporation of South Africa ("IDC", 29%) and Kaxu Community Trust (20%).

(6) Algerian Energy Company, SPA owns 49% of Skikda and Sacyr Agua, S.L. owns the remaining 16.8%. Atlantica has control over over Skikda under IFRS 10, Consolidated Financial Statements.

(7) Algerian Energy Company, SPA owns 49% of Honaine and Sacyr Agua, S.L. owns the remaining 25.5%.

(8) Algerian Energy Company, SPA owns 49% of Tenes. The Company has an investment in Tenes through a secured loan to Befesa Agua Tenes (the holding company of Tenes) and the right to appoint a majority at the board of directors of the project company. Therefore, the Company controls Tenes since May 31, 2020, and fully consolidates the asset from that date.

(9) Certain contracts denominated in U.S. dollars are payable in local currency.

(10) Reflects the counterparty's credit ratings issued by Standard & Poor's Ratings Services, or S&P, Moody's Investors Service Inc., or Moody's, and Fitch Ratings Ltd, or Fitch. Not applicable ("N/A") when the asset has no PPA.

(11) Refers to the credit rating of two Community Choice Aggregators: Silicon Valley Clean Energy and Monterrey Bar Community Power, both with A Rating from S&P and Southern California Public Power Authority. The third off-taker is not rated.

(12) Refers to the credit rating of Uruguay, as UTE (Administración Nacional de Usinas y Transmisoras Eléctricas) is unrated.

(13) Refers to the credit rating of the Republic of South Africa. The off-taker is Eskom, which is a state-owned utility company in South Africa.

(14) Refers to the credit rating of a diversified mix of 22 high credit quality clients (~41% A+ rating or higher, the rest is unrated).

(15) Including ATN Expansion 1 & 2.

(16) Part of Vento II Portfolio.

(17) As of December 31, 2022.

(*) Commercial Operation Date.

The project financing arrangement for Kaxu contained a cross-default provision related to Abengoa S.A.'s insolvency filing. In September 2021, the Company obtained a waiver for such cross-default which became effective on March 31, 2022, following the transfer of the employees performing the O&M in Kaxu from an Abengoa subsidiary to an Atlantica subsidiary and other conditions. As a result, as of March 31, 2022, the Company had again an unconditional right to defer the settlement of the debt for at least twelve months, and therefore the debt previously presented as current (as of December 31, 2021) had been reclassified as non-current at that date in accordance with the financing agreements in these Consolidated Financial Statements (Note 15).

As expected, in 2022 the Administration in Spain approved, measures to adjust the regulated revenue component for renewable energy plants, following the increase since mid-2021 in the billings of these plants for the sale of electricity in the market. On March 30, 2022, Royal Decree Law 6/2022 was published, adopting urgent measures in response to the economic and social consequences of the war in Ukraine. This Royal Decree Law contains a bundle of measures in diverse fields, including those targeted at containing the sharp rise in gas and electricity prices. It includes temporary changes to the detailed regulated components of revenue received by the solar assets of the Company in Spain, which are applicable from January 1, 2022. Specifically, prior to the entry into force of this new regulation, the level of remuneration under that specific remuneration system depended on the market price estimates used to calculate it, which are revised in each regulatory semi-period. Now, under article 5 of Royal Decree Law 6/2022, an extraordinary measure has been taken to subdivide the current regulatory semi-period, so as to create a new semi-period between January 1, 2022 and December 31, 2022 and the remuneration will be reviewed taking into account the future prices of OMIP (Regulated market operator in Spain), too. On May 14, 2022, the Royal Decree Law 10/2022 was published, including the so-called "Iberian mechanism", which is the temporary production cost adjustment mechanism for reducing the price of electricity in the wholesale market. The main changes included by these regulations are:

- The statutory half-period of three years from 2020 to 2022 has been split into two statutory half-periods (1) from January 1, 2020 until December 31 2021 and (2) calendar year 2022. As a result, the fixed monthly payment based on installed capacity (Remuneration on Investment or Rinv) for calendar year 2022 has been revised in the new Order

TED/1232/2022.

- The electricity market price assumed by the regulation for calendar year 2022 was changed from €48.82 per MWh to an expected price of €121.9 per MWh, i.e., the remuneration parameters of 2022 have been updated with real prices of 2020 (33.94 €/MWh) and 2021 (111.90 €/MWh) and the future prices of OMIP for 2022 (value of second semester 2021: 121.9 €/MWh). As a result, the variable payment based on net electricity produced (Remuneration on Operation or Ro), is also being adjusted. The proposed Ro for the year 2022 is zero €/MWh reflecting the fact that market prices for the power sold in the market are significantly higher.

Following the mandate contained in Royal Decree Law 6/2022 and Royal Decree Law 10/2022, whose main measures have been exposed above, the remuneration parameters have been updated for the year 2022 by the recent Order TED/1232/2022, of December 2, 2022, that was published in final form on December 14, 2022.

For the three-year semi period starting on January 1, 2023, and ending on December 31, 2025, the adjustment for electricity price deviations in the preceding statutory half period will be progressively modified to take into account a mix of actual market prices and future market prices. On December 28, 2022, the proposed parameters for the year 2023 were published. They are still subject to review.

All the adjustments to the regulated revenue of the solar assets of the Company in Spain stated above do not affect the reasonable return on investment previously set by the Spanish government, and therefore do not impact the value of these assets in the long term.

2. Significant Accounting Policies

2.1. Basis of Preparation

These Consolidated Financial Statements are presented in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and with UK adopted International Accounting Standards, on a basis consistent with the prior year.

The Consolidated Financial Statements are presented in U.S. dollars, which is the Company's functional and presentation currency. Amounts included in these Consolidated Financial Statements are all expressed in thousands of U.S. dollars, unless otherwise indicated.

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset or liability is current when it is expected or due to be realized within twelve months after the reporting period.

The Company recognises that there may be potential financial implications in the future from changes in legislation and regulation implemented to address climate change risk. Over time these changes may have an impact across a number of areas of accounting. However, as at the reporting sheet date, the Company believes there is no material impact on the balance sheet carrying values of assets or liabilities.

Application of new accounting standards

a) Standards, interpretations and amendments effective from January 1, 2022 under IFRS-IASB, applied by the Company in the preparation of these Consolidated Financial Statements:

   The applications of these amendments have not had any impact on these financial statements.

b) Standards, interpretations and amendments published by the IASB that will be effective for periods beginning on or after January 1, 2023:

   The Company does not anticipate any significant impact on the Consolidated Financial Statements derived from the application of the new standards and amendments that will be effective for annual periods beginning on or after January 1, 2023, although it is currently still in the process of evaluating such application.

   The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Going concern

In assessing going concern for the Group and Company, the Directors have considered the period up to March 31, 2024. Management's going concern assessment, including sensitivity analysis and key assumptions used, was presented to, and discussed with, the Audit Committee.

The Group has a formal process of budgeting, reporting, measuring asset performance, identifying and mitigating risks. This information is provided to the directors, which is used to ensure the adequacy of resources available for the Group to meet its business objectives. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out within this report.

During the period, the Group generated $586.3 million of cash from operating activities, used $57.4 million in investing activities and $535.0 million in financing activities. All of these resulted in a $6.1 million net decrease on its cash position by year-end, with a closing cash position of $601.0 million (Note 12). The Group´s cash includes $540.2 million held at the project level, of which $207.6 million are held to satisfy the customary requirements of certain non-recourse debt agreements (Note 15). The remaining $60.8 million is held at the corporate level.

As at 31 December 2022 total debt was $5,570.3 million, of which $343.3 million was short-term. Related facilities are at both the corporate level and project level, with this structure being reflected in the assessment of going concern below.

At the corporate level, total debt was $1,017.2 million as at 31 December 2022, of which $16.7 million is current (Note 14). In addition, it had $385.1 million undrawn and available under its revolving credit facility, which, in aggregate with cash of $60.8 million, results in total available liquidity at this level of $445.9 million. At the corporate level, the principal source of liquidity are dividends from the Group's projects. The aggregate level of these distributions is also the principal metric for the corporate level debt covenants.

Aggregate project level debt was $4,553.1 million as at 31 December 2022, of which $326.6 million is current. These facilities are subject to covenants including debt service coverage ratios at the respective project level. These facilities are non-recourse to the entities of the Group outside of the relevant project (Note 15).

In assessing going concern, the Directors have considered the forecast cash flows of the Group's projects and the expected level of cash available to distribute from these. Cash available for distribution is forecast after the servicing of project level debt and the maintenance of restricted cash required under the facilities. The repayment profile of each project is established based on the projected cash flow generation of the business. This ensures that sufficient financing is available to meet deadlines and maturities, which mitigates liquidity risk. Distributions are generally subject to the compliance with covenants and other conditions under the project finance agreements of the Company which are regularly monitored, including assessing forecast compliance with project level debt covenants.

The Directors believe that the off-take agreements or regulation in place at the Company's portfolio of projects provide a predictable and stable cash flow generation. The exposure to market electricity prices represents less than 2% of the Company's portfolio in terms of Adjusted EBITDA. In addition, approximately 51% of the Group's revenue in 2022 is not subject to the volatility that natural resource may have, especially solar and wind resources. This includes transmission lines, efficient natural gas plant, water assets and approximately 76% of the revenue received from the solar assets of the Company in Spain with most of their revenues based on capacity in accordance with the regulation in place. The diversification by geography and business sector also strengthens the stability of the cash flow generation of the remaining balance.

For the purposes of the corporate level element of the assessment, the directors have considered sensitivities on the cash forecast to be received from projects as distributions to enable the Company to meet its payment's obligation and its covenants and obligations under its corporate financing arrangements. In the downside scenario, though considered highly unlikely, in which management has reduced the aggregate receipts of dividends throughout the going concern period by 20 percent, the Company would have the level of cash needed to operate the business and none of the corporate level debt covenants would be breached. The Directors consider that such a reduction is highly unlikely given the absolute number of the Group's projects, their geographical diversity and their cashflow stability.

From a liquidity perspective, the Directors have identified mitigations that are within the Board's control including further use of the undrawn element of the corporate facilities and reductions in discretionary investments.

Following this assessment at both the project and corporate levels the Directors have concluded it is appropriate to prepare the consolidated financial statements on a going concern basis and have not identified material uncertainties that may cast significant doubt on the Group and Company's ability to continue as a going concern.

2.2. Principles to include and record companies in the consolidated financial statements

Companies included in these Consolidated Financial Statements are accounted for as subsidiaries as long as Atlantica has control over them and are accounted for as investments under the equity method as long as Atlantica has significant influence over them, in the periods presented.

a) Controlled entities

Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee when facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The Company uses the acquisition method to account for business combinations of companies previously controlled by a third party. According to this method, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any contingent consideration is recognized at fair value at the acquisition date and subsequent changes in its fair value are recognized in accordance with IFRS 9 in profit or loss. Acquisition related costs are expensed as incurred. The Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets on an acquisition by acquisition basis.

All assets and liabilities between entities of the Company, equity, income, expenses, and cash flows relating to transactions between entities of the Company are eliminated in full.

b) Investments accounted for under the equity method

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate or joint venture is initially recognized in the statement of financial position at fair value and adjusted thereafter to recognize changes in Atlantica´s share of net assets of the associate or joint venture since the acquisition date. Any goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

2.3. Contracted concessional, Property, Plant and Equipment (PP&E) and other intangible assets

The assets accounted for by the Company as contracted concessional assets under IFRIC 12 (either intangible model or financial model), as PP&E under IAS 16 or as other intangible assets under IAS 38 or under IFRS 16 (as "Lessee" or "Lessor"), include renewable energy assets, transmission lines, efficient natural gas assets and water plants.

a) Contracted concessional assets under IFRIC 12

The infrastructure used in a concession accounted for under IFRIC 12 can be classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the agreement. The application of IFRIC 12 requires extensive judgement in relation to, among other factors, (i) the identification of certain infrastructures and contractual agreements in the scope of IFRIC 12, (ii) an understanding of the nature of the payments in order to determine the classification of the infrastructure as a financial asset or as an intangible asset and (iii) the timing and recognition of revenue from construction and concessionary activity.

Under the terms of contractual arrangements within the scope of this interpretation, the operator shall recognize and measure revenue in accordance with IFRS 15 for the services it performs.

The useful life of these assets is approximately the same as the length of the concession arrangement.

Intangible assets

The Company recognizes an intangible asset to the extent that it receives a right to charge final customers for the use of the infrastructure. This intangible asset is subject to the provisions of IAS 38 and is amortized linearly, taking into account the estimated period of commercial operation of the infrastructure which coincides with the concession period.

Once the infrastructure is in operation, the treatment of income and expense is as follows:

- Revenues from the updated annual revenue for the contracted concession, as well as revenues from operations and maintenance services are recognized in each period according to IFRS 15 "Revenue from contracts with Customers".
- Operating and maintenance costs and general overheads and administrative costs are recorded in accordance with the nature of the cost incurred (amount due) in each period.

Financial asset

The Company recognizes a financial asset when demand risk is assumed by the grantor, to the extent that the concession holder has an unconditional right to receive payments for the asset. This asset is recognized at the fair value of the construction services provided, considering upgrade services in accordance with IFRS 15, if any.

The financial asset is subsequently recorded at amortized cost calculated according to the effective interest method, using a theoretical internal return rate specific to the asset. Revenue from operations and maintenance services is recognized in each period according to IFRS 15 "Revenue from contracts with Customers".

Allowance for expected credit losses (financial assets)

According to IFRS 9, Atlantica recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive.

There are two main approaches to applying the ECL model according to IFRS 9: the general approach which involves a three stage approach, and the simplified approach, which can be applied to trade receivables, contract assets and lease receivables. Atlantica applies the simplified approach. Under this approach, there is no need to monitor for significant increases in credit risk and entities will be required to measure lifetime expected credit losses at the end of each reporting period.

The key elements of the ECL calculations, based on external sources of information, are the following:

- the Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. Atlantica calculates PD based on Credit Default Swaps spreads ("CDS");
- the Exposure at Default ("EAD") is an estimate of the exposure at a future default date;
- the Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is expressed as a percentage of the EAD.

b) Property, plant and equipment under IAS 16

Property, plant and equipment is measured at historical cost, including all expenses directly attributable to the acquisition, less depreciation and impairment losses, with the exception of land, which is presented net of any impairment losses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term installation projects if the recognition criteria are met. Repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

The Company reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

c) Rights of use under IFRS 16

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Main right of use agreements correspond to land rights. The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities (Note 2.11). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

d) Other intangible assets

Other intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Research and development costs:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- its intention to complete and its ability and intention to use or sell the asset
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

e) Asset impairment

Atlantica reviews its contracted concessional assets to identify any indicators of impairment at least annually, except for ECL assessment for financial assets which is discussed above. When impairment indicators exist, the Company calculates the recoverable amount of the asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use, defined as the present value of the estimated future cash flows to be generated by the asset. In the event that the asset does not generate cash flows independently of other assets, the Company calculates the recoverable amount of the Cash Generating Unit ('CGU') to which the asset belongs.

When the carrying amount of the CGU to which these assets belong is higher than its recoverable amount, the assets are impaired.

Assumptions used to calculate value in use include a discount rate and projections considering real data based in the contracts terms and projected changes in both selling prices and costs. The discount rate is estimated by Management, to reflect both changes in the value of money over time and the risks associated with the specific CGU.

For contracted concessional assets, with a defined useful life and with a specific financial structure, cash flow projections until the end of the project are considered and no relevant terminal value is assumed.

Contracted concessional assets have a contractual structure that permits the Company to estimate quite accurately the costs of the project and revenue during the life of the project.

Projections take into account real data based on the contract terms and fundamental assumptions based on specific reports prepared internally and third-party reports, assumptions on demand and assumptions on production. Additionally, assumptions on macro-economic conditions are taken into account, such as inflation rates, future interest rates, etc. and sensitivity analyses are performed over all major assumptions which can have a significant impact in the value of the asset.

Cash flow projections of CGUs are calculated in the functional currency of those CGUs and are discounted using rates that take into consideration the risk corresponding to each specific country and currency.

Taking into account that in most CGUs the specific financial structure is linked to the financial structure of the projects that are part of those CGUs, the discount rate used to calculate the present value of cash-flow projections is based on the weighted average cost of capital (WACC) for the type of asset, adjusted, if necessary, in accordance with the business of the specific activity and with the risk associated with the country where the project is performed.

In any case, sensitivity analyses are performed, especially in relation to the discount rate used and fair value changes in the main business variables, in order to ensure that possible changes in the estimates of these items do not impact the recovery of recognized assets.

In the event that the recoverable amount of an asset is lower than its carrying amount, an impairment charge for the difference would be recorded in the income statement under the item "Depreciation, amortization and impairment charges".

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

2.4. Revenue recognition

According to IFRS 15, Revenue from Contracts with Customers, the Company assesses the goods and services promised in the contracts with the customers and identifies as a performance obligation each promise to transfer to the customer a good or service (or a bundle of goods or services).

In the case of contracts related to intangible or financial assets under IFRIC 12, the performance obligation of the Company is the operation of the asset. The contracts between the parties set the price of the service in an orderly transaction and therefore corresponds to the fair value of the service provided. The services is satisfied over time. The same conclusion applies to concessional assets that are classified as tangible assets under IAS 16 or leases under IFRS 16. All of the transaction prices of assets under IFRIC 12 are fixed and included as part of the long-term PPAs of the Company as disclosed in Note 26.

In the case of financial asset under IFRIC 12, the financial asset accounts for the payments to be received from the client over the residual life of the contract, discounted at a theoretical internal rate of return for the project. In each period, the financial asset is reduced by the amounts received from the client and increased by any capital expenditure that the project may incur and by the effect of unwinding the discount of the financial asset at the theoretical internal rate of return. The increase of the financial asset deriving from the unwinding of the discount of the financial asset is recorded as revenue in each period. Revenue will therefore differ from the actual billings made to the client in each period.

In the case of Spain, according to Royal Decree 413/2014, solar electricity producers receive: (i) the market price for the power they produce, (ii) a payment based on the standard investment cost for each type of plant (without any relation whatsoever to the amount of power they generate) and (iii) an "operating payment" (in €/MWh produced). The principle driving this economic regime is that the payments received by a renewable energy producer should be equivalent to the costs that they are unable to recover on the electricity pool market where they compete with non-renewable technologies. This economic regime seeks to allow a "well-run and efficient enterprise" to recover the costs of building and running a plant, plus a reasonable return on investment (project investment rate of return). Some of the Company´s assets in Spain are receiving a remuneration based on a 7.09% reasonable rate of return until December 31, 2025 while others are receiving a remuneration based on a 7.398% reasonable rate of return until December 31, 2031.

2.5. Loans and Accounts Receivable

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments, not listed on an active market.

In accordance with IFRIC 12, certain assets under concessions qualify as financial assets and are recorded as is described in Note 2.3.

Pursuant to IFRS 9, an impairment loss is recognized if the carrying amount of these assets exceeds the present value of future cash flows discounted at the initial effective interest rate.

Loans and accounts receivable are initially recognized at fair value plus transaction costs and are subsequently measured at amortized cost in accordance with the effective interest rate method. Interest calculated using the effective interest rate method is recognized under other financial income within financial income.

2.6. Derivative Financial Instruments and Hedging Activities

Derivatives are recognized at fair value in the statement of financial position. The Company maintains both derivatives designated as hedging instruments in hedging relationships, and derivatives to which hedge accounting is not applied.

When hedge accounting is applied, hedging strategy and risk management objectives are documented at inception, as well as the relationship between hedging instruments and hedged items. Effectiveness of the hedging relationship needs to be assessed on an ongoing basis. Effectiveness tests are performed prospectively at inception and at each reporting date. The Company analyses on each date if all these requirements are met:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company uses to hedge that quantity of hedged item.

Ineffectiveness is measured following the accumulated dollar offset method.

In all cases, current Company´s hedging relationships are considered cash flow hedges. Under this model, the effective portion of changes in fair value of derivatives designated as cash flow hedges are recorded temporarily in equity and are subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Any ineffective portion of the hedged transaction is recorded in the consolidated income statement as it occurs.

When interest rate options are designated as hedging instruments, the time value is excluded from the hedging instrument as permitted by IFRS 9. Changes in the effective portion of the intrinsic are recorded in equity and subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Any ineffectiveness is recorded as financial income or expense as it occurs. Changes in options time value is recorded as cost of hedging. More precisely, considering that the hedged items are, in all cases, time period hedged item, changes in time value is recognized in other comprehensive income to the extent that it relates to the hedged item. The time value at the date of designation of the option as a hedging instrument, to the extent that it relates to the hedged item, is amortized on a systematic and rational basis over the period during which the hedge adjustment for the option's intrinsic value could affect profit or loss.

When the hedging instrument matures or is sold, or when it no longer meets the requirements to apply hedge accounting, accumulated gains and losses recorded in equity remain as such until the forecast transaction is ultimately recognized in the income statement. However, if it becomes unlikely that the forecast transaction will actually take place, the accumulated gains and losses in equity are recognized immediately in the income statement.

Any change in fair value of derivatives instruments to which hedge accounting is not applied is directly recorded in the income statement.

2.7. Fair Value Estimates

Financial instruments measured at fair value are presented in accordance with the following level classification based on the nature of the inputs used for the calculation of fair value:

- Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.

- Level 2: Fair value is measured based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: Fair value is measured based on unobservable inputs for the asset or liability.

In the event that prices cannot be observed, management shall make its best estimate of the price that the market would otherwise establish based on proprietary internal models which, in the majority of cases, use data based on observable market parameters as significant inputs (Level 2) but occasionally use market data that is not observed as significant inputs (Level 3). Different techniques can be used to make this estimate, including extrapolation of observable market data. The best indication of the initial fair value of a financial instrument is the price of the transaction, except when the value of the instrument can be obtained from other transactions carried out in the market with the same or similar instruments, or valued using a valuation technique in which the variables used only include observable market data, mainly interest rates. Differences between the transaction price and the fair value based on valuation techniques that use data that is not observed in the market, are not initially recognized in the income statement.

Atlantica derivatives correspond primarily to the interest rate swaps designated as cash flow hedges, which are classified as Level 2.

Description of the valuation method

Interest rate swap valuations consist in valuing separately the swap part of the contract and the credit risk. The methodology used by the market and applied by Atlantica to value interest rate swaps is to discount the expected future cash flows according to the parameters of the contract. Variable interest rates, which are needed to estimate future cash flows, are calculated using the curve for the corresponding currency and extracting the implicit rates for each of the reference dates in the contract. These estimated flows are discounted with the swap zero curve for the reference period of the contract.

The effect of the credit risk on the valuation of the interest rate swaps depends on the future settlement. If the settlement is favorable for the Company, the counterparty credit spread will be incorporated to quantify the probability of default at maturity. If the expected settlement is negative for the Company, its own credit risk will be applied to the final settlement.

Classic models for valuing interest rate swaps use deterministic valuation of the future of variable rates, based on future outlooks. When quantifying credit risk, this model is limited by considering only the risk for the current paying party, ignoring the fact that the derivative could change sign at maturity. A payer and receiver swaption model is proposed for these cases. This enables the associated risk in each swap position to be reflected. Thus, the model shows each agent's exposure, on each payment date, as the value of entering into the 'tail' of the swap, i.e. the live part of the swap.

Variables (Inputs)

Interest rate derivative valuation models use the corresponding interest rate curves for the relevant currency and underlying reference in order to estimate the future cash flows and to discount them. Market prices for deposits, futures contracts and interest rate swaps are used to construct these curves. Interest rate options (caps and floors) also use the volatility of the reference interest rate curve.

To estimate the credit risk of the counterparty, the credit default swap (CDS) spreads curve is obtained in the market for important individual issuers. For less liquid issuers, the spreads curve is estimated using comparable CDSs or based on the country curve. To estimate proprietary credit risk, prices of debt issues in the market and CDSs for the sector and geographic location are used.

The fair value of the financial instruments that results from the aforementioned internal models takes into account, among other factors, the terms and conditions of the contracts and observable market data, such as interest rates, credit risk and volatility. The valuation models do not include significant levels of subjectivity, since these methodologies can be adjusted and calibrated, as appropriate, using the internal calculation of fair value and subsequently compared to the corresponding actively traded price. However, valuation adjustments may be necessary when the listed market prices are not available for comparison purposes.

2.8. Trade and Other Receivables

Trade and other receivables are amounts due from customers for sales in the normal course of business. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less allowance for doubtful accounts. Trade receivables due in less than one year are carried at their face value at both initial recognition and subsequent measurement, provided that the effect of not discounting flows is not significant.

An allowance for doubtful accounts is recorded when there is objective evidence that the Company will not be able to recover all amounts due as per the original terms of the receivables. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.9. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash in bank and other highly-liquid current investments with an original maturity of three months or less which are held for the purpose of meeting short-term cash commitments.

2.10. Grants

Grants are recognized at fair value when it is considered that there is a reasonable assurance that the grant will be received and that the necessary qualifying conditions, as agreed with the entity assigning the grant, will be adequately complied with.

Grants are recorded as liabilities in the consolidated statement of financial position and are recognized in "Other operating income" in the consolidated income statement based on the period necessary to match them with the costs they intend to compensate.

In addition, as described in Note 2.11 below, grants correspond also to loans with interest rates below market rates, for the initial difference between the fair value of the loan and the proceeds received.

2.11. Loans and Borrowings

Loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost and any difference between the proceeds initially received (net of transaction costs incurred in obtaining such proceeds) and the repayment value is recognized in the consolidated income statement over the duration of the borrowing using the effective interest rate method.

In the case of modification of terms of loans and borrowings, the Company determines whether the modification constitutes an exchange or an extinguishment of the debt instrument. In determining whether there is an exchange, the Company evaluates whether the redemption of the old debt and the issuance of new debt were negotiated in contemplation of one another (qualitative assessment) and performs the 10 per cent test to determine if the terms of the modified debt are substantially different (the net present value of the modified cash flows, including any fees paid net of any fees received, is higher than 10% different from the net present value of the remaining cash flows of the liability prior to the modification, both discounted at the original effective interest rate). When the terms of the modified liability are substantially different, the modification is accounted for as an extinguishment of the original liability and recognition of a new liability.

Loans with interest rates below market rates are initially recognized at fair value in liabilities and the difference between proceeds received from the loan and its fair value is initially recorded within "Grants and Other liabilities" in the consolidated statement of financial position, and subsequently recorded in "Other operating income" in the consolidated income statement when the costs financed with the loan are expensed.

Lease liabilities are recognized by the Company at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date considering that the interest rate implicit in the lease is not readily determinable.

2.12. Bonds and notes

The Company initially recognizes ordinary notes at fair value, net of issuance costs incurred. Subsequently, notes are measured at amortized cost until settlement upon maturity. Any other difference between the proceeds obtained (net of transaction costs) and the redemption value is recognized in the consolidated income statement over the term of the debt using the effective interest rate method.

Convertible bonds or notes or debt issued with conversion features must be separated into liability and equity components if the feature meets the equity classification conditions in IAS 32. The issuer separates the instrument into its components by determining the fair value of the liability component and then deducting that amount from the fair value of the instrument as a whole; the residual amount is allocated to the equity component. If the equity conversion feature does not satisfy the equity classification conditions in IAS 32, it is bifurcated as an embedded derivative unless the issuer elects to apply the fair value option to the convertible debt. The embedded derivative is initially recognized at fair value and classified as derivatives in the statement of financial position. Changes in the fair value of the embedded derivatives are subsequently accounted for directly through the income statement. The debt element of the bond or note (the host contract), will be initially valued as the difference between the consideration received from the holders for the instrument and the value of the embedded derivative, and thereafter at amortized cost using the effective interest method.

2.13. Income Taxes

Current income tax expense is calculated on the basis of the tax laws in force as of the date of the consolidated statement of financial position in the countries in which the subsidiaries and associates operate and generate taxable income.

Deferred income tax is calculated in accordance with the liability method, based upon the temporary differences arising between the carrying amount of assets and liabilities and their tax base. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

2.14. Trade Payables and Other Liabilities

Trade payables are obligations arising from purchases of goods and services in the ordinary course of business and are recognized initially at fair value and are subsequently measured at their amortized cost using the effective interest method. Other liabilities are obligations not arising in the normal course of business and which are not treated as financing transactions. Advances received from customers are recognized as "Trade payables and other current liabilities".

2.15. Foreign Currency Transactions

The Consolidated Financial Statements are presented in U.S. dollars, which is Atlantica's functional and presentation currency. Financial statements of each subsidiary within the Company are measured in the currency of the principal economic environment in which the subsidiary operates, which is the subsidiary's functional currency.

Transactions denominated in a currency different from the entity's functional currency are translated into the entity's functional currency applying the exchange rates in force at the time of the transactions. Foreign currency gains and losses that result from the settlement of these transactions and the translation of monetary assets and liabilities denominated in foreign currency at the year-end rates are recognized in the consolidated income statement, unless they are deferred in equity, as occurs with cash flow hedges and net investment in foreign operations hedges.

Assets and liabilities of subsidiaries with a functional currency different from the Company's reporting currency are translated to U.S. dollars at the exchange rate in force at the closing date of the financial statements. Income and expenses are translated into U.S. dollars using the average annual exchange rate, which does not differ significantly from using the exchange rates of the dates of each transaction. The difference between equity translated at the historical exchange rate and the net financial position that results from translating the assets and liabilities at the closing rate is recorded in equity under the heading "Accumulated currency translation differences".

Results of companies carried under the equity method are translated at the average annual exchange rate.

2.16. Equity

The Company has recyclable balances in its equity, corresponding mainly to hedge reserves and translation differences arising from currency conversion in the preparation of these Consolidated Financial Statements. These balances have been presented separately in equity.

Ordinary shares are classified as equity. Any excess above the par value of shares received upon issuance of those shares is classified as share premium in accordance with the UK Companies Act 2006.

Capital reserves is mainly the result of reductions of the share premium account which have increased distributable reserves upon confirmation from the High Court in the UK, pursuant to the Companies Act.

Non-controlling interest represents interest of other partners in subsidiaries included in these Consolidated Financial Statements which are not fully owned by Atlantica as of the dates presented.

The costs of issuing equity instruments are accounted for as a deduction from equity.

2.17. Provisions and Contingencies

Provisions are recognized when:

- there is a present obligation, either legal or constructive, as a result of past events;
- it is more likely than not that there will be a future outflow of resources to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expected outflows required to settle the obligation. The discount rate used is a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is then recognized as a financial expense. The balance of provisions disclosed in the Notes reflects management's best estimate of the potential exposure as of the date of preparation of the Consolidated Financial Statements.

Contingent liabilities are possible obligations, existing obligations with low probability of a future outflow of economic resources and existing obligations where the future outflow cannot be reliably estimated. Contingences are not recognized in the consolidated statements of financial position unless they have been acquired in a business combination.

Some companies of Atlantica have dismantling provisions, which are intended to cover future expenditure related to the dismantlement of the plants in situations where it is likely to be settled with an outflow of resources in the long term (over 5 years).

Such provisions are recognised when the obligation for dismantling, removing and restoring the site on which the plant is located, is incurred, which is usually during the construction period. The provision is measured in accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" and is recorded as a liability under the heading "Grants and other liabilities" of the Financial Statements, and the corresponding entry as part of the cost of the plant under the heading "Contracted concessional assets." The estimated future costs of dismantling are reviewed annually if conditions have changed and adjusted appropriately. The impact of changes in the estimate of future costs or in the timing of when such costs will be incurred, on the dismantling provision, is recorded against an increase or decrease of the cost of the plant.

2.18. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2.19. Significant judgements and estimates

Some of the accounting policies applied require the application of significant judgement by management to select the appropriate assumptions to determine these estimates. These assumptions and estimates are based on the historical experience, advice from experienced consultants, forecasts and other circumstances and expectations as of the close of the financial period. The assessment is considered in relation to the global economic situation of the industries and regions where the Company operates, taking into account future development of the businesses of the Company. By their nature, these judgements are subject to an inherent degree of uncertainty; therefore, actual results could materially differ from the estimates and assumptions used. In such cases, the carrying values of assets and liabilities are adjusted.

The most critical accounting policies, which reflects significant management estimates and judgement to determine amounts in these Consolidated Financial Statements, are as follows:

<u>Estimates:</u>

- Impairment of contracted concessional, PP&E and other intangible assets.

  Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow model, which is sensitive to the discount rate used as well as projected cash-flows (Note 6).

  The significant assumptions which required substantial estimates used in management's impairment calculation are discount rates and projections considering real data based on contract terms and projected changes in selling prices, energy generation and costs.

- Recoverability of deferred tax assets.

  Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management estimates are required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies (Note 18).

- Fair value of derivative financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimate is required in establishing fair values. Estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

- Fair value of identifiable assets and liabilities arising from a business combination

  The assets acquired and liabilities assumed on a business combination are recognised at the fair values of the underlying items. The estimates that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities are the ones considered when performing impairment review of operating assets (see above).

Judgements:

- Assessment of assets agreements.

  By evaluating the terms and conditions of each assets agreement, the Company determines the accounting category to which the asset belongs, e.g. IAS 16, IFRIC 12 or IFRS 16 (Note 2.3.).
- Assessment of control.

  Judgement is required in determining the nature of Atlantica´s interest in another entity and in determining if it has control, joint control or significant influence over it(Note 2.2.).

As of the date of preparation of these Consolidated Financial Statements, no relevant changes in the estimates made are anticipated and, therefore, no significant changes in the value of the assets and liabilities recognized at December 31, 2022, are expected.

Although these estimates and assumptions are being made using all available facts and circumstances, it is possible that future events may require management to amend such estimates and assumptions in future periods. Changes in accounting estimates are recognized prospectively, in accordance with IAS 8, in the consolidated income statement of the year in which the change occurs.

3. Financial Risk Management

Atlantica's activities are exposed to various financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk is managed by the Company's Risk Management and Finance Departments, which are responsible for identifying and evaluating financial risks quantifying them by project, region and company, in accordance with mandatory internal management rules. The internal management rules provide written policies for the management of overall risk, as well as for specific areas. The internal management policies of the Company also define the use of hedging instruments and derivatives and the investment of excess cash.

a) Market risk

The Company is exposed to market risk, such as movement in foreign exchange rates and interest rates. All of these market risks arise in the normal course of business and the Company does not carry out speculative operations. For the purpose of managing these risks, the Company uses a series of interest rate swaps and options, and currency options. None of the derivative contracts signed has an unlimited loss exposure.

- Interest rate risk

Interest rate risk arises when the Company's activities are exposed to changes in interest rates, which arises from financial liabilities at variable interest rates. The main interest rate exposure for the Company relates to the variable interest rate with reference to the Libor, Euribor and SOFR. To minimize the interest rate risk, the Company primarily uses interest rate swaps and interest rate options (caps), which, in exchange for a fee, offer protection against an increase in interest rates. The Company does not use derivatives for speculative purposes.

As of December 31, 2022, approximately 92% of the Project debt of the Company and approximately 96% of the Corporate debt either has fixed interest rates or has been hedged with swaps or caps. The Revolving Credit Facility of the Company has variable interest rates and is not hedged (Note 14).

In connection with the interest rate derivative positions of the Company, the most significant impacts on these Consolidated Financial Statements are derived from the changes in EURIBOR, SOFR and LIBOR, which represent the reference interest rate for most of the debt of the Company. In the event that EURIBOR, SOFR and LIBOR had risen by 25 basis points as of December 31, 2022, with the rest of the variables remaining constant, the effect in the consolidated income statement would have been a loss of $1.3 million (a loss of $2.5 million in 2021) and a gain in hedging reserves of $18.4 million ($22.4 million in 2021). The gain in hedging reserves would be mainly due to an increase in the fair value of interest rate swaps designated as hedges.

A breakdown of the interest rates derivatives as of December 31, 2022 and 2021, is provided in Note 9.

- Currency risk
-

The main cash flows in the entities included in these Consolidated Financial Statements are cash collections arising from long-term contracts with clients and debt payments arising from project finance repayment. Given that financing of the projects is typically closed in the same currency in which the contract with client is signed, a natural hedge exists for the main operations of the Company.

In addition, to further mitigate this exposure, the Company policy is to contract currency options with leading financial institutions, which guarantee a minimum Euro-U.S. dollar exchange rate on the net distributions expected from solar assets in Europe. The net Euro exposure is 100% hedged for the coming 12 months and 75% for the following 12 months on a rolling basis.

Although the Company hedges cash-flows in euros, fluctuations in the value of the euro in relation to the U.S. dollar may affect its operating results. For example, revenue in euro-denominated companies could decrease when translated to U.S. dollars at the average foreign exchange rate solely due to a decrease in the average foreign exchange rate, in spite of revenue in the original currency being stable. Fluctuations in the value of the South African rand, the Colombian peso and the Uruguayan peso with respect to the U.S. dollar may also affect the operating results of the Company. Apart from the impact of these translation differences, the exposure of the income statement of the Company to fluctuations of foreign currencies is limited, as the financing of projects is typically denominated in the same currency as that of the contracted revenue agreement.

b) Credit risk

The Company considers that it has a limited credit risk with clients as revenues primarily derive from power purchase agreements with electric utilities and state-owned entities. In addition, the diversification by geography and business sector helps to diversify credit risk exposure by diluting the exposure of the Company to a single client.

c) Liquidity risk

Atlantica's liquidity and financing policy is intended to ensure that the Company maintains sufficient funds to meet its financial obligations as they fall due.

Project finance borrowing permits the Company to finance the project through project debt and thereby insulate the rest of its assets from such credit exposure. The Company incurs in project-finance debt on a project-by-project basis.

The repayment profile of each project is established on the basis of the projected cash flow generation of the business. This ensures that sufficient financing is available to meet deadlines and maturities, which mitigates the liquidity risk significantly. In addition, the Company maintains a periodic communication with its lenders and regular monitoring of debt covenants and minimum ratios.

Corporate and Project debt repayment schedules are disclosed in Note 14 and 15, respectively.

d) Capital risk management

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings disclosed in Notes 14 and 15 after deducting cash and bank balances disclosed in Note 12) and equity of the Company (comprising issued capital, reserves and accumulated deficit). The board of directors review the capital structure on a regular basis. As part of this review, the Company considers the cost of capital and the risks associated with each class of capital.

e) Gearing ratio

The gearing ratio at the year-end is as follows:

	Balance as of December 31, 2022 $'000	Balance as of December 31, 2021 $'000
Debt	5,570,252	6,059,264
Cash and cash equivalents	600,990	622,689
Net Debt	4,969,262	5,436,575
Equity	1,789,048	1,748,605
Net debt to equity ratio	278%	311%

Corporate and Project debt repayment schedules are disclosed in Note 14 and 15, respectively.

4. Financial information by segment

Atlantica's segment structure reflects how management currently makes financial decisions and allocates resources. Its operating and reportable segments are based on the following geographies where the contracted concessional assets are located: North America, South America and EMEA. In addition, based on the type of business, as of December 31, 2022, the Company had the following business sectors: Renewable energy, Efficient natural gas and Heat, Transmission lines and Water.

Atlantica's Chief Operating Decision Maker (CODM), which is the CEO, assesses the performance and assignment of resources according to the identified operating segments. The CODM considers the revenue as a measure of the business activity and the Adjusted EBITDA as a measure of the performance of each segment. Adjusted EBITDA is calculated as profit/(loss) for the year attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interest, income tax expense, financial expense net, depreciation, amortization and impairment charges of entities included in these Consolidated Financial Statements and depreciation and amortization, financial expense and income tax of unconsolidated affiliates (pro rata of Atlantica´s equity ownership).

In order to assess performance of the business, the CODM receives reports of each reportable segment using revenue and Adjusted EBITDA. Net interest expense evolution is assessed on a consolidated basis. Financial expense and amortization are not taken into consideration by the CODM for the allocation of resources.

In the year ended December 31, 2022, Atlantica had three customers with revenues representing more than 10% of total revenue, two in the renewable energy and one in the efficient natural gas and heat business sectors. In the year ended December 31, 2021, Atlantica had one customer with revenues representing more than 10% of the total revenue, in the renewable energy business sector.

a) The following tables show Revenues and Adjusted EBITDA by operating segments and business sectors for the years 2022 and 2021:

Geography	Revenue $'000 For the year ended December 31, 2022	2021	Adjusted EBITDA $'000 For the year ended December 31, 2022	2021
North America	405,047	395,775	309,988	311,803
South America	166,441	154,985	126,551	119,547
EMEA	530,541	660,989	360,561	393,038
Total	**1,102,029**	**1,211,749**	**797,100**	**824,388**

Business sector	Revenue $'000 For the year ended December 31, 2022	2021	Adjusted EBITDA $'000 For the year ended December 31, 2022	2021
Renewable energy	821,377	928,525	588,016	602,583
Efficient natural gas & Heat	113,591	123,692	84,560	99,935
Transmission lines	113,273	105,680	88,010	83,635
Water	53,788	53,852	36,514	38,235
Total	**1,102,029**	**1,211,749**	**797,100**	**824,388**

The reconciliation of segment Adjusted EBITDA with the loss attributable to the parent company is as follows:

	For the year ended December 31, 2022 $'000	2021 $'000
Profit/(loss) attributable to the Company	(5,443)	(30,080)
Profit attributable to non-controlling interest	3,356	19,162
Income tax expense, (income)	(9,689)	36,220
Financial expense, net	310,934	340,892
Depreciation, amortization, and impairment charges	473,638	439,441
Depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates pro rata of Atlantica´s equity ownership	24,304	18,753
Total segment Adjusted EBITDA	**797,100**	**824,388**

b) The assets and liabilities by geography and business sector at the end of 2022 and 2021 are as follows:

Assets and liabilities by geography as of December 31, 2022:

	North America $'000	South America $'000	EMEA $'000	Balance as of December 31, 2022 $'000
Assets allocated				
Contracted concessional, PP&E and other intangible assets	3,167,490	1,241,879	3,073,889	7,483,259
Investments carried under the equity method	210,704	4,450	44,878	260,031
Other current financial assets	118,385	31,136	46,373	195,893
Cash and cash equivalents (project companies)	187,568	85,697	266,557	539,822
Subtotal allocated	**3,684,147**	**1,363,162**	**3,431,697**	**8,479,005**
Unallocated assets				
Other non-current assets				325,893
Other current assets (including cash and cash equivalents at holding company level)				296,013
Subtotal unallocated				**621,906**
Total assets				**9,100,911**

	North America $'000	South America $'000	EMEA $'000	Balance as of December 31, 2022 $'000
Liabilities allocated				
Long-term and short-term project debt	1,713,125	841,906	1,998,021	4,553,052
Grants and other liabilities	994,874	25,031	232,608	1,252,513
Subtotal allocated	**2,707,999**	**866,937**	**2,230,629**	**5,805,565**
Unallocated liabilities				
Long-term and short-term corporate debt				1,017,200
Other non-current liabilities				313,328
Other current liabilities				175,771
Subtotal unallocated				**1,506,299**
Total liabilities				**7,311,864**
Equity unallocated				**1,789,047**
Total liabilities and equity unallocated				**3,295,346**
Total liabilities and equity				**9,100,911**

Assets and liabilities by geography as of December 31, 2021:

	North America $'000	South America $'000	EMEA $'000	Balance as of December 31, 2021 $'000
Assets allocated				
Contracted concessional, PP&E and other intangible assets	3,355,669	1,231,276	3,434,623	8,021,568
Investments carried under the equity method	253,221	-	41,360	294,581
Other current financial assets	135,224	28,155	44,000	207,379
Cash and cash equivalents (project companies)	171,744	74,149	287,655	533,548
Subtotal allocated	**3,915,858**	**1,333,580**	**3,807,638**	**9,057,076**
Unallocated assets				
Other non-current assets				268,876
Other current assets (including cash and cash equivalents at holding company level)				425,978
Subtotal unallocated				**694,854**
Total assets				**9,751,930**

	North America $'000	South America $'000	EMEA $'000	Balance as of December 31, 2021 $'000
Liabilities allocated				
Long-term and short-term project debt	1,792,739	887,497	2,355,957	5,036,193
Grants and other liabilities	1,051,679	14,445	197,620	1,263,744
Subtotal allocated	**2,844,418**	**901,942**	**2,553,577**	**6,299,937**
Unallocated liabilities				
Long-term and short-term corporate debt				1,023,071
Other non-current liabilities				532,312
Other current liabilities				148,005
Subtotal unallocated				**1,703,388**
Total liabilities				**8,003,325**
Equity unallocated				**1,748,605**
Total liabilities and equity unallocated				**3,451,993**
Total liabilities and equity				**9,751,930**

Assets and liabilities by business sectors as of December 31, 2022:

	Renewable energy $'000	Efficient natural gas & Heat $'000	Transmission lines $'000	Water $'000	Balance as of December 31, 2022 $'000
Assets allocated					
Contracted concessional, PP&E and other intangible assets	6,035,091	485,431	800,067	162,670	7,483,259
Investments carried under the equity method	203,420	10,034	4,450	42,128	260,031
Other current financial assets	6,706	116,366	30,582	42,240	195,893
Cash and cash equivalents (project companies)	392,577	73,673	48,073	25,498	539,822
Subtotal allocated	**6,637,794**	**685,504**	**883,172**	**272,536**	**8,479,005**
Unallocated assets					
Other non-current assets					325,893
Other current assets (including cash and cash equivalents at holding company level)					296,013
Subtotal unallocated					**621,906**
Total assets					**9,100,911**

	Renewable energy $'000	Efficient natural gas & Heat $'000	Transmission lines $'000	Water $'000	Balance as of December 31, 2022 $'000
Liabilities allocated					
Long-term and short-term project debt	3,442,625	440,999	582,689	86,739	4,553,052
Grants and other liabilities	1,211,878	32,138	6,040	2,457	1,252,513
Subtotal allocated	**4,654,503**	**473,137**	**588,729**	**89,196**	**5,805,565**
Unallocated liabilities					
Long-term and short-term corporate debt					1,017,200
Other non-current liabilities					313,328
Other current liabilities					175,771
Subtotal unallocated					**1,506,299**
Total liabilities					**7,311,864**
Equity unallocated					**1,789,047**
Total liabilities and equity unallocated					**3,295,346**
Total liabilities and equity					**9,100,911**

Assets and liabilities by business sectors as of December 31, 2021:

	Renewable energy $'000	Efficient natural gas & Heat $'000	Transmission lines $'000	Water $'000	Balance as of December 31, 2021 $'000
Assets allocated					
Contracted concessional, PP&E and other intangible assets	6,533,408	517,247	805,987	164,926	8,021,568
Investments carried under the equity method	240,302	15,358	-	38,921	294,581
Other current financial assets	10,761	128,461	27,813	40,344	207,379
Cash and cash equivalents (project companies)	442,213	25,392	44,574	21,369	533,548
Subtotal allocated	**7,226,684**	**686,458**	**878,374**	**265,560**	**9,057,076**
Unallocated assets					
Other non-current assets					268,876
Other current assets (including cash and cash equivalents at holding company level)					425,978
Subtotal unallocated					**694,854**
Total assets					**9,751,930**

	Renewable energy $'000	Efficient natural gas & Heat $'000	Transmission lines $'000	Water $'000	Balance as of December 31, 2021 $'000
Liabilities allocated					
Long-term and short-term project debt	3,857,313	478,724	602,278	97,878	5,036,193
Grants and other liabilities	1,244,346	11,212	5,795	2,391	1,263,744
Subtotal allocated	**5,101,659**	**489,936**	**608,073**	**100,269**	**6,299,937**
Unallocated liabilities					
Long-term and short-term corporate debt					1,023,071
Other non-current liabilities					532,312
Other current liabilities					148,005
Subtotal unallocated					**1,703,388**
Total liabilities					**8,003,325**
Equity unallocated					**1,748,605**
Total liabilities and equity unallocated					**3,451,993**
Total liabilities and equity					**9,751,930**

c) The amount of depreciation, amortization and impairment charges recognized for the years ended December 31, 2022 and 2021 are as follows:

	For the year ended December 31, $'000	
Depreciation, amortization and impairment by geography	**2022**	**2021**
North America	(182,159)	(152,946)
South America	(80,039)	(57,214)
EMEA	(211,440)	(229,281)
Total	**(473,638)**	**(439,441)**

	For the year ended December 31, $'000	
Depreciation, amortization and impairment by business sectors	**2022**	**2021**
Renewable energy	(434,042)	(432,138)
Efficient natural gas & Heat	(5,430)	23,910
Transmission lines	(32,466)	(31,286)
Water	(1,700)	73
Total	**(473,638)**	**(439,441)**

5. Business Combinations

For the year ended December 31, 2022

On January 17, 2022, the Company closed the acquisition of Chile TL4, a 63-mile transmission line and 2 substations in Chile for a total equity investment of $38.4 million. Atlantica has control over Chile TL4 under IFRS 10, Consolidated Financial Statements. The acquisition of Chile TL4 has been accounted for in these Consolidated Financial Statements in accordance with IFRS 3, Business Combinations. Chile TL4 is included within the Transmission Lines sector and the South America geography.

On April 4, 2022, the Company closed the acquisition of Italy PV 4, a 3.6 MW solar portfolio in Italy for a total equity investment of $3.7 million. Atlantica has control over Italy PV 4 under IFRS 10, Consolidated Financial Statements. The acquisition of Italy PV 4 has been accounted for in these Consolidated Financial Statements in accordance with IFRS 3, Business Combinations. Italy PV4 is included within the Renewable energy sector and the EMEA geography.

On September 2, 2022 the Company closed the acquisition of Chile PV 3, a 73 MW solar PV plant through its renewable energy platform in Chile for a total equity investment of $7.7 million. Atlantica has control over Chile PV 3 under IFRS 10, Consolidated Financial Statements. The acquisition of Chile PV 3 has been accounted for in these Consolidated Financial Statements in accordance with IFRS 3, Business Combinations, showing 65% of non-controlling interests. Chile PV 3 is included within the Renewable energy sector and the South America geography.

The fair value of assets and liabilities consolidated at the effective acquisition date is shown in aggregate on the basis that they are individually not significant in the following table:

	Business combinations for the year ended December 31, 2022 $'000
Property, plant and equipment under IAS 16 (Note 6)	58,002
Rights of use under IFRS 16 (Lessee) or intangible assets under IAS 38 (Note 6)	16,993
Cash & cash equivalents	1,057
Other current assets	8,283
Non-current Project debt (Note 15)	(1,301)
Current Project debt (Note 15)	(148)
Other current and non-current liabilities	(18,919)
Non-controlling interests	(14,300)
Total net assets acquired at fair value	49,667
Asset acquisition – purchase price paid	(49,667)
Net result of business combinations	-

The purchase price equals the fair value of the net assets acquired.

The allocation of the purchase price is provisional as of December 31, 2022 and amounts indicated above may be adjusted during the measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized as of December 31, 2022. The measurement period will not exceed one year from the acquisition dates.

The amount of revenue contributed by the acquisitions performed during 2022 to the Consolidated Financial Statements of the Company for the year 2022 is $6.2 million, and the amount of profit after tax is $1.7 million. Had the acquisitions been consolidated from January 1, 2022, the consolidated statement of comprehensive income would have included additional revenue of $4.8 million and additional profit after tax of $1.7 million.

For the year ended December 31, 2021

On January 6, 2021, the Company completed its second investment through its Chilean renewable energy platform in a 40 MW solar PV plant, Chile PV 2, located in Chile, for approximately $5 million. Atlantica has control over Chile PV 2 under IFRS 10, Consolidated Financial Statements. The acquisition of Chile PV 2 had been accounted for in these Consolidated Financial Statements in accordance with IFRS 3, Business Combinations, showing 65% of non-controlling interests. Chile PV 2 is included within the Renewable energy sector and the South America geography.

On January 8, 2021, the Company completed the purchase of an additional 42.5% stake in Rioglass, a supplier of spare parts and services to the solar industry, increasing its stake from 15% to 57.5% and gaining control over the business under IFRS 10, Consolidated Financial Statements. The purchase price paid was $8.6 million, and the Company paid an additional $3.7 million (deductible from the final payment) for an option to acquire the remaining 42.5% under the same conditions until September 2021. On July 22, 2021, the Company exercised the option paying an additional $4.8 million, becoming the sole shareholder of the entity. Rioglass is included within the Renewable energy sector and the EMEA geography. The acquisition of Rioglass had been accounted for in these Consolidated Financial Statements in accordance with IFRS 3, Business Combinations.

On April 7, 2021, the Company closed the acquisition of Coso, a 135 MW renewable asset in California. The purchase price paid was $130 million. Atlantica has control over Coso under IFRS 10, Consolidated Financial Statements and its acquisition had been accounted for in these Consolidated Financial Statements in accordance with IFRS 3, Business Combinations. Coso is included within the Renewable energy sector and the North America geography.

On May 14, 2021, the Company closed the acquisition of Calgary District Heating, a district heating asset of approximately 55 MWt in Canada. The purchase price paid was approximately $22.9 million. The acquisition had been accounted for in these Consolidated Financial Statements in accordance with IFRS 3, Business Combinations. Calgary District Heating is included within the Efficient natural gas and Heat sector and the North America geography.

On August 6, 2021, the Company closed the acquisition of Italy PV 1 and Italy PV 2, two solar PV plants in Italy with a combined capacity of 3.7 MW for a total equity investment of $9 million. The acquisition had been accounted for in these Consolidated Financial Statements in accordance with IFRS 3, Business Combinations. These assets are included within the Renewable energy sector and the EMEA geography.

On November 25, 2021, the Company closed the acquisition of La Sierpe, a 20 MW solar PV plant in Colombia for a total equity investment of approximately $23.5 million. The acquisition had been accounted for in these Consolidated Financial Statements in accordance with IFRS 3, Business Combinations. La Sierpe is included within the Renewable energy sector and the South America geography.

On December 14, 2021, the Company closed the acquisition of Italy PV 3, a 2.5 MW solar asset in Italy for a total equity investment of approximately $4.0 million. The acquisition had been accounted for in these Consolidated Financial Statements in accordance with IFRS 3, Business Combinations. Italy PV 3 is included within the Renewable Energy sector and the EMEA geography.

The fair value of assets and liabilities consolidated at the effective acquisition date is shown in aggregate under Other on the basis that they are individually not significant in the following table:

	Business combinations for the year ended December 31, 2021 $'000		
	Coso	**Other**	**Total**
Property, plant and equipment under IAS 16 (Note 6)	383,153	137,426	520,579
Rights of use under IFRS 16 (Lessee) or intangible assets under IAS 38 (Note 6)	-	22,149	22,149
Deferred tax asset (Note 18)	-	4,410	4,410
Other non-current assets	11,024	1,943	12,967
Cash & cash equivalents	6,363	14,649	21,012
Other current assets	14,378	46,632	61,010
Non-current Project debt (Note 15)	(248,544)	(39,808)	(288,352)
Current Project debt (Note 15)	(13,415)	(25,366)	(38,781)
Deferred tax liabilities (Note 18)	-	(4,910)	(4,910)
Other current and non-current liabilities	(22,959)	(64,922)	(87,881)
Non-controlling interests	-	(8,287)	(8,287)
Total net assets acquired at fair value	**130,000**	**83,916**	**213,916**
Asset acquisition – purchase price paid	(130,000)	(80,868)	(210,868)
Fair value of previously held 15% stake in Rioglass	-	(3,048)	(3,048)
Net result of business combinations	**-**	**-**	**-**

The purchase price equalled the fair value of the net assets acquired.

The amount of revenue contributed by the acquisitions performed during 2021 to the Consolidated Financial Statements of the Company for the year 2021 was $163.5 million, and the amount of profit after tax was $0.8 million. Had the acquisitions been consolidated from January 1, 2021, the consolidated statement of comprehensive income would have included additional revenue of $17.7 million and additional profit after tax of $3.3 million.

The provisional period for the purchase price allocation of all the businesses acquired in 2021 closed during the year 2022 and did not result in significant adjustments to the initial amounts recognized.

6. Contracted Concessional, PP&E and Other Intangible Assets

The Company has assets recorded as intangible or financial assets in accordance with IFRIC 12, property plant and equipment in accordance with IAS 16 and right of use assets under IFRS 16 or intangible assets under IAS 38.

For further details on the application of IFRIC 12 to assets of the Company, see Note 26.

a) The following table shows the movements of assets included in the heading "Contracted Concessional, PP&E and other intangible assets" for 2022:

Cost	Financial assets under IFRIC 12	Financial assets under IFRS 16 (Lessor)	Intangible assets under IFRIC 12	Right of use assets under IFRS 16 (Lessee) and intangible assets under IAS 38	Property, plant and equipment under IAS 16	Total assets
Total as of January 1, 2022	874,525	2,843	9,202,539	100,109	839,119	11,019,135
Additions	-	-	32,941	4,155	80,196	117,292
Subtractions	-	(57)	(499)	(1,350)	(8,655)	(10,561)
Business combinations (Note 5)	-	-	-	16,993	58,002	74,995
Currency translation differences	1,760	1	(261,536)	(4,531)	(21,006)	(285,312)
Reclassification and other movements	(58,115)	-	2,798	(6,200)	8,950	(52,567)
Total Cost as of December 31, 2022	**818,170**	**2,787**	**8,976,243**	**109,176**	**956,606**	**10,862,982**

Depreciation, amortization and impairment	Financial assets under IFRIC 12	Financial assets under IFRS 16 (Lessor)	Intangible assets under IFRIC 12	Right of use assets under IFRS 16 (Lessee) and intangible assets under IAS 38	Property, plant and equipment under IAS 16	Total assets
Total as of January 1, 2022	(62,889)	-	(2,769,345)	(21,578)	(143,755)	(2,997,567)
Additions	(6,560)	-	(398,639)	(6,419)	(64,306)	(475,924)
Subtractions	-	-	-	859	7,643	8,502
Currency translation differences	(108)	-	79,206	822	5,346	85,266
Total depreciation, amortization and impairment as of December 31, 2022	**(69,557)**	**-**	**(3,088,778)**	**(26,316)**	**(195,072)**	**(3,379,723)**
Total net book value as of December 31, 2022	**748,613**	**2,787**	**5,887,465**	**82,860**	**761,534**	**7,483,259**

The decrease in the contracted concessional assets cost is primarily due to the lower value of the Euro denominated assets since the exchange rate of the Euro decreased against the U.S. dollar since December 31, 2021, that more than offsets the increase resulting from business combinations and the additions for the year that primarily correspond to investments in operating concessional assets and assets under development or construction. The increase in accumulated depreciation, amortization and impairment is primarily due to the amortization charge for the year and the impairment registered in Solana, Chile PV1 and Chile PV2 (see further explanation below).

The decrease included in "Reclassification and other movement" is mainly due to the reclassification from the long to the short term of the current portion of the contracted concessional financial assets.

b) The following table shows the movements of assets included in the heading "Contracted Concessional, PP&E and other intangible assets" for 2021:

Cost	Financial assets under IFRIC 12	Financial assets under IFRS 16 (Lessor)	Intangible assets under IFRIC 12	Right of use assets under IFRS 16 (Lessee) and intangible assets under IAS 38	Property, plant and equipment under IAS 16	Total assets
Total as of January 1, 2021	936,837	2,941	9,467,309	80,030	336,920	10,824,037
Additions	922	442	40,383	3,639	13,204	58,410
Subtractions	-	-	(348)	(16)	(21,266)	(21,630)
Business combinations (Note 5)	-	-	-	22,149	519,931	542,080
Currency translation differences	(9,519)	(540)	(334,497)	(5,693)	(20,029)	(370,278)
Reclassification and other movements	(53,715)	-	29,692	-	10,539	(13,484)
Total Cost as of December 31, 2021	**874,525**	**2,843**	**9,202,539**	**100,109**	**839,119**	**11,019,135**

Depreciation, amortization and impairment	Financial assets under IFRIC 12	Financial assets under IFRS 16 (Lessor)	Intangible assets under IFRIC 12	Right of use assets under IFRS 16 (Lessee) and intangible assets under IAS 38	Property, plant and equipment under IAS 16	Total assets
Total as of January 1, 2021	(87,689)	-	(2,442,520)	(16,171)	(122,239)	(2,668,619)
Additions	(418)	-	(424,181)	(6,370)	(29,392)	(460,361)
Reversal of impairment	24,929	-	-	-	-	24,929
Currency translation differences	289	-	97,356	963	7,876	106,484
Total depreciation, amortization and impairment as of December 31, 2021	**(62,889)**	**-**	**(2,769,345)**	**(21,578)**	**(143,755)**	**(2,997,567)**
Total net book value as of December 31, 2021	**811,636**	**2,843**	**6,433,194**	**78,531**	**695,364**	**8,021,568**

The increase in the contracted concessional assets cost was primarily due to business combinations for a total amount of $542 million (Note 5), partially offset by the lower value of the Euro denominated assets since the exchange rate of the Euro decreased against the U.S. dollar since December 31, 2020.

This increase was mainly offset by the depreciation and amortization charge for the year and the impairment registered in Solana (see further explanation below).

The decrease included in "Reclassification and other movement" was mainly due to the reclassification from the long to the short term of the current portion of the contracted concessional financial assets.

Solana triggering event of impairment

Considering the continued delays in the works and replacements that the Company is carrying out in the storage system at Solana and their impact on production in 2022, as well as an increase in the discount rate, the Company identified an impairment triggering event, in accordance with IAS 36, Impairment of assets. As a result, an impairment test has been performed using historical level of output (generation), which resulted in the recording of an impairment loss of $41 million in 2022 ($43 million in 2021).

The impairment has been recorded within the line "Depreciation, amortization and impairment charges" of the consolidated income statement, decreasing the amount of Intangible assets under IFRIC 12 pertaining to the Renewable energy sector and the North America geography. The recoverable amount considered is the value in use and amounts to $881 million for Solana, as of December 31, 2022 ($943 million as of December 31, 2021). A specific discount rate has been used in each year considering changes in the debt/equity leverage ratio over the useful life of this project, resulting in the use of a range of pre-tax discount rates between 5.9% and 6.3% (between 4.9% and 5.9% in 2021).

An adverse change in the key assumptions which are individually used for the valuation could lead to future impairment recognition; specifically, a 5% decrease in generation over the entire remaining useful life (PPA) of the project would generate an additional impairment of approximately $59 million. An increase of 50 basis points in the discount rate would lead to an additional impairment of approximately $33 million.

Chile PV1 and Chile PV2 triggering event of impairment

Considering that expected electricity prices in Chile over the remaining useful life of Chile PV1 and Chile PV2 have recently decreased and are currently lower than the prices assumed at the time of the acquisition, the Company identified an impairment triggering event, in accordance with IAS 36, Impairment of assets. As a result, an impairment test has been performed which resulted in the recording of an impairment loss of $8 million for Chile PV1 and $12 million for Chile PV2 in 2022.

The impairment has been recorded within the line "Depreciation, amortization and impairment charges" of the consolidated income statement, decreasing the amount of Property, plant and equipment under IAS 16 pertaining to the Renewable energy sector and the South America geography. The recoverable amount considered is the value in use and amounts to $58 million for Chile PV1 and $22 million for Chile PV2, as of December 31, 2022. A specific discount rate has been used in each year considering changes in the debt/equity leverage ratio over the useful life of these projects, resulting in the use of a range of pre-tax discount rates between 7.5% and 8.4% for Chile PV1 and 7.5% and 8.3% for Chile PV2.

An adverse change in the key assumptions which are individually used for the valuation could lead to future impairment recognition; specifically, a 5% decrease in electricity prices over the entire remaining useful life of these projects would generate an additional total impairment of approximately $5 million. An increase of 50 basis points in the discount rate would lead to an additional total impairment of approximately $3 million.

The Company did not identify any other triggering event of impairment of its contracted concessional assets as of December 31, 2022 and 2021.

Expected credit losses

The impairment provision based on the expected credit losses on contracted concessional financial assets, calculated in accordance with IFRS 9, Financial instruments, increased by $7 million in the year ended December 31, 2022, (decreased by $25 million in the year ended December 31, 2021, primarily in ACT, following an improvement of its client´s credit risk metrics), primarily in ACT.

7. Investments Carried Under the Equity Method

The table below shows the breakdown and the movement of the investments held in associates and joint ventures for 2022 and 2021:

Investments in associates and joint ventures	2022 $'000	2021 $'000
Initial balance	294,581	116,614
Share of profit	21,465	12,304
Distributions	(57,537)	(36,877)
Acquisitions	4,901	202,345
Others (incl. currency translation differences)	(3,379)	195
Final balance	**260,031**	**294,581**

In November 2022, Atlantica closed the acquisition of a 49% interest, with joint control, in Chile PMGD, an 80MW portfolio of solar PV assets in Chile, which is currently starting construction (Note 1). Chile PMGD is accounted for in these Consolidated Financial Statements using the equity method as per IAS28 – Investments in Associates.

The decrease in investments carried under the equity method in 2022, is primarily due to the distributions received by AYES Canada from Amherst Island Partnership for $20.9 million ($17.7 million in 2021), distributions from Vento II for $32.6 million ($14.8 million in 2021) and from Honaine for $4.0 million ($4.4 million in 2021), partially offset by the share of profit of associates for $21.5 million ($12.3 million in 2021) and the investment made in Chile PMGD in November, 2022 for $4.5 million. A significant portion of the distributions received from Amherst Island Partnership are distributed by the Company to Algonquin Power Co. (Note 13).

The tables below shows a breakdown of stand-alone amounts of assets, revenues and profit and loss as well as other information of interest for the years 2022 and 2021 for the entities carried under the equity method:

Company	% Shares of the Company	Non-current assets	Current assets	Project debt	Other non-current liabilities	Other current liabilities	Revenue	Operating profit/ (loss)	Net profit/ (loss)	Investment under the equity method
2007 Vento II, LLC (1)	49.00	435,029	14,198	-	57,596	11,515	103,362	42,662	40,992	181,735
Windlectric Inc (2)	30.00	278,504	3,338	-	167,519	43,227	24,996	10,560	(15)	18,935
Myah Bahr Honaine, S.P.A.(3)	25.50	150,623	66,246	43,579	18,902	4,257	55,267	33,374	26,768	42,128
Pemcorp SAPI de CV (4)	30.00	138,931	112,352	159,382	90,474	4,328	45,625	1,680	(17,747)	10,034
Pectonex, R.F. Proprietary Limited	50.00	2,045	-	-	-	1	-	(168)	(168)	1,411
Evacuacion Valdecaballeros, S.L.	57.16	15,551	1,020	-	13,635	232	860	(60	(89)	858
Evacuacion Villanueva del Rey, S.L	40.02	2,317	12	-	1,386	111	-	57	-	-
Liberty Infraestructuras S.L.	20.00	93	283	-	-	37	-	-	(22)	29
Akuo Atlantica PMGD Holding S.P.A. (5)	49.00	14,814	2,828	-	8,755	326	-	-	(348)	4,450
Fontanil Solar, S.L.U.	25.00	117	7	-	99	24	-	(1)	(2)	229
Murum Solar, S.L.U.	25.00	228	8	-	180	59	-	(1)	(5)	222
As of December 31, 2022										**260,031**

Company	% Shares of the Company	Non-current assets	Current assets	Project debt	Other non-current liabilities	Other current liabilities	Revenue	Operating profit/ (loss)	Net profit/ (loss)	Investment under the equity method
2007 Vento II, LLC (1)	49.00	459,037	13,511	-	62,387	10,259	104,461	34,216	32,806	195,952
Windlectric Inc (2)	30.00	310,751	11,036	-	207,404	38,126	24,008	10,442	152	41,911
Myah Bahr Honaine, S.P.A.(3)	25.50	151,830	59,020	51,721	18,142	3,293	53,450	33,935	24,899	38,922
Pemcorp SAPI de CV (4)	30.00	127,892	117,083	146,931	101,439	2,925	40,166	6,561	(6,522)	15,358
Pectonex, R.F. Proprietary Limited	50.00	2,356	-	-	-	1	-	(186)	(186)	1,495
Evacuación Valdecaballeros, S.L.	57.16	17,185	976	-	15,022	156	938	(63)	(93)	923
Evacuación Villanueva del Rey, S.L	40.02	2,637	63	-	1,601	172	-	59	-	-
Liberty Infraestructuras S.L.	20.00	238	46	-	-	5	-	(54)	(54)	21
As of December 31, 2021										**294,581**

The Company has no control over Evacuacion Valdecaballeros, S.L. as all relevant decisions of this company require the approval of a minimum of shareholders accounting for more than 75% of the shares.

None of the associated companies referred to above is a listed company.

(1) 2007 Vento II, LLC, is the holding company of a 596 MW portfolio of wind assets in the U.S., 49% owned by Atlantica since June 16, 2021, and accounted for under the equity method in these Consolidated Financial Statements (Note 1). Share of profit of 2007 Vento II, LLC. included in these Consolidated Financial Statements amounts to $20.1 million in 2022 and $8.4 million in 2021.

(2) Windlectric Inc., the project entity, is 100% owned by Amherst Island Partnership which is accounted for under the equity method in these Consolidated Financial Statements.

(3) Myah Bahr Honaine, S.P.A., the project entity, is 51% owned by Geida Tlemcen, S.L. which is accounted for using the equity method in these Consolidated Financial Statements. Geida Tlemcen, S.L. is 50% owned by Atlantica. Share of profit of Myah Bahr Honaine S.P.A. included in these Consolidated Financial Statements amounts to $6.8 million in 2022 and $6.4 million in 2021.

(4) Pemcorp SAPI de CV, Monterrey´s project entity, is 100% owned by Arroyo Netherlands II B.V. which is accounted for under the equity method in these Consolidated Financial Statements. Arroyo Netherlands II B.V. is 30% owned by Atlantica. Share of profit of Pemcorp SAPI de CV included in these Consolidated Financial Statements amounts to a loss of $5.3 million in 2022 and a loss of $2.0 million in 2021.

(5) Akuo Atlantica PMGD Holding S.P.A. is the holding company of a 80MW portfolio of solar PV assets in Chile, which is currently starting construction, 49% owned by Atlantica, with joint control since November 2022 and accounted for under the equity method in these Consolidated Financial Statements.

8. Financial instruments by Category

Financial instruments, in addition to financial assets included within Contracted concessional, PP&E and other intangible assets disclosed in Note 6, are primarily deposits, derivatives, trade and other receivables and loans. Financial instruments by category (current and non-current), reconciled with the statement of financial position as of December 31, 2022 and 2021 are as follows:

Category	Notes	Amortized Cost $'000	Fair value through Other Comprehensive Income $´000	Fair value through profit or loss $'000	Balance as of 12.31.22 $'000
Derivative assets	9	-	-	97,381	97,381
Investment in Ten West Link		-	15,959	-	15,959
Financial assets under IFRIC 12 (short-term portion) (*)		186,841	-	-	186,841
Trade and other receivables	11	200,334	-	-	200,334
Cash and other equivalents	12	600,990	-	-	600,990
Other financial assets		71,949	-	-	71,949
Total financial assets		**1,060,114**	**15,959**	**97,381**	**1,173,454**
Corporate debt (**)	14	1,017,200	-	-	1,017,200
Project debt (**)	15	4,553,052	-	-	4,553,052
Trade and other current liabilities	17	140,230	-	-	140,230
Derivative liabilities	9	-	-	16,847	16,847
Total financial liabilities		**5,710,482**	-	**16,847**	**5,727,329**

Category	Notes	Amortized Cost $'000	Fair value through Other Comprehensive Income $´000	Fair value through profit or loss $'000	Balance as of 12.31.21 $'000
Derivative assets	9	-	-	12,960	12,960
Investment in Ten West Link		-	14,459	-	14,459
Financial assets under IFRIC 12 (short-term portion) (*)		188,912	-	-	188,912
Trade and other receivables	11	307,143	-	-	307,143
Cash and other equivalents	12	622,689	-	-	622,689
Other financial assets		87,657	-	-	87,657
Total financial assets		**1,206,401**	**14,459**	**12,960**	**1,233,820**
Corporate debt (**)	14	1,023,071	-	-	1,023,071
Project debt (**)	15	5,036,193	-	-	5,036,193
Trade and other current liabilities	17	113,907	-	-	113,907
Derivative liabilities	9	-	-	223,453	223,453
Total financial liabilities		**6,173,171**	-	**223,453**	**6,396,624**

(*) The long-term portion of Financial assets under IFRIC 12 is included within the line Contracted concessional, PP&E and other intangible assets (Note 6).

(**) The percentage of Corporate and Project debt at fixed interest or hedged is 96% and 92% respectively as of December 31, 2022 (99% and 92% respectively as of December 31, 2021).

Other financial assets as of December 31, 2022 and as of December 31, 2021 include among others, a loan to Monterrey (Note 7) and restricted cash for repairs or scheduled major maintenance work.

Investment in Ten West Link is a 12.5% interest in a 114-mile transmission line in the U.S., currently under construction.

9. Derivative Financial Instruments

The breakdown of the fair value amounts of the derivative financial instruments as of December 31, 2022 and 2021 are as follows:

	Balance as of 12.31.22		Balance as of 12.31.21	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Interest rate cash flow hedge	94,192	12,159	9,550	206,763
Foreign exchange derivatives instruments	3,189	-	3,410	-
Notes conversion option (Note 14)	-	4,688	-	16,690
Total	**97,381**	**16,847**	**12,960**	**223,453**

The derivatives are primarily interest rate cash-flow hedges. All are classified as non-current assets or non-current liabilities, as they hedge long-term financing agreements.

As stated in Note 3 to these consolidated financial statements, the general policy is to hedge variable interest rates of financing agreements using two types of hedging derivatives:

- Interest rate swaps under which the Company receives the floating leg and pays the fixed leg; and
- Purchased call options (cap), in exchange of a premium to fix the maximum interest rate cost.

The notional amounts hedged, strikes contracted and maturities, depending on the characteristics of the debt on which the interest rate risk is being hedged, can be diverse. As of December 31, 2022, approximately 92% of the Project debt and close to 96% of the Corporate debt of the Company either has fixed interest rates or has been hedged with swaps or caps (92% and 99%, respectively, as of December 31,2021)

The table below shows a breakdown of the maturities of notional amounts of interest rate cash flow hedge derivatives designated as cash flow hedges as of December 31, 2022 and 2021.

Notionals	Balance as of 12.31.22 $'000		Balance as of 12.31.21 $'000	
	Assets	Liabilities	Assets	Liabilities
Up to 1 year	245,147	47,029	71,386	120,874
Between 1 and 2 years	310,393	102,476	304,930	249,785
Between 2 and 3 years	217,498	112,855	262,973	276,111
Subsequent years	659,186	280,016	217,989	852,696
Total	**1,432,224**	**542,376**	**857,278**	**1,499,466**

The table below shows a breakdown of the maturity of the fair values of interest rate cash flow hedge derivative as of December 31, 2022 and 2021.

Fair value	Balance as of 12.31.22 $'000		Balance as of 12.31.21 $'000	
	Assets	Liabilities	Assets	Liabilities
Up to 1 year	10,868	(991)	678	(15,039)
Between 1 and 2 years	17,860	(2,189)	1,810	(33,670)
Between 2 and 3 years	12,257	(2,851)	2,268	(39,834)
Subsequent years	53,208	(6,128)	4,794	(118,220)
Total	**94,192**	**(12,159)**	**9,550**	**(206,763)**

The net amount of the fair value of interest rate derivatives designated as cash flow hedges transferred to the consolidated income statement in 2022 is a loss of $38,187 thousand (loss of $58,292 thousand in 2021).

The after-tax result accumulated in equity in connection with derivatives designated as cash flow hedges at the years ended December 31, 2022 and 2021, amount to a $345,567 thousand gain and a $171,272 thousand gain respectively.

Additionally, the Company has currency options with leading international financial institutions, which guarantee minimum Euro-U.S. dollar exchange rates. The strategy of the Company is to hedge the exchange rate for the net distributions from its European assets after deducting euro-denominated interest payments and euro-denominated general and administrative expenses. Through currency options, the strategy of the Company is to hedge 100% of its euro-denominated net exposure for the next 12 months and 75% of its euro denominated net exposure for the following 12 months, on a rolling basis. Change in fair value of these foreign exchange derivatives instruments are directly recorded in the consolidated income statement.

Finally, the conversion option of the Green Exchangeable Notes issued in July 2020 (Note 14) is recorded as a derivative with a fair value (liability) of $5 million as of December 31, 2022 ($17 million as of December 31, 2021).

10. Related Party Transactions

The related parties of the Company are primarily Algonquin and its subsidiaries, non-controlling interests (Note 13), entities accounted for under the equity method (Note 7) as well as the Directors and the Senior Management of the Company.

Details of balances with related parties as of December 31, 2022 and 2021 are as follows:

	As of December 31,	Receivables (current)	Receivables (non-current)	Payables (current)	Payables (non-current)
Investments carried under the equity method:		**$000**	**$000**	**$000**	**$000**
Arroyo Netherland II B.V	2022	1,097	17,006	-	-
	2021	10,000	15,768	-	-
Amherst Island Partnership	2022	-	-	-	-
	2021	6,279	-	-	-
Other	2022	127	-	-	-
	2021	-	-	-	-
Non controlling interest:					
Algonquin	2022	-	-	4,762	-
	2021	198	-	6,144	-
JGC Corporation	2022	-	-	-	6,088
	2021	2,910	-	-	-
Industrial Development Corporation of South Africa and Community Trust	2022	-	-	-	-
	2021	-	-	3,309	-
Other	2022	-	-	21	-
	2021	-	-	41	5
Total	**2022**	**1,224**	**17,006**	**4,783**	**6,088**
	2021	**19,837**	**15,768**	**9,494**	**5**

Receivables with Arroyo Netherland II B.V, the holding company of Pemcorp SAPI de CV, Monterrey´s project entity (Note 7), correspond to the short and long term portion of the loan that was granted at acquisition date of the project and accrues an interest of Libor plus 6.31%.

As of December 2021, Current receivable included a dividend to be collected from Amherst Island Partnership and a credit from Solacor 1 and 2 to JGC Corporation that was cancelled in 2022.

Current payables primarily include the dividend to be paid by AYES Canada to Algonquin. The Current payable as of December 2021 with Industrial Development Corporation of South Africa and Community Trust corresponded to the residual amount of the loan granted by the non-controlling interests to Kaxu during the construction period which has been repaid during 2022.

Non-current payables with JGC Corporation as of December 2022 include a subordinated debt with Solacor 1 and Solacor 2 that accrues an interest of Euribor plus 2.5% and with maturity date in 2037.

The transactions carried out by entities included in these Consolidated Financial Statements with related parties for the years ended December 31, 2022 and 2021 have been as follows:

		Financial income	Financial expense
Investments carried under the equity method:		**$000**	**$000**
Arroyo Netherland II B.V	2022	1,275	-
	2021	2,061	-
Non controlling interests:			
Other	2022	23	(65)
	2021	8	(97)
Total	**2022**	**1,298**	**(65)**
	2021	**2,069**	**(97)**

The total amount of the remuneration received by the Board of Directors of the Company, including the CEO, amounts to $5.7 million in 2022 ($4.6 million in 2021), including $0.9 million of annual bonus ($1.0 million in 2021) and $3.0 million of long-term award vested in 2022 ($1.9 million in 2021). The increase of the total remuneration in 2022 is mainly due to the increase of the long-term award, as a result of the vesting in 2022 of a portion of the share options awarded from 2019 to 2022 and the increase of Atlantica's share price from the date of such awards being granted. None of the directors received any pension remuneration in 2022 nor 2021.

11. Trade and Other Receivables

Trade and other receivables as of December 31, 2022 and 2021, consist of the following:

	Balance as of December 31, 2022 $'000	Balance as of December 31, 2021 $'000
Trade receivables	125,437	227,343
Tax receivables	45,680	59,350
Prepayments	11,827	9,342
Other accounts receivable	17,390	11,108
Total	**200,334**	**307,143**

The decrease in trade receivables is primarily due to payments received from the Spanish state-owned regulator, Comision Nacional de los Mercados y de la Competencia or "CNMC", in the solar assets of the Company in Spain and from Pemex in ACT. In Spain, the assets of the Company have collected revenue in 2022 in line with the parameters corresponding to the regulation in place at the beginning of the year, as the new parameters became final on December 14, 2022, while revenue was recorded in accordance with these new parameters (Note 1). The amounts collected "in excess" in 2022 have started to be regularized in 2023.

As of December 31, 2022, and 2021, the fair value of trade and other accounts receivable does not differ significantly from its carrying value.

Trade receivables in foreign currency as of December 31, 2022 and 2021, are as follows:

	Balance as of December 31, 2022 $'000	Balance as of December 31, 2021 $'000
Euro	4,088	65,854
South African Rand	23,416	24,513
Chilean Peso	5,037	3,386
Other	3,974	9,944
Total	**36,515**	**103,697**

The decrease in trade receivables in Euro as of December 31, 2022 is primarily due to the improvement in the collection of receivables from the CNMC.

12. Cash and Cash Equivalents

The following table shows the detail of Cash and cash equivalents as of December 31, 2022 and 2021:

	2022 $'000	2021 $'000
Cash at bank and on hand - non-restricted	393,430	368,381
Cash at bank and on hand - restricted	207,560	254,308
Total	**600,990**	**622,689**

Cash includes funds held to satisfy the customary requirements of certain non-recourse debt agreements within the Company´s projects (Note 15) amounting to $208 million as of December 31, 2022 ($254 million as of December 31, 2021).

The following breakdown shows the main currencies in which cash and cash equivalent balances are denominated:

	2022 $'000	2021 $'000
US Dollar	309,756	318,071
Euro	217,675	230,136
South African Rand	36,137	38,268
Mexican Peso	4,010	4,926
Algerian Dinar	24,727	21,156
Others	8,685	10,132
	600,990	**622,689**

13. Equity

As of December 31, 2022, the share capital of the Company amounts to $11,605,513 ($11,240,297 as of December 31, 2021) represented by 116,055,126 ordinary shares (112,402,973 shares as of December 31, 2021) fully subscribed and disbursed with a nominal value of $0.10 each, all in the same class and series. Each share grants one voting right.

Algonquin owns 42.2% of the shares of the Company and is its largest shareholder as of December 31, 2022. Algonquin's voting rights and rights to appoint directors are limited to 41.5% and the difference between Algonquin´s ownership and 41.5% will vote replicating non-Algonquin's shareholders' vote.

On December 11, 2020, the Company closed an underwritten public offering of 5,069,200 ordinary shares, including 661,200 ordinary shares sold pursuant to the full exercise of the underwriters' over-allotment option, at a price of $33 per new share. Gross proceeds were approximately $167 million. Given that the offering was issued through a subsidiary in Jersey, which became wholly owned by the Company at closing, and subsequently liquidated, the premium on issuance was credited to a merger reserve account (Capital reserves), net of issuance costs, for $161 million. Additionally, Algonquin committed to purchase 4,020,860 ordinary shares in a private placement in order to maintain its previous equity ownership of 44.2% in the Company. The private placement closed on January 7, 2021. Gross proceeds were approximately $133 million ($131 million net of issuance costs).

During the first quarter of 2021, the Company changed the accounting treatment applied to its existing long-term incentive plans granted to employees from cash-settled to equity-settled in accordance with IFRS 2, Share-based Payment, as a result of incentives being settled in shares. The liability recognized for the rights vested by the employees under such plans at the date of this change, was reclassified to equity within the line "Accumulated deficit" for approximately $9 million. The settlement in shares was approved by the Board of Directors on February 26, 2021, and the Company issued 141,482 new shares to its employees up to December 31, 2021, to settle a portion of these plans. During the year 2022, the Company issued 228,560 new shares under such incentive plans.

On August 3, 2021, the Company established an "at-the-market program" and entered into a distribution agreement with J.P. Morgan Securities LLC, as sales agent, under which the Company may offer and sell from time to time up to $150 million of its ordinary shares. The Company also entered into an agreement with Algonquin pursuant to which the Company has offered Algonquin the right but not the obligation, on a quarterly basis, to purchase a number of ordinary shares to maintain its percentage interest in Atlantica at the average price of the shares sold under the distribution agreement in the previous quarter (the "ATM Plan Letter Agreement"). On February 28, 2022, the Company established a new "at-the-market program" and entered into a distribution agreement with BofA Securities, MUFG and RBC Capital Markets, as its sales agents, under which the Company may offer and sell from time to time up to $150 million of its ordinary shares. Upon entry into the distribution agreement, the Company terminated its prior "at-the-market program" established on August 3, 2021 and the related distribution agreement dated such date, entered into with J.P. Morgan Securities LLC. During the year 2022, the Company sold 3,423,593 shares (1,613,079 shares during the year 2021) at an average market price of $33.57 ($38.43 in 2021) pursuant to its distribution agreement, representing net proceeds of $114 million ($61 million in 2021). Pursuant to the ATM Plan Letter Agreement, the Company delivers a notice to Algonquin quarterly in order for them to exercise their rights thereunder.

Atlantica´s reserves as of December 31, 2022 are made up of share premium account and capital reserves. The share premium account reduction by $200 million during the year 2021, increasing capital reserves by the same amount, was made effective upon the confirmation received from the High Court in the UK, pursuant to the Companies Act 2006.

Other reserves primarily include the change in fair value of cash flow hedges and its tax effect.

Accumulated currency translation differences primarily include the result of translating the financial statements of subsidiaries prepared in a foreign currency into the presentation currency of the Company, the U.S. dollar.

Accumulated deficit primarily includes results attributable to Atlantica.

Non-controlling interests fully relate to interests held by JGC in Solacor 1 and Solacor 2, by Idae in Seville PV, by Itochu Corporation in Solaben 2 and Solaben 3, by Algerian Energy Company, SPA and Sacyr Agua S.L. in Skikda, by Algerian Energy Company, SPA in Tenes, by Industrial Development Corporation of South Africa (IDC) and Kaxu Community Trust in Kaxu, by Algonquin Power Co. in AYES Canada, and by partners of the Company in the Chilean renewable energy platform in Chile PV 1, Chile PV 2 and Chile PV 3.

Dividends declared during the year 2022 by the Board of Directors of the Company were as follows:

Declared	Payable	Amount ($) per share
February 28, 2023	March 25, 2023	0.445
November 8, 2022	December 15, 2022	0.445
August 2, 2022	September 15, 2022	0.445
May 5, 2022	June 15, 2022	0.44
February 25, 2022	March 25, 2022	0.44

Dividends declared during the year 2021 by the Board of Directors of the Company were as follows:

Declared	Payable	Amount ($) per share
November 9, 2021	December 15, 2021	0.435
July 30, 2021	September 15, 2021	0.43
May 4, 2021	June 15, 2021	0.43
February 26, 2021	March 22, 2021	0.42

In addition, the Company declared dividends and distributions to non-controlling interests, primarily to Algonquin (interests in Amherst through AYES Canada, see Note 7) for $20.4 million in 2022 ($17.3 million in 2021), JGC for $10.4 million in 2022 ($0.5 million in 2021), Algerian Energy Company for $5.4 million in 2022 ($6.6 million in 2021), IDC and Kaxu Community Trust for $5.8 million in 2022 (nill in 2021) and Itochu for $3.5 million in 2022 ($5.7 million in 2021).

As of December 31, 2022 and December 31, 2021, there was no treasury stock and there have been no transactions with treasury stock during the years then ended.

14. Corporate Debt

The breakdown of the corporate debt as of December 31, 2022 and 2021 is as follows:

	Balance as of December 31, 2022 $'000	Balance as of December 31, 2021 $'000
Non-current	1,000,503	995,190
Current	16,697	27,881
Total Non-current	**1,017,200**	**1,023,071**

On July 20, 2017, the Company signed a credit facility (the "2017 Credit Facility") for up to €10 million ($10.7 million), which is available in euros or U.S. dollars. Amounts drawn down accrue interest at a rate per year equal to EURIBOR plus 2% or LIBOR plus 2%, depending on the currency, with a floor of 0% on the LIBOR and EURIBOR. As of December 31, 2022, $6.4 million has been drawn down ($8.2 million as of December 31, 2021). As of December 31, 2021, the credit facility maturity was July 1, 2023. On July 1, 2022, the maturity has been extended to July 1, 2024.

On May 10, 2018, the Company entered into the Revolving Credit Facility for $215 million with a syndicate of banks. Amounts drawn down accrue interest at a rate per year equal to (A) for Eurodollar rate loans, Term SOFR, plus a Term SOFR Adjustment equal to 0.10% per annum, plus a percentage determined by reference to the leverage ratio of the Company, ranging between 1.60% and 2.25% and (B) for base rate loans, the highest of (i) the rate per annum equal to the weighted average of the rates on overnight U.S. Federal funds transactions with members of the U.S. Federal Reserve System arranged by U.S. Federal funds brokers on such day plus ½ of 1.00%, (ii) the U.S. prime rate and (iii) Term SOFR plus 1.00%, in any case, plus a percentage determined by reference to the leverage ratio of the Company, ranging between 0.60% and 1.00%. Letters of credit may be issued using up to $100 million of the Revolving Credit Facility. During 2019, the amount of the Revolving Credit Facility increased from $215 million to $425 million. In the first quarter of 2021, the

Company increased the amount of the Revolving Credit Facility from $425 million to $450 million. On May 5, 2022, the maturity was extended to December 31, 2024. On December 31, 2022, $30 million were drawn down (nill as of December 31, 2021). On December 31, 2022, the Company issued letters of credit for $35 million ($10 million as of December 31, 2021). As of December 31, 2022, therefore, $385 million of the Revolving Credit Facility were available ($440 million as of December 31, 2021).

On April 30, 2019, the Company entered into the Note Issuance Facility 2019, a senior unsecured note facility with a group of funds managed by Westbourne Capital as purchasers of the notes issued thereunder for a total amount of €268 million ($287 million), with maturity date on April 30, 2025. Interest accrued at a rate per annum equaled to the sum of 3-month EURIBOR plus 4.50%. The interest rate on the Note Issuance Facility 2019 was fully hedged by an interest rate swap resulting in the Company paying a net fixed interest rate of 4.24%. The Note Issuance Facility 2019 was fully repaid on June 4, 2021, and subsequently delisted from the Official List of The International Stock Exchange.

On October 8, 2019, the Company filed a euro commercial paper program (the "Commercial Paper") with the Alternative Fixed Income Market (MARF) in Spain. The program had an original maturity of twelve months and has been extended for annual periods until October 2023. The program allows Atlantica to issue short term notes over the next twelve months for up to €50 million ($54 million), with such notes having a tenor of up to two years. As of December 31, 2022, the Company had €9.3 million ($9.9 million) issued and outstanding under the program at an average cost of 2.21% (€21.5 million, or $24.4 million, as of December 31, 2021).

On April 1, 2020, the Company closed the secured 2020 Green Private Placement for €290 million ($310 million). The private placement accrues interest at an annual 1.96% interest rate, payable quarterly and has a June 2026 maturity.

On July 8, 2020, the Company entered into the Note Issuance Facility 2020, a senior unsecured financing with a group of funds managed by Westbourne Capital as purchasers of the notes issued thereunder for a total amount of $150 million which is denominated in euros (€140 million). The Note Issuance Facility 2020 was issued on August 12, 2020, interest accrues at a rate per annum equal to the sum of the 3-month EURIBOR plus a margin of 5.25% with a floor of 0% for the EURIBOR, payable quarterly and has a maturity of seven years from the closing date. The Company have entered into a cap at 0% for the EURIBOR with 3.5 years maturity to hedge the variable interest rate risk.

On July 17, 2020, ASI Jersey Ltd, a subsidiary of the Company, issued the Green Exchangeable Notes for $100 million in aggregate principal amount of 4.00% convertible bonds due in 2025. On July 29, 2020, the Company closed an additional $15 million aggregate principal amount of the Green Exchangeable Notes. The notes mature on July 15, 2025 and bear interest at a rate of 4.00% per annum. The initial exchange rate of the notes is 29.1070 ordinary shares per $1,000 principal amount of notes, which is equivalent to an initial exchange price of $34.36 per ordinary share. Noteholders may exchange their notes at their option at any time prior to the close of business on the scheduled trading day immediately preceding April 15, 2025, only during certain periods and upon satisfaction of certain conditions. On or after April 15, 2025, noteholders may exchange their notes at any time.

Upon exchange, the notes may be settled, at the election of the Company, into Atlantica ordinary shares, cash or a combination thereof. The exchange rate is subject to adjustment upon the occurrence of certain events.

As per IAS 32, "Financial Instruments: Presentation", the conversion option of the Green Exchangeable Notes is an embedded derivative classified within the line "Derivative liabilities" of these Consolidated Financial Statements (Note 9). It was initially valued at the transaction date for $10 million, and prospective changes to its fair value are accounted for directly through the profit and loss statement. The principal element of the Green Exchangeable Notes, classified within the line "Corporate debt" of these Consolidated Financial Statements, is initially valued as the difference between the consideration received from the holders of the instrument and the value of the embedded derivative, and thereafter, at amortized cost using the effective interest method as per IFRS 9, Financial Instruments.

On December 4, 2020, the Company entered into a loan with a bank for €5 million ($5.4 million). This loan accrues interest at a rate per year equal to 2.50%. The maturity date is December 4, 2025.

On May 18, 2021, the Company issued the Green Senior Notes due in 2028 in an aggregate principal amount of $400 million. The notes mature on May 15, 2028 and bear interest at a rate of 4.125% per annum payable on June 15 and December 15 of each year, commencing December 15, 2021.

On January 31, 2022, the Company entered into a loan with a bank for €5 million ($5.4 million). This loan accrues interest at a rate per year equal to 1.90%. The maturity date is January 31, 2026.

The repayment schedule for the Corporate debt at the end of 2022 is as follows:

	2023	2024	2025	2026	2027	Subsequent years	Total
2017 Credit Facility	8	6,423	-	-	-	-	**6,431**
Revolving Credit Facility	112	29,387	-	-	-	-	**29,499**
Commercial paper	9,937	-	-	-	-	-	**9,937**
2020 Green Private Placement	423	-	-	308,389	-	-	**308,812**
2020 Note Issuance Facility	-	-	-	-	147,257	-	**147,257**
Green Exchangeable Notes	2,107	-	107,055	-	-	-	**109,162**
Green Senior Note	964	-	-	-	-	395,060	**396,024**
Other bank loans	3,146	3,122	3,124	686	-	-	**10,078**
Total	**16,697**	**38,932**	**110,179**	**309,075**	**147,257**	**395,060**	**1,017,200**

The repayment schedule for the Corporate debt at the end of 2021 was as follows:

	2022	2023	2024	2025	2026	Subsequent years	Total
2017 Credit Facility	5	8,199	-	-	-	-	**8,204**
Commercial paper	24,422	-	-	-	-	-	**24,422**
2020 Green Private Placement	359	-	-	-	327,081	-	**327,440**
2020 Note Issuance Facility	-	-	-	-	-	155,814	**155,814**
Green Exchangeable Notes	2,121	-	-	104,289	-	-	**106,410**
Green Senior Note	963	-	-	-	-	394,155	**395,118**
Other Bank Loans	11	1,895	1,895	1,862	-	-	**5,663**
Total	**27,881**	**10,094**	**1,895**	**106,151**	**327,081**	**549,969**	**1,023,071**

The following table details the movement in corporate debt for the years 2022 and 2021, split between cash and non-cash items:

Corporate Debt	2022	2021
Initial balance	**1,023,071**	**993,725**
Cash changes	(17,945)	14,754
Non-cash changes	12,074	14,592
Final balance	**1,017,200**	**1,023,071**

The non-cash changes primarily relate to interests accrued and to currency translation differences.

15. Project debt

This note shows the project debt linked to the assets included in Note 6 of these Consolidated Financial Statements.

Project debt is generally used to finance contracted assets, exclusively using as a guarantee the assets and cash flows of the company or group of companies carrying out the activities financed. In most of the cases, the assets and/or contracts are set up as a guarantee to ensure the repayment of the related financing. In addition, the cash of the Company´s projects includes funds held to satisfy the customary requirements of certain non-recourse debt agreements and other restricted cash for an amount of $208 million as of December 31, 2022 ($254 million as of December 31, 2021).

The variations in 2022 of project debt have been the following:

	Project debt - long term $'000	Project debt - short term $'000	Total $'000
Balance as of December 31, 2021	4,387,674	648,519	5,036,193
Increases	39,161	230,320	269,481
Payments	(73,478)	(543,484)	(616,962)
Business Combination (Note 5)	1,301	148	1,449
Currency translation differences	(119,068)	(18,041)	(137,109)
Reclassifications	(9,072)	9,072	-
Balance as of December 31, 2022	**4,226,518**	**326,534**	**4,553,052**

The decrease in total project debt as of December 31, 2022 is primarily due to:

- the repayment of project debt for the period in accordance with the financing arrangements; and
- the lower value of debt denominated in Euros given the depreciation of the Euro against the U.S. dollar since December 31, 2021.

Interest accrued, which are included in Increases, were offset by a similar amount of interest paid during the year, included in Payments in the table above.

In October 2022, the Company refinanced the project debt of Solacor 1 & 2. The new financing is a green euro-denominated loan with a syndicate of banks for a total amount of €205.0 million. The maturity has been extended until 2037.

In December 2022, the Company refinanced the project debt of Solnova 1, 3 & 4. The new financing agreement is a green euro-denominated loan with a syndicate of banks for a total amount of €338.5

million. The new project debt replaced the previous three project loans and maturity was extended from 2029 and 2030 to June 2035.

As of December 31, 2021, Kaxu total debt was presented as current in the Consolidated Financial Statements of the Company, for an amount of $314 million, in accordance with International Accounting Standards 1 ("IAS 1"), "Presentation of Financial Statements", as a result of the existence of a theoretical event of default under the Kaxu project finance agreement. Since March 31, 2022, the Company has again an unconditional right to defer the settlement of the debt for at least more than twelve months, and therefore the debt previously presented as current in these Consolidated Financial Statements has been reclassified as non-current in accordance with the financing agreements (Note 1).

The variations in 2021 of project debt have been the following:

	Project debt - long term $'000	Project debt - short term $'000	Total $'000
Balance as of December 31, 2020	4,925,268	312,346	5,237,614
Increases	54,908	256,581	311,489
Payments	(85,259)	(564,603)	(649,862)
Business Combination (Note 5)	288,352	38,781	327,133
Currency translation differences	(140,502)	(49,679)	(190,181)
Reclassifications	(655,093)	655,093	-
Balance as of December 31, 2021	**4,387,674**	**648,519**	**5,036,193**

The decrease in total project debt as of December 31, 2021 were primarily due to:

- the repayment of project debt for the period in accordance with the financing arrangements; and
- the lower value of debt denominated in Euros given the depreciation of the Euro against the U.S. dollar since December 31, 2020.

The decrease of project debt during the year 2021 was partially offset by the business combinations, being the acquisitions of Rioglass, Coso, Chile PV 2, Italy PV 1 and Italy PV 3 for a total amount of $327 million (Note 5).

Interest accrued, which are included in Increases, were offset by a similar amount of interest paid during the year, included in Payments in the table above.

The Kaxu project financing arrangement contains cross-default provisions related to Abengoa such that debt defaults by Abengoa, subject to certain threshold amounts and/or a restructuring process, could trigger a default under the Kaxu project financing arrangement. The insolvency filing by the individual company Abengoa S.A. in February 2021 represented a theoretical event of default under the Kaxu project finance agreement. In September 2021, the Company obtained a waiver for such theoretical event of default and it was extended until April 30, 2022 and was subject to the lenders receiving certain documentation from the Company. Although the Company did not expect the acceleration of debt to be declared by the credit entities, as of December 31, 2021 Kaxu did not have what International Accounting Standards define as an unconditional right to defer the settlement of the debt for at least twelve months, as the cross-default provisions make that right conditional. Therefore, Kaxu total debt, previously presented as non-current as of December 31, 2020, was presented as current in the Consolidated Financial Statements of the Company as of December 31, 2021 for an amount of $314 million (Note 1).

The repayment schedule for project debt in accordance with the financing arrangements as of December 31, 2022, is as follows and is consistent with the projected cash flows of the related projects:

2023		2024	2025	2026	2027	Subsequent years	Total
Interest Payment	Nominal repayment						
15,053	311,481	323,731	442,920	358,444	504,954	2,596,469	4,553,052

The repayment schedule for project debt in accordance with the financing arrangements and assuming there would be no acceleration at the Kaxu debt as of December 31, 2021, was as follows and was consistent with the projected cash flows of the related projects:

2022		2023	2024	2025	2026	Subsequent years	Total
Interest Payment	Nominal repayment						
18,017	317,388	355,956	369,528	498,712	411,514	3,065,078	5,036,193

The following table details the movement in Project debt for the years 2022 and 2021, split between cash and non-cash items:

Project Debt	2022	2021
Initial balance	**5,036,193**	**5,237,614**
Cash changes	(636,343)	(636,831)
Non-cash changes	153,202	435,410
Final balance	**4,553,052**	**5,036,193**

The non-cash changes primarily relate to interest accrued, currency translation differences and the business combinations for the year.

The equivalent in U.S. dollars of the most significant foreign-currency-denominated project debts held by the Company is as follows:

Currency	Balance as of December 31, 2022 $'000	Balance as of December 31, 2021 $'000
Euro	1,633,790	1,942,903
South African Rand	277,492	314,471
Algerian Dinar	86,739	97,877
Total	**1,998,021**	**2,355,251**

All of the Company's financing agreements have a carrying amount close to its fair value.

16. Grants and Other Liabilities

	Balances as of December 31, 2022 $'000	Balances as of December 31, 2021 $'000
Grants	911,593	970,557
Other liabilities and provisions	340,920	293,187
Dismantling provision	140,595	124,593
Lease liabilities	63,076	59,219
Accruals on Spanish market prices differences	91,884	74,795
Other	45,365	34,580
Grant and other non-current liabilities	**1,252,513**	**1,263,744**

As of December 31, 2022, the amount recorded in Grants corresponds primarily to the ITC Grant awarded by the U.S. Department of the Treasury to Solana and Mojave for a total amount of $610 million ($642 million as of December 31, 2021), which was primarily used to fully repay the Solana and Mojave short-term tranche of the loan with the Federal Financing Bank. The amount recorded in Grants as a liability is progressively recorded as other income over the useful life of the asset.

The remaining balance of the "Grants" account corresponds to loans with interest rates below market rates for Solana and Mojave for a total amount of $299 million ($326 million as of December 31, 2021). Loans with the Federal Financing Bank guaranteed by the Department of Energy for these projects bear interest at a rate below market rates for these types of projects and terms. The difference between proceeds received from these loans and its fair value, is initially recorded as "Grants" in the consolidated statement of financial position, and subsequently recorded progressively in "Other operating income" starting at the entry into operation of the plants.

Total amount of income for these two types of grants for Solana and Mojave is $58.5 million and $58.7 million for the years ended December 31, 2022 and 2021, respectively (Note 20).

The "Accruals on Spanish market prices differences" corresponds to the payables related to the current high market prices in Spain at which the solar assets in Spain invoiced electricity up to December 31, 2022, as a result of a negative adjustment to the regulated revenues for the deviation from the estimated market prices used by the Administration in Spain, which is expected to be compensated over the remaining regulatory life of the solar assets of the Company.

The maturity of Other liabilities and provisions as of December 31, 2022 is as follows:

As of December 31, 2022	Total	2023	2024 and 2025	2026 and 2027	Subsequent years
Other liabilities and provisions	340,920	-	46,489	41,428	253,003
Total	**340,920**	**-**	**46,489**	**41,428**	**253,003**

As of December 31, 2021	Total	2022	2023 and 2024	2025 and 2026	Subsequent years
Other liabilities and provisions	293,187	-	51,490	33,656	208,041
Total	**293,187**	**-**	**51,490**	**33,656**	**208,041**

17. Trade Payables and Other Current Liabilities

Item	Balance as of December 31, 2022 $'000	Balance as of December 31, 2021 $'000
Trade accounts payables	84,465	79,052
Down payments from clients	11,169	542
Other accounts payables	44,596	34,313
Total	**140,230**	**113,907**

Trade accounts payables mainly relate to the operation and maintenance of the plants.

Down payments from clients in 2022 primarily include the collections from the CNMC (Spanish solar assets), which have been in line with the parameters corresponding to the regulation in place at the beginning of the year, as the new parameters became final on December 14, 2022, while revenue was recorded in accordance with the new parameters (Note 1).

Nominal values of Trade payables and other current liabilities are considered to approximately equal to fair values and the effect of discounting them is not significant.

18. Income Tax

All the companies of Atlantica file income taxes according to the tax regulations in force in each country on an individual basis or under consolidation tax regulations.

The consolidated income tax has been calculated as an aggregation of income tax expenses/income of each individual company. In order to calculate the taxable income of the consolidated entities individually, the accounting result is adjusted for temporary and permanent differences, recording the corresponding deferred tax assets and liabilities. At each consolidated income statement date, a current tax asset or liability is recorded, representing income taxes currently refundable or payable. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, as determined under enacted tax laws and rates.

Income tax payable is the result of applying the applicable tax rate in force to each tax-paying entity, in accordance with the tax laws in force in the country in which the entity is registered. Additionally, tax deductions and credits are available to certain entities, primarily relating to inter-company trades and tax treaties between various countries to prevent double taxation.

The Company offsets deferred tax assets and deferred tax liabilities in each entity where the latter has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

As of December 31, 2022, and 2021, the analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets	Balance as of December 31, $'000	
From	**2022**	**2021**
Net operating loss carryforwards ("NOL´s")	442,415	323,115
Temporary tax non-deductible expenses	134,328	128,186
Derivatives financial instruments	3,461	55,217
Other	5,895	4,225
Total deferred tax assets	**586,099**	**510,743**

Deferred tax liabilities	Balance as of December 31, $'000	
From	**2022**	**2021**
Accelerated tax amortization	524,363	465,219
Other difference between tax and book value of assets	186,536	180,218
Derivatives financial instruments	19,034	-
Other	2,991	1,897
Total deferred tax liabilities	**732,924**	**647,334**

After offsetting deferred tax assets and deferred tax liabilities, where applicable, the resulting net amounts presented on the consolidated balance sheet are as follows:

Consolidated balance sheets classifications	Balance as of December 31, $'000	
	2022	**2021**
Deferred tax assets	149,656	172,268
Deferred tax liabilities	296,481	308,859
Net deferred tax liabilities	**146,825**	**136,591**

Most of the NOL´s recognized as deferred tax assets corresponds to the entities in the U.S., South Africa, Peru, Chile and Spain as of December 31, 2022 and 2021.

As of December 31, 2022, deferred tax assets for non-deductible expenses are primarily due to the temporary limitation of financial expenses deductibles for tax purposes in the solar plants in Spain for $94 million ($97 million as of December 31, 2021).

As of December 31, 2022, deferred tax liabilities for accelerated tax amortization are primarily in the U.S. assets for $274, the solar plants in Spain for $173 million and Kaxu for $63 million ($184 million, $186 million and $76 million as of December 31, 2021, respectively).

Deferred tax liabilities for other temporary differences between the tax and book value of contracted concessional assets relate primarily to ACT for $56 million, the U.S. entities for $51 million, the Peruvian entities for $37 million and the Chilean entities for $27 million as of December 31, 2022 ($72 million, $28 million, $34 million and $27 million as of December 31, 2021, respectively).

In relation to tax losses carryforwards and deductions pending to be used recorded as deferred tax assets, the entities evaluate their recoverability projecting forecasted taxable result for the upcoming years and taking into account their tax planning strategy. Deferred tax liabilities reversals are also considered in these projections, as well as any limitation established by tax regulations in force in each tax jurisdiction. Therefore, the carrying amount of deferred tax assets is reviewed at each annual closing date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each annual closing date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. In assessing the recoverability of deferred tax assets, Atlantica relies on projections of results over the useful life of the contracted concessional assets.

In addition, the Company has $361 million unrecognized net operating loss carryforwards as of December 31, 2022 ($346 million as of December 31, 2021), as it considers it is not probable that future taxable profits will be available against which these unused tax losses can be utilized.

The movements in deferred tax assets and liabilities during the years ended December 31, 2022 and 2021 were as follows:

Deferred tax assets	Amount
As of December 31, 2020	152,290
Increase/(decrease) through the consolidated income statement	46,855
Increase/(decrease) through other consolidated comprehensive income (equity)	(23,712)
Business combinations (Note 5)	4,410
Currency translation differences and other	(7,575)
As of December 31, 2021	**172,268**
Increase/(decrease) through the consolidated income statement	29,197
Increase/(decrease) through other consolidated comprehensive income (equity)	(46,344)
Currency translation differences and other	(5,465)
As of December 31, 2022	**149,656**

Deferred tax liabilities	Amount
As of December 31, 2020	260,923
Increase/(decrease) through the consolidated income statement	32,059
Business combinations (Note 5)	4,910
Currency translation differences and other	10,967
As of December 31, 2021	**308,859**
Increase/(decrease) through the consolidated income statement	(19,864)
Increase/(decrease) through other consolidated comprehensive income (equity)	17,608
Currency translation differences and other	(10,122)
As of December 31, 2022	**296,481**

Details of income tax for the years ended December 31, 2022 and 2021 are as follows:

	Year ended 2022 $'000	Year ended 2021 $'000
Current tax	**(39,372)**	**(51,016)**
Deferred tax	**49,061**	**14,796**
- relating to the origination and reversal of temporary differences	49,061	14,796
Total income tax (expense)/income	**9,689**	**(36,220)**

The reconciliations between the theoretical income tax resulting from applying an average statutory tax rate to profit before income tax and the actual income tax expense recognized in the consolidated income statements for the years ended December 31, 2022 and 2021, are as follows:

	Year ended 2022 $'000	Year ended 2021 $'000
Consolidated profit/(loss) before taxes	**(11,776)**	**25,302**
Average statutory tax rate	25%	25%
Corporate income tax at average statutory tax rate	**2,944**	**(6,326)**
Income tax of associates, net	5,366	3,076
Differences in statutory tax rates	(4,296)	(3,359)
Unrecognized NOLs and deferred tax assets	(10,944)	(11,232)
Other permanent differences	3,957	(4,052)
Other non-taxable income/(expense)	12,662	(14,327)
Corporate income tax	**9,689**	**(36,220)**

For the year ended December 31, 2021, the overall effective tax rate was different than the average statutory rate of 25% primarily due to unrecognized tax losses carryforwards, mainly in the UK entities and to provisions recorded for potential tax contingencies in some jurisdictions.

Uncertain tax positions as of December 31, 2022 and 2021 has been analysed by the Company in accordance with IFRIC 23 (uncertainty over income tax treatments). As a result of this analysis, the Company concluded that the risk of the uncertainties is remote and accordingly, the expectation is that these uncertainties would have an insignificant effect on the Consolidated Financial Statements.

19. Commitments, third-party guarantees, contingent assets and liabilities

Contractual obligations

The following table shows the breakdown of the third-party commitments and contractual obligations as of December 31, 2022 and 2021:

2022 $'000	Total	2023	2024 and 2025	2026 and 2027	Subsequent
Corporate debt (Note 14)	1,017,200	16,697	149,111	456,332	395,060
Loans with credit institutions (project debt) (Note 15)	3,595,671	273,556	666,875	755,269	1,899,972
Notes and bonds (project debt) (Note 15)	957,381	52,978	99,776	108,129	696,497
Purchase commitments (*)	823,856	96,847	154,344	107,909	464,755
Accrued interest estimate during the useful life of loans	1,821,915	264,626	477,936	383,347	696,006

2021 $'000	Total	2022	2023 and 2024	2025 and 2026	Subsequent
Corporate debt (Note 14)	1,023,071	27,881	11,989	433,232	549,969
Loans with credit institutions (project debt) (Note 15)	4,010,825	289,755	624,633	801,713	2,294,724
Notes and bonds (project debt) (Note 15)	1,025,368	45,650	100,850	108,512	770,355
Purchase commitments (*)	1,570,831	79,261	191,171	159,297	1,141,102
Accrued interest estimate during the useful life of loans	2,029,376	267,645	497,587	427,159	836,985

* Purchase commitments include lease commitments for lease arrangements accounted for under IFRS 16 for $112.0 million as of December 31, 2022 ($107.6 million as of December 31, 2021), of which $7.9 million is due within one year and $104.1 million thereafter as of December 31, 2022 ($7.3 million due within one year and $100.3 million thereafter as of December 31, 2021).

Third-party guarantees

As of December 31, 2022, the sum of bank guarantees and surety bonds deposited by the subsidiaries of the Company as a guarantee to third parties (clients, financial entities and other third parties) amounted to $88.0 million ($92.7 million as of December 31, 2021). In addition, Atlantica Sustainable Infrastructure plc or other holding entities on its behalf, had outstanding guarantees amounting to $216.9 million as of December 31, 2022 ($174.2 million as of December 31, 2021), which correspond mainly to guarantees provided to off-takers in PPAs, guarantees for debt service reserve accounts and guarantees for points of access for renewable energy projects.

Corporate debt guarantees

The payment obligations under the Green Senior Notes, the Revolving Credit Facility, the Note Issuance Facility 2020 and the 2020 Green Private Placement are guaranteed on a senior unsecured basis by following subsidiaries of the Company: Atlantica Infraestructura Sostenible, S.L.U., Atlantica Peru, S.A., ACT Holding, S.A. de C.V., Atlantica Investments Limited, Atlantica Newco Limited and Atlantica North America LLC. The Revolving Credit Facility and the 2020 Green Private Placement are also secured with a pledge over the shares of the subsidiary guarantors.

Legal Proceedings

In 2018, an insurance company covering certain Abengoa obligations in Mexico claimed certain amounts related to a potential loss. Atlantica reached an agreement under which Atlantica´s maximum theoretical exposure would in any case be limited to approximately $35 million, including $2.5 million to be held in an escrow account. In January 2019, the insurance company called on this $2.5 million from the escrow account and Abengoa reimbursed this amount. The insurance company could claim additional amounts if they faced new losses after following a process agreed between the parties and, in any case, Atlantica would only make payments if and when the actual loss has been confirmed and after arbitration if the Company initiates it. The Company used to have indemnities from Abengoa for certain potential losses, but such indemnities are no longer valid following the insolvency filing by Abengoa S.A. in February 2021.

In addition, during 2021 and 2022, several lawsuits were filed related to the February 2021 winter storm in Texas against among others Electric Reliability Council of Texas (ERCOT), two utilities in Texas and more than 230 individual power generators, including Post Oak Wind, LLC, the project company owner of Lone Star I, one of the wind assets in Vento II where the Company currently has a 49% equity interest. The basis for the lawsuit is that the defendants failed to properly prepare for cold weather, including failure to implement measures and equipment to protect against cold weather, and failed to properly conduct their operations before and during the storm.

Atlantica is not a party to any other significant legal proceedings other than legal proceedings arising in the ordinary course of its business. Atlantica is party to various administrative and regulatory proceedings that have arisen in the ordinary course of business.

While Atlantica does not expect these proceedings, either individually or in combination, to have a material adverse effect on its financial position or results of operations, because of the nature of these proceedings Atlantica is not able to predict their ultimate outcomes, some of which may be unfavorable to Atlantica.

20. Other Operating Income and Expenses

The table below shows the detail of Other operating income and expenses for the years ended December 31, 2022, and 2021:

Other Operating income	For the year ended December 31, 2022 $'000	For the year ended December 31, 2021 $'000
Grants	59,056	60,746
Income from various services and insurance proceeds	21,726	13,925
Total	**80,782**	**74,670**

	For the year ended December 31, 2022 $'000	For the year ended December 31, 2021 $'000
Other Operating Expenses		
Raw materials and consumables used	(19,639)	(70,690)
Leases and fees	(11,512)	(9,332)
Operation and maintenance	(140,382)	(154,007)
Independent professional services	(38,894)	(39,177)
Supplies	(59,336)	(40,790)
Insurance	(45,756)	(45,429)
Levies and duties	(19,764)	(29,949)
Other expenses	(15,965)	(24,957)
Total	**(351,248)**	**(414,330)**

Grants income mainly relate to ITC cash grants and implicit grants recorded for accounting purposes in relation to the FFB loans with interest rates below market rates in Solana and Mojave projects (Note 16).

The decrease in other operating expenses in 2022, and specifically Raw materials and consumables used, is primarily due to a specific non-recurrent solar project of Rioglass which ended in October 2021.

21. Financial Expense, net

The following table sets forth financial income and expenses for the years ended December 31, 2022 and 2021:

	For the year ended December 31, 2022 $'000	For the year ended December 31, 2021 $'000
Financial income		
Interest income from loans and credits	1,641	2,066
Interest rates benefits derivatives: cash flow hedges	3,928	689
TOTAL	**5,569**	**2,755**

	For the year ended December 31, 2022 $'000	For the year ended December 31, 2021 $'000
Financial expenses		
Interest on loans and notes	(292,043)	(302,558)
Interest rate losses derivatives: cash flow hedges	(41,220)	(58,712)
TOTAL	**(333,263)**	**(361,270)**

Interest on loans and notes primarily include interest on corporate and project debt, which decrease in 2022 and 2021 compared to the previous year, primarily due to the repayment of project and corporate debt in accordance with the financing arrangements.

Losses from interest rate derivatives designated as cash flow hedges primarily correspond to transfers from equity to financial expense when the hedged item impacts the consolidated income statement. The decrease in 2022 compared to 2021 is due to an increase in the spot interest rates in 2022 compared to 2021, which implies lower interest payments on the derivatives instruments contracted.

Net exchange differences

Net exchange differences primarily correspond to realized and unrealized exchange gains and losses on transactions in foreign currencies as part of the normal course of the business of the Company. The increase in profit in 2022 is mainly due to the impact of foreign exchange caps instruments hedging the net cash flows of the Company in Euros, resulting from the appreciation of the U.S. dollar against the Euro.

Other financial income/(expenses), net

The following table sets out Other financial income/(expenses), net for the years 2022 and 2021:

	For the year ended December 31, 2022 $'000	For the year ended December 31, 2021 $'000
Other financial income / (expenses), net		
Other financial income	27,938	32,321
Other financial losses	(21,435)	(16,571)
TOTAL	**6,503**	**15,750**

Other financial income in 2022 include $6.2 million of income for non-monetary change to the fair value of derivatives of Kaxu for which hedge accounting is not applied, and $12.0 million income further to the change in the fair value of the conversion option of the Green Exchangeable Notes since December 2021 (Note 14). Residual items primarily relate to interest on deposits and loans, including non-monetary changes to the amortized cost of such loans.

Other financial losses primarily include guarantees and letters of credit, other bank fees, non-monetary changes to the fair value of derivatives which hedge accounting is not applied and of financial instruments recorded at fair value through profit and loss, and non-monetary changes to the present value of provision and other long-term liabilities.

22. Earnings Per Share

Basic earnings per share have been calculated by dividing the profit/(loss) attributable to equity holders of the Company by the average number of outstanding shares.

Average number of outstanding diluted shares for the year 2022 has been calculated considering the potential issuance of 3,347,305 shares (3,347,305 shares as of December 31, 2021) on the settlement of the Green Exchangeable Notes (Note 14) and the potential issuance of 596,681 shares (725,041 shares as of December 31, 2021) to Algonquin under the agreement signed on August 3, 2021, according to which Algonquin has the option, on a quarterly basis, to subscribe such number of shares to maintain its percentage in Atlantica in relation to the use of the ATM program (Note 13).

Item	**For the year ended December 31, 2022**	**For the year ended December 31, 2021**
Loss from continuing operations attributable to Atlantica	(5,443)	(30,080)
Average number of ordinary shares outstanding (thousands) - basic	114,695	111,008
Average number of ordinary shares outstanding (thousands) - diluted	118,501	114,523
Earnings per share for the year (US dollar per share) - basic	**(0.05)**	**(0.27)**
Earnings per share for the year (US dollar per share) – diluted (*)	**(0.05)**	**(0.27)**

(*) The potential ordinary shares related to the Green Exchangeable Notes and the ATM program have not been considered in the calculation of diluted earnings per share for the years 2022 and 2021 as they have an antidilutive effect.

23. Auditor's Remuneration

The analysis of the auditor's remuneration is as follows:

	Year ended 2022 $000	**Year ended 2021 $000**
Fees payable to the Company's auditor and their associates for the audit of the company's annual accounts	611	604
Fees payable to the Company's auditor and their associates for other services to the Group		
–The audit of the Company's subsidiaries	1,032	967
Total audit fees	**1,643**	**1,571**
- Audit-related services	422	651
- Tax services	502	633
Total non-audit fees	**924**	**1,284**
	2,567	**2,855**

"Audit Fees" are the aggregate fees billed for professional services in connection with the audit of the Annual Consolidated Financial Statements, quarterly reviews of the Company financial statements and statutory audits of the subsidiaries' financial statements under the rules of England and Wales and the countries in which subsidiaries are organized. The increase in audit fees is mainly due to inflation increase partially counterbalanced by exchange rates variations.

"Audit-Related Services" include fees charged for services that can only be provided by the auditor of the Company, such as consents and comfort letters of non-recurring transactions, assurance and related services that are reasonably related to the performance of the audit or review of the Company financial statements. Fees paid during 2022 and 2021 related to comfort letters and consents required for capital market transactions of the major shareholder are also included in this category ($204 thousand and $272 thousand in 2022 and 2021 respectively). These fees were re-invoiced and paid by this shareholder.

"Tax Services" include mainly fees charged for transfer pricing services and tax compliance services in the Company US subsidiaries.

The Audit Committee approved all of the services provided by Ernst & Young S.L and by other member firms of EY.

24. Staff Costs

The average monthly number of employees (including executive directors) was:

	2022 Number	2021 Number (*)
Executives	13	16
Middle Managers	132	128
Engineers and Graduates	234	177
Assistants and Professionals	46	29
Plant technicians	449	305
	874	**655**

(*) Average number of employees excluding temporary workers of Rioglass for a specific non-recurrent solar project, which ended in October 2021.

Their aggregate remuneration comprised:

	Year ended 2022 $000	Year ended 2021 $000
Wages and salaries	(67,453)	(67,713)
Social security costs	(7,841)	(7,089)
Other staff costs	(4,938)	(3,956)
	(80,232)	**(78,758)**

The increase in employee benefit expenses in 2022 compared to 2021 is primarily due to the internalization of operation and maintenance services in some of the solar assets of the Company in Spain since June 2022 and of Kaxu since February 2022.

Total compensation received by the key management of the Company, which includes the CEO, the CFO and 5 key executives, and by the directors of the board of the Company, amounts to $9.8 million in 2022 ($8.5 million in 2021), including $5.8 million (2021: $3.4 million) of long-term awards received. Furthermore, information about the remuneration of individual directors' is provided in the audited part of the Directors' Remuneration Report.

25. Events After the Balance Sheet Date

On February 22, 2023, the Company signed an agreement to terminate the operation and maintenance services performed by Abengoa to some of its solar assets in Spain. The transfer of employees from an Abengoa subsidiary to a Company's subsidiary is expected to be effective on March 1, 2023.

On February 28, 2022, the Board of Directors of the Company approved a dividend of $0.445 per share, which is expected to be paid on March 25, 2023.

26. Service Concessional Arrangements

Below is a description of the concessional arrangements of the Company.

Solana

Solana is a 250 MW net (280 MW gross) solar electric generation facility located in Maricopa County, Arizona, approximately 70 miles southwest of Phoenix. Arizona Solar One LLC, or Arizona Solar, owns the Solana project. Solana includes a 22-mile 230kV transmission line and a molten salt thermal energy storage system. Solana reached COD on October 9, 2013.

Solana has a 30-year, PPA with Arizona Public Service, or APS, approved by the Arizona Corporation Commission (ACC). The PPA provides for the sale of electricity at a fixed price per MWh with annual increases of 1.84% per year. The PPA includes limitations on the amount and condition of the energy that is received by APS with minimum and maximum thresholds for delivery capacity that must not be breached.

Mojave

Mojave is a 250 MW net (280 MW gross) solar electric generation facility located in San Bernardino County, California, approximately 100 miles northeast of Los Angeles. Mojave reached COD on December 1, 2014.

Mojave has a 25-year, PPA with Pacific Gas & Electric Company, or PG&E, approved by the California Public Utilities Commission (CPUC). The PPA provides for the sale of electricity at a fixed base price per MWh without any indexation mechanism, including limitations on the amount and condition of the energy that is received by PG&E with minimum and maximum thresholds for delivery capacity that must not be breached.

Palmatir

Palmatir is an on-shore wind farm facility in Uruguay with nominal installed capacity of 50 MW. Palmatir has 25 wind turbines and each turbine has a nominal capacity of 2 MW. UTE, Uruguay's state-owned electricity company, has agreed to purchase all energy produced by Palmatir pursuant to a 20-year PPA. UTE will pay a fixed-price tariff per MWh under the PPA, which is denominated in U.S. dollars and will be partially adjusted in January of each year according to a formula based on inflation.

Palmatir reached COD in May 2014.

Cadonal

Cadonal is an on-shore wind farm facility in Uruguay with nominal installed capacity of 50 MW. Cadonal has 25 wind turbines and each turbine has a nominal capacity of 2 MW. UTE, Uruguay´s state-owned electricity company, has agreed to purchase all energy produced by Cadonal pursuant to a 20-year PPA.

Cadonal reached COD in December 2014.

Melowind

Melowind is an on-shore wind farm facility wholly owned by the Company, located in Uruguay with a capacity of 50 MW. Melowind has 20 wind turbines of 2.5 MW each. The asset reached COD in November 2015.

Melowind signed a 20-year PPA with UTE in 2015, for 100% of the electricity produced. UTE pays a fixed tariff under the PPA, which is denominated in U.S. dollars and is partially adjusted every year based on a formula referring to U.S. CPI, Uruguay's CPI and the applicable UYU/U.S. dollar exchange rate.

Solaben 2 & 3

The Solaben 2 and Solaben 3 are two 50 MW Solar Power facilities. Itochu Corporation holds 30% of Solaben 2 & Solaben 3.

Renewable energy plants in Spain, like Solaben 2 and Solaben 3, are regulated through a series of laws and rulings which guarantee the owners of the plants a reasonable return for their investments. Solaben 2 and Solaben 3 sell the power they produce into the wholesale electricity market, where supply and demand are matched and the pool price is determined, and also receive additional payments from the CNMC, the Spanish state-owned regulator.

Solacor 1 & 2

The Solacor 1 and Solacor 2 are two 50 MW Solar Power facilities. JGC Corporation holds 13% of Solacor 1 & Solacor 2.

Solnova 1, 3&4

The Solnova 1, 3 and 4 solar plants are located in the municipality of Sanlucar la Mayor, Spain. The plants have 50 MW each and reached COD in 2010.

Helios 1&2

The Helios 1 and 2 solar plants are located in Ciudad Real, Spain. They reached COD in 2012. The plants have 50 MW each.

Helioenergy 1&2

The Helioenergy 1 and 2 solar plants are located in Ecija, Spain and reached COD in 2011. The plants have 50 MW each.

Solaben 1&6

The Solaben 1&6 are two 50 MW solar plants located in the municipality of Logrosan, Spain. and reached COD in 2013.

Kaxu

Kaxu Solar One, or Kaxu, is a 100 MW solar project located in Pofadder in the Northern Cape Province of South Africa. Atlantica., owns 51% of the Kaxu Project while Industrial Development Corporation of South Africa owns 29% and Kaxu Community Trust 20%.

The project reached COD in February 2015.

Kaxu has a 20-year PPA with Eskom SOC Ltd., or Eskom, under a take or pay contract for the purchase of electricity up to the contracted capacity from the facility. Eskom purchases all the output of the Kaxu plant under a fixed price formula in local currency subject to indexation to local inflation. The PPA expires on February 2035.

ACT

The ACT plant is a gas-fired cogeneration facility with a rated capacity of approximately 300 MW and between 550 and 800 metric tons per hour of steam. The plant includes a substation and a 115-kilowatt 52 mile transmission line.

On September 18, 2009, ACT entered into the Pemex Conversion Services Agreement, or the Pemex CSA, with Pemex. Pemex is a state-owned oil and gas company supervised by the Comision Reguladora de Energia (CRE), the Mexican state agency that regulates the energy industry. The Pemex CSA has a term of 20 years from the in-service date and will expire on March 31, 2033.

According to the Pemex CSA, ACT must provide, in exchange for a fixed price with escalation adjustments, services including the supply and transformation of natural gas and water into thermal energy and electricity. Part of the electricity is to be supplied directly to a Pemex facility nearby, allowing the Comision Federal de Electricidad (CFE) to supply less electricity to that facility. Approximately 90% of the electricity must be injected into the Mexican electricity network to be used by retail and industrial end customers of CFE in the region. Pemex is then entitled to receive an equivalent amount of energy in more than 1,000 of their facilities in other parts of the country from CFE, following an adjustment mechanism under the supervision of CFE.

The Pemex CSA is denominated in U.S. dollars. The price is a fixed tariff and will be adjusted annually, part of it according to inflation and part according to a mechanism agreed in the contract that, on average over the life of the contract, reflects expected inflation. The components of the price structure and yearly adjustment mechanisms were prepared by Pemex and provided to bidders as part of the request for proposal documents.

ATS

ATS is a 569 miles transmission line located in Peru wholly owned by the Company. ATS is part of the Guaranteed Transmission System and comprises several sections of transmission lines and substations. ATS reached COD in 2014.

Pursuant to the initial concession agreement, the Ministry of Energy, on behalf of the Peruvian Government, granted ATS a concession to construct, develop, own, operate and maintain the ATS Project. The initial concession agreement became effective on July 22, 2010 and will expire 30 years after COD, which took place in January 2014. ATS is obliged to provide the service of transmission of electric energy through the operation and maintenance of the electric transmission line, according to the terms of the contract and the applicable law.

The laws and regulations of Peru establish the key parameters of the concession contract, the price indexation mechanism, the rights and obligations of the operator and the procedure that have to be followed in order to fix the applicable tariff, which occurs through a regulated bidding process. Once the bidding process is complete and the operator is granted the concession, the pricing of the power transmission service is established in the concession agreement. ATS has a 30-year concession agreement with fixed-price tariff base denominated in U.S. dollars that is adjusted annually after COD of each line, in accordance with the U.S. Finished Goods Less Food and Energy Index published by the U.S. Department of Labor.

ATN

ATN is a 365 miles transmission line located in Peru wholly owned by the Company, which is part of the Guaranteed Transmission System and comprises several sections of transmission lines and substations. ATN reached COD in 2011. On December 28, 2018, ATN S.A. completed the acquisition of a power substation and two small transmission lines to connect its line to the Shahuindo (ATN expansion 1) mine located nearby. In October 2019, the Company also closed the acquisition of ATN Expansion 2.

Pursuant to the initial concession agreement, the Ministry of Energy, on behalf of the Peruvian Government, granted ATN a concession to construct, develop, own, operate and maintain the ATN Project. The initial concession agreement became effective on May 22, 2008 and will expire 30 years after COD of the first tranche of the line, which took place in January 2011. ATN is obliged to provide the service of transmission of electric energy through the operation and maintenance of the electric transmission line, according to the terms of the contract and the applicable law.

The laws and regulations of Peru establish the key parameters of the concession contract, the price indexation mechanism, the rights and obligations of the operator and the procedures that have to be followed in order to fix the applicable tariff, which occurs through a regulated bidding process. Once the bidding process is complete and the operator is granted the concession, the pricing of the power transmission service is established in the concession agreement. ATN has a 30-year concession agreement with a fixed-price tariff base denominated in U.S. dollars that is adjusted annually after COD of each line, in accordance with the U.S. Finished Goods Less Food and Energy Index published by the U.S. Department of Labor. In addition, both ATN Expansion 1 and ATN Expansion 2 have 20-year PPAs denominated in U.S. dollars.

ATN 2

ATN2, is an 81 miles transmission line located in Peru wholly owned by the Company, which is part of the Complementary Transmission System. ATN2 reached COD in June 2015.

The Client is Las Bambas Mining Company.

The ATN2 Project has an 18-year contract period, after that, ATN2 assets will remain as property of the SPV allowing ATN2 to potentially sign a new contract. The ATN2 Project has a fixed-price tariff base denominated in U.S. dollars, partially adjusted annually in accordance with the U.S. Finished Goods Less Food and Energy Index as published by the U.S. Department of Labor. The base tariff is independent from the effective utilization of the transmission lines and substations related to the ATN2 Project. The base tariff is intended to provide the ATN2 Project with consistent and predictable monthly revenues sufficient to cover the ATN2 Project's operating costs and debt service and to earn an equity return. Peruvian law requires the existence of a definitive concession agreement to perform electricity transmission activities where the transmission facilities cross public land or land owned by third parties. On May 31, 2014, the Ministry of Energy granted the project a definitive concession agreement to the transmission lines of the ATN2 Project.

Quadra 1 & Quadra 2

Quadra 1 is a 49-miles transmission line project and Quadra 2 is a 32-miles transmission line project, each connected to the Sierra Gorda substations.

Both projects have concession agreements with Sierra Gorda SCM. The agreements are denominated in U.S. dollars and are indexed mainly to CPI. The concession agreements each have a 21-year term that began on COD, which took place in April 2014 and March 2014 for Quadra 1 and Quadra 2, respectively.

Quadra 1 and Quadra 2 belong to the Northern Interconnected System (SING), one of the two interconnected systems into which the Chilean electricity market is divided and structured for both technical and regulatory purposes.

As part of the SING, Quadra 1 and Quadra 2 and the service they provide are regulated by several regulatory bodies, in particular: the Superintendent's office of Electricity and Fuels (Superintendencia de Electricidad y Combustibles, SEC), the Economic Local Dispatch Center (Centro de Despacho Economico de Cargas, CDEC), the National Board of Energy (Comision Nacional de Energia, CNE) and the National Environmental Board (Comision Nacional de Medio Ambiente, CONAMA) and other environmental regulatory bodies.

In all these concession arrangements, the operator has all the rights necessary to manage, operate and maintain the assets and the obligation to provide the services defined above, which are clearly defined in each concession contract and in the applicable regulations in each country.

Skikda

The Skikda project is a water desalination plant located in Skikda, Algeria. AEC owns 49% and Sacyr Agua S.L. owns indirectly the remaining 16.83% of the Skikda project.

Skikda has a capacity of 3.5 M ft3 per day of desalinated water and is in operation since February 2009. The project serves a population of 0.5 million.

The water purchase agreement is a 25-year take-or-pay contract with Sonatrach / Algerienne des Eaux (" ADE"). The tariff structure is based upon plant capacity and water production, covering variable cost (water cost plus electricity cost). Tariffs are adjusted monthly based on the indexation mechanisms that include local inflation, U.S. inflation and the exchange rate between the U.S. dollar and local currency.

Honaine

The Honaine project is a water desalination plant located in Taffsout, Algeria. Myah Bahr Honaine Spa, or MBH, is the vehicle incorporated in Algeria for the purposes of owning the Honaine project. Algerian Energy Company, SPA, or AEC, owns 49% and Sacyr Agua S.L., a subsidiary of Sacyr, S.A., owns indirectly the remaining 25.5% of the Honaine project.

Honaine has a capacity of 7 M ft3 per day of desalinated water and it has been in operation since July 2012.

The water purchase agreement is a 25-year take-or-pay contract with Sonatrach / Algerienne des Eaux, or ADE. The tariff structure is based upon plant capacity and water production, covering variable cost (water cost plus electricity cost). Tariffs are adjusted monthly based on the indexation mechanisms that include local inflation, U.S. inflation and the exchange rate between the U.S. dollar and local currency.

Tenes

Tenes is a water desalination plant located in Algeria. Befesa Agua Tenes has a 51.0% stake in Tenes Lilmiyah SpA. The remaining 49% is owned by AEC.

The water purchase agreement is a 25-year take-or-pay contract with Sonatrach/ADE. The tariff structure is based upon plant capacity and water production, covering variable cost (water cost plus electricity cost). Tariffs are adjusted monthly based on the exchange rate between the U.S. dollar and local currency and yearly based on indexation mechanisms that include local inflation and U.S. inflation.

Assets subject to the application of IFRIC 12 interpretation based on the concession of services as of December 31, 2022:

Project name	Country	Status (1)	% of nominal Share(2)	Period of Concession (4)(5)	Off-taker(7)	Financial/ Intangible (3)	Assets/ Investment	Accumulated Amortization	Operating Profit/ (Loss)(8)	Arrangement Terms (price)	Description of the Arrangement
Renewable energy:											
Solana	USA	(O)	100.0	30 Years	APS	(I)	1,887,669	(664,681)	(25,082)	Fixed price per MWh with annual increases of 1.84% per year	30-year PPA with APS regulated by ACC
Mojave	USA	(O)	100.0	25 Years	PG&E	(I)	1,573,621	(497,072)	45,193	Fixed price per MWh without any indexation mechanism	25-year PPA with PG&E regulated by CPUC and CAEC
Palmatir	Uruguay	(O)	100.0	20 Years	UTE, Uruguay Administ ration	(I)	147,937	(63,692)	4,021	Fixed price per MWh in USD with annual increases based on inflation	20-year PPA with UTE, Uruguay state-owned utility
Cadonal	Uruguay	(O)	100.0	20 Years	UTE, Uruguay Administ ration	(I)	122,012	(49,616)	3,680	Fixed price per MWh in USD with annual increases based on inflation	20-year PPA with UTE, Uruguay state-owned utility
Melowind	Uruguay	(O)	100.0	20 Years	UTE, Uruguay Administ ration	(I)	136,053	(43,988)	3,567	Fixed price per MWh in USD with annual increases based on inflation	20-year PPA with UTE, Uruguay state-owned utility
Solaben 2	Spain	(O)	70.0	25 Years	Kingdom of Spain	(I)	298,791	(97,618)	6,163	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solaben 3	Spain	(O)	70.0	25 Years	Kingdom of Spain	(I)	297,865	(98,526)	6,319	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solacor 1	Spain	(O)	87.0	25 Years	Kingdom of Spain	(I)	299,306	(105,031)	5,275	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solacor 2	Spain	(O)	87.0	25 Years	Kingdom of Spain	(I)	311,671	(108,306)	5,698	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solnova 1	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	301,041	(123,894)	7,509	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solnova 3	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	281,557	112,213	7,027	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solnova 4	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	263,079	(104,282)	7,694	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Helios 1	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	304,015	101,255)	5,201	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Helios 2	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	296,267	(97,167)	4,508	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Helioenergy 1	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	291,454	(101,428)	8,032	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Helioenergy 2	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	292,225	(99,126)	8,149	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solaben 1	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	293,721	87,873)	6,453	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solaben 6	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	290,745	(86,822)	7,110	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain

Kaxu	South Africa	(O)	51.0	20 Years	Eskom	(I)	455,517	(179,417)	44,487	Take or pay contract for the purchase of electricity up to the contracted capacity from the facility.	20-year PPA with Eskom SOC Ltd. With a fixed price formula in local currency subject to indexation to local inflation

Project name	**Country**	**Status (1)**	**% of nominal Share(2)**	**Period of Concession (4)(5)**	**Off-taker(7)**	**Financial/ Intangible (3)**	**Assets/ Investment**	**Accumulated Amortization**	**Operating Profit/ (Loss)(8)**	**Arrangement Terms (price)**	**Description of the Arrangement**
Efficient Natural Gas:											
ACT	Mexico	(O)	100.0	20 Years	Pemex	(F)	512,796	-	80,731	Fixed price to compensate both investment and O&M costs, established in USD and adjusted annually partially according to inflation and partially according to a mechanism agreed in contract	20-year Services Agreement with Pemex, Mexican oil & gas state-owned company

Project name	**Country**	**Status (1)**	**% of nominal Share(2)**	**Period of Concession (4)(5)**	**Off-taker(7)**	**Financial/ Intangible (3)**	**Assets/ Investment**	**Accumulated Amortization**	**Operating Profit/ (Loss)(8)**	**Arrangement Terms (price)**	**Description of the Arrangement**
Transmission lines:											
ATS	Peru	(O)	100.0	30 Years	Republic of Peru	(I)	532,859	(157,573)	31,351	Tariff fixed by contract and adjusted annually in accordance with the US Finished Goods Less Food and Energy inflation index	30-year Concession Agreement with the Peruvian Government
ATN	Peru	(O)	100.0	30 Years	Republic of Peru	(I)	360,412	(130,364)	10,988	Tariff fixed by contract and adjusted annually in accordance with the US Finished Goods Less Food and Energy inflation index	30-year Concession Agreement with the Peruvian Government
ATN 2	Peru	(O)	100.0	18 Years	Las Bambas Mining	(F)	71,966	-	10,673	Fixed-price tariff base denominated in U.S. dollars with Las Bambas	18 years purchase agreement
Quadra I	Chile	(O)	100.0	21 Years	Sierra Gorda	(F)	37,423	-	5,847	Fixed price in USD with annual adjustments indexed mainly to US CPI	21-year Concession Contract with Sierra Gorda regulated by CDEC and the Superentendencia de Electricidad, among others
Quadra II	Chile	(O)	100.0	21 Years	Sierra Gorda	(F)	51,552	-	4,845	Fixed price in USD with annual adjustments indexed mainly to US CPI	21-year Concession Contract with Sierra Gorda regulated by CDEC and the Superentendencia de Electricidad, among others

Project name	**Country**	**Status (1)**	**% of nominal Share(2)**	**Period of Concession (4)(5)**	**Off-taker(7)**	**Financial/ Intangible (3)**	**Assets/ Investment**	**Accumulated Amortization**	**Operating Profit/ (Loss)(8)**	**Arrangement Terms (price)**	**Description of the Arrangement**

Water:											
Skikda	Algeria	(O)	34.2	25 Years	Sonatrach & ADE	(F)	71,007	-	13,121	U.S. dollar indexed take-or-pay contract with Sonatrach / ADE	25 years purchase agreement
Honaine	Algeria	(O)	25.5	25 Years	Sonatrach & ADE	(F)	N/A(9)	N/A(9)	N/A(9)	U.S. dollar indexed take- or-pay contract with Sonatrach / ADE	25 years purchase agreement
Tenes	Algeria	(O)	51.0	25 Years	Sonatrach & ADE	(F)	98,962	-	14,637	U.S. dollar indexed take- or-pay contract with Sonatrach / ADE	25 years purchase agreement

(1) In operation (O), Construction (C) as of December 31, 2022.

(2) Itochu Corporation holds 30% of the economic rights to each of Solaben 2 and Solaben 3. JGC Corporation holds 13% of the economic rights to each Solacor 1 and Solacor 2. Algerian Energy Company, SPA, or AEC, owns 49% and Sacyr Agua, S.L., a subsidiary of Sacyr, S.A., owns the remaining 25.5% of the Honaine project. AEC owns 49% and Sacyr Agua S.L. owns the remaining 16.83% of the Skikda project. Industrial Development Corporation of South Africa (29%) & Kaxu Community Trust (20%) for the Kaxu Project. AEC owns 49% of the Tenes project.

(3) Classified as concessional financial asset (F) or as intangible assets (I).

(4) The infrastructure is used for its entire useful life. There are no obligations to deliver assets at the end of the concession periods, except for ATN and ATS.

(5) Generally, there are no termination provisions other than customary clauses for situations such as bankruptcy or fraud from the operator, for example.

(6) Sales to wholesale markets and additional fixed payments established by the Spanish government.

(7) In each case the off-taker is the grantor.

(8) Figures reflect the contribution to the Consolidated Financial Statements of Atlantica Sustainable Infrastructure plc. as of December 31, 2022.

(9) Recorded under the equity method.

Assets subject to the application of IFRIC 12 interpretation based on the concession of services as of December 31, 2021:

Project name	Country	Status (1)	% of nominal Share(2)	Period of Concession (4)(5)	Off-taker(7)	Financial/ Intangible (3)	Assets/ Investment	Accumulated Amortization	Operating Profit/ (Loss)(8)	Arrangement Terms (price)	Description of the Arrangement
Renewable energy:											
Solana	USA	(O)	100.0	30 Years	APS	(I)	1,865,770	(568,911)	(26,886)	Fixed price per MWh with annual increases of 1.84% per year	30-year PPA with APS regulated by ACC
Mojave	USA	(O)	100.0	25 Years	PG&E	(I)	1,578,530	(435,937)	38,239	Fixed price per MWh without any indexation mechanism	25-year PPA with PG&E regulated by CPUC and CAEC
Palmatir	Uruguay	(O)	100.0	20 Years	UTE, Uruguay Administ ration	(I)	147,925	(56,267)	4,278	Fixed price per MWh in USD with annual increases based on inflation	20-year PPA with UTE, Uruguay state-owned utility
Cadonal	Uruguay	(O)	100.0	20 Years	UTE, Uruguay Administ ration	(I)	122,002	(43,465)	1,220	Fixed price per MWh in USD with annual increases based on inflation	20-year PPA with UTE, Uruguay state-owned utility
Melowind	Uruguay	(O)	100.0	20 Years	UTE, Uruguay Administ ration	(I)	135,988	(36,794)	3,476	Fixed price per MWh in USD with annual increases based on inflation	20-year PPA with UTE, Uruguay state-owned utility
Solaben 2	Spain	(O)	70.0	25 Years	Kingdom of Spain	(I)	315,137	(89,176)	7,111	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solaben 3	Spain	(O)	70.0	25 Years	Kingdom of Spain	(I)	314,084	(90,477)	6,704	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solacor 1	Spain	(O)	87.0	25 Years	Kingdom of Spain	(I)	318,557	(96,911)	5,593	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solacor 2	Spain	(O)	87.0	25 Years	Kingdom of Spain	(I)	331,588	(99,801)	4,689	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solnova 1	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	317,624	(116,464)	7,112	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solnova 3	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	297,046	(105,517)	8,749	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solnova 4	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	277,953	(97,828)	8,720	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Helios 1	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	321,479	(92,943)	5,917	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Helios 2	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	313,182	(89,008)	5,930	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Helioenergy 1	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	307,727	(94,563)	8,510	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Helioenergy 2	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	308,472	(91,879)	8,472	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Solaben 1	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	310,257	(79,468)	7,342	Regulated revenue base(6)	Regulated revenue established by

											different laws and rulings in Spain
Solaben 6	Spain	(O)	100.0	25 Years	Kingdom of Spain	(I)	307,047	(78,529)	6,884	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Kaxu	South Africa	(O)	51.0	20 Years	Eskom	(I)	481,776	(167,171)	45,779	Take or pay contract for the purchase of electricity up to the contracted capacity from the facility.	20-year PPA with Eskom SOC Ltd. With a fixed price formula in local currency subject to indexation to local inflation

Project name	Country	Status (1)	% of nominal Share(2)	Period of Concession (4)(5)	Off-taker(7)	Financial/ Intangible (3)	Assets/ Investment	Accumulated Amortization	Operating Profit/ (Loss)(8)	Arrangement Terms (price)	Description of the Arrangement
Efficient Natural Gas:											
ACT	Mexico	(O)	100.0	20 Years	Pemex	(F)	537,579	-	124,799	Fixed price to compensate both investment and O&M costs, established in USD and adjusted annually partially according to inflation and partially according to a mechanism agreed in contract	20-year Services Agreement with Pemex, Mexican oil & gas state-owned company

Project name	Country	Status (1)	% of nominal Share(2)	Period of Concession (4)(5)	Off-taker(7)	Financial/ Intangible (3)	Assets/ Investment	Accumulated Amortization	Operating Profit/ (Loss)(8)	Arrangement Terms (price)	Description of the Arrangement
Transmission lines:											
ATS	Peru	(O)	100.0	30 Years	Republic of Peru	(I)	532,675	(139,789)	28,451	Tariff fixed by contract and adjusted annually in accordance with the US Finished Goods Less Food and Energy inflation index	30-year Concession Agreement with the Peruvian Government
ATN	Peru	(O)	100.0	30 Years	Republic of Peru	(I)	360,271	(118,116)	7,413	Tariff fixed by contract and adjusted annually in accordance with the US Finished Goods Less Food and Energy inflation index	30-year Concession Agreement with the Peruvian Government
ATN 2	Peru	(O)	100.0	18 Years	Las Bambas Mining	(F)	76,210	-	11,428	Fixed-price tariff base denominated in U.S. dollars with Las Bambas	18 years purchase agreement
Quadra I	Chile	(O)	100.0	21 Years	Sierra Gorda	(F)	38,993	-	5,358	Fixed price in USD with annual adjustments indexed mainly to US CPI	21-year Concession Contract with Sierra Gorda regulated by CDEC and the Superentendencia de Electricidad, among others
Quadra II	Chile	(O)	100.0	21 Years	Sierra Gorda	(F)	55,561	-	4,711	Fixed price in USD with annual adjustments indexed mainly to US CPI	21-year Concession Contract with Sierra Gorda regulated by CDEC and the Superentendencia de Electricidad, among others

Project name	Country	Status (1)	% of nominal Share(2)	Period of Concession (4)(5)	Off-taker(7)	Financial/ Intangible (3)	Assets/ Investment	Accumulated Amortization	Operating Profit/ (Loss)(8)	Arrangement Terms (price)	Description of the Arrangement
Water:											
Skikda	Algeria	(O)	34.2	25 Years	Sonatrach & ADE	(F)	70,969	-	14,654	U.S. dollar indexed take-or-pay contract with Sonatrach / ADE	25 years purchase agreement
Honaine	Algeria	(O)	25.5	25 Years	Sonatrach & ADE	(F)	N/A(9)	N/A(9)	N/A(9)	U.S. dollar indexed take- or-pay contract with Sonatrach / ADE	25 years purchase agreement
Tenes	Algeria	(O)	51.0	25 Years	Sonatrach & ADE	(F)	99,438	-	16,671	U.S. dollar indexed take- or-pay contract with Sonatrach / ADE	25 years purchase agreement

(1) In operation (O), Construction (C) as of December 31, 2021.
(2) Itochu Corporation holds 30% of the economic rights to each of Solaben 2 and Solaben 3. JGC Corporation holds 13% of the economic rights to each Solacor 1 and Solacor 2. Algerian Energy Company, SPA, or AEC, owns 49% and Sacyr Agua, S.L., a subsidiary of Sacyr, S.A., owns the remaining 25.5% of the Honaine project. AEC owns 49% and Sacyr Agua S.L. owns the remaining 16.83% of the Skikda project. Industrial Development Corporation of South Africa (29%) & Kaxu Community Trust (20%) for the Kaxu Project. AEC owns 49% of the Tenes project.
(3) Classified as concessional financial asset (F) or as intangible assets (I).
(4) The infrastructure is used for its entire useful life. There are no obligations to deliver assets at the end of the concession periods, except for ATN and ATS.
(5) Generally, there are no termination provisions other than customary clauses for situations such as bankruptcy or fraud from the operator, for example.
(6) Sales to wholesale markets and additional fixed payments established by the Spanish government.
(7) In each case the off-taker is the grantor.
(8) Figures reflect the contribution to the Consolidated Financial Statements of Atlantica Sustainable Infrastructure plc. as of December 31, 2021.
(9) Recorded under the equity method.

27. Additional information of subsidiaries including material non-controlling interest

As of December 31, 2022:

Subsidiary name	Non-controlling interest name	% of non-controlling interest held	Distributions paid to non-controlling interest	Profit/(Loss) of non-controlling interest in Atlantica consolidated net result 2022	Non-controlling interest in Atlantica consolidated equity as of December 31, 2022	Non-current assets*	Current Assets*	Non-current liabilities*	Current liabilities*	Net profit/ (loss)*	Total Comprehensive income*
Aguas de Skikda S.P.A.	Algerian Energy Company S.P.A.	49%**	2,849	7,060	47,509	68,655	29,293	12,470	6,788	10,725	-
Atlantica Yield Energy Solutions Canada Inc.	Algonquin Power Co.	90%	21,333	(5)	15,996	18,657	4,910	-	4,904	(6)	-
Solaben Electricidad Dos S.A.	Itochu Europe Plc	30%	1,913	402	25,271	201,060	12,730	115,109	14,857	1,158	(1,428)
Solaben Electricidad Tres S.A.	Itochu Europe Plc	30%	1,397	370	24,522	201,088	13,814	117,948	15,495	1,051	(1,642)
Ténès Lilmiyah SPA	Algerian Energy Company S.P.A.	49%	2,260	5,675	25,592	94,989	40,884	72,279	11,365	11,581	-

* Stand-alone figures as of December 31, 2022.

** Atlantica Sustainable Infrastructure plc. owns 67% of the shares in Geida Skikda, S.L., which in its turn owns 51% of Aguas de Skikda S.P.A., so that indirectly Atlantica Sustainable Infrastructure plc. owns 34.17% of Aguas de Skikda S.P.A. The table only shows information related to the non-controlling interest of the SPV, Aguas de Skikda S.P.A.

As of December 31, 2021:

Subsidiary name	Non-controlling interest name	% of non-controlling interest held	Distributions paid to non-controlling interest	Profit/(Loss) of non-controlling interest in Atlantica consolidated net result 2022	Non-controlling interest in Atlantica consolidated equity as of December 31, 2022	Non-current assets*	Current Assets*	Non-current liabilities*	Current liabilities*	Net profit/ (loss)*	Total Comprehensive income*
Aguas de Skikda S.P.A.	Algerian Energy Company S.P.A.	49%**	3,753	7,166	43,985	69,057	27,863	17,030	6,552	10,886	-
Atlantica Yield Energy Solutions Canada Inc.	Algonquin Power Co.	90%	17,282	(8)	38,200	38,507	6,291	-	6,279	(8)	-
Solaben Electricidad Dos S.A.	Itochu Europe Plc	30%	2,375	406	25,864	224,412	12,798	138,026	13,910	1,354	(9,726)
Solaben Electricidad Tres S.A.	Itochu Europe Plc	30%	2,382	246	24,605	223,976	12,201	141,077	13,825	820	(9,713)
Ténès Lilmiyah SPA	Algerian Energy Company S.P.A.	49%	2,813	6,409	21,795	96,444	36,283	79,129	9,120	12,950	-

* Stand-alone figures as of December 31, 2021.

** Atlantica Sustainable Infrastructure plc. owns 67% of the shares in Geida Skikda, S.L., which in its turn owns 51% of Aguas de Skikda S.P.A., so that indirectly Atlantica Sustainable Infrastructure plc. owns 34.17% of Aguas de Skikda S.P.A. The table only shows information related to the non-controlling interest of the SPV, Aguas de Skikda S.P.A.

Company Financial Statements

Company Balance Sheet

Amounts in thousands of U.S. dollars

	Notes (1)	As of December 31, 2022	As of December 31, 2021
Non Current assets			
Intangible and tangible assets		114	95
Investments in subsidiaries	3	1,661,909	1,779,817
Amounts owed by group undertakings	4	930,188	885,991
Financial investments		-	971
Derivative assets	6	279	1,607
		2,592,490	**2,668,481**
Current assets			
Trade and other receivables		628	510
Amounts owed by group undertakings	4	34,495	47,771
Derivative assets	6	7,558	2,153
Cash and cash equivalents	9	60,833	88,294
		103,514	**138,728**
Total assets		**2,696,004**	**2,807,209**
Creditors: Amounts falling due within one year			
Trade and other payables	7	6,377	8,777
Amounts owed to group undertakings	4	3,792	4,266
Borrowings	5	11,442	25,749
		21,611	**38,792**
Net current assets		**81,903**	**99,936**
Total assets less current liabilities		**2,674,393**	**2,768,417**
Creditors: Amounts falling due after more than one year			
Borrowings	5	886,515	885,249
Amounts owed to group undertakings	4	379,892	343,498
Derivative liabilities	6	4,688	16,690
Other liabilities		16,684	12,288
		1,287,779	**1,257,725**
Total liabilities		**1,309,390**	**1,296,517**
Net assets		**1,386,614**	**1,510,692**

(1) Notes 1 to 10 are an integral part of the financial statements

Capital and Reserves			
Share capital	8	11,606	11,240
Share premium account	8	986,594	872,011
Capital reserves	8	814,951	1,020,027
Other reserves	8	4,638	224
Accumulated deficit	8	(431,175)	(392,810)
Shareholders' funds		**1,386,614**	**1,510,692**

(1) Notes 1 to 10 are an integral part of the financial statements

The Company has taken the exemption under Companies Act 2006 section 408 not to publish the parent company profit and loss account. The Company recorded a loss after tax of 43.1 million for the period ended 31 December 2022 (2021: profit after tax of $54.7 million).

The financial statements of Atlantica Sustainable Infrastructure plc, company registration no. 08818211, were approved by the board of directors and authorised for issue on 28 February 2023. They were signed on its behalf by:

Director and Chief Executive Officer

Santiago Seage

February 28, 2023

Chief Financial Officer

Francisco Martinez-Davis

February 28, 2023

Company Statement of Changes in Equity

Amounts in thousands of U.S. dollars

	Share capital	Share premium account	Capital reserves	Other reserves	Accumulated deficit	Total Shareholder´s funds
Balance at 1 January 2021	**10,667**	**1,011,743**	**881,745**	**(1,481)**	**(462,420)**	**1,440,254**
Capital increase	573	60,268	128,920	-	-	189,761
Profit for the year	-	-	-	-	54,682	54,682
Dividends	-	-	(190,638)	-	-	(190,638)
Change in fair value of cash flow hedges (net of deferred taxation)	-	-	-	1,705	-	1,705
Share-based compensation	-	-	-	-	14,928	14,928
Reduction of Share Premium	-	(200,000)	200,000	-	-	-
Balance at 31 December 2021	**11,240**	**872,011**	**1,020,027**	**224**	**(392,810)**	**1,510,692**
Capital increase	366	114,583	(1,969)	-	-	112,980
Loss for the year	-	-	-	-	(43,092)	(43,092)
Dividends	-	-	(203,107)	-	-	(203,107)
Change in fair value of cash flow hedges (net of deferred taxation)	-	-	-	4,414	-	4,414
Share-based compensation	-	-	-	-	4,727	4,727
Balance at 31 December 2022	**11,606**	**986,594**	**814,951**	**4,638**	**(431,175)**	**1,386,614**

Notes to the Company Financial Statements

1. Significant Accounting Policies

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework ("FRS 101")".

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements. General information about the Company is disclosed in note 1 of the consolidated financial statements. Amounts included in these separate financial statements are all expressed in thousands of U.S. dollars, unless otherwise indicated. The financial statements have been prepared on the historical cost basis except for the remeasurement of certain financial instruments to fair value.

The Company has prepared these financial statements on a going concern basis. For further information, please refer the "going concern basis" in note 2.1 of the consolidated financial statements.

The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements except as noted below.

Investments in subsidiaries and impairment

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

At each balance sheet date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss.

Receivables arising from interest-free intercompany loans are recognised when the Company becomes party to the related contracts and are measured initially at the fair value represented by the present value of future cash flows discounted at market interest rate. The difference between the fair value and the consideration advanced is recognised as an increase in the cost of investment in subsidiary.

After initial recognition, interest-free intercompany loans are subsequently measured at amortised cost using the effective interest method. The finance income is recognised in the statement of comprehensive income.

Significant judgements and estimates

The most critical accounting policies, which reflect significant management estimates and judgement to determine amounts in the Company's financial statements, are as follows:

Estimates:

- Impairment of investments (see Note 3)

Impairment exists when the carrying value of an investment exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow model, which is sensitive to the discount rate used as well as projected cash-flows.

The significant assumptions which required substantial estimates used in management's impairment calculation are discount rates and projections considering real data based on contract terms and projected changes in selling prices, energy generation and costs.

- Fair value of derivative financial instruments (see Note 6)

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimate is required in establishing fair values. Estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

2. Profit/(loss) for the year

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year. The Company reported a loss for the financial year ended 31 December 2022 of $43.1 million (2021: profit of $54.7 million).

The employee cost recorded in the profit and loss account of the Company for the year 2022 amounts to $6.7 million (2021: $7.3 million). The auditor's remuneration for audit and other services is disclosed in note 23 to the consolidated financial statements.

3. Investments in Subsidiaries

Details of the Company's subsidiaries at 31 December 2022 are as follows:

Name	Place of incorporation and principal place of business	Proportion of ownership interest	Proportion of voting power held	Registered office
		%	%	
AC Renovables Sol 1 S.A.S. E.S.P.	Colombia	70,00%	70,00%	Carrera 7, 71 – 21 Torre B, piso 15, Bogota
ACT Energy Mexico, S. de R.L. de C.V.	Mexico	99.99%	99.99%	Avda. Jaime Balmes, 11, Piso 10, Torre C, Fraccion C, Oficina 1001, Col. Los Morales Polanco, 11510, Ciudad de Mexico
ACT Holdings, S.A. de C.V.	Mexico	99.99%	99.99%	Avda. Jaime Balmes, 11, Piso 10, Torre C, Fraccion C, Oficina 1001, Col. Los Morales Polanco, 11510, Ciudad de Mexico
Agrisun, S.R.L.	Italy	100.00%	100.00%	Via de la Mercede, 11, 00187, Roma (Italy)
Aguas de Skikda, S.P.A.	Algeria	51.00%	51.00%	162 Bois des Cars III DelyIbrahim — Alger - Algerie
Alcalá Sviluppo Solare S.r.l.	Italy	100.00%	100.00%	Vicolo del Messaggero 11 – 38068 Rovereto (TN)
Arizona Solar One, LLC (USA)	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
ASHUSA Inc	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
ASI Operations, LLC	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
ASO Holdings Company, LLC	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
ASUSHI Inc.	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
Atlantica Chile, S.P.A.	Chile	100.00%	100.00%	Avda. Apoquindo, 3600, Piso 5, Oficina 517, Las Condes, Santiago de Chile
Atlantica Colombia S.A.S. E.S.P.	Colombia	100,00%	100,00%	Carrera 7, 71 – 21 Torre B, piso 15,Bogota
Atlantica Corporate Resources, S.L.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Atlantica DCR, LLC.	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
Atlantica Energia Sostenible Italia, S.r.l	Italy	100.00%	100.00%	Via de la Mercede, 11, 00187, Roma (Italy)
Atlantica Energía Sostenible España S.L.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Atlantica Hidro Colombia SPA	Colombia	15.00%	68.00%	Carrera 7, 71 – 21 Torre B, piso 15, Bogota

Name	Place of incorporation and principal place of business	Proportion of ownership interest %	Proportion of voting power held %	Registered office
Atlantica Holdings USA, LLC	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
Atlantica Infraestructura Sostenible, S.L.U.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Atlantica Investments Ltd	UK	100.00%	100.00%	Great West House, GW1 Great West Road Brentford TW8 9DF London, UK
Atlantica Newco, Ltd	UK	100.00%	100.00%	Great West House, GW1 Great West Road Brentford TW8 9DF London, UK
Atlantica North America, LLC.	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
Atlantica Peru, S.A.	Peru	100.00%	100.00%	Av. El Derby 55, Edificio Cronos, Torre 3, Piso 6; oficina 608. Santiago de Surco Lima (Peru).
Atlantica Renewable Power Mexico de R.L. de C.V	Mexico	100.00%	100.00%	Avda. Jaime Balmes, 11, Piso 10, Torre C, Fraccion C, Oficina 1001, Col. Los Morales Polanco, 11510, Ciudad de Mexico
Atlantica Solutions LLC	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
Atlantica South Africa (Pty) Ltd	South Africa	100.00%	100.00%	Office 103 Ancorley Building; 45 Scott Street Upington 8801 (South Africa)
Atlantica South Africa Operations Proprietary Limited Ltd	South Africa	92.00%	92.00%	Office 103 Ancorley Building; 45 Scott Street Upington 8801 (South Africa)
Atlantica Sustainable Infrastructure Jersey Ltd.	Jersey	100.00%	100.00%	47 Esplanade, St Helier, Jersey JE1 0BD UK
Atlantica Transmision Sur, S.A.	Peru	100.00%	100.00%	Av. El Derby 55, Edificio Cronos, Torre 3, Piso 6; oficina 608. Santiago de Surco Lima.
Atlantica Yield Energy Solutions Canada Inc.	Canada	10.00%	66.66%	354 Davis Road Suite 100 Oakville On L5J 2X1
Atlantica y Quartux Almacenamiento de Energía S.A.P.I. de C.V.	Mexico	60.00%	60.00%	Avda. Jaime Balmes, 11, Piso 10, Torre C, Fraccion C, Oficina 1001, Col. Los Morales Polanco, 11510, Ciudad de Mexico
ASI Vento LLC	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)

Name	Place of incorporation and principal place of business	Proportion of ownership interest %	Proportion of voting power held %	Registered office
ATN 2, S.A.	Peru	100.00%	100.00%	Av. El Derby 55, Edificio Cronos, Torre 3, Piso 6; oficina 608. Santiago de Surco Lima.
ATN 4, S.A.	Peru	100.00%	100.00%	Av. El Derby 55, Edificio Cronos, Torre 3, Piso 6; oficina 608. Santiago de Surco Lima.
ATN, S.A.	Peru	99.99%	99.99%	Av. El Derby 55, Edificio Cronos, Torre 3, Piso 6; oficina 608. Santiago de Surco Lima.
AY Holding Uruguay S.A.	Uruguay	100.00%	100.00%	Avda. Luis Alberto de Herrera, 1248, World Trade Center, Torre II, Piso 1. Oficina 1505, Montevideo, Uruguay.
AYES International UK Ltd.	UK	100.00%	100.00%	Great West House, GW1 Great West Road Brentford TW8 9DF London, UK
Banitod, S.A.	Uruguay	100.00%	100.00%	Avda. Luis Alberto de Herrera, 1248, World Trade Center, Torre II, Piso 1. Oficina 1505, Montevideo, Uruguay.
Befesa Agua Tenes, S.L.U.	Spain	100.00%	100.00%	Calle Energia Solar, 1 41014 Sevilla
BPC US Wind Corporation	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
Cadonal, S.A.	Uruguay	100.00%	100.00%	Avda. Luis Alberto de Herrera, 1248, World Trade Center, Torre II, Piso 1. Oficina 1505, Montevideo, Uruguay.
Calgary District Heating Inc.	Canada	100.00%	100.00%	Suite 2500 Park Place 666 Burrard Street Vancouver BC V6C 2X8
Carpio Solar Inversiones, S.A.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Chile PV I	Chile	35.00%	66.66%	Avenida Los Militares 5885, piso 7, departamento 701, Las Condes, Santiago de Chile.
Chile PV II	Chile	35.00%	66.66%	Avenida Los Militares 5885, piso 7, departamento 701, Las Condes, Santiago de Chile.
Chile PV III	Chile	35.00%	66.66%	Avenida Los Militares 5885, piso 7, departamento 701, Las Condes, Santiago de Chile.

Name	Place of incorporation and principal place of business	Proportion of ownership interest %	Proportion of voting power held %	Registered office
CGP Holding Finance, LLC	USA	100.00%	100.00%	251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808 (USA)
Ecija Solar Inversiones, S.A.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Coropuna Transmisión, S.A	Peru	100.00%	100.00%	Av. El Derby 55, Edificio Cronos, Torre 3, Piso 6; oficina 608. Santiago de Surco Lima.
Day Ahead Solar LLC	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
Energía Renovable Dalia 1 SA de CV	Mexico	51.00%	51.00%	Avda. Jaime Balmes, 11, Piso 10, Torre C, Fraccion C, Oficina 1001, Col. Los Morales Polanco, 11510, Ciudad de Mexico
Energía Renovable Dalia 2 SA de CV	Mexico	51.00%	51.00%	Avda. Jaime Balmes, 11, Piso 10, Torre C, Fraccion C, Oficina 1001, Col. Los Morales Polanco, 11510, Ciudad de Mexico
Energía Renovable Dalia 3 SA de CV	Mexico	51.00%	51.00%	Avda. Jaime Balmes, 11, Piso 10, Torre C, Fraccion C, Oficina 1001, Col. Los Morales Polanco, 11510, Ciudad de Mexico
Estrellada S.A.	Uruguay	100.00%	100.00%	Avda. Luis Alberto de Herrera, 1248, World Trade Center, Torre II, Piso 1. Oficina 1505, Montevideo, Uruguay.
Extremadura Equity Investment S.a.r.l.	Luxembourg	100.00%	100.00%	6, rue Eugène RuppertL-2453 Luxembourg
Fotovoltaica Solar Sevilla, S.A.	Spain	80.00%	80.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Geida Skikda, S.L.	Spain	67.00%	67.00%	Paseo de la Castellana 83-85, 28046 Madrid (Spain)
Global Solar Participations Sarl	Luxembourg	100.00%	100.00%	6, rue Eugène RuppertL-2453 Luxembourg
Helioenergy Electricidad Uno, S.A.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Helioenergy Electricidad, Dos, S.A.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Helios I Hyperion Energy Investments, S.L.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Helios II Hyperion Energy Investments, S.L.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Helios 2, S.R.L.	Italy	100.00%	100.00%	Melissano (LE) Via Monte Rosa 19 Roma (Italy)

Name	Place of incorporation and	Proportion of	Proportion of voting power held	Registered office

Name	Place of incorporation and principal place of business	Proportion of ownership interest %	Proportion of voting power held %	Registered office
Hidrocañete, S.A.	Peru	100.00%	100.00%	Av. El Derby 55, Edificio Cronos, Torre 3, Piso 6; oficina 608. Santiago de Surco Lima.
Hypesol Energy Holding, S.L.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Hypesol Solar Inversiones S.A.U	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Hunucma Wind Power S.A. de C.V	Mexico	100.00%	100.00%	Avda. Jaime Balmes, 11, Piso 10, Torre C, Fraccion C, Oficina 1001, Col. Los Morales Polanco, 11510, Ciudad de Mexico
Kaxu Solar One (Pty) Ltd	South Africa	51.00%	51.00%	Office 103 Ancorley Building; 45 Scott Street Upington 8801 (South Africa)
Logrosan Equity Investment S.a.r.l.	Luxembourg	100.00%	100.00%	6, rue Eugène RuppertL-2453 Luxembourg
Logrosan Solar Inversiones Dos, S.L.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Logrosan Solar Inversiones, S.A.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Mojave Solar Holdings, Llc	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
Mojave Solar, Llc	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
Montesejo Piano, S.r.l.	Italy	100,00%	100,00%	Via XX Settembre 1 cap 00187, Roma.
Mordor ES1 LLC	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
Mordor ES2 LLC	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
Nesyla, S.A.	Uruguay	100.00%	100.00%	Avda. Luis Alberto de Herrera, 1248, World Trade Center, Torre II, Piso 1. Oficina 1505, Montevideo, Uruguay.
Overnight Solar LLC	USA	100.00%	100.00%	1553 West Todd Dr., Suite 204 Tempe, AZ 85283 (USA)
PA Renovables Sol 1 S.A.S. E.S.P.	Colombia	70,00%	70,00%	Carrera 7, 71 – 21 Torre B, piso 15, Bogota
Palmatir, S.A	Uruguay	100.00%	100.00%	Avda. Luis Alberto de Herrera, 1248, World Trade Center, Torre II, Piso 1. Oficina 1505, Montevideo, Uruguay.
Palmucho, S.A.	Chile	100.00%	100.00%	Avda. Apoquindo, 3600, Piso 5, Oficina 517, Las Condes, Santiago de Chile

Name	Place of incorporation and principal place of business	Proportion of ownership interest %	Proportion of voting power held %	Registered office
Parque Fotovoltaico La Sierpe S.A.S.	Colombia	100.00%	100.00%	Carrera 7, 71 – 21 Torre B, piso 15, Bogota
Parque Fotovoltaico La Tolua S.A.S	Colombia	100,00%	100,00%	MZ D CA 23 Urb. Bosques de Varsovia, Ibague, Tolima, Colombia.
Parque Solar Tierra Linda, S.A.S	Colombia	100,00%	100,00%	CC Arkacentro Mod T OF A 07 Sec. Arkacentro, Ibague, Tolima, Colombia.
Re Sole, S.R.L.	Italy	100.00%	100.00%	Via de la Mercede, 11, 00187, Roma (Italy)
Rilados, S.A.	Uruguay	100.00%	100.00%	Luis Alberto de Herrera 1248, WTC, Torre 2, Piso 15, Oficina 1505, Montevideo, Uruguay
Rioglass Solar Holding, S.A.	Spain	100.00%	100.00%	Poligono Industrial de Sevilla, Santa Cruz de Mieres, Mieres, Asturias (Spain)
RRHH Servicios Corporativos S. de R.L. de C.V.	Mexico	100.00%	100.00%	Avda. Jaime Balmes, 11, Piso 10, Torre C, Fraccion C, Oficina 1001, Col. Los Morales Polanco, 11510, Ciudad de Mexico
Sanlucar Solar, S.A.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
SJ Renovables Sun 1 S.A.S. E.S.P.	Colombia	70,00%	70,00%	Carrera 7, 71 – 21 Torre B, piso 15, Bogota
SJ Renovables Wind 1 S.A.S. E.S.P.	Colombia	70,00%	70,00%	Carrera 7, 71 – 21 Torre B, piso 15, Bogota
Solaben Electricidad Dos, S.A.	Spain	70.00%	70.00%	Plataforma Solar Extremadura, Carretera EX-116 PK 17,560, 10120 Logrosan (Caceres, Spain)
Solaben Electricidad Seis, S.A.	Spain	100.00%	100.00%	Plataforma Solar Extremadura, Carretera EX-116 PK 17,560, 10120 Logrosan (Caceres, Spain)
Solaben Electricidad Tres, S.A.	Spain	70.00%	70.00%	Plataforma Solar Extremadura, Carretera EX-116 PK 17,560, 10120 Logrosan (Caceres, Spain)
Solaben Electricidad Uno, S.A.	Spain	100.00%	100.00%	Plataforma Solar Extremadura, Carretera EX-116 PK 17,560, 10120 Logrosan (Caceres, Spain)

Solaben Luxembourg S.A.	Luxembourg	100.00%	100.00%	6, rue Eugène RuppertL-2453 Luxembourg
Solacor Electricidad Uno, S.A.	Spain	87.00%	87.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Solacor Electricidad Dos, S.A.	Spain	87.00%	87.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Solar Processes, S.A.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Solnova Electricidad Cuatro, S.A.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Solnova Electricidad Tres, S.A.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Solnova Electricidad Uno, S.A.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Solnova Solar Inversiones, S.A.	Spain	100.00%	100.00%	C/ Albert Einstein, s/n 41092, Sevilla (Spain)
Tenes Lilmiyah SPA	Algeria	51.00%	51.00%	19 Lot Bois des Cars III. Dely Ibrahim, Alger.
Transmisora Baquedano, S.A.	Chile	100.00%	100.00%	Avda. Apoquindo, 3600, Piso 5, Oficina 517, Las Condes, Santiago de Chile
Transmisora Mejillones, S.A.	Chile	100.00%	100.00%	Avda. Apoquindo, 3600, Piso 5, Oficina 517, Las Condes, Santiago de Chile
Transmisora Melipeuco, S.A.	Chile	100.00%	100.00%	Avda. Apoquindo, 3600, Piso 5, Oficina 517, Las Condes, Santiago de Chile
VO Renovables SOL 1 S.A.S. E.S.P.	Colombia	70,00%	70,00%	Carrera 7, 71 – 21 Torre B, piso 15, Bogota
White Rock Insurance (Europe) PPC Limited	Malta	100.00%	100.00%	Central Business District. CBD1070, Birkirkara (Malta)

The investments in subsidiaries are all stated at cost. Information on the investments acquired in the year is disclosed in Note 5 in the consolidated financial statements. As of 31 December 2022 and 2021, the carrying amount of the investments held directly by the Company were as follows:

	2022 $'000	2021 $'000
Palmucho, S.A.	-	-
Atlantica Corporate Resources, S.L.	8,954	8,954
Transmisora Baquedano, S.A.	-	-
Transmisora Mejillones, S.A.	-	-
ACT Holdings, S.A. de C.V.	98,543	98,543
Atlantica Peru, S.A.	261,920	261,920
Atlantica Infraestructura Sostenible, S.L.U.	889,236	888,823
ATN, S.A. (*)	13,988	13,863
Atlantica Transmision Sur, S.A. (*)	11,847	11,847
Atlantica Investments Ltd.	56,998	56,998
ATN 2, S.A.	13,720	13,720
Atlantica North America, LLC.	301,751	420,288
CKA1 Holding S. de R.L. de C.V.	-	7
AYES International UK Ltd.	4,854	4,854
Atlantica Sustainable Infrastructure Jersey Ltd.	-	-
Atlantica Newco, Ltd.	-	-
Transmisora Melipeuco, S.A.	98	-
Total investments in subsidiaries	**1,661,909**	**1,779,817**

(*) Corresponds to the initial difference between the amortized cost and nominal amount of interest free loans (classified as amounts owed by group undertakings, see note 4), classified as capital contribution in accordance with IFRS 9.

Movements in the carrying value of investments during the years 2022 and 2021 were as follows:

	$ ´000
As at 1 January 2022	1,779,817
Increase	635
Impairment	(118,543)
As at 31 December 2022	**1,661,909**

	$ ´000
As at 1 January 2021	1,846,157
Increase	4,094
Impairment	(70,434)
As at 31 December 2021	**1,779,817**

The increase in 2021 mainly related to capital increase in the U.S. entities.
The impairment for $118.5 million in 2022 and for $70.4 million in 2021 corresponds mainly to the investment held in Atlantica North America LLC, which is the holding company of all the U.S. entities of Atlantica. The impairment is primarily due to the impairment recorded in Solana in 2022 and 2021 (see Note 6 of the consolidated financial statements) and to an increase in the discount rate used to discount future cash flow projections to obtain the recoverable amount of the investment.

4. Amounts Owed by/to Group Undertakings

	2022 $'000	2021 $'000
Non-current receivables from group companies	930,188	885,991
Current receivables from group undertakings	34,495	47,771
Total amounts owed by group undertakings	**964,683**	**933,762**
Current amounts owed to group undertakings	3,792	4,266
Non-Current amounts owed to group undertakings	379,892	343,498
Total amounts owed to group undertakings	**383,684**	**347,764**

As of 31 December 2022 and 2021, the details of the non-current amounts owed by group undertakings were as follows:

	2022 $'000	2021 $'000
ATN, S.A.	10,548	22,897
Carpio Solar Inversiones, S.A.	-	13,163
Atlantica Transmision Sur, S.A.	-	3,421
Atlantica South Africa (Pty), Ltd.	1,321	7,903
ASUSHI, Inc	62,847	60,320
Atlantica Investments, Ltd.	142,657	102,795
Helios I Hyperion Energy Investments, S.A.	4,187	6,591
Helios II Hyperion Energy Investments, S.A.	4,443	6,679
Atlantica North America, LLC	438,695	455,368
Sanlucar Solar, S.A.	14,723	17,038
Atlantica Newco, Ltd.	99,248	99,217
ASHUSA, Inc	70,788	68,762
Solar Process, S.A.	31,327	-
Solnova Electricidad, S.A.	14,714	4,071
Solnova Electricidad Tres, S.A.	14,170	4,392
Solnova Electricidad Cuatro, S.A.	12,955	4,321
Other	7,565	9,053
Amounts owed by group undertakings	**930,188**	**885,991**

The principal features of the most significant loans to subsidiary undertakings are as follows:

	Interest Rate	Maturity
ATN, S.A.	0%	Not applicable
Carpio Solar Inversiones, S.A.	2.5% plus Euribor 12 months	31 July 2031
Atlantica Transmision Sur, S.A.	0%	Not applicable
Atlantica South Africa (Pty) Ltd.	Not applicable	Not applicable
ASUSHI, Inc	5.9%	31 December 2024
ASHUSA Inc.	4.5%	31 December 2030
Atlantica Investments Ltd.	4.5%	31 December 2030
Atlantica North America LLC	4.5%	31 December 2030
Atlantica Newco Limited	4.5%	31 December 2030
Sanlucar Solar, S.A.	4.5%	31 December 2030
Solar Process, S.A.	4.5%	31 December 2030
Solnova Electricidad, S.A.	2.5% plus Euribor 12 months	20 July 2035
Solnova Electricidad Tres, S.A.	2.5% plus Euribor 12 months	20 July 2035
Solnova Electricidad Cuatro, S.A.	2.5% plus Euribor 12 months	20 July 2035

As at 31 December 2022, the amounts owed to group undertakings primarily relate to ACT Energy Mexico, S.A. de C.V. for $162.8 million ($172.1 million as of 31 December 2021), to Atlantica Sustainable Infrastructure Jersey Ltd for $107.9 million ($105.3 million as of 31 December 2021) and to Atlantica Infraestructura Sostenible, S.L.U. for $98.9 million ($58.2 as of 31 December 2021)

5. Borrowings

As of 31 December 2022 and 2021, the details of borrowings were as follows:

	2022 $'000	2021 $'000
Secured borrowing at amortised cost		
Bonds	9,937	24,422
Borrowings	888,020	886,576
Total borrowings	897,957	910,988
Amount due for settlement within 12 months	**11,442**	**25,749**
Amount due for settlement after 12 months	**886,515**	**885,249**

The main features of the borrowings and bonds are as follows:

On July 20, 2017, the Company signed a credit facility (the "2017 Credit Facility") for up to €10 million ($10.7 million), which is available in euros or U.S. dollars. Amounts drawn down accrue interest at a rate per year equal to EURIBOR plus 2% or LIBOR plus 2%, depending on the currency, with a floor of 0% on the LIBOR and EURIBOR. As of December 31, 2022, $6.4 million has been drawn down ($8.2 million as of December 31, 2021). As of December 31, 2021, the credit facility maturity was July 1, 2023. On July 1, 2022, the maturity has been extended to July 1, 2024.

On May 10, 2018, the Company entered into the Revolving Credit Facility for $215 million with a syndicate of banks. Amounts drawn down accrue interest at a rate per year equal to (A) for Eurodollar rate loans, Term SOFR, plus a Term SOFR Adjustment equal to 0.10% per annum, plus a percentage determined by reference to the leverage ratio of the Company, ranging between 1.60% and 2.25% and (B) for base rate loans, the highest of (i) the rate per annum equal to the weighted average of the rates on overnight U.S. Federal funds transactions with members of the U.S. Federal Reserve System arranged by U.S. Federal funds brokers on such day plus ½ of 1.00%, (ii) the U.S. prime rate and (iii) Term SOFR plus 1.00%, in any case, plus a percentage determined by reference to the leverage ratio of the Company, ranging between 0.60% and 1.00%. Letters of credit may be issued using up to $100 million of the Revolving Credit Facility. During 2019, the amount of the Revolving Credit Facility increased from $215 million to $425 million. In the first quarter of 2021, the Company increased the amount of the Revolving Credit Facility from $425 million to $450 million. On May 5, 2022, the maturity was extended to December 31, 2024. On December 31, 2022, $30 million were drawn down (nill as of December 31, 2021). On December 31, 2022, the Company issued letters of credit for $35 million ($10 million as of December 31, 2021). As of December 31, 2022, therefore, $385 million of the Revolving Credit Facility were available ($440 million as of December 31, 2021).

On April 30, 2019, the Company entered into the Note Issuance Facility 2019, a senior unsecured note facility with a group of funds managed by Westbourne Capital as purchasers of the notes issued thereunder for a total amount of €268 million ($287 million), with maturity date on April 30, 2025. Interest accrued at a rate per annum equaled to the sum of 3-month EURIBOR plus 4.50%. The interest rate on the Note Issuance Facility 2019 was fully hedged by an interest rate swap resulting in the Company paying a net fixed interest rate of 4.24%. The Note Issuance Facility 2019 was fully repaid on June 4, 2021, and subsequently delisted from the Official List of The International Stock Exchange.

On October 8, 2019, the Company filed a euro commercial paper program (the "Commercial Paper") with the Alternative Fixed Income Market (MARF) in Spain. The program had an original maturity of twelve months and has been extended for annual periods until October 2023. The program allows Atlantica to issue short term notes over the next twelve months for up to €50 million ($54 million), with such notes having a tenor of up to two years. As of December 31, 2022, the Company had €9.3 million ($9.9 million) issued and outstanding under the program at an average cost of 2.21% (€21.5 million, or $24.4 million, as of December 31, 2021).

On April 1, 2020, the Company closed the secured 2020 Green Private Placement for €290 million ($310 million). The private placement accrues interest at an annual 1.96% interest rate, payable quarterly and has a June 2026 maturity.

On July 8, 2020, the Company entered into the Note Issuance Facility 2020, a senior unsecured financing with a group of funds managed by Westbourne Capital as purchasers of the notes issued thereunder for a total amount of $150 million which is denominated in euros (€140 million). The Note Issuance Facility 2020 was issued on August 12, 2020, interest accrues at a rate per annum equal to the sum of the 3-month EURIBOR plus a margin of 5.25% with a floor of 0% for the EURIBOR, payable quarterly and has a maturity of seven years from the closing date. The Company have entered into a cap at 0% for the EURIBOR with 3.5 years maturity to hedge the variable interest rate risk.

On May 18, 2021, the Company issued the Green Senior Notes due in 2028 in an aggregate principal amount of $400 million. The notes mature on May 15, 2028 and bear interest at a rate of 4.125% per annum payable on June 15 and December 15 of each year, commencing December 15, 2021.

6. Derivative assets and liabilities

The breakdowns of the fair value amount of the derivative financial instruments as of December 31, 2022 and 2021 are as follows:

	Balance as of December 31, 2022		Balance as of December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Foreign exchange derivatives instruments	3,189	-	3,410	-
Notes conversion option	-	4,688	-	16,690
Interest rate cash flow hedge	4,648	-	350	-
Total	**7,837**	**4,688**	**3,760**	**16,690**

The Company owns the following derivatives instruments:

- Interest rate cash flow hedge classified as current assets relate to an interest rate cap hedging the Note Issuance Facility 2020 interest with a strike of 0%.
- Currency options with leading international financial institutions, which guarantee minimum Euro-U.S. dollar exchange rates. The strategy of the Company is to hedge the exchange rate for the distributions from its European assets after deducting euro-denominated interest payments and euro-denominated general and administrative expenses. Through currency options, the Company hedges 100% of its euro-denominated net exposure for the next 12 months and 75% of its euro denominated net exposure for the following 12 months, on a rolling basis. Hedge accounting is not applied to these options.

On July 17, 2020, Atlantica Sustainable Infrastructure Jersey Limited, a subsidiary of the Company issued $100 million aggregate principal amount of 4.00% convertible bonds (the "Green Exchangeable Notes") due 2025. On July 29, 2020, Atlantica Sustainable Infrastructure Jersey Limited closed an additional $15 million aggregate principal amount of the Green Exchangeable Notes. The notes mature on July 15, 2025 and bear interest at a rate of 4.00% per annum. The initial exchange rate of the notes is 29.1070 ordinary shares of the Company per $1,000 principal amount of notes, which is equivalent to an initial exchange price of $34.36 per ordinary share. Noteholders may exchange their notes at their option at any time prior to the close of business on the scheduled trading day immediately preceding April 15, 2025, only during certain periods and upon satisfaction of certain conditions. On or after April 15, 2025, noteholders may exchange their notes at any time. Upon exchange, the notes may be settled, at the election of the Company, into its ordinary shares, cash or a combination thereof. The exchange rate is subject to adjustment upon the occurrence of certain events.

The conversion option of the Green Exchangeable Notes is an embedded derivative associated to the option to convert into the Company´s shares, with no obligation for Atlantica Sustainable Infrastructure Jersey Limited to deliver itself these shares to the Noteholders. It is therefore classified within the line "Derivative liabilities" of these financial statements. As of December 31, 2022, the fair value is a liability of $4.7 million (a liability of $16.7 million as of December 31, 2021). The prospective changes to its fair value are accounted for directly through the income statement.

7. Trade and Other Payables

As of 31 December 2022, and 2021, Trade and other payables primarily relate to independent professional services.

8. Equity

As of December 31, 2022, the share capital of the Company amounts to $11,605,513 ($11,240,297 as of December 31, 2021) represented by 116,055,126 ordinary shares (112,402,973 shares as of December 31, 2021) fully subscribed and disbursed with a nominal value of $0.10 each, all in the same class and series. Each share grants one voting right.

Algonquin owns 42.2% of the shares of the Company and is its largest shareholder as of December 31, 2022. Algonquin's voting rights and rights to appoint directors are limited to 41.5% and the difference between Algonquin´s ownership and 41.5% will vote replicating non-Algonquin's shareholders' vote.

On December 11, 2020, the Company closed an underwritten public offering of 5,069,200 ordinary shares, including 661,200 ordinary shares sold pursuant to the full exercise of the underwriters' over-allotment option, at a price of $33 per new share. Gross proceeds were approximately $167 million. Given that the offering was issued through a subsidiary in Jersey, which became wholly owned by the Company at closing, and subsequently liquidated, the premium on issuance was credited to a merger reserve account (Capital reserves), net of issuance costs, for $161 million. Additionally, Algonquin committed to purchase 4,020,860 ordinary shares in a private placement in order to maintain its previous equity ownership of 44.2% in the Company. The private placement closed on January 7, 2021. Gross proceeds were approximately $133 million ($131 million net of issuance costs).

During the first quarter of 2021, the Company changed the accounting treatment applied to its existing long-term incentive plans granted to employees from cash-settled to equity-settled in accordance with IFRS 2, Share-based Payment, as a result of incentives being settled in shares. The liability recognized for the rights vested by the employees under such plans at the date of this change, was reclassified to equity within the line "Accumulated deficit" for approximately $9 million. The settlement in shares was approved by the Board of Directors on February 26, 2021, and the Company issued 141,482 new shares to its employees up to December 31, 2021, to settle a portion of these plans. During the year 2022, the Company issued 228,560 new shares under such incentive plans.

On August 3, 2021, the Company established an "at-the-market program" and entered into a distribution agreement with J.P. Morgan Securities LLC, as sales agent, under which the Company may offer and sell from time to time up to $150 million of its ordinary shares. The Company also entered into an agreement with Algonquin pursuant to which the Company has offered Algonquin the right but not the obligation, on a quarterly basis, to purchase a number of ordinary shares to maintain its percentage interest in Atlantica at the average price of the shares sold under the distribution agreement in the previous quarter (the "ATM Plan Letter Agreement"). On February 28, 2022, the Company established a new "at-the-market program" and entered into a distribution agreement with BofA Securities, MUFG and RBC Capital Markets, as its sales agents, under which the Company may offer and sell from time to time up to $150 million of its ordinary shares. Upon entry into the distribution agreement, the Company terminated its prior "at-the-market program" established on August 3, 2021 and the related distribution agreement dated such date, entered into with J.P. Morgan Securities LLC. During the year 2022, the Company sold 3,423,593 shares (1,613,079 shares during the year 2021) at an average market price of $33.57 ($38.43 in 2021) pursuant to its distribution agreement, representing net proceeds of $114 million ($61 million in 2021). Pursuant to the ATM Plan Letter Agreement, the Company delivers a notice to Algonquin quarterly in order for them to exercise their rights thereunder.

Atlantica´s reserves as of December 31, 2022 are made up of share premium account and capital reserves. The share premium account reduction by $200 million during the year 2021, increasing capital reserves by the same amount, was made effective upon the confirmation received from the High Court in the UK, pursuant to the Companies Act 2006.

Other reserves primarily include the change in fair value of interest rate cashflow hedges instruments, net of tax.

Accumulated deficit primary includes the results of the Company and the impact of equity-settled incentive plans.

9. Cash and cash equivalents

Cash and cash equivalents as of December 31, 2022, include $60.8 million of cash at bank and on hand ($88.3 million as of December 31, 2021).

10. Third-party guarantees

The Company, or other holding entities on its behalf, issued guarantees on behalf of subsidiaries amounting to $216.9 million as of December 31, 2022 ($174.2 million as of December 31, 2021), which correspond mainly to guarantees provided to off-takers in PPAs, guarantees for debt service reserve accounts and guarantees for points of access for renewable energy projects.