ATLANTICA SUSTAINABLE INFRASTRUCTURE PLC
(*a public limited company incorporated under the laws of England and Wales*)

"*Commercial Paper Program 2022*"
Maximum outstanding amount of € 50,000,000

BASE INFORMATION MEMORANDUM (*DOCUMENTO BASE INFORMATIVO DE INCORPORACIÓN*) FOR ADMISSION TO TRADING OF COMMERCIAL PAPER SECURITIES (*PAGARÉS*) ON THE ALTERNATIVE FIXED-INCOME MARKET (*MERCADO ALTERNATIVO DE RENTA FIJA*) ("MARF")

Atlantica Sustainable Infrastructure plc ("**Atlantica**", the "**Company**" or the "**Issuer**") is a public limited company incorporated under the laws of England and Wales, whose ordinary shares trade on the NASDAQ Global Select Market ("**NASDAQ**"), with registered office at Great West House, GW1, 17th floor, Great West Road, Brentford TW8 9DF, United Kingdom, registered with the Companies House under number 8818211, and with unique taxpayer reference number 1692810323 and LEI code 549300ITBBGKJ651R879.

This base information memorandum (the "**Information Memorandum**") describes the so-called "*Commercial Paper Program 2022*" (the "**Program**") approved by Atlantica. Under the Program, the Company will apply for the admission (*incorporación*) to trading of commercial paper notes (the "**Notes**") on the Spanish multilateral trading facility for debt securities (*Mercado Alternativo de Renta Fija*) (the "**MARF**"). The MARF is a multilateral trading facility (MTF) (*sistema multilateral de negociación*) established in Spain in accordance with the Royal Decree-Law 21/2007, of 29 December, on urgent measures for adapting Spanish law to the regulations of the European Union in relation to securities markets (*Real Decreto-ley 21/2017, de 29 de diciembre, de medidas urgentes para la adaptación del derecho español a la normativa de la Unión Europea en materia del mercado de valores)* (the "**Real Decreto-ley 21/2017**"). Therefore, the MARF is not a regulated market in accordance with the provisions of Directive 2014/65/EU ("**MiFID II**"). This Information Memorandum has been prepared in compliance with the Circular 2/2018, of 4 December, of MARF, on admission (incorporación) and removal of securities on the Alternative Fixed-Income Market (*Circular 2/2018, de 4 de diciembre, sobre incorporación y exclusión de valores en el Mercado Alternativo de Renta Fija)* (the "**Circular 2/2018**").

Application will be made for the Notes to be listed on the MARF under this Information Memorandum. The Notes will be represented by book entries (*anotaciones en cuenta*) and their accounting record (*registro contable*) will be entrusted for book-keeping to the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**Iberclear**"), together with its member entities (*entidades participantes*).

An investment in the Notes involves certain risks.
SECTION 1 INCLUDES A DESCRIPTION OF THE RISKS RELATED TO THE ISSUER AND THE NOTES.

Potential investors should consider carefully and full understand the risk set forth herein under Section 1 "Risk Factors", along with all other information contained in this Information Memorandum, prior to making investment decisions with respect to the Notes.

This Information Memorandum (*documento base informativo de incorporación*) is not a prospectus (*folleto informativo*) in accordance with the Regulation (EU) 2017/1129 (the "Prospectus Regulation") and, therefore, it has not been approved by, or registered with, the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*) (the "CNMV"). The Notes to be issued under the Program and listed on the MARF under this Information Memorandum will have a nominal value of € 100,000 each. Any offer of Notes will be exclusively addressed to "qualified investors" as defined in article 2 (e) of the Prospectus Regulation. Therefore, any offer of the Notes will not constitute a public offering of securities in accordance with the provisions of article 34 of the Spanish Securities Market Act (*Texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) (the "Spanish Securities Market Act"), which exempts Atlantica from the obligation to approve, register and publish a prospectus with the CNMV.

Neither the MARF, nor the CNMV, nor the Placement Entities has approved or carried out any verification or testing regarding the content of this Information Memorandum or with regard to the content of the documentation and information provided by the Issuer to the MARF in compliance with the Circular 2/2018. The admission on MARF does not represent a

statement or recognition of the fullness, comprehensibility and consistency of the documentation and information provided by the Issuer to the MARF in connection with this Information Memorandum.

Sole Lead Arranger

Bankinter, S.A.

Placement Entities

Bankinter, S.A.

Banca March, S.A.

Registered Advisor

VGM Advisory Partners, S.L.U.

November 24, 2022

IMPORTANT NOTICES

The distribution of this Information Memorandum and the Notes may be restricted by law in some jurisdictions. Any person in possession of this Information Memorandum must be legally advised and comply with those restrictions.

No action has been taken in any country, jurisdiction or territory to permit a public offering of the Notes. Therefore, the Notes cannot be offered or sold, directly or indirectly, nor this Information Memorandum or any offering material may be released, published or distributed, in or from any country, jurisdiction or territory, except in compliance with the regulations of the relevant country, jurisdiction or territory.

This Information Memorandum is not an offer for the sale of Notes nor a solicitation to purchase Notes and no offer of Notes in any country, jurisdiction or territory in which such offer or sale is considered contrary to applicable legislation shall be made. This Information Memorandum shall not be distributed, directly or indirectly, in any jurisdiction where such distribution may represent an offering of securities.

The target market is strictly limited to qualified investors, eligible counterparties and professional clients. The negative target market is retail investors or any potential investors outside the previously identified positive target market.

Prospective investors should fully and carefully read this Information Memorandum, including its annexes, prior to any investment decision regarding the Notes. Prospective investors should not base their investment decision on information other than (i) the information contained in this Information Memorandum, including its annexes; and (ii) the public information of the company available on the websites of the Company (www.atlantica.com), the Companies House (https://www.gov.uk/government/organisations/companies-house) and the US Securities and Exchange Commission (www.sec.gov).

Notice is hereby given of the fact that no key investor document (KID) shall be drafted according to Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) (the "**Regulation 1286/2014**").

Atlantica has designated Bankinter, S.A. ("**Bankinter**") as sole lead arranger and Bankinter and Banca March, S.A ("**Banca March**") as placement entities of the Notes. Neither Bankinter nor Banca March take any responsibility for the content of this Information Memorandum. Bankinter and Banca March have, respectively, entered into a placement agreement with the Issuer to place the Notes but neither Bankinter, Banca March nor any other entity has accepted any undertaking to underwrite the Notes. However, the Issuer reserves the right at any time to appoint other placement entities, as the relationship between Bankinter, Banca March and the Issuer is non-exclusive. Notice of any change in the arranger and the placement entities shall promptly be communicated to MARF by means of the corresponding notice.

References to "Placement Entities" in this Program include Bankinter, Banca March and/or any additional placement entity that can be appointed by the Issuer, and references to "Placement Entity" include any of those Placement Entities, as applicable.

There is no guarantee that the price of the Notes in MARF will be maintained nor there is any assurance that the Notes will be widely distributed and actively traded on the market. Nor is it possible to ensure the development or liquidity of the trading markets for the Notes.

FORWARD-LOOKING STATEMENTS

This Information Memorandum may include statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Information Memorandum, including, without limitation, those regarding the Company's future financial position and results of operations, its strategy, plans, objectives, goals and targets, future developments in the markets in which the Company operates or are seeking to operate or anticipated regulatory changes in the markets in which the Company operates or intends to operate. These forward-looking statements can be identified by the use of terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "is likely to", "may", "plan", "potential", "predict", "projected", "should" or "will" or the negative of such terms or other similar expressions or terminology.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements speak only as of the date of this Information Memorandum and are not guarantees of future performance and are based on numerous assumptions. The Company's actual results of operations, financial condition and the development of events may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements. Except as required by law, the Company does not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events or circumstances and expressly waives any obligation or commitment to publicly present updates or revisions of the forward-looking statements in this Information Memorandum to reflect any change in expectations or in the facts, conditions or circumstances that served as a basis for such statements.

Investors should read the section entitled "*Risk Factors*" of this Information Memorandum for a more complete discussion of the factors that could affect the Company or the Notes.

Furthermore, any dividends are subject to available capital, market conditions, and compliance with associated laws and regulations. These factors should be considered in connection with information regarding risks and uncertainties that may affect the Company's future results included in its filings with the US Securities and Exchange Commission at www.sec.gov. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or developments or otherwise. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted.

KEY METRICS

The Company regularly reviews a number of financial measurements and operating metrics to evaluate its performance, measure its growth and make strategic decisions. In addition to traditional IFRS performance measures, such as total revenue, the Company also considers Adjusted EBITDA. Atlantica's management believes Adjusted EBITDA is useful to investors and other users of the Company's financial statements in evaluating its operating performance because it provides them with additional tools to compare business performance across companies and across periods. EBITDA is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization, 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. Adjusted EBITDA is widely used by other companies in the same industry.

ROUNDING

Some figures in this Information Memorandum, including financial, market and certain operating information have been rounded to facilitate their understanding. Accordingly, the sum of the numbers indicated in a column or row of a table may not exactly match the total figure indicated for the column or row concerned, and the sum of some figures expressed as a percentage may not exactly match the total indicated percentage.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

As a result, none of the key information documents required by Regulation 1286/2014 for the purpose of offering or selling the Notes, or making them available, to retail investors in the EEA, shall be available, and therefore any such activities could be illegal under the provisions of Regulation 1286/2014.

MiFID II PRODUCT GOVERNANCE
PROFESSIONAL INVESTORS AND ELEGIBLE COUNTERPARTIES ONLY TARGET MARKET

Solely for the purposes of the product approval process in respect of a particular issuance of Notes, the target market assessment in respect of any of the Notes to be issued under the Program has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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1. RISK FACTORS

Investing in the Notes involves a high degree of risk. Investors should carefully consider the risks and uncertainties described below, together with the other information contained in the Information Memorandum, before making any investment decision with respect of the Notes. The risks described below may not be the only risks the Company faces. Only those risks that the Company currently considers to be material are described and there may be additional risks that the Company does not currently consider to be material or of which the Company is not currently aware. Any of the following risks and uncertainties could have a material adverse effect on the Company's business, prospects, results of operations and financial condition. Each of the risks highlighted below could adversely affect the trading or the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment. Prospective investors should read the entire Information Memorandum, including its Annexes.

The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to the Issuer's business, prospects, results of operations and financial condition.

1.1. Risks related to Atlantica's Business and its Assets

Atlantica's failure to maintain safe work environments may expose the Company to significant financial losses, as well as civil and criminal liabilities.

The facilities the Company operates often put its employees and others, including those of its subcontractors, in close proximity with large pieces of mechanized equipment, moving vehicles, manufacturing or industrial processes, electrical equipment, heat or liquids stored under pressure or at high temperatures and highly regulated materials. On most projects and at most facilities, the Company, together in some cases with the operation and maintenance supplier, is responsible for safety. Accordingly, Atlantica must implement safe practices and safety procedures, which are also applicable to on-site subcontractors. If Atlantica or the operation and maintenance supplier fail to design and implement such practices and procedures or if the practices and procedures are ineffective or if its operation and maintenance service providers or other suppliers do not follow them, its employees and others may become injured.

In addition, the Company's projects and the operation of its facilities can involve the handling of hazardous and other highly regulated materials, which, if improperly handled or disposed of, could subject Atlantica or its suppliers to civil and criminal liabilities. Unsafe work sites also have the potential to increase employee turnover, increase the cost of a project to its customers or the operation of a facility, and raise its operating costs. Although the Company maintains teams whose primary purpose is to ensure the Company implements effective health, safety and environmental work procedures throughout the organization, the failure to comply with such regulations could subject Atlantica to reputational damage and/or liability. In addition, the Company may incur liability based on complaints of illness or disease resulting from exposure of employees or other persons to hazardous materials or equipment that Atlantica handles or are present in its workplaces. Any of the foregoing could result in reputational damage and/or financial losses, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Counterparties to Atlantica's off-take agreements may not fulfill their obligations and, as its contracts expire, the Company may not be able to replace them with agreements on similar terms in light of increasing competition in the markets in which the Company operates.

A significant portion of the electric power Atlantica generates, the transmission capacity the Company has, and its desalination capacity is 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 15 years as of September 30, 2022.

If, for any reason, including, but not limited to, a deterioration in their financial situation or bankruptcy, any of its clients are unable or unwilling to fulfill their related contractual obligations or if they refuse to accept delivery of power delivered thereunder or if they otherwise terminate such agreements prior to the expiration thereof, or if prices were re-negotiated under a bankruptcy situation or a contract default situation, or if they delayed payments, Atlantica's business, financial condition, results of operations and cash flow may be materially adversely affected. Furthermore, to the extent any of Atlantica's power, transmission capacity or desalination capacity purchasers are, or are controlled by, governmental entities, its facilities may be subject to sovereign risk or legislative or other political action that may hamper their contractual performance.

[The credit rating of Eskom[1] is currently CCC+ from S&P Global Rating ("**S&P**"), Caa1 from Moody's Investor Service Inc. ("**Moody's**") and B from Fitch Ratings Inc. ("**Fitch**"). Eskom is the off-taker of Atlantica's Kaxu solar plant ("**Kaxu**[2]"). Eskom is a state-owned limited liability company, wholly owned by the government of the Republic of South Africa. Eskom's payment guarantees to Atlantica's 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 have also weakened and as of the date of this annual report are BB-/Ba2/BB- by S&P, Moody's and Fitch, respectively.]

[In addition, Petróleos Mexicanos S.A. de C.V. ("**Pemex**")'s credit rating and financial condition have also weakened and is currently BBB, B1 and BB- from S&P, Moody's and Fitch, respectively. Atlantica has experienced delays from Pemex in collections since the second half of 2019 which have been significant in certain quarters.]

The cost of renewable energy has considerably decreased over the past several years, becoming a consistently competitive source of power generation compared to traditional fossil fuels in many regions, and it is expected to continue falling in the future. In addition, there has been an increase in the number of players and competition in the renewable energy space in the last few years, including industrial companies and other independent power producers as well as large infrastructure funds and other financial players. The reduction in the cost of renewable energy and the increase in competition has contributed to a reduction in electricity prices paid by the off-takers. Atlantica's competitors may be able to operate at lower costs, which may adversely affect Atlantica's ability to compete for off-take agreement renewals. In light of these market conditions, Atlantica's off-takers may try to renegotiate or terminate the Company's power purchase agreements ("**PPAs**[3]"), most of which were signed several years ago and may be more expensive than recent PPAs or than current market prices in some geographies. Atlantica may not be able to replace an expiring or terminated agreement with an agreement on equivalent terms and conditions, including at prices that permit operation of the related facility on a profitable basis

Atlantica's inability to enter into new or replacement off-take agreements or to compete successfully against current and future competitors may have a material adverse effect on its business, financial condition, results of operations and cash flows.

The concession agreements or power purchase agreements under which Atlantica conducts some of its operations are subject to revocation, termination or tariff reduction.

Certain of the Company's operations are conducted pursuant to contracts and concessions granted by various governmental bodies and others are pursuant to PPAs signed with governmental entities and private clients. Generally, these contracts and concessions give Atlantica rights to provide services for a limited period, subject to various governmental regulations. The governmental bodies or private clients responsible for regulating and monitoring these services often have broad powers to monitor the Company's compliance with the applicable concession and PPAs and can require Atlantica to supply them with technical, administrative and financial information. Among other obligations, Atlantica may be required to comply with operating targets and efficiency and safety standards established in the concession. Such commitments and standards may be amended in certain cases by the governmental bodies. Atlantica's failure to comply with the concession agreements and PPAs or other regulatory requirements may result in contracts and concessions being revoked, not being granted, upheld or renewed in Atlantica's favor, or, if granted, upheld or renewed, may not be done on as favorable terms as

[1] References to "Eskom" refer to Eskom Holdings SOC Limited, together with its subsidiaries, unless the context otherwise requires.
[2] References to "Kaxu" refer to the 100 MW solar plant located in South Africa.
[3] References to "PPA" refer to the power purchase agreements through which Atlantica's power generating assets have contracted to sell energy to various off-takers.

currently applicable. In addition, in some cases the Company's off-takers have an option to acquire the asset or to terminate the concession agreement in exchange for a compensation. All the above could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

In addition, in some cases, if the Company fails to comply with certain pre-established conditions, the government or customer (as applicable) may reduce the tariffs or rates payable to the Company. Also, during the life of a concession, the relevant government authority may in some cases unilaterally impose additional restrictions on the Company's tariff rates, subject to the regulatory frameworks applicable in each jurisdiction. In some cases, governments may also postpone annual tariff increases until a new tariff structure is approved without compensating energy providers for lost revenue. Furthermore, changes in laws and regulations may, in certain cases, have retroactive effect and expose the Company to additional compliance costs or undermine its existing financial and business planning.

The performance of the Company's assets under its PPAs or concession contracts may be adversely affected by problems including those related to its reliance on third-party contractors and suppliers.

The Company's projects rely on the supply of services, equipment, including technologically complex equipment and software which Atlantica subcontracts in some cases to third-party suppliers in order to meet its contractual obligations under its PPAs and concessions. In circumstances where key components of the Company's equipment, including but not limited to turbines, water pumps, heat exchangers, photovoltaic power ("**PV**") panels, tanks, transformers or electrical generators fail because of design failures or faulty operation or for any other reason, the Company relies on third parties to continue operating its assets. Equipment may not last as long as expected and the Company may need to replace it earlier than planned. Damages to the Company's equipment may not be covered by insurance in place. In some cases, the replacement of damaged equipment can take a long period of time, which can cause its plants to curtail or cease operations during such time, which could have a negative impact on Atlantica's business, financial condition, results of operations and cash flows.

For example, Solana and Kaxu have experienced technical issues in their storage systems. Repairs have been carried out in both assets. In Solana, availability in the storage system was lower than expected in 2021 and 2022 due to improvements and replacements that Atlantica's is carrying out after leaks identified in the first quarter of 2020. These works have impacted production in 2021 and are impacting production in 2022. We have been experiencing delays in both years in the works and repairs that we are carrying out. Atlantica expects to fund these works with a cash repair reserve account funded at the asset level. Atlantica cannot guarantee that the repairs will be effective, that the funds in the cash repair reserve account will be sufficient or that additional repairs will not be required. Similar interruptions could happen again at the Company's plants due to failure of key equipment. Design failures, technical inspections by suppliers or the need to replace key equipment can require unexpected capital expenditures and/or outages in the Company's plants, which may have a material adverse effect on its business, financial condition, results of operations and cash flows.

In addition, the delivery by Atlantica's subcontractors of products or services which are not in compliance with the requirements of the subcontract, or delayed supply of products and services, can cause the Company to be in default under its contracts with its concession counterparties. To the extent the Company is not able to transfer all of the risk or be fully indemnified by third-party contractors and suppliers, it may be subject to a claim by its customers as a result of a problem caused by a third party that could have a material adverse effect on its reputation, business, results of operations, financial condition and cash flows.

Supplier concentration may expose Atlantica to significant financial credit or performance risk.

Atlantica often relies on a single contracted supplier or a small number of suppliers for the provision of certain personnel, spare parts, equipment, technology, fuel, transportation of fuel, and/or other services required for the operation of certain of its facilities. If any of these suppliers, including Abengoa, Siemens, North American Electric (NAE), General Electric or Nordex, cannot or will not perform under their operation and maintenance and other agreements with Atlantica, or satisfy their related warranty obligations, including as a result of insolvency or bankruptcy, the Company will need to access the marketplace to replace these suppliers or acquire or repair these products. There can be no assurance that the marketplace can provide these products and services as, when and where required. Atlantica may not be able to enter into replacement agreements on favorable terms or at all. If the Company is unable to enter into replacement agreements to provide for equipment, technology or fuel and other required services, it may be required to seek to purchase the related goods or services at higher prices. Atlantica may also be required to make significant capital contributions to remove, replace or redesign equipment that cannot be supported or maintained by replacement suppliers, which may have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

The failure of any supplier to fulfill its contractual obligations to Atlantica may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. Consequently, the financial performance of the Company's facilities may be dependent on the credit quality of, and continued performance by, its suppliers and vendors.

Certain of Atlantica's facilities may not perform as expected.

The Company's expectations regarding the operating performance of certain assets in its portfolio, particularly Solana and Kaxu, assets recently acquired such as Chile PV 2, Chile PV 1, Tenes, Calgary District Heating, Coso, Vento II, I, Italy PV1, Italy PV2, Italy PV3, Italy PV4, La Sierpe[4], Chile TL 4 and Chile PV3 and assets which are currently under construction such as Albisu, La Tolua and Tierra Linda or expected to start construction shortly such as the standalone battery storage project and the portfolio of PV assets in Chile, are based on assumptions, estimates and past experience, and without the benefit of a substantial operating history under the Company's control[5]. Atlantica's projections regarding its ability to generate cash available for distribution assumes facilities perform in accordance with the Company's expectations. However, the ability of these facilities to meet the Company's performance expectations is subject to the risks inherent in the operation and the construction of such facilities, including, but not limited to, degradation of equipment in excess of its expectations, system failures and outages. The failure of these facilities to perform as the Company expects may have a material adverse effect on its business, financial condition, results of operations and cash flows.

Maintenance, expansion and refurbishment of electric generation and other facilities involve significant risks that could result in unplanned power outages or reduced output or availability.

The facilities in the Company's portfolio may require periodic upgrading and improvement in the future. Any unexpected operational or mechanical failure, including failure associated with breakdowns and forced outages, could reduce the performance and availability of the Company's facilities below expected levels, reducing its revenues. Degradation of the performance of the Company's solar facilities above levels provided for in the related off-take agreements may also reduce their revenues. Unanticipated capital expenditures associated with maintaining, upgrading or repairing its facilities may also reduce profitability.

If Atlantica makes any major modifications to its renewable power generation facilities, efficient natural gas or electric transmission lines, the Company may be required to comply with more stringent environmental regulations, which would likely result in substantial additional capital expenditures. The Company may also

[4] References to "La Sierpe" refer to the 20 MW solar PV plant located in Colombia.

[5] References to: "

- "Albisu" refer to a 10 MW PV asset wholly owned by Atlantica, currently under construction in Uruguay.
- "Calgary District Heating" refer to the 55 MWt (thermal megawatts) thermal capacity district heating asset in the city of Calgary which Atlantica acquired in May 2021;
- "Chile PV 1" refer to the solar PV plant of 55 MW located in Chile;
- "Chile PV 2" refer to the solar PV plant of 40 MW located in Chile;
- "Chile PV3" refer to the solar PV plant of 73 MW located in Chile;
- "Chile TL3" refer to the 50-mile transmission line located in Chile;
- "Chile TL4" refer to the 63-mile transmission line located in Chile;
- "Coso" refer to the 135 MW geothermal plant located in California;
- "Italy PV" refer to the six solar PV plants located in Italy with combined capacity of 6.2 MW;
- "La Tolua" and "Tierra Linda" refer to two solar PV assets wholly owned by Atlantica, currently under construction in Colombia with a combined capacity of 30 MW.
- "Tenes" refer to Ténès Lilmiyah SpA, a water desalination plant in Algeria, which is 51% owned by Befesa Agua Tenes, S.L.U.;
- "Vento II" refer to the wind portfolio in the US in which Atlantica acquired a 49% interest in June 2021.

choose to repower, refurbish or upgrade its facilities based on its assessment that such activity will provide adequate financial returns. Such facilities require time for development and capital expenditures before commencement of commercial operations, and key assumptions underpinning a decision to make such an investment may prove incorrect, including assumptions regarding construction costs, timing, available financing and future fuel and power prices. This may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company's business may be adversely affected by an increased number of extreme and chronic weather events including related to climate change.

Climate change is causing an increasing number of severe, chronic and extreme weather events which are a risk to the Company's facilities and may impact them. 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, among others and are becoming more frequent as a result of climate change. Any of these extreme weather events could cause damage to Atlantica's assets and/or business interruption.

    Atlantica's assets were designed and built by third parties complying with technical codes, local regulations and environmental impact studies. Technical codes should consider extreme weather events based on historical information and should include design safety margins. However, an increased severity of extreme weather events could have an impact on Atlantica's assets.

    - Severe floods could damage Atlantica's transmission lines, its solar generation assets or its water facilities.
    - Severe winds could cause damage the solar fields at Atlantica's solar assets.
    - Storms with intense lightning activity could damage Atlantica's plants, especially its wind farms.
    - Severe droughts could result in water restrictions that may affect Atlantica's operations and which may force the Company to stop generation at some of its facilities. For example, some regions in Spain are currently experiencing a severe drought, which may affect the Company's facilities. A deterioration of the quality of the water would also have an impact on chemical costs in Atlantica's water treatment plants at its generating facilities.
    - If the Company's transmission assets caused a fire, Atlantica 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 Atlantica's assets in California are located in areas without trees and vegetation, wildfires affected one of its clients in the recent past. One of its off-takers is PG&E[6], a large utility in California which filed for bankruptcy protection under Chapter 11 due to large liabilities caused by its potential involvement in wildfires in California in 2017 and 2018. On July 1, 2020, PG&E emerged from Chapter 11 (see "Downstream" described below).

Components of the Company's equipment and systems, such as structures, mirrors, absorber tubes, blades, PV panels or transformers are susceptible to being damaged by severe weather. In addition, replacement and spare parts for key components may be difficult or costly to acquire or may be unavailable and may have long lead times. In addition, damage caused by Atlantica's equipment to third parties due to weather events can result in liabilities for the Company.

- *Chronic physical*. An increase in temperatures can reduce efficiency and increase operating costs at

[6] References to "PG&E" refer to PG&E Corporation and its regulated utility subsidiary, Pacific Gas and Electric Company, collectively.

Atlantica's plants.

o The Emissions Gaps Report issued by the United Nations Environment Program (UNEP) in October 2021 states that even if all unconditional Nationally Determined Contributions combined with other mitigation measures put the world on track for a global temperature rise of 2.7°C (rise of 4.9ºF) by the end of the century. That is well above the goals of the Paris climate agreement and would lead to catastrophic changes in the Earth's climate.

The main impacts of rising temperatures include:

- Lower turbine efficiency in the Company's efficient natural gas asset.
- Reduced efficiency at the Company's solar photovoltaic generation assets.
- Lower air density at the Company's wind facilities.
- Higher consumption of chemicals used for operational purposes at the Company's water treatment plants.

o A reduction of mean precipitations may result in a reduction of availability of water from aquifers and could also modify the main water properties at the Company's generation facilities.

If any of these acute physical or chronic physical risks were to materialize at any of Atlantica's plants, facilities or electric transmission lines, Atlantica may not be able to carry out its business activities at that location or such operations could be significantly reduced. Any of these circumstances could result in lost revenue at these sites during the period of disruption and costly remediation, which could have a material adverse effect on Atlantica's business, financial condition, results of operations and cash flows.

• *Current Regulation*. Atlantica is directly affected by environmental regulation at all its assets. This includes climate-related risks driven by laws, regulation, taxation, disclosure of emissions and other practices. As an example, Atlantica is subject to the requirements of the United Kingdom ("**UK**") Climate Change Act 2008 on greenhouse gas ("GHG") emissions reporting, and the Commission Regulation (EU[7]) No 601/2012. Two US solar plants are also subject to the permits under the Clean Air Act.

• *Emerging Regulation*. Changes in regulation could have a negative impact on Atlantica's growth or cause an increase in costs. Renewable energy projects currently benefit from various US federal, state and local governmental incentives. These policies have had a significant impact on the development of renewable energy and they could change. These incentives make the development of renewable energy projects more competitive by providing tax credits, accelerated depreciation and expensing for a portion of the development costs. A reduction in such incentives could decrease the attractiveness of renewable energy to developers, utilities, retailers and customers. In addition, an increase in regulation could cause an increase in Atlantica's compliance costs. See ""*—Risks Related to Regulation - Government regulations could change at any time and such changes may negatively impact Atlantica's current business and growth strategy*".

In addition, there may be additional taxes on GHG emissions. Some governments in certain geographies already have mechanisms in place for taxing GHG emissions and some other governments are considering establishing comparable mechanisms for the future. Additional taxes on emissions would increase the costs of operating the assets in Atlantica's portfolio which have GHG emissions, particularly its natural gas assets.

• *Reputation*. Decreased access to capital.

Climate change and ESG are becoming important criteria for shareholders and investors. In the last few years, Atlantica has seen an increased number of funds investing in renewable energy companies and a significant increase in the number of Exchange Traded Funds (ETFs) with a focus on clean energy and ESG investment. While a significant part of Atlantica's business consists of renewable energy assets, Atlantica also owns assets that can

[7] References to "EU" refer to the European Union.

be considered less environmentally friendly, currently consisting of a 300 MW[8] efficient natural gas plant and a non-controlling stake in a gas-fired engine facility which uses natural gas, both in Mexico. Owning these assets with higher GHG emissions than the rest of the portfolio may have a negative reputational impact on Atlantica as a renewable energy company. Atlantica relies on capital markets and bank financing to fund Atlantica's growth initiatives. If Atlantia's reputation worsened, its cost of capital could increase and its access to capital may become more difficult. In addition, some potential employees and /or suppliers could perceive Atlantica as a less appealing company due to an eventual deterioration in its reputation due to the foregoing.

- *Downstream.* Some of Atlantica's 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. A negative climate-related risk impact on Atlantica's clients, including their credit quality could lead to their inability to comply with their obligations under its existing contracts. For example, one of Atlantica's 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 is the off-taker for Atlantica's Mojave asset and emerged from Chapter 11 on July 1, 2020. During this process, California Legislature approved Assembly Bill 1054 which among other reforms created a Wildfire Fund, which would be available for eligible electric utility companies to pay eligible claims for liabilities arising from wildfires. If Atlantica's clients are affected by climate related risks, this could impact their credit quality and affect their ability to comply with the existing contract.

The efforts Atlantica may undertake in the future, to respond to the evolving and increased regulation, environmental initiatives of customers, investors, shareholders and other stakeholders, reputational risks related to climate change and climate related risks affecting Atlantica's clients may cause increased costs, more difficult access to capital markets, a deterioration in the credit quality of its clients and other negative circumstances which could have a material adverse effect on Atlantica's business, financial condition, results of operations and cash flows.

The generation of electric energy from renewable energy sources depends heavily on suitable meteorological conditions, and if solar or wind conditions are unfavorable, or if the geothermal resource is lower than expected, the Company's electricity generation, and therefore revenue from its renewable energy generation facilities using its systems, may be substantially below Atlantica´s expectations.

The electricity produced, and revenues generated by a renewable energy generation facility are highly dependent on suitable meteorological conditions and associated weather conditions which are beyond the Company's control. Atlantica's geothermal asset Coso depends on the geothermal resource available on the site of the plant, which is ultimately beyond the Company's control.

Unfavorable weather and atmospheric conditions could impair the effectiveness of the Company's assets or reduce their output beneath their rated capacity or require shutdown of key equipment, hampering operation of its renewable assets and Atlantica's ability to achieve forecasted revenues and cash flows.

Atlantica bases its investment decisions with respect to each renewable generation facility on the findings of related wind, solar and geothermal studies conducted on-site by third parties prior to construction or based on historical conditions at existing facilities. However, actual climatic conditions at a facility site, particularly wind conditions, which are sometimes severe, may not conform to the findings of these studies and therefore, the Company's solar, wind and geothermal energy facilities may not meet anticipated production levels or the rated capacity of its generation assets, which may have a material adverse effect on its business, financial condition, results of operations and cash flows.

In the case of Coso geothermal resource may not meet the Company's expectations, which may have a material adverse effect on its business, financial condition, results of operations and cash flows.

[8] References to "MW" refer to megawatts.

The Company's business may be adversely affected by catastrophes, natural disasters, unexpected geological or other physical conditions, or criminal or terrorist acts at one or more of its plants, facilities and electric transmission lines.

If one or more of the Company's plants, facilities or electric transmission lines were to be subject in the future to fire, flood, earthquakes, drought or other natural disaster, terrorism or other catastrophe, or if unexpected geological or other adverse physical conditions were to occur at any of its plants, facilities or electric transmission lines, Atlantica may not be able to carry out its business activities at that location or such operations could be significantly reduced. Atlantica owns two assets in Southern California, which is an area classified as high seismic risk. Any of these circumstances could result in lost revenue at these sites during the period of disruption and costly remediation, which could have a material adverse effect on its business, financial condition, results of operations and cash flows. In addition, it is possible that Atlantica´s sites and assets could be affected by criminal or terrorist acts. There are also certain risks for which the Company may not be able to acquire adequate insurance coverage, including earthquakes and severe convective storms. Any such events could have a material adverse effect on its business, financial condition, results of operations and cash flows.

***The Company's insurance may be insufficient to cover relevant risks or the cost of its insurance may increase*.**

Atlantica cannot guarantee that its insurance coverage is, or will be, sufficient to cover all the possible losses the Company may face in the future. The Company's property damage and business interruption policy has significant deductibles and exclusions with respect to some key equipment which, if damaged, could result in financial losses and business interruptions. Moreover, insurance market terms and conditions have become more and more onerous over the last few years and insurance companies are requiring some companies in Atlantica's sector to retain a portion of the overall risks instead of transferring 100% to the insurers. As a result, the Company has self-retained a portion of its own risks and may need to increase this percentage in the future. If equipment failed in one of the Company's assets and this equipment was part of the insurance exclusions or if the event was part of the risks that the Company self-insured, Atlantica would need to assume the repairs and business interruption costs, which may have a material adverse effect on its business, financial condition, results of operations and cash flows.

Furthermore, some of the Company's project finance agreements and PPAs include specific conditions regarding insurance coverage that Atlantica may need to modify. If Atlantica did not obtain a waiver from its project finance lenders accepting these modifications, an event of default could be triggered by the Company's lenders due to non-compliance with the terms of the project finance agreement. If the Company were to incur a serious uninsured loss or a loss that significantly exceeded the coverage limits established in its insurance policies or the Company was not able to modify coverage conditions, this could have a material adverse effect on its business, financial condition, results of operations and cash flows. In addition, the Company's insurance policies are subject to periodic renewals and the terms of the renewal are in some cases subject to approval by its lenders or counterparties. If Atlantica were unable to renew its insurance coverage, Atlantica would not be in compliance with the requirements of its project finance agreements and its PPAs, which could have a material adverse effect on its business, financial condition, results of operations and cash flows. If insurance premiums were to increase in the future and/or if additional key components were excluded from insurance coverage and/or certain types of insurance coverage were to become unavailable or there was a further increase in deductibles for damages and/or loss of production, it could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

In addition, Atlantica might not be able to maintain insurance coverage comparable to those in effect in the past or currently at comparable cost, or at all. If insurance costs materially increased, such additional costs could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Atlantica may have joint venture partners or other co-investors with whom it has material disagreements.

Atlantica has made and may continue to make equity investments in certain strategic assets managed by or together with third parties, including governmental entities and private entities. In certain cases, the Company may only have partial or joint control over a particular asset. Atlantica holds a minority stake in Vento II (its 596 MW wind portfolio in the United States composed by Elkhorn Valley, Prairie Star, Twin Groves II and Lone Star

II), Honaine (Algeria), Monterrey (Mexico), Amherst (Canada), Ten West Link (United States) and does not have control over the operation of these assets. In addition, Atlantica has partners in Seville PV, Solacor 1 & 2, Solaben[9] 2 & 3, Skikda[10], Kaxu, Chile PV 1 and Chile PV 2 and we have invested through a debt instrument in Tenes. Investments in assets over which Atlantica has no, partial or joint control are subject to the risk that the other shareholders of the assets, who may have different business or investment strategies than Atlantica or with whom the Company may have a disagreement or dispute, may have the ability to independently make or block business, financial or management decisions, such as appoint members of management, which may be crucial to the success of the project or the Company's investment in the project, or otherwise implement initiatives which may be contrary to the Company's interests. Additionally, the approval of other shareholders or partners may be required to sell, pledge, transfer, assign or otherwise convey Atlantica's interest in such assets. Alternatively, other shareholders may have rights of first refusal or rights of first offer in the event of a proposed sale or transfer of its interests in such assets or in the event Atlantica acquires an interest in new assets pursuant to Right of First Offer ("**ROFO**") agreements with third parties. These restrictions may limit the price or interest level for the Company's interests in such assets, in the event Atlantica wants to sell such interests.

Finally, the Company's partners in existing or future projects may be unable, or unwilling, to fulfill their obligations under the relevant shareholder agreements, may experience financial or other difficulties or might sell their position to third parties that Atlantica did not choose, which may adversely affect Atlantica's investment in a particular joint venture or adversely affect us. In certain of its joint ventures, Atlantica may also rely on the expertise of its partners and, as a result, any failure to perform its obligations in a diligent manner could also adversely affect the joint venture. If any of the foregoing were to occur, the Company's business, financial condition, results of operations and cash flows may be materially adversely affected.

The operation and maintenance of most of the Company's assets is labor intensive, and therefore work stoppages by employees could harm its business.

The operation and maintenance of most of the Company's assets is labor intensive and in many cases its employees and 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. In addition, Atlantica subcontracts the operation and maintenance services for some of its assets. Abengoa is the operation and maintenance supplier in some of the assets for which Atlantica subcontracts operation and maintenance services. Abengoa's financial situation, including the insolvency filing by their holding company Abengoa, S.A. on February 22, 2021, and the insolvency filing by the subsidiary in Spain performing the O&M services at some of Atlantica's plants on July 28, 2022, could cause a higher risk of dispute with their employees. If Atlantica's operators' employees were to initiate a work stoppage, they may not be able to reach an agreement with them in timely fashion. If a strike or work stoppage or disruption were to occur, the Company's business, financial conditions, results of operations and cash flows may be materially adversely affected.

Revenue from some of the Company's renewable energy facilities is or may be partially exposed to market electricity prices.

Revenue and operating costs from certain of Atlantica's existing or future projects depend to some extent on market prices for sale of electricity. Market prices may be volatile and are affected by various factors, including the cost of raw materials, user demand, and the price of Greenhouse Gas (GHG) emission where applicable. During the year 2022, electricity market prices in Europe have also been affected by the Russian military actions across Ukraine. In several of the jurisdictions in which the Company operates including Spain and Chile, Atlantica is 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. Recent high market prices in that the Company has been experiencing in Spain since the third quarter of 2021 are resulting in higher cash collections which, in accordance with the regulation in place, has caused a reduction of the regulated remuneration component in 2022 and will cause a further reduction of the regulated remuneration component starting from 2023 (see "*Revenues in Atlantica's solar assets in Spain are mainly defined by regulation and some*

[10] References to "Skikda" refer to the seawater desalination plant in Algeria, which is 34% owned by Atlantica.

of the parameters defining the remuneration are subject to review every six years.")

There can be no assurance that market prices will remain at levels which enable Atlantica to maintain profit margins and desired rates of return on investment. A decline in market prices below anticipated levels could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Additionally, in some of Atlantica's current or future PPAs, and contracts its subsidiaries have obligations to reach a minimum production, to deliver certain amounts of energy irrespective of actual production or to settle with the customer for the difference between the market price at the Company's delivery point and a pre-agreed price in certain locations. This can result in Atlantica's subsidiaries facing additional costs to purchase or sell power in the market or to settle for differences or defaulting on PPAs or contracts. This could have a material adverse effect on Atlantica's business, financial condition, results of operations and cash flows.

Lack of electric transmission capacity availability, potential upgrade costs to the electric transmission grid, and other systems constraints could significantly impact the Company's ability to generate electricity power sales and develop new projects.

Atlantica depends on electric interconnection and transmission facilities owned and operated by others to deliver the wholesale power the Company sells from its electric generation assets to its customers. A failure or delay in the operation or development of these interconnection or transmission facilities or a significant increase in the cost of the development of such facilities could result in the loss of revenues. Such failures or delays could limit the amount of power the Company's operating facilities deliver or delay the completion of its construction projects, as the case may be. Additionally, such failures, delays or increased costs may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. If a region's electric transmission infrastructure is inadequate, the Company's ability to generate electricity may be limited. If restrictive transmission price regulation is imposed, the transmission companies may not have a sufficient incentive to invest in expansion of transmission infrastructure. Atlantica cannot predict whether interconnection and transmission facilities will be expanded in specific markets to accommodate competitive access to those markets. Certain of the Company's operating facilities' generation of electricity may be curtailed without compensation or access to the grid might become uneconomical at certain times, due to transmission limitations or limitations on the electricity grid's ability to accommodate intermittent electricity generating sources, reducing the Company's revenues and impairing its ability to fully capitalize on a particular facility's generating potential. For example, Atlantica's solar assets in Spain need to achieve an annual minimum production threshold in order to obtain the right to receive the Remuneration on Investment (Rinv). In the second quarter and beginning of third quarter of 2022, some of the Company's assets were subject to significant technical curtailment by the grid operator, which had happened very seldomly in the past. For the year 2022, Atlantica expects all its assets to reach the annual minimum production threshold. However, if this curtailment happened again in the future, Atlantica's assets may not reach the annual minimum production threshold necessary to obtain the Remuneration on Investment (Rinv), which may have a material negative effect on its financial condition, results of operations and cash flows.

In general, curtailments may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Atlantica's information technology and communications systems are subject to cybersecurity risk and other risks. The failure of these systems could significantly impact its operations and business.

The Company is dependent upon information technology systems to run its operations. The Company's 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. Recently, energy facilities worldwide have been experiencing an increased number of cyber-attacks. Cybersecurity incidents, in particular, are constantly evolving and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and to the corruption of data. The COVID-19 pandemic and remote working has also increased the exposure to cybersecurity risks. Various measures have been implemented to minimize the Company's risks related to information technology systems and network disruptions. However, given the unpredictability of the timing, nature and scope of information technology disruptions, the Company could potentially be subject to production downtimes, operational delays, the compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, other manipulation or improper use of its systems and networks or financial losses from remedial actions, any of which could have a material adverse effect on its financial condition, results of operations or cash flows.

Atlantica maintains global information technology and communication networks and applications to support its business activities. Given the increasing sophistication and evolving nature of the above mentioned threats, Atlantica cannot rule out the possibility of them occurring in the future, and information technology security processes may not prevent future damages to systems, malicious actions, denial-of-service attacks, or fraud, resulting in corruption of its systems, theft of commercially sensitive data, unauthorized release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information, misappropriation of funds and businesses (also known as phishing), or other material disruptions to network access or business operations. To its knowledge, the Company has not experienced any of the system and data breaches described above. However, material system breaches and failures could result in significant interruptions that could in turn affect the Company's operating results and reputation and cash flows.

Negative impacts on biodiversity, including harming of protected species or other environmental hazards can result in curtailment of power plant operations, monetary fines and negative publicity.

Managing and operating large infrastructure assets may have a negative impact on biodiversity in the regions where Atlantica operates. In particular, the operation of wind and solar power plants can adversely affect endangered, threatened or otherwise protected animal species. Wind power plants involve a risk that protected species will be harmed, as the turbine blades travel at a high rate of speed and may strike flying animals (such as birds or bats) that happen to travel into the path of spinning blades. Solar power plants can also present a risk to animals.

Excessive killing of protected species or other environmental accidents or hazards could result in requirements to implement mitigation strategies, including curtailment of operations, and/or substantial monetary fines and negative publicity. Atlantica cannot guarantee that any curtailment of operations, monetary fines that are levied or negative publicity as a result of incidental killing of protected species and other environmental hazards will not have a material adverse effect on its business, financial condition, results of operations and cash flows. Violations of environmental and other laws, regulations and permit requirements may also result in criminal sanctions or injunctions.

Atlantica may be subject to litigation, other legal proceedings and tax inspections.

The Company is subject to the risk of legal claims and proceedings (including bankruptcy proceeding), requests for arbitration, tax inspections as well as regulatory enforcement actions in the ordinary course of its business and otherwise, including claims against the Company's subsidiaries, assets, deals, , or its subsidiaries not meeting their obligations. The results of legal and regulatory proceedings or tax inspections cannot be predicted with certainty. Atlantica cannot guarantee that the results of current or future legal or regulatory proceedings, tax inspections or actions will not materially harm its operations, business, financial condition or results of operations, nor can it guarantee that it will not incur losses in connection with current or future legal or regulatory proceedings, tax inspections or actions that exceed any provisions the Company may have set aside in respect of such proceedings or actions or that exceed any available insurance coverage, which may have a material adverse effect on its business, financial condition, results of operations and cash flows.

If Atlantica is deemed to be an investment company, the Company may be required to institute burdensome compliance requirements and its activities may be restricted, which may make it difficult for the Company to complete strategic acquisitions or effect combinations.

If the Company was deemed to be an investment company under the US Investment Company Act of 1940 (the "**Investment Company Act**") its business would be subject to applicable restrictions under the Investment Company Act, which could make it impractical for Atlantica to continue its business as contemplated. Atlantica believes the Company is not an investment company under Section 3(b)(1) of the Investment Company Act because it is primarily engaged in a non-investment company business, and it intends to conduct its operations so that the Company will not be deemed an investment company. However, if Atlantica were to be deemed an investment company, restrictions imposed by the Investment Company Act, including limitations on its capital structure and its ability to transact with affiliates, could make it impractical for the Company to continue its business as contemplated.

1.2. Risks Related to the COVID-19 Pandemic or other potential pandemics

The COVID-19 pandemic and other potential upcoming pandemics could have a material adverse impact on the Company's business, financial condition, liquidity, results of operations, cash flows, cash available for distribution and ability to make cash distributions to its shareholders.

So far, Atlantica has not experienced any material impact from the COVID-19 pandemic on its business, results of operations or cash-flows. However, the COVID-19 pandemic and other potential upcoming pandemics could affect its operation and maintenance activities in the future. Atlantica may experience delays in certain operation and maintenance activities, or certain activities may take longer than usual, or, in a worst-case scenario, a potential outbreak at one of its assets may prevent its employees or its operation and maintenance suppliers' employees from operating the plant. All these can hamper or prevent the operation and maintenance of the Company's assets, which may result in a material adverse effect on its business, financial condition, results of operations and cash flows.

In addition, in 2021, the rapid increase in demand after the slowdown in 2020 caused tensions in the supply chains, including delays to obtain some components and increased prices. This situation persisted in 2022 also due to other reasons (see "*—Risks Related to the Markets in Which Atlantica Operates — Difficult conditions in the global economy and in the global capital markets have caused, and may continue to cause, a negative impact on the Company's business*").

Atlantica could also experience commercial disputes with its clients, suppliers and partners related to implications of COVID-19 in contractual relations. All the risks referred to can cause delays in distributions from its assets to the holding company level. In addition, the Company may experience delays in distributions due to logistic and bureaucratic difficulties to approve those distributions, which can negatively affect its cash available for distributions, its business, financial condition and cash flows. If Atlantica were to experience delays in distributions due to the risks previously mentioned and this situation persisted over time, it may fail to comply with financial covenants in its credit facilities and other financing agreements.

Additionally, many governments have implemented and will continue to implement stimulus measures to reduce the negative impact of COVID-19 in the economy. In many cases, these measures may increase government spending which may translate into increased tax pressure on companies in the countries where the Company operates. Changes in corporate tax rates and/or other relevant tax laws may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Given the dynamic nature of those events, the Company cannot reasonably estimate the period of time that the COVID-19 pandemic and related market conditions will persist or their severity, or if they may have a material impact on its business, financial condition, results of operations or cash flows or the pace or extent of any subsequent recovery.

1.3. Risks Related to the Company's Relationship with Algonquin[11] and Abengoa[12]

Algonquin is the Company's largest shareholder and exercises substantial influence over Atlantica.

Currently, Algonquin Power & Utilities Corp. ("**Algonquin**") beneficially owns 43.5% of the Company's ordinary shares and is entitled to vote approximately 41.5% of Atlantica's ordinary shares. As a result of this ownership, Algonquin has substantial influence on Atlantica's affairs and its ownership interest and voting power constitute a significant percentage of the shares eligible to vote on any matter requiring the approval of the Company's shareholders. Such matters include the election of directors, the adoption of amendments to Atlantica's articles of association and approval of mergers or sale of all or a high percentage of its assets.

Further, Atlantica's reputation is closely related to that of Algonquin. Any damage to the public image or reputation of Algonquin as a result of adverse publicity, poor financial or operating performance, changes in financial condition, decline in the price of its shares or otherwise could have a material adverse effect on Atlantica's business, financial condition, results of operations and cash flows.

This concentration of ownership may also have the effect of discouraging others from making tender offers for Atlantica's shares. There can be no assurance that the interests of Algonquin will coincide with the interests of the purchasers of Atlantica's shares or that Algonquin will act in a manner that is in Atlantica's best interests. If Algonquin sells its shares to a single shareholder, that new shareholder could continue to exercise substantial influence and could seek to influence or change Atlantica's strategy or corporate governance or could take effective control of Atlantica. In addition, the Company has limited knowledge and visibility of Algonquin's operations and plans.

Atlantica's ownership structure and certain agreements may create significant conflicts of interest that may be resolved in a manner that is not in the Company's best interests.

Atlantica's ownership structure involves several relationships that may give rise to certain conflicts of interest between the Company, Algonquin, and the rest of its shareholders. Currently, one of Atlantica's directors is an officer of Algonquin and another director was an officer of Algonquin until recently and still provides services to Algonquin.

Currently, Algonquin is a related party and may have interests that differ from Atlantica's interests, including with respect to the types of investments and acquisitions made, the timing and amount of dividends paid by the Company, the reinvestment of returns generated by its operations, the use of leverage or capital increases when making investments and the appointment of outside advisors and service providers. Any transaction between Atlantica and Algonquin or Liberty GES[13] (including the acquisition of any assets under the ROFO Agreements[14] or any co-investment with Algonquin or Liberty GES or any investment in an Algonquin or Liberty GES asset) is subject to Atlantica's related party transactions policy, which requires prior approval of such transaction by the related party transactions committee, which is composed of independent directors. The existence of Atlantica's related party transactions approval policy may not insulate the Company from derivative claims related to related party transactions and the conflicts of interest described in this risk factor.

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[11] 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;

[12] References to "Abengoa" refer to Abengoa, S.A., together with its subsidiaries, unless the context otherwise requires.

[13] 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 assets.

[14] "ROFO agreements" refer to Liberty GES ROFO Agreement and Algonquin ROFO Agreement.

"Algonquin ROFO Agreement" refer to the agreement Atlantica entered into with Algonquin on March 5, 2018, under which Algonquin 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.

"Liberty GES ROFO Agreement" refer to the agreement Atlantica entered into with Liberty GES on March 5, 2018, that provides us a right of first offer to purchase any of the assets offered for sale thereunder, as amended and restated from time to time.

Regardless of the merits of such claims, Atlantica may be required to spend significant management time and financial resources in the defense thereof. Additionally, to the extent Atlantica fails to appropriately deal with any such conflicts, it could negatively impact its reputation and ability to raise additional funds and the willingness of counterparties to do business with the Company, all of which may have a material adverse effect on its business, financial condition, results of operations and cash flows.

Abengoa's financial condition including the recent insolvency filing by Abengoa, S.A. and the insolvency filing by the subsidiary in Spain performing the O&M services at some of Atlantica's plants on July 28, 2022 could affect its ability to satisfy its obligations with Atlantica under different agreements, such as operation and maintenance agreements as well as indemnities and other contracts in place and may affect Atlantica's reputation.

Abengoa has several obligations and indemnities which have resulted or could result in additional liability obligations to Atlantica or to its assets. Inability of Abengoa to pay their obligations when due, including as a result of insolvency, could have a negative impact on Atlantica's current or future cash position.

The insolvency filing by the individual company Abengoa, S.A. in February 2021 and the insolvency filing by the subsidiary in Spain performing the O&M services at some of Atlantica's plants on July 28, 2022 may cause an insolvency filing of Abenewco1, S.A., or insolvency filings of subsidiaries of Abenewco1, S.A. There may be unanticipated consequences of Abengoa S.A. insolvency filings, of the insolvency filing by the subsidiary in Spain performing the O&M services at some of Atlantica's plants, Abenewco1, S.A. potential filing, further restructurings by Abengoa or ongoing bankruptcy proceedings by Abengoa's subsidiaries that Atlantica has not yet identified. There are uncertainties as to how any further bankruptcy proceedings would be resolved and how the Company's relationship with Abengoa would be affected following the initiation or resolution of any such proceedings.

In 2021, Abengoa performed operation and maintenance (O&M) services for assets that represented approximately 47% of Atlantica's consolidated revenue for that year. In February 2022, the Company started to perform the O&M services in Kaxu from an Atlantica subsidiary after reaching an agreement with Abengoa to transition such services. In addition, following the expiration of two O&M agreements, Atlantica reached a global agreement for the O&M services of the assets in Spain. As a result of this agreement, in June 2022 Atlantica replaced Abengoa as a service provider for three of its assets in Spain: Solaben 2&3, Solaben 1&6 and Helioenergy 1&2. After this replacement, Abengoa currently provides services for assets representing around 20% of its 2021 consolidated revenue.

On February 22, 2021, Abengoa, S.A., which is the holding company of subsidiaries performing O&M services for those assets, filed for insolvency proceedings in Spain. In addition, on July 28, 2022, the subsidiary in Spain performing the O&M services at some of Atlantica's plants filed for insolvency proceedings. During the insolvency period, Atlantica expects the O&M services to continue to be provided as usual, but no assurance can be provided that that will be the case. The O&M contracts in Spain include the possibility for Atlantica to terminate the agreements by the end of 2024 and before under certain circumstances.

For these assets in respect of which O&M services are provided by Abengoa as of November 7, 2022, Atlantica cannot guarantee that Abengoa and/or its subcontractors will be able to continue performing the services or at the same level of service as they did in the past (or at all) or under the same terms and conditions, or at the same prices. If Abengoa cannot continue performing current services at the same prices, Atlantica may need to renegotiate contracts, to internalize the service, engage with other suppliers at higher prices or change the scope of those O&M contracts. This may have a material adverse effect on Atlantica's business, financial condition, results of operations and cash flows.

The insolvency filing by Abengoa S.A. in February 2021, the potential insolvency filing by Abenewco1, S.A. (or any of its subsidiaries), a deterioration in the financial situation of Abengoa's subsidiaries or the implementation of a new viability plan may also result in a material adverse effect on Abengoa's obligations, warranties and guarantees, and indemnities covering, for example, potential tax liabilities for assets acquired from Abengoa, or any other agreement. In addition, Abengoa has represented that Atlantica would not be a guarantor of any obligation of Abengoa with respect to third parties. Abengoa agreed to indemnify us for any penalty claimed by third parties resulting from any breach in Abengoa's representations. Certain of these indemnities and obligations are no longer valid after the insolvency filing by Abengoa, S.A. in February 2021. A potential insolvency of Abenewco1, S.A. may also terminate the remaining obligations, indemnities and guarantees. In addition, in Mexico, Abengoa was the owner of a plant that shares certain infrastructure and has certain back-to-back obligations with ACT. ACT is required to deliver an equipment to Pemex which has been recently donated and delivered to ACT by such plant. If Atlantica is unable to comply with these obligations, it may result in a material adverse effect on ACT and on its business, financial conditions, results of operations and cash flows. According to public information, the plant mentioned above is currently controlled by a third party.

In addition, although Abengoa has not been its shareholder since the end of 2018, in some geographies its reputation continues to be related to that of Abengoa. Any damage to the public image or reputation of Abengoa as a result of bankruptcy, adverse publicity, poor financial or operating performance, changes in financial condition, or otherwise could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Legal proceedings involving Abengoa and its current and previous insolvency processes and events and circumstances that led to them could affect us.

Prior to the completion of Atlantica's initial public offering in 2014, Atlantica and many of its assets were part of Abengoa. Many of Atlantica's senior executives have previously worked for 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 investigations and may in the future become the subject of additional proceedings. To the extent that allegations are made in any such proceedings that involve Atlantica, its assets, its dealings with Abengoa or its employees, such proceedings may have a material adverse effect on Atlantica's business, financial condition, results of operations and cash flows, as well as on Atlantica's reputation and employees.

By virtue of initiating a bankruptcy filing under the Spanish Insolvency Act, Abengoa may be subject to insolvency claw-back actions in which transactions may be set aside.

Under the Spanish Insolvency Act, the transactions a company has entered into during the two years prior to the opening of insolvency proceedings can be set aside, irrespective of whether there was intent to defraud, if those transactions are considered materially damaging to the insolvency estate. Material damage is assessed on the basis of the circumstances at the time the transaction was carried out, without the benefit of hindsight and without considering subsequent events or occurrences, including events in relation to insolvency proceedings or the request to set-aside the transaction. Transactions Atlantica has entered into with Abengoa, S.A. in the previous two years before it was declared insolvent and transactions Atlantica has entered into with Abengoa, S.A.'s subsidiaries in the previous two years before the subsidiary may be declared insolvent (if such action were to take place) could be set aside. The court would consider if the transactions were detrimental to Abengoa, S.A. or its subsidiaries on the terms on which they were made and the suitability of the transactions at the time they were entered into, if the transaction followed market standards and prices.

Any type of transaction and any amendment of an existing contract may be challenged by means of a claw back action. In practice, transactions that are more frequently subject to claw-back relate to: (a) unjustified payments or advances from the insolvent company, (b) transfers of assets or rights by the insolvent company at below market value, (c) payment-in-kind arrangements in which the property received in payment is higher in value than the debt owed to it, and (d) security provided by the insolvent company in relation to unsecured existing debt, or security provided for another group company's obligations with no consideration. This determination will be a question of fact before a Spanish court due to the fact that Abengoa S.A. has initiated a bankruptcy filing in Spain or if the Abengoa S.A. subsidiary which was the Company's counterparty in such transactions initiates a bankruptcy filing in Spain (this would be the case if the subsidiary has the center of main business in Spain). However, if any of the transactions entered into between Atlantica and Abengoa, including those related to drop-downs assets, were declared invalid by a Spanish court, unless it is determined the Company acted in bad faith, such transaction would be unwound and Atlantica would receive back the cash paid, which may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

On February 22, 2021, Abengoa, S.A. filed for insolvency proceedings in Spain. Based on the public information filed in connection with these proceedings, such insolvency proceedings do not include other Abengoa companies, including Abenewco1, S.A., the controlling company of the subsidiaries performing the O&M services for us. The outcome of any bankruptcy proceedings initiated by Abengoa is difficult to predict given that Abengoa is incorporated in Spain and has assets and operations in several countries around the world. Bankruptcy laws other than those of Spain could apply. The rights of Abengoa's creditors may be subject to the laws of a number of jurisdictions and such multi-jurisdictional proceedings are typically complex and often result in substantial uncertainty. In addition, the bankruptcy and other laws of such jurisdictions may be materially different from, or in conflict with, one another. If Abengoa is subject to US bankruptcy law, bankruptcy courts in the United States ("**United States**" or "**US**") may seek to assert jurisdiction over all of its assets, wherever located, including property situated in other countries.

Any other bankruptcy filing by Abengoa S.A. or its subsidiaries may permanently affect their operations. The Company cannot predict how any bankruptcy proceeding would be resolved or how its relationship with Abengoa will be affected following the initiation of any such proceedings or after the resolution of any such proceedings. Any bankruptcy proceedings or potential bankruptcy proceedings initiated by its subsidiaries may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

1.4. Risks Related to Atlantica´s Indebtedness

Atlantica´s indebtedness could limit its ability to react to changes in the economy or its industry, expose Atlantica to the risk of increased interest rates and limit its activities due to covenants in existing financing agreements. It could also adversely affect the ability of its project subsidiaries to make distributions to Atlantica Sustainable Infrastructure plc, its ability to fund its operations, pay dividends or raise additional capital.

As of September 30, 2022, Atlantica had (i) $4,621.9 million of total indebtedness under various project-level debt arrangements and (ii) $955.5 million of total indebtedness under Atlantica´s corporate arrangements, which include the Revolving Credit Facility[15], the Note Issuance Facility 2020[16], the 2020 Green Private Placement[17], the Green Exchangeable Notes[18] and the Green Senior Notes[19]. In addition, Atlantica may incur in the future additional project-level debt and corporate debt.

The Company's substantial debt could have important negative consequences on its business financial condition, results of operation and cash flows including:

- increasing its vulnerability to general economic and industry conditions;
- requiring a substantial portion of its cash flow from operations to be dedicated to the payment of principal and interest on its indebtedness, therefore reducing its ability to pay dividends to holders of its shares or

[15] References to "Revolving Credit Facility" refer 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 and March 1, 2021 providing for a senior secured revolving credit facility in an aggregate principal amount of $450 million.
[16] 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 $159 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.
[17] References to "2020 Green Private Placement" refer to the €290 million (approximately $330 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.
[18] 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.
[19] References to "Green Senior Notes" refer to the $400 million green senior notes due in 2028.

to use its cash flow to fund its operations, capital expenditures and future business opportunities;

- limiting its ability to enter into long-term power sales, fuel purchases and swaps which require credit support;

- limiting its ability to fund operations or future investments and acquisitions;

- restricting its ability to make certain distributions with respect to its shares and the ability of its subsidiaries to make certain distributions to Atlantica, in light of restricted payment and other financial covenants in its credit facilities and other financing agreements;

- exposing Atlantica to the risk of increased interest rates because a portion of some of the Company's borrowings (below 10% as of September 30, 2022 after giving effect to hedging agreements) are at variable interest rates;

- limiting its ability to obtain additional financing for working capital, capital expenditures, debt service requirements, investments and acquisitions and general corporate or other purposes, and limiting its ability to post collateral to obtain such financing; and

- limiting its ability to adjust to changing market conditions and placing the Company at a disadvantage compared to its competitors who have less debt.

The operating and financial restrictions and covenants in the Revolving Credit Facility, the 2020 Green Private Placement, the Note Issuance Facility 2020 and the Green Senior Notes may adversely affect the Company's ability to finance its future operations or capital needs, to engage in other business activities that may be in its interest and to execute its business strategy as the Company intends to do so. Each contains covenants that limit certain of the Company's, the guarantors' and other subsidiaries' activities. If Atlantica breaches any of these covenants (including as a result of its inability to satisfy certain financial covenants), a default may result which may entitle the related noteholders or lenders, as applicable to demand repayment and accelerate all such debt or to enforce their security interests, which would have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

In addition, the Company's inability to satisfy certain financial covenants may prevent cash distributions by the particular project(s) and other subsidiaries to Atlantica. If the Company's project-level and other subsidiaries are unable to make distributions, it would likely have a material adverse effect on its ability to service debt at the corporate level or to pay dividends to holders of its shares. The Company's failure to comply with those and other covenants could result in an event of default which, if not cured or waived, may entitle the related noteholders or lenders, as applicable to demand repayment or to enforce their security interests, which may have a material adverse effect on its business, financial condition, results of operations and cash flows. In addition, failure to comply with such covenants, may entitle the related noteholders or lenders, as applicable, to demand repayment and accelerate all such indebtedness.

Letter of credit facilities or bank guarantees to support project-level contractual obligations generally need to be renewed, at which time Atlantica will need to satisfy applicable financial ratios and covenants. If the Company is unable to renew the letters of credit as expected or replace them with letters of credit under different facilities on favorable terms or at all, Atlantica may experience a material adverse effect on its business, financial condition, results of operations and cash flows. Furthermore, such inability may constitute a default under certain project-level financing arrangements, restrict the ability of the project-level subsidiary to make distributions to Atlantica and/or reduce the amount of cash available at such subsidiary to make distributions to the Company.

Atlantica may not be able to arrange the required or desired financing for investments and acquisitions for the successful refinancing of the Company's project level and corporate level indebtedness.

The Company's ability to arrange the required or desired financing, either at corporate level or at a project-level, and the costs of such capital, are dependent on numerous factors, including:

- general economic and capital market conditions;
- credit availability from banks and other financial institutions;
- investor confidence in the Company’s financial performance, cash flow generation and the financial performance of its subsidiaries;
- the Company’s level of indebtedness and compliance with covenants in debt agreements;
- maintenance of acceptable project and corporate credit ratings or credit quality; and
- tax and securities laws that may impact raising capital.

Atlantica may not be successful in obtaining additional capital for these or other reasons. Furthermore, Atlantica may be unable to refinance or replace project-level financing arrangements or other credit facilities on favorable terms or at all upon the expiration or termination thereof. Atlantica may be unable to repay its existing debt as it becomes due if the Company fails, or any of its projects fails, to obtain additional capital or enter into new or replacement financing arrangements, which would have a material adverse effect on its business, financial condition, results of operations and cash flows.

In addition, the global capital and credit markets have experienced in the past and may continue to experience periods of extreme volatility and disruption. At times, Atlantica´s 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 its access to additional capital required to refinance its debt on satisfactory terms or at all, may limit its ability to replace, in a timely manner, maturing liabilities, and may limit its access to new debt and equity capital to make further investments acquisitions. Volatility in debt markets may also limit its ability to fund or refinance many of Atlantica´s projects and corporate level debt, even in cases where such capital has already been committed. In addition, given that Atlantica’s dividend policy is to distribute a high percentage of Atlantica’s cash available for distribution, the Company’s growth strategy relies on its ability to raise capital to finance its investments and acquisitions. In the event Atlantica is not able to raise capital, it may have to postpone or cancel planned acquisitions, investments or capital expenditures. The inability to raise capital, higher costs of capital or postponement or cancellation of planned acquisitions, investments or capital expenditures may have a materially adverse effect on its business, financial condition, results of operations and cash flows. If financing is available, utilization of the Company’s credit facilities, debt securities or project level financing for all or a portion of the purchase price of an acquisition, as applicable, could significantly increase its interest expense and debt repayment, impose additional or more restrictive covenants, and reduce cash available for distribution.

Atlantica may be subject to increased finance expenses if it does not effectively manage its exposure to interest rate and foreign currency exchange rate risks.

Atlantica is exposed to various types of market risk in the normal course of business, including the impact of interest rate changes and foreign currency exchange rate fluctuations. Some of its indebtedness (including project-level indebtedness) bears interest at variable rates, generally linked to market benchmarks such as EURIBOR[20], LIBOR[21] or over the alternative rates replacing these, including SOFR. The US Federal Reserve has increased interest rates in the United States and the European Central Bank has increased rates in Europe in recent months and interest rates are expected to continue raising in the upcoming months. Any increase in interest rates would increase the Company’s finance expenses relating to its variable rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt.

In addition, although most of the Company’s long-term contracts are denominated in, indexed or hedged to US dollars, Atlantica conducts its business and incur certain costs in the local currency of the countries in which it operates. In addition, the revenues, costs and debt of the Company’s solar assets in Spain, South Africa and Colombia are denominated in local currency. Atlantica has a hedging strategy for Atlantica’s solar assets in Europe. Since the beginning of 2017, Atlantica has maintained euro-denominated debt at the corporate level.

[20] 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.
[21] References to “LIBOR” refer to London Interbank Offered Rate.

Interest payments in euros and its euro denominated general and administrative expenses create a natural hedge for a portion of the distributions from assets in Europe. The Company's strategy is to hedge the exchange rate for the distributions received in euros after deducting euro-denominated interest payments and euro-denominated general and administrative expenses. Through currency options, Atlantica hedges on a rolling basis 100% of the net euro net exposure for the next 12 months and 75% of the net euro net exposure for the following 12 months. In addition, a depreciation of the South African rand, the Colombian peso or a long-term depreciation of the Euro could have a negative impact on Atlantica's results of operations and cash flows.

As Atlantica continues expanding its business, an increasing percentage of its revenue and cost of sales may be denominated in currencies other than its reporting currency, the US dollar. Under that scenario, Atlantica would become subject to increasing currency exchange risk, whereby changes in exchange rates between the US dollar and the other currencies in which Atlantica does business could result in foreign exchange losses.

In addition, Atlantica seeks to actively work with lending financial institutions to mitigate its interest rate risk exposure and to secure lower interest rates by entering into interest rate options and swaps. The Company estimates that approximately 93% of Atlantica's project debt and close to 100% of its corporate debt was fixed or hedged as of September 30, 2022.

If the Company's risk-management strategies are not successful in limiting its exposure to changes in interest rates and foreign currency exchange rates, its business, financial condition, results of operations and cash flows may be materially adversely affected.

Potential future defaults by Atlantica's subsidiaries, its off-takers, its suppliers, Abengoa or other persons could adversely affect the Company.

The financing agreements of the Company's project subsidiaries 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 cash flow of that project company. This type of financing is usually referred to herein as "project debt." As of September 30, 2022, Atlantica had $4,621.9 million of outstanding indebtedness under various project-level debt arrangements.

While the lenders under the Company' project debt do not have direct recourse to Atlantica or its subsidiaries (other than the letter of credit and bank guarantee facilities), defaults by the project borrowers under such financings can still have important consequences for Atlantica and its subsidiaries, including, without limitation:

- reducing the Company's receipt of dividends, fees, interest payments, loans and other sources of cash, since the project company will typically be prohibited from distributing cash to Atlantica and its subsidiaries until the event of default is cured or waived;
- default under the Company's other debt instruments;
- causing Atlantica to record a loss in the event the lender forecloses on the assets of the project company; and
- the loss or impairment of investors and project finance lenders' confidence in the Company.

If Atlantica fails to satisfy any of its 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 foreclose on any assets pledged as collateral.

In addition, the project financing arrangement for Kaxu 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. In 2021, Atlantica obtained a waiver which was subsequently extended and is subject to the lenders receiving certain documents from us. See "*—Risks Related to the Company's Relationship with Algonquin and Abengoa—If Abengoa defaults on certain of its debt* *obligations, including as a result of the insolvency filing by their holding company Abengoa S.A., Atlantica could potentially be in default of certain of Atlantica's project financing agreements*".

Under the Revolving Credit Facility, the 2020 Green Private Placement, the Green Senior Notes and the Note Issuance Facility 2020, a payment default with respect to indebtedness having an aggregate principal amount above certain thresholds by the Company, any guarantor thereof or one or more of the Company's non-recourse subsidiaries representing more than 25% of the cash available for distribution distributed in the previous four fiscal quarters could trigger a default.

Any of these events may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Uncertainty relating to the LIBOR calculation process and potential phasing out of LIBOR in the future may adversely affect the value of any outstanding debt instruments.

On July 27, 2017, the Chief Executive of the UK Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that the sustainability of LIBOR cannot be guaranteed and that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. On May 31, 2019, the Alternative Reference Rates Committee ("ARRC") proposed that the Secured Overnight Financing Rate ("SOFR") is the rate that represents best practice as the alternative to USD-LIBOR for use in derivatives and other financial contracts that are currently indexed to USD-LIBOR. SOFR is a more generic measure than LIBOR and considers the cost of borrowing cash overnight, collateralized by US Treasury securities. Moreover, on March 5, 2021, the ICE Benchmark Administration, which administers LIBOR, and the FCA announced that all LIBOR settings will either cease to be provided by any administrator, or no longer be representative immediately after December 31, 2021, for all non-USD LIBOR settings and one-week and two-month USD-LIBOR settings, and immediately after June 30, 2023 for the remaining USD-LIBOR settings, such as the overnight, one-month, three-month, six-month and 12-month USD-LIBOR settings (the "LIBOR Announcement"). Accordingly, the FCA has stated that is does not intend to persuade or compel banks to submit to LIBOR after such respective dates. Until such time, however, FCA panel banks have agreed to continue to support LIBOR.

As a result of the phase out of LIBOR, Atlantica may have to renegotiate certain of its LIBOR-based debt and derivative instruments to reflect the phase out of LIBOR and substitute for SOFR or another replacement benchmark.

Atlantica has not experienced any material impact of the LIBOR phase out and its transition to a replacement benchmark and as of today Atlantica does not expect any material impact. However, given the inherent differences between LIBOR and SOFR or any other alternative benchmark rate that may be established, there are many uncertainties regarding a transition from LIBOR. At this time, it is not possible to predict the effect that these developments, discontinuance of LIBOR, modification or other reforms to any other reference rate, or the establishment of alternative reference rates may have, or other benchmarks. Furthermore, the shift to alternative reference rates, including SOFR, or other reforms is complex and could cause the payments calculated for the LIBOR-based debt and derivative instruments to be materially different than expected, which may affect Atlantica's business, financial condition, results of operations, liquidity and cash flows. As of December 31, 2021, total principal amount of debt referenced to LIBOR was $1,068.5 million and total notional amount of derivatives hedging this debt, thus indexed to LIBOR as well was $62.6 million. Although Atlantica does not expect a material impact on its LIBOR-based debt and derivative instruments, Atlantica cannot guarantee that the shift to alternative reference rates will not have any impact on its business, financial condition, results of operations and cash flows.

A change of control or a delisting of Atlantica's shares may have negative implications for the Company.

If any investor acquires over 50.0% of the Company's shares or if its ordinary shares cease to be listed on the NASDAQ or a similar stock exchange, Atlantica may be required to refinance all or part of its corporate debt or obtain waivers from the related noteholders or lenders, as applicable, due to the fact that all of its corporate financing agreements contain customary change of control provisions and delisting restrictions. If the Company fails to obtain such waivers and the related noteholders or lenders, as applicable, elect to accelerate the relevant corporate debt, Atlantica may not be able to repay or refinance such debt (on favorable terms or at all), which may have a material adverse effect on the Company's business, financial condition results of operations and cash flows. Additionally, in the event of a change of control Atlantica 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. The Company's best estimate with current information available and subject to further analysis is that the Company 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.

1.5. Risks Related to the Company's Growth Strategy

Atlantica may not be able to identify or consummate future investments and acquisitions on favorable terms, or at all.

Atlantica´s business strategy includes growth through the acquisition of additional revenue-generating assets and investments in projects under development or construction. This strategy depends on the Company´s ability to successfully identify and evaluate investment opportunities and consummate acquisitions on favorable terms. The number of investment opportunities may be limited.

Atlantica´s ability to acquire future renewable energy projects or businesses depends on the viability of renewable energy projects generally. These projects are in some cases contingent on public policy mechanisms including, among others, Investment Tax Credits ("**ITCs**"), cash grants, loan guarantees, accelerated depreciation, expensing for certain capital expenditures, carbon trading plans, environmental tax credits and research and development incentives. See "*—Risks Related to Regulation - Government regulations could change at any time and such changes may negatively impact Atlantica´s current business and its growth strategy*." Atlantica´s ability to consummate future investments and acquisitions may also depend on its ability to obtain any required government or regulatory approvals for such investments, including, but not limited to, the Federal Energy Regulatory Commission, or FERC, approval under Section 203 of the FPA in respect of investments in the United States; or any other approvals in the countries in which Atlantica may purchase assets in the future. The Company may also be required to seek authorizations, waivers or notifications from debt and/or equity financing providers at the project or holding company level; local or regional agencies or bodies; and/or development agencies or institutions that may have a contractual right to authorize a proposed acquisition.

Furthermore, the Company will compete with other local and international companies for acquisition opportunities from third parties, which may increase its cost of making investments or cause Atlantica to refrain from making acquisitions from third parties. Some of Atlantica´s competitors for investments and acquisitions are much larger than itself, with substantially greater resources. These companies may be able to pay more for acquisitions due to cost of capital advantages, potential synergies or other drivers, and may be able to identify, evaluate, bid for and purchase a greater number of assets than the Company's financial or human resources permit. If Atlantica is unable to identify and consummate future acquisitions, it will impede its ability to execute its growth strategy and limit its ability to increase the amount of dividends paid to holders of its shares.

Atlantica´s ability to consummate future investments and acquisitions also depends on the availability of financing. See "*Risks Related to Atlantica's Indebtedness —Atlantica may not be able to arrange the required or desired financing for investments and acquisitions and for the successful refinancing of the Company's project level and corporate level indebtedness*."

Finally, demand for renewable energy may be affected by the cost of other energy sources. To the extent renewable energy becomes less cost-competitive, demand for renewable energy could decrease. Slow growth or a long-term reduction in the energy demand could cause a reduction in the development of renewable energy program projects. Decreases in the prices of electricity could affect the Company's ability to acquire assets, as renewable energy developers may not be able to compete with providers of other energy sources at such lower prices. Atlantica´s inability to acquire assets could have a material adverse effect on its ability to execute its growth strategy.

Atlantica´s ability to grow organically is limited to some assets which have inflation indexation mechanisms in their revenues, to its transmission lines and to some renewable assets. Atlantica may not be able to deliver organic growth.

Atlantica´s ability to grow through investments and acquisitions depends, in part, on Liberty GES' and Algonquin's ability to offer Atlantica investment opportunities. Liberty GES and Algonquin may not offer Atlantica assets at all or may not offer Atlantica assets that fit within its portfolio or contribute to its growth strategy. Only certain assets outside the United States and Canada are included in the Algonquin ROFO Agreement. Liberty GES and Algonquin may decide to keep assets subject to its ROFO Agreements in their portfolios and not offer them to Atlantica for acquisition. Algonquin can terminate the Algonquin ROFO Agreement with Atlantica with a 180-day notice. Additionally, Atlantica may not reach an agreement on the price of assets offered by Liberty GES or Algonquin. For these reasons, Atlantica may not be able to consummate future investments from Liberty GES or Algonquin, which may restrict its ability to grow.

Furthermore, Liberty GES or Algonquin may have financial and resource constraints limiting or eliminating their ability to continue building the contracted assets which are currently under construction and may have financial and resource constraints limiting or eliminating their ability to develop and build new contracted assets. They could also decide to invest in other types of businesses which are not Atlantica's core business. In addition, Liberty GES or Algonquin may sell assets under development before they reach their commercial operation date. Some of the assets subject to the ROFO Agreements may not be attractive enough to Atlantica for different reasons. Furthermore, Liberty GES and Algonquin may compete with Atlantica in some of the markets where it intends to grow.

Atlantica's ability to develop renewable projects is subject to construction risks and risks associated with the arrangements with its joint venture partners

Atlantica has reached agreements with a number of partners in order to develop assets in the geographies in which the Company operates, however Atlantica cannot guarantee that its investments will be successful and that its growth expectations will materialize. Additionally, Atlantica cannot guarantee that the Company will be successful in identifying new potential projects and partners or that Atlantica will be able to acquire additional assets from those partners in the future. If the Company is unable to identify projects under such agreements or to reach new agreements on favorable terms with new partners, or unable to consummate future acquisitions from any such agreement, it may limit its ability to execute its growth strategy and may have a materially adverse effect on its business, financial condition, results of operation and cash flows.

Furthermore, development and construction activities conducted with partners or on Atlantica's own are subject to failure rate and different types of risks. Atlantica's ability to develop new assets is dependent on its ability to secure or renew its rights to an attractive site on reasonable terms; accurately measuring resource availability; the ability to secure new or renewed approvals, licenses and permits; the acceptance of local communities; the ability to secure transmission interconnection access or agreements; the ability to successfully integrate new projects into existing assets; the ability to acquire suitable labor, 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, Atlantica may lose all of its 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 performance. A number of factors that could cause such delays, cost over-runs or reduced performance include, changes in local laws or difficulties in obtaining permits, rights of way or approvals, changing engineering and design requirements, construction costs exceeding estimates for various reasons, including inaccurate engineering and planning, failures to properly estimate the cost of raw materials, components, equipment, labor or the inability to timely obtain them, unanticipated problems with project start-up, the performance of contractors, labor disruptions, inclement weather, defects in design, engineering or construction and project modifications. A delay in the projected completion of a project can result in a material increase in total project construction costs through higher capitalized interest charges, additional labor and other expenses, and a delay in the commencement of cash flow.

If Atlantica co-invests with partners, or on its own, in assets under development or construction, Atlantica cannot guarantee that the development and construction of the asset will be successful and that Atlantica ends up owning an operational asset.

In order to grow its business, Atlantica may invest in or acquire assets or businesses which have a higher risk profile or are less ESG-friendly than certain assets in its current portfolio.

In order to grow its business, Atlantica may acquire assets and businesses which may have a higher risk profile than certain of the assets Atlantica currently owns. Competition to acquire contracted assets in operation has been high in recent years and is expected to continue being so. Atlantica intends to increase its investments in assets which are not currently in operation and which are subject to development and construction risk. Construction of renewable assets, among others, is subject to risk of cost overruns and delays. There can be no assurances that assets under development and construction will perform as expected or that the returns will be as expected. In addition, Atlantica has invested in the past and may continue investing in assets which are not contracted or not fully contracted, for which revenues will depend on the price of the electricity and which are subject to merchant risk. Atlantica may also consider investing in businesses which are regulated or which are contracted with "as contracted" agreements or hedge agreements where Atlantica needs to deliver the contracted power even if the facility is not in operation or which are subject to demand risk. Atlantica has recently invested and may consider investing in business sectors where the Company does not have previous experience and may not be able to achieve the expected returns. Atlantica may also consider investing with partners or on its own in new technologies which do not have for the moment a long history track record as proven as its current assets, such as storage, district heating, geothermal offshore wind or hydrogen. Atlantica may also consider investing in distributed generation in smaller commercial and industrial facilities. Furthermore, Atlantica may consider investing in assets with revenues not denominated in US dollars or euros, which would increase its exposure to local currency, and which could generate higher volatility in the cash flows Atlantica generates. 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. In addition, these type of assets and businesses could present a higher variability in the cash flows they generate. In addition, Atlantica may acquire assets which may be considered as less ESG-friendly ("**ESG**") refers environmental, social and governance factors than certain assets in its current portfolio by current and potential investors. For example, considering the competitive landscape for renewable assets in recent years, Atlantica may acquire additional natural gas assets. Although Atlantica has set a target to maintain at least 80% of its Adjusted EBITDA generated by low carbon footprint assets, some investors with a focus on ESG may consider this target insufficient, which could cause Atlantica to become less attractive to investors.

As a result, the consummation of investments and acquisitions may have a material adverse effect on the Company's ability to grow, its business, financial condition, results of operations and cash flows.

Atlantica cannot guarantee the success of its recent and future investments.

Acquisitions of and investments in companies and assets are subject to substantial risks, including unknown or contingent liabilities (including violations of environmental, antitrust, anticorruption, anti-bribery and anti-money laundering laws, and tax and labor disputes), the failure to identify material problems during due diligence (for which Atlantica may not be indemnified post-closing), the risk of over-paying for assets (or not making acquisitions on an accretive basis. In some of Atlantica's acquisitions the former owners agreed, or may agree, to indemnify Atlantica for certain of these matters. However, such indemnification obligations are often subject to materiality thresholds and guaranty limits, and such obligations are generally time limited. For certain acquisitions, Atlantica may not be able to successfully negotiate for such indemnification obligations. As a result, Atlantica may not recover any amounts with respect to losses due to unknown or contingent liabilities or breaches by the sellers of their representations and warranties. All this may adversely affect Atlantica's business, financial condition, results of operations and prospects.

Furthermore, the integration and consolidation of acquisitions require substantial human, financial and other resources and, ultimately, Atlantica´s acquisitions may divert management's attention from its existing business concerns, disrupt its ongoing business or not be successfully integrated at all. As a result, the consummation of acquisitions may have a material adverse effect on Atlantica´s ability to grow, its business, financial condition, results of operations and cash flows.

Atlantica may be unable to complete all, or any, such transactions that Atlantica may analyze. Even where Atlantica consummates investments, the Company may be unable to achieve projected cash flows; or the Company may encounter regulatory complications arising from such transactions. Furthermore, the terms and conditions of financing for such investments could restrict the manner in which Atlantica conduct its business. These risks could have a material adverse effect on Atlantica´s business, financial condition, results of operations and cash flows.

Atlantica may also make acquisitions or investments in assets that are located in different jurisdictions and are different from, and may be riskier than, those jurisdictions in which Atlantica currently operates (Canada, the United States, Mexico, Peru, Chile, Colombia, Uruguay, Spain, Italy, South Africa and Algeria). See "*—Risks Related to the Markets in Which Atlanta Operates— Atlantica has international operations and investments, including in emerging markets that could be subject to economic, social and political uncertainties*." These changes may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Atlantica´s cash dividend policy may limit its ability to grow and make investments through cash on hand.

Atlantica´s dividend policy is to distribute a high percentage of its cash available for distribution, after corporate general and administrative expenses and cash interest payments and less reserves for the prudent conduct of its business, and to rely primarily upon external financing sources, including the issuance of debt and equity securities as well as borrowings under credit facilities to fund Atlantica´s acquisitions, investments and potential growth capital expenditures. Atlantica may be precluded from pursuing otherwise attractive investments if the projected short-term cash flow from the acquisition or investment is not adequate to service the capital raised to fund the investment, after giving effect to Atlantica's available cash reserves.

Because of Atlantica´s dividend policy, its growth may not be as fast as that of businesses that reinvest their available cash to expand ongoing operations. To the extent Atlantica issues additional equity securities in connection with any acquisitions or growth capital expenditures, the payment of dividends on these additional equity securities may increase the risk that Atlantica will be unable to maintain or increase its per share dividend. There are no limitations in the Company´s articles of association on its ability to issue equity securities, including convertible bonds, preferred shares or other securities ranking senior to its shares.

1.6. Risks Related to the Markets in Which Atlantica Operates

Difficult conditions in the global economy and in the global capital markets have caused, and may continue to cause, a negative impact on the Company's business.

Atlantica´s results of operations have been, and continue to be, materially affected by conditions in the global economy. Atlantica has been experiencing high volatility in capital markets in the United States and in Europe. The Russian military actions across Ukraine, higher inflation, volatile oil prices, high electricity prices particularly in Europe, high natural gas prices, interest rate raise which is expected to continue, lockdowns in China caused by COVID-19, tensions between the US, Russia and China, the availability and cost of credit, sovereign debt and the instability of the euro have contributed to increased volatility in capital markets and worsened expectations for the economy.

After the sharp recession caused by the COVID-19 pandemic in 2020, the recovery in demand during the year 2021 caused disruptions in the supply chain with global shortages of some products and materials and high inflation rates which have exacerbated in 2022. Further disruptions in the supply chain could limit the availability of certain parts required to operate Atlantica's facilities and could adversely impact its ability (or its operation and maintenance suppliers' ability) to operate Atlantica's plants or to perform maintenance activities. If Atlantica was to experience a shortage of or inability to acquire critical spare parts, Atlantica could incur significant delays in returning facilities to full operation, which could negatively impact its business, financial condition, results of operations and cash flows. Supply chain tensions may also affect Atlantica's projects in development and construction where the Company can experience delays or an increase in prices of equipment and materials required for the construction of new assets, which may cause a material adverse effect on its business, financial condition, results of operations and cash flows. If price increases translate into prolonged inflation, this may cause a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

In addition, interest rates have increased and are expected to increase faster and to higher levels than the market forecasted months ago. Adverse events and continuing disruptions in the global economy and capital markets may have a material adverse effect on the Company´s business, financial condition, results of operations and cash flows. Moreover, even in the absence of a market downturn, Atlantica is exposed to risk of loss due to market volatility and other factors, including volatile oil and gas prices, increasing electricity prices, interest rates, consumer spending, business investment, government spending and rising inflation, among others, that could affect the economic and financial situation of Atlantica´s concession agreements' counterparties and, ultimately, the profitability and growth of its business.

Generalized or localized downturns or inflationary pressures in Atlantica´s key geographical areas could also have a material adverse effect on its business, financial condition, results of operations and cash flows. A significant portion of Atlantica´s business activity is concentrated in the United States, Spain, Mexico and Peru. Consequently, Atlantica is significantly affected by the general economic conditions in these countries. Spain, after the recession caused by the COVID-19 pandemic is facing high inflation including high electricity prices, and an economic recovery at a slower pace than the European average, with persistently high unemployment. To the extent uncertainty regarding the European economic recovery continues to negatively affect government or regional budgets, the Company's business, financial condition, results of operations and cash flows could be materially adversely affected.

Global geopolitical tensions, including from the February 2022 Russian military actions across Ukraine, may rise and create heightened volatility in the electricity market that could negatively affect both Atlantica's ability to execute its business and growth strategy. Such military actions, and sanctions in response thereof as well as escalation of conflict, could significantly affect worldwide electricity market prices and demand and cause turmoil in the capital markets and generally in the global financial system. This could have a material adverse effect on Atlantica's business, financial condition, results of operations and cash flows, making it difficult to execute its growth strategy.

Atlantica has international operations and investments, including in emerging markets that could be subject to economic, social and political uncertainties.

Atlantica operates its activities in a range of international locations, including North America (Canada, the United States and Mexico), South America (Peru, Chile, Colombia and Uruguay), and EMEA (Spain, Italy, Algeria and South Africa), and the Company may expand its operations to certain core countries within these regions. Accordingly, Atlantica faces several risks associated with operating and investing in different countries that may have a material adverse effect on its 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 favorable treaties, or similar agreements, with local authorities, or political, social and economic instability, all of which can place disproportionate demands on the Company´s management, as well as significant demands on its operational and financial personnel and business. As a result, Atlantica can provide no assurance that its future international operations and investments will remain profitable.

A significant portion of Atlantica´s current and potential future operations and investments are conducted in various emerging countries worldwide. Atlantica´s activities and investments in these countries involve a number of risks that are more prevalent than in developed markets, such as economic and governmental instability, the possibility of significant amendments to, or changes in, the application of governmental regulations, the nationalization and expropriation of private property, payment collection difficulties, social unrest or protests, substantial fluctuations in interest and exchange rates, changes in the tax framework or the unpredictability of enforcement of contractual provisions, currency control measures, limits on the repatriation of funds and other unfavorable interventions or restrictions imposed by public authorities. Countries like Mexico, Peru and Chile currently have governments which are favorable to increase public spending and tax pressure. In addition, the current government in Mexico is proposing regulation which intends to benefit local business rather than foreign investors. In countries such as Algeria or South Africa, a change in government can cause instability in the country and a new government may decide to change laws and regulations affecting Atlantica´s assets or may decide to expropriate such assets. All this may have a material adverse effect on its business, financial condition, results of operations and cash flows.

Atlantica´s US dollar-denominated contracts in several assets are payable in local currency at the exchange rate of the payment date and in some cases include portions in local currency. In the event of a rapid devaluation or implementation of exchange or currency controls, Atlantica may not be able to exchange the local currency for the agreed dollar amount, which could affect its cash available for distribution. Likewise, Atlantica's contracts in South Africa and Colombia are payable in local currency. Governments in Latin America and Africa frequently intervene their economies and occasionally make significant changes in policy and regulations. Governmental actions aimed to control inflation and other similar policies and regulations have often involved, among other measures, price controls, currency devaluations, capital or exchange controls and limits on imports. Such devaluation, implementation of exchange or currency controls or governmental involvement may have a material adverse effect on Atlantica´s business, financial condition, results of operations and cash flows.

Atlantica is exposed to political, social and macroeconomic risks relating to the United Kingdom's exit from the European Union.

On January 31, 2020, the UK ceased to be part of the European Union (commonly referred to as "Brexit") and entered into a transition period to, among other things, negotiate an agreement with the EU on the future terms of the UK's relationship with the European Union. On December 24, 2020, both parties reached a trade agreement (the "Trade Agreement"), which contains rules for how the UK and EU are to live, work and trade together.

On December 31, 2020, the transition period ended, and on January 1, 2021, the U.K. left the EU Single Market and Customs Union, as well as all EU policies and international agreements. As a result, the free movement of persons, goods, services and capital between the UK and the EU ended, with the EU and the UK forming two separate markets and two distinct regulatory and legal frameworks. The Trade Agreement offers UK and EU companies preferential access to each other's markets, ensuring imported goods will be free of tariffs and quotas; however, economic relations between the UK and the EU will now be on more restricted terms than existed previously and Brexit could lead to additional political, legal and economic instability in the EU or labor shortages due to changes and restrictions regarding the free movement of people into the UK from the EU.

Since some of the proposed changes due to Brexit have only recently become effective (i.e., further tightening of border controls on January 1, 2022), Atlantica is still monitoring the impact that Brexit may have on its business, and Atlantica continues to evaluate its own risks and uncertainty related to Brexit to better navigate the changes in the UK-EU market. Notwithstanding, as of the date hereof, Atlantica has evaluated the impact of Brexit on it, its subsidiaries, its business, and its future operations, operating results, and cash flows and it has not materially changed the Company's business to date and as of today the Company does not expect any material impact.

Moreover, Atlantica cannot anticipate if the UK and EU will succeed in negotiating all material terms not otherwise addressed or covered by the Trade Agreement, or subsequent transition agreements or arrangements and/or if previously agreed upon items will be renegotiated in the future. Changes in these or other terms resulting from Brexit could, similarly, subject Atlantica or its subsidiaries, to certain risks and could adversely affect its business, financial condition, results of operations, liquidity and cash flows.

1.7. Risks Related to Regulation

Atlantica is subject to extensive governmental regulation in a number of different jurisdictions, and its inability to comply with existing regulations or requirements in applicable regulations or requirements may have a negative impact on its business, financial condition, results of operations and cash flows.

Atlantica is subject to extensive regulation of its business in the countries in which Atlantica operates. Such laws and regulations require licenses, permits and other approvals to be obtained in connection with the operations of its activities. This regulatory framework imposes significant actual, day-to-day compliance burdens, costs and risks on the Company. The power plants and transmission lines and other assets that Atlantica owns are subject to strict international, national, state and local regulations relating to their operation and expansion (including, among other things, leasing and use of land, and corresponding building permits, landscape conservation, noise regulation, environmental protection and environmental permits and electric transmission and distribution network congestion regulations). Non-compliance with such regulations could result in reputational damage, the revocation of permits, sanctions, fines, criminal penalties or affect Atlantica´s ability to satisfy applicable ESG standards. Compliance with regulatory requirements may result in substantial costs to its operations that may not be recovered. All the above could have a negative impact on Atlantica and a material adverse effect on its business, financial condition, results of operations and cash flows.

Atlantica's business is subject to stringent environmental regulation.

Atlantica is subject to significant environmental regulation, which, among other things, requires Atlantica to obtain and maintain regulatory licenses, permits and other approvals and comply with the requirements of such licenses, permits and other approvals and perform environmental impact studies on changes to projects. In addition, Atlantica's assets need to comply with strict environmental regulation on air emissions, water usage and contaminating spills, among others. Atlantica's policy is to maintain environmental insurance policies. The Company can give no assurance that it will be able to maintain such policies in the future. Additionally, as a company with a focus on ESG and most of the business in renewable energy, environmental incidents can also significantly harm Atlantica's reputation. There can be no assurance that:

- public opposition will not result in delays, modifications to or cancellation of any project or license;
- laws or regulations will not change or be interpreted in a manner that increases Company's costs of compliance or require new investments and may have a material adverse effect on its business, financial condition, results of operations and cash flows, including preventing us from operating an asset if Atlantica is not in compliance; or
- governmental authorities will approve Atlantica's environmental impact studies where required to implement proposed changes to operational projects.

Atlantica believes that it is currently in material compliance with all applicable regulations, including those governing the environment. In the past, Atlantica has experienced some environmental accidents and Atlantica has been found not to be in compliance with certain environmental regulations and has incurred fines and penalties associated with such violations which, to date, have not been material in amount. At any point in time, the Company is subject to review and in some cases challenges regarding its compliance that might result or not in future fines and penalties or other remediation measures. At this point in time, Atlantica believes that such reviews will not result in a material financial impact. [In one of the Company's plants in Spain Atlantica has a difference of interpretation with an agency which may result, if the agency, and eventually the court, decided against its position in an eventual modification of the plant several years from today with a cost that Atlantica does not expect to be material.] Atlantica can give no assurance, however, that the Company will continue to be in compliance or avoid material fines, penalties, sanctions and expenses associated with compliance issues in the future. Violation of such regulations may give rise to significant liability, including fines, damages, fees and expenses, additional taxes and site closures. The costs of compliance as well as non-compliance may have a material adverse effect on Atlantica's business, financial condition, results of operations and cash flows.

Government regulations could change at any time and such changes may negatively impact Atlantica's current business and its growth strategy.

Atlantica's assets are subject to extensive regulation. Changes in existing energy, environmental and administrative laws and regulations may have a material adverse effect on its business, financial condition, results of operations and cash flows, including on its growth plan and investment strategy. Also, such changes may in certain cases, have retroactive effects and may cause the result of operations to be lower than expected, or increase the size and number of claims and damages asserted against Atlantica or subject the Company to enforcement actions, fines and even criminal penalties. Atlantica´s business may also be affected by additional taxes imposed on its activities or changes in regulations, reduction of regulated tariffs and other cuts or measures.

Changes in laws and regulations could increase the size and number of claims and damages asserted against the Company or subject Atlantica to enforcement actions, fines and even criminal penalties. In addition, changes in laws and regulations may, in certain cases, have retroactive effect and may cause the result of operations to be lower than expected. In particular, the Company's activities in the energy sector are subject to regulations applicable to the economic regime of generation of electricity from renewable sources and to subsidies or public support in the benefit of its production of energy from renewable energy sources, which vary by jurisdiction, and are subject to modifications that may be more restrictive or unfavorable to the Company.

Furthermore, in some of Atlantica´s assets such as the solar plants in Spain and one of Atlantica´s transmission lines in Chile, revenues are based on existing regulation. Atlantica may also acquire in the future additional assets or businesses with regulated revenues. For these types of assets and businesses, if regulation changes, it may have a material adverse effect on Atlantica´s business, financial condition, results of operations and cash flows.

In addition, Atlantica´s strategy to grow its business through investments in renewable energy projects partly depends on current government policies that promote and support renewable energy and enhance the economic viability of owning solar and wind energy projects. Renewable energy projects currently benefit from various US federal, state and local governmental incentives, such as ITCs, Production Tax Credits ("**PTCs**"), loan guarantees, Renewable Portfolio Standard ("**RPS**[22]") programs, or Modified Accelerated Cost Recovery Systems ("**MACRS**") along with other incentives. These incentives make the development of renewable energy projects more competitive. These policies have had a significant impact on the development of renewable energy, and they could change at any time. Additionally, many of these government incentives, including the ITCs and the PTCs, are subject to phase-out and/or expiration. A loss or reduction in such incentives or the value of such incentives, a change in policy away from limitations on coal and gas electric generation, or a reduction in the capacity of potential investors to benefit from such incentives could decrease the attractiveness of renewable energy projects to project developers, and the attractiveness of renewable assets to utilities, retailers and customers. Such a loss or reduction could reduce Atlantica´s investment opportunities and its willingness to pursue renewable energy projects due to higher operating costs or lower revenues from off-take agreements. See also "—Risks Related to Taxation."

Additionally, some US states with RPS targets have met, or in the near future will meet, their renewable energy targets. For example, California, which has among the most aggressive RPS laws in the United States, will be required to meet the higher renewable energy mandate of 60.0% by 2030 and 100% by 2045 that was adopted

[22] References to "RPS" refer to renewable portfolio standards adopted by 29 U.S. states and the District of Columbia that require a regulated retail electric utility to procure a specific percentage of its total electricity delivered to retail customers in the respective state from eligible renewable generation resources, such as solar or wind generation facilities, by a specific date.

in 2018. If, as a result of achieving these targets, these and other US states do not increase their targets in the near future, demand for additional renewable energy could decrease. In addition, the substantial increase of grid connected intermittent solar and wind generation assets resulting from the adoption of RPS targets has created significant technical challenges for grid operators. As a result, RPS targets may need to be scaled back or delayed in order to develop technologies or infrastructure to accommodate this increase in intermittent generation assets.

Subsidy regimes for renewable energy generation have been challenged in the past on constitutional and other grounds (including that such regimes constitute impermissible European Union state aid) in certain jurisdictions. In addition, certain loan-guarantee programs in the United States, including those which have enabled the US Department of Energy ("**DOE**") to provide loan guarantees to support the Company´s Solana and Mojave projects in the United States, have been challenged on grounds of failure by the appropriate authorities to comply with applicable US federal administrative and energy law. If all or part of the subsidy and incentive regimes for renewable energy generation in any jurisdiction in which Atlantica operates were found to be unlawful and, therefore, reduced or discontinued, Atlantica may be unable to compete effectively with conventional and other renewable forms of energy. Atlantica currently has two financing arrangements with the Federal Financing Bank for the Solana and Mojave assets, repayment of which to the Federal Financing Bank by those projects is with a guarantee by the DOE. Additionally, these projects benefitted from the ITCs. Unilateral changes to these agreements or the ITC regime may have a material adverse effect on its business, financial condition, results of operations and cash flows.

Revenues in Atlantica´s solar assets in Spain are mainly defined by regulation and some of the parameters defining the remuneration are subject to review every six years.

According to Royal Decree 413/2014, solar electricity producers in Spain receive: (i) the pool price for the power they produce, (ii) the Remuneration on investment, 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) the Remuneration or operation an "operating payment" (in €/MWh (megawatt hour) 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). The rate applicable during the first regulatory period was 7.398%.

The first review of this rate was at the end of 2018 applicable for the second regulatory period 2020-2025. On November 2, 2018, CNMC (the Comision Nacional de los Mercados y de la Competencia, which is the state-owned regulator for the electricity system in Spain) issued its final report with a proposed reasonable rate of return of 7.09%. In December 2018 the government issued a draft project law proposing a reasonable rate of return of 7.09%, with the possibility of maintaining the 7.398% reasonable rate of return under certain circumstances. On November 24, 2019, the Spanish government approved Royal Decree-law 17/2019 setting out a 7.09% rate of reasonable rate of return applicable from January 1, 2020 until December 31, 2025 as a general rule and the possibility, under certain circumstances including not having any ongoing legal proceeding against the Kingdom of Spain ongoing, of maintaining the 7.398% reasonable rate of return for two consecutive regulatory periods. The reasonable rate of return was calculated by reference to the weighted average cost of capital (WACC), the calculation method that most of the European regulators apply to determine the return rates applicable to regulated activities within the energy sector. As a result, some of the assets in Atlantica´s Spanish portfolio 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.

If the payments for renewable energy plants are revised to lower amounts in the next regulatory period starting on January 1, 2026 until December 31, 2031 or starting on January 1, 2032, depending on each asset, this could have a material adverse effect on Atlantica´s business, financial condition, results of operations and cash flows. As a reference, assuming Atlantica´s assets in Spain continue to perform as expected and assuming no additional changes of circumstances, with the information currently available, Atlantica estimates that a reduction of 100 basis points in the reasonable rate of return on investment set by the Spanish government could cause a reduction in its cash available for distribution of approximately €18 million per year. This estimate is subject to certain assumptions, which may change in the future.

In addition, the regulation includes a mechanism under which regulated revenues are reviewed every three years to reflect the difference between expected and actual market prices over the remaining regulatory life if the difference is higher than a pre-defined threshold. Electricity prices have increased significantly since mid-2021, which is causing higher short-term cash collections but also a negative adjustment in regulated revenue starting in 2022, resulting in a negative impact on future cash flows from that year. In addition, from an accounting perspective, in 2021 and 2022 Atlantica has recorded a negative provision with no cash impact on the current period that has lowered revenue and Adjusted EBITDA in this geography. Volatility in electricity market prices can cause volatility in Atlantica's results of operations.

As expected, the Administration in Spain approved in 2022 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, the 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 the prices of gas and electricity. It includes temporary changes to the detailed regulated components of revenue received by Atlantica's solar assets in Spain, which are applicable from January 1, 2022.

The proposed remuneration parameters for the year 2022 were published on May 12, 2022, and, although they [are still subject to final publication], Atlantica does not expect significant changes. As a result, Atlantica has recorded its revenue for the nine-month period ended September 30, 2022 following these new parameters. In addition, on May 14, 2022, the Royal Decree Law 10/2022 was published, including additional details on the changes to the regulated components of revenue. The main changes 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 is being revised. 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. 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. Atlantica refers to its quarterly report on form 6K for a detail of the proposed remuneration parameters applicable to its plants for 2022.

- 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.

Given that Atlantica's solar assets in Spain are regulated and are entitled to receive a predetermined reasonable rate of return, Atlantica does not expect any impact on the net value of the assets from the changes in the regulatory remuneration parameters. For the year 2022, as a result of these changes, revenue from Rinv (Remuneration on Investment) will be reduced by €5.6 million and revenue from Ro (Remuneration on Operation) will be reduced by €42.7 million. These effects are expected to be more than offset by significantly higher revenue from sales of electricity at market prices. The new parameters are therefore expected to have a net positive effect in the long-term on Atlantica's revenue and Adjusted EBITDA with respect to Atlantica's expectations at the end of 2021. However, Atlantica expects this effect to be largely offset by the depreciation of the euro against the U.S. dollar, the increase in the cost of supplies for some of which the price is linked to the price of electricity and by lower than expected production.

If approved, the proposed electricity constitutional reform in Mexico may have a negative impact on Atlantica's current assets and might impact negatively on its ability to grow in that country.

On March 9, 2021, Mexico's President proposed a preferential reform to the Electricity Industry Law (Ley de la Industria Eléctrica). In broad terms, the reform aimed for CFE to expand its impact in the energy generation sector. Additionally, on September 30, 2021, Mexico's President submitted an amendment proposal to the Constitution which will be discussed and resolved by the House of Representatives, the Mexican Senate and regional local congresses. If passed as presented, most of the energy reform of December 2013 would be modified and the sector would be significantly transformed. Although Atlantica does not expect a direct and immediate impact on its existing contracts, Atlantica cannot guarantee that the new regulation will not have any impact on its business, financial condition, results of operations and cash flows. The new regulation could also limit Atlantica's growth prospects in the region.

On April 17, 2022, the House of Representatives in Mexico rejected a constitutional amendment proposal submitted by the Mexican President aimed at approving a reform to the Electricity Industry Law and granting the state-owned Federal Electricity Commission priority over private sector companies. Although the Mexican President has stated that he does not intend to re-submit a modified amendment proposal for approval again, at this point Atlantica cannot guarantee that he will not pursue other relevant changes to the electricity sector in Mexico, since this has been an important component of his political agenda

In addition, in December 2021, the Mexican Energy Regulatory Commission approved an amendment to the existing regulation on the isolated supply, which may affect Atlantica's Monterrey[23] asset. Atlantica has filed appeals for protection before specialized courts and Atlantica expects this situation to be solved without significant impact. However, Atlantica cannot guarantee that this change in regulation will not have any negative impact on its business, financial condition, results of operations and cash flows.

Atlantica´s international operations require the Company to comply with anti-corruption and other laws and regulations of the United States government and various non-US jurisdictions.

Doing business in multiple countries requires the Company and its subsidiaries to comply with the laws and regulations of the United States government and various non-US jurisdictions. Atlantica´s failure to comply with these rules and regulations may expose the Company to liabilities. These laws and regulations may apply to Atlantica, its subsidiaries, individual directors, officers, employees and agents, and may restrict its operations, trade practices, investment decisions and partnering activities.

In particular, Atlantica´s non-US operations are subject to United States and foreign anti-corruption laws and regulations, such as the Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), and similar laws and regulations. The FCPA prohibits United States companies and their officers, directors, employees and agents acting on their behalf from corruptly offering, promising, authorizing or providing anything of value to foreign officials for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to keep books, records and accounts that accurately and fairly reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. As part of its business, Atlantica deals with state-owned business enterprises, the employees and representatives of which may be considered foreign officials for purposes of the FCPA. As a result, business dealings between the Company's employees and any such foreign official could expose Atlantica to the risk of violating anti-corruption laws even if such business practices may be customary or are not otherwise prohibited between the US and a private third party. Violations of these legal requirements are punishable by criminal fines and imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts as well as other remedial measures.

Atlantica has established policies and procedures designed to assist the Company and its personnel in complying with applicable United States and non-US laws and regulations; however, Atlantica cannot assure you that these policies and procedures will completely eliminate the risk of a violation of these legal requirements, and any such

[23] 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.

violation (inadvertent or otherwise) could have a material adverse effect on its business, financial condition, results of operations and cash flows.

1.8. Risks Related to Ownership of Atlantica´s Shares

Atlantica may not be able to pay a specific or increasing level of cash dividends to holders of its shares in the future.

The amount of Atlantica´s cash available for distribution principally depends upon the amount of cash the Company generates from its operations, which will fluctuate from quarter to quarter based on, among other things:

- operational performance of the Company's assets;
- potential capital expenditure requirements in Atlantica´s assets in the case there were technical problems or environmental or regulatory requirements unanticipated increases in construction and design costs;
- adverse weather;
- Atlantica´s debt service requirements and other liabilities;
- fluctuations in the Company's working capital needs;
- fluctuations in foreign exchange rates;
- the level of its operating and general and administrative expenses,
- seasonal variations in revenues generated by the business;
- losses experienced not covered by insurance;
- shortage of qualified labor;
- restrictions contained in its debt agreements (including the Company's project-level financing);
- its ability to borrow funds, including intercompany loans;
- changes in its revenues and/or cash generation in its assets due to delays in collections from its off-takers, legal disputes regarding contact terms, adjustments contemplated in existing regulation or changes in regulation or taxes in the countries in which Atlantica operates, or adverse weather conditions;
- potential restrictions on payment of dividends arising from cross-default provisions with Abengoa in Atlantica's Kaxu project financing agreements;
- other business risks affecting its cash levels;
- unfavorable regional, national or global economic and market conditions; and
- changes in accounting and financial reporting standards.

As a result of all these factors, Atlantica cannot guarantee that the Company will have sufficient cash generated from operations to pay a specific or increasing level of cash dividends to holders of its shares. Furthermore, holders of the Company's shares should be aware that the amount of cash available for distribution depends primarily on its cash flow, and is not solely a function of profitability, which is affected by non-cash items.

Atlantica is a holding company whose sole material assets consist of its interests in its subsidiaries. Atlantica does not have any independent means of generating revenue. Atlantica intends to cause its operating subsidiaries to make distributions to the Company in an amount sufficient to cover its corporate debt service, corporate general and administrative expenses, all applicable taxes payable and dividends, if any, declared by the Company. To the extent that the Company needs funds for a quarterly cash dividend to holders of its shares or otherwise, and one or more of its operating subsidiaries is restricted from making such distributions under the terms of its financing or other agreements or applicable law and regulations or is otherwise unable to provide such funds, it could materially adversely affect the Company's liquidity and financial condition and limit its ability to pay dividends to shareholders. The Company's project-level financing agreements generally prohibit distributions to Atlantica unless certain specific conditions are met, including the satisfaction of financial ratios.

The ability of Atlantica's operating subsidiaries to make distributions could also be limited by legal, regulatory or other restrictions or limitations applicable in the various jurisdictions in which Atlantica operates, such as exchange controls or similar matters or corporate law limitations. Atlantica's ability to pay dividends on its shares is also limited by restrictions under the Revolving Credit Facility, the 2020 Green Private Placement, the Note Issuance Facility 2020 and the Green Senior Notes.

Atlantica´s cash available for distribution will likely fluctuate from quarter to quarter, in some cases significantly, due to seasonality. As a result, the Company may reduce the amount of cash Atlantica distributes in a particular quarter to establish reserves to fund distributions to shareholders in future periods. If Atlantica fails to establish sufficient reserves, it may not be able to maintain its quarterly dividend with a respect to a quarter adversely affected by seasonality.

Dividends to holders of the Company's shares will be paid at the discretion of Atlantica's Board of Directors. The Company's Board of Directors may decrease the level of or entirely discontinue payment of dividends. The Company's Board of Directors may change its dividend policy at any point in time or modify the dividend for specific quarters following prevailing conditions.

Future sales of Atlantica´s shares by Algonquin or its lenders or by other substantial shareholders may cause the price of its shares to fall.

The market price of Atlantica's shares could decline as a result of future sales by Algonquin of its shares in the market, or the perception that these sales could occur. Algonquin is the beneficial owner of approximately 42.2% of the Company's ordinary shares. On November 28, 2018, Liberty GES obtained a secured credit facility in the amount of $306,500,000. Such loan is collateralized through a pledge of most of the Atlantica shares held by a company owned by Algonquin. A collateral shortfall would occur if the quotient of the net obligations, divided by the aggregate collateral share value, greater than or equal 50% of the share closing price of the Atlantica shares in which case the lenders would have the right to sell Atlantica shares to eliminate the collateral shortfall.

If Liberty GES defaulted on any of these financing arrangements, its lenders may foreclose on the shares and sell the shares in the market.

Future sales of substantial amounts of the shares and/or equity-related securities in the public market, or the anticipation or the perception by the market that such sales could occur, could adversely affect prevailing trading prices of the shares and could impair Alantica´s ability to raise capital through future offerings of equity or equity-related securities.

As a "foreign private issuer" in the United States, Atlantica is exempt from certain rules under the US securities laws and is permitted to file less information with the SEC than US companies.

As a "foreign private issuer," Atlantica is exempt from certain rules under the US Securities Exchange Act ("**Exchange Act**[24]") that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, the Company's officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of its shares. Moreover, Atlantica is not required to file periodic reports and financial statements with the US Securities and Exchange Commission ("**SEC**") as frequently or as promptly as US companies whose securities are registered under the Exchange Act. In addition, Atlantica is not required to comply with Regulation Fair Disclosure (FD), which restricts the selective disclosure of material information.

If Atlantica were to lose its "foreign private issuer" status, Atlantica would no longer be exempt from certain provisions of the US securities laws the Company would be required to commence reporting on forms required of US companies, and the Company could incur increased compliance and other costs, among other consequences.

[24] References to "Exchange Act" refer to the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the SEC thereunder.

The rights of Atlantica´s shareholders may differ from the rights typically offered to shareholders of a US corporation organized in Delaware.

Atlantica is incorporated under the laws of England and Wales. The rights of holders of its shares are governed by the laws of England and Wales, including the provisions of the UK Companies Act 2006, and by its articles of association. These rights differ in certain respects from the rights of shareholders in typical US corporations organized in Delaware.

There are limitations on enforceability of civil liabilities against the Company.

Atlantica is incorporated under the laws of England and Wales. A majority of its officers and directors reside outside the United States. In addition, a significant portion of Atlantica's assets and a significant portion of the assets of its directors and officers are located outside the United States. As a result, it may be difficult or impossible to effect service of within the United States upon Atlantica or such officers and directors, with respect to matters arising under US federal securities law, or to force them to appear in a US court. It may also be difficult or impossible to enforce a judgment of a US court against persons outside the United States, predicated upon civil liability provisions under US federal securities law, or to enforce a judgment of a foreign court against such persons in the United States. The Company believes that there may be doubt as to the enforceability against persons in England and Wales and in Spain, whether in original actions or in actions for the enforcement of judgments of US courts, of civil liabilities predicated solely upon the laws of the United States, including its federal securities laws. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales or in Spain.

Shareholders in certain jurisdictions may not be able to exercise their pre-emptive rights if Atlantica increases its share capital.

Under Atlantica´s articles of association, holders of its shares generally have the right to subscribe and pay for a sufficient number of the Company's shares to maintain their relative ownership percentages prior to the issuance of any new shares in exchange for cash consideration. Holders of shares in certain jurisdictions may not be able to exercise their pre-emptive rights unless securities laws have been complied with in such jurisdictions with respect to such rights and the related shares, or an exemption from the requirements of the securities laws of these jurisdictions is available. To the extent that such shareholders are not able to exercise their pre-emptive rights, the pre-emptive rights would lapse, and the proportional interests of such holders would be reduced.

In addition, under the Shareholders Agreement, Algonquin may subscribe to capital increases in cash for (i) up to 100.0% of Atlantica's ordinary shares if the purpose of the issuance is to fund the Company's acquisition of assets under Algonquin or the Liberty GES ROFO Agreement. If Atlantica issues ordinary shares for any other purpose, Algonquin may subscribe in cash for the Company's ordinary shares in a pro rata amount of such Algonquin's holding in Atlantica. The Shareholders Agreement may be terminated or modified in the future. In any case, Algonquin has the right but not the obligation to subscribe for Atlantica's shares.

Provisions in the UK City Code on Takeovers and Mergers may have anti-takeover effects that could discourage an acquisition of Atlantica by others, even if an acquisition would be beneficial to the Company's shareholders.

The UK City Code on Takeovers and Mergers, or the Takeover Code, applies, among other things, to an offer for a public company whose registered office is in the UK and whose securities are not admitted to trading on a regulated market in the UK if the company is considered by the Panel on Takeovers and Mergers, or the Takeover Panel, to have its place of central management and control in the UK. This is known as the "residency test." The test for central management and control under the Takeover Code is different from that used by the UK tax authorities. Under the Takeover Code, the Takeover Panel will determine whether Atlantica has its place of central management and control in the United Kingdom by looking at various factors, including the structure of its Board of Directors, the functions of the directors and where they are resident.

If at the time of a takeover offer the Takeover Panel determines that Atlantica has its place of central management and control in the UK, the Company would be subject to a number of rules and restrictions, including but not limited to the following: (1) the Company's ability to enter into deal protection arrangements with a bidder would be extremely limited; (2) Atlantica may not, without the approval of its shareholders, be able to perform certain actions that could have the effect of frustrating an offer, such as issuing shares or carrying out acquisitions or disposals; and (3) Atlantica would be obliged to provide equality of information to all bona fide competing bidders.

1.9. Risks Related to Taxation

Changes in Atlantica´s tax position can significantly affect its reported earnings and cash flows.

Atlantica has assets in different jurisdictions, which are subject to different tax regimes. Changes in tax regimes could adversely affect Atlantica's assets. Limitations on the deductibility of interest expense could adversely affect the Company's ability to deduct the interest Atlantica pays on its debt. These and other potential changes in tax laws and regulations could have a material adverse effect on Atlantica's results and cash flows. In addition, a reduction in corporate tax rates could make investments in renewable projects less attractive to potential tax equity investors, in which case the Company may not be able to obtain third-party financing on terms as beneficial as in the past, or at all, which could limit its ability to grow its business.

Changes in corporate tax rates and/or other relevant tax laws in the United Kingdom, the United States, Spain, Mexico or the other countries in which Atlantica´s assets are located may have a material impact on its future tax rate and/or its required tax payments. Such changes may include measures enacted in response to the ongoing initiatives in relation to fiscal legislation at an international level, such as the Action Plan on Base Erosion and Profit Shifting of the Organization for Economic Co-operation and Development ("OECD"). The final determination of Atlantica´s tax liability could be different from the forecasted amount, which may have a material adverse effect on its business, financial condition, results of operations and cash flows. Changes to the UK controlled foreign company rules or adverse interpretations of them, could have an impact on Atlantica´s future tax rate and/or its required tax payments. With respect to some of the Company´s projects, Atlantica must meet defined requirements to apply favorable tax treatment, such as lower tax rates or exemptions. The Company intends to meet these requirements in order to benefit from the favorable tax treatment; however, there can be no assurance that Atlantica will be able to comply with all of the necessary requirements in the future, or the requirements could change or be interpreted in another manner, which could give rise to a greater tax liability and which may have a material adverse effect on its business, results of operations, financial condition and cash flows.

In addition, the governments of some countries where the Company operates, including the US, Spain, Chile, Peru and South Africa, could implement changes to their tax laws and regulations, the content of which are largely unknown currently. These potential changes to applicable tax laws and regulations could have a negative impact on the Company's financial condition, results of operations and cash flows. Furthermore, tax laws and regulations are subject to interpretation. Atlantica's tax returns in each country are subject to inspection and even if the Company believes that it is complying with all tax law regulations in each country, a tax inspector could have a different view, which may result in additional tax liabilities and may have a negative impact on the Company's financial condition, results of operations and cash flows.

In addition, as of 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 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. A framework for the coordinated implementation of the minimum tax is expected to be developed over 2022. Although this initiative is still subject to further developments in the countries where

Atlantica operates, if implemented, it may have a negative impact on Atlantica's financial condition, results of operations and cash flows.

Atlantica´s future tax liability may be greater than expected if Atlantica does not use sufficient NOLs to offset its taxable income.

Atlantica has Net Operating Losses ("**NOLs**") that it can use to offset future taxable income. Based on Atlantica´s 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, Atlantica does not expect to pay significant taxes in the upcoming years.

Although Atlantica expects 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, such as the Internal Revenue Service ("**IRS**") or Her Majesty's Revenue and Customs among others, by way of a tax audit or otherwise, or are subject to future limitations as discussed below, Atlantica´s ability to realize these benefits may be limited. A reduction in Atlantica´s expected NOLs, a limitation on its ability to use such NOLs or the occurrence of future tax audits may result in a material increase in its estimated future income tax liability and may have a material adverse effect on its business, financial condition, results of operations and cash flows.

Atlantica´s ability to use US NOLs to offset future income may be limited.

Atlantica has generated significant NOLs. For purposes of US federal income taxation, NOLs generated on or before December 31, 2017 can generally be carried back two years and carried forward for up to twenty years and can be applied to offset 100% of taxable income in such years. As a result of the US Coronavirus, Aid, Relief and Economic Security Act ("**CARES Act**"), NOLs incurred between January 1, 2018 and December 31, 2020 may be carried forward indefinitely and carried back five years. Losses arising after December 31, 2020, cannot be carried back and are subject to limitations on their deductibility that may prevent Atlantica from using the NOLs to offset all taxable income in future years.

Atlantica's NOL carryforwards and certain recognized built-in losses may be limited by Section 382 of the IRC if Atlantica experiences an "ownership change". In general, an "ownership change" occurs if 5% shareholders of Atlantica's stock increase their collective ownership of the aggregate amount of the outstanding shares of Atlantica by more than 50 percentage points, generally over a three-year testing period. In the event of an ownership change, NOLs that exceed the Section 382 limitation in any year will continue to be allowed as carryforwards for the remainder of the carryforward period and will be available to offset taxable income for years within the carryforward period subject to the Section 382 limitation in each year. Nevertheless, if the carryforward period for any NOL were to expire before that loss had been fully utilized, the unused portion of that loss would be lost. Atlantica's use of new NOLs arising after the date of an ownership change would not be affected by the Section 382 limitation (unless there were another ownership change after those new losses arose).

Atlantica has experienced ownership changes in the past. Future sales by the Company's largest shareholder, future equity issuances and in general the activity of its direct or indirect shareholders may limit further its ability to use net operating loss carryforwards in the United States, which could have a potential adverse effect on cash flows from US assets expected in the future. In 2019, the IRS recently issued proposed regulations concerning the calculation of built-in gains and losses under Section 382. If the proposed regulations are enacted and depending on its final outcome, these proposed regulations may significantly limit Atlantica's annual use of pre-ownership change US NOLs in the event a new ownership change occurs after the new rule is in place.

In addition, because Atlantica has recorded tax credits for the US tax losses carryforwards in the past, a limit to its ability to use US NOLs could result in writing off tax credits, which could cause a substantial non-cash income tax expense in the Company's financial statements.

If Atlantica is a passive foreign investment company for US federal income tax purposes for any taxable year,

***US Holders of its shares could be subject to adverse US federal income tax consequences*.**

If Atlantica were a Passive foreign investment company ("**PFIC**") for any taxable year during which a US Holder held its shares, certain adverse US federal income tax consequences may apply to the US Holder. Atlantica does not believe that it was a PFIC for its 2021 taxable year and does not expect to be a PFIC for US federal income tax purposes for the current taxable year or in the foreseeable future. The application of the PFIC rules is, however, subject to uncertainty in several respects, and Atlantica must make a separate determination after the close of each taxable year as to whether Atlantica was a PFIC for such year. PFIC status depends on the composition of a company's income and assets and the fair market value of its assets (including certain equity investments) from time to time, as well as on the application of complex statutory and regulatory rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that Atlantica will not be considered a PFIC for any taxable year.

If Atlantica were a PFIC, US Holders of its shares may be subject to adverse US federal income tax consequences, such as taxation at the highest marginal ordinary income tax rates on capital gains and on certain actual or deemed distributions, interest charges on certain taxes treated as deferred, and additional reporting requirements.

1.10. Other Risks

Atlantica may not satisfy the standards of its existing or future ESG certifications or those of investors or regulators for assets with sustainability characteristics.

There can be no assurance of the extent to which Atlantica will be successful in satisfying the requirements or standards of its existing or future ESG certifications or those of investors or regulators for assets with sustainability characteristics. In addition, there is no assurance that any future investments Atlantica makes will meet investor expectations or any standards for investment in assets with sustainability characteristics, or standards regarding sustainability performance, in particular with regard to any direct or indirect environmental, sustainability or social impact. Failure to maintain any existing or future ESG certification or those of investors or regulators for assets with sustainability characteristics may adversely affect Atlantica's business, financial condition, results of operations and prospects.

Further, adverse environmental, regulatory, political or social changes may occur during the design, construction and operation of any action Atlantica may take in furtherance of its sustainability goals, making it less likely, more expensive or impracticable for Atlantica to achieve such goals, or such actions may become controversial or criticized by activist groups or other stakeholders.

1.11 Risks Related to the Notes

Despite Atlantica's current level of indebtedness, Atlantica may still be able to incur substantially more debt in the future, which may make it difficult for Atlantica to service its debt, including the notes, and impair its ability to operate its businesses.

Atlantica may incur substantial additional debt in the future, including secured debt. Borrowings under other debt instruments that contain cross acceleration or cross default provisions may as a result be accelerated and become due and payable. If Atlantica incurs any additional indebtedness that ranks equally with the Notes, the holders of that debt will be entitled to share rateably in any proceeds distributed in connection with Atlantica's insolvency, liquidation, reorganization, dissolution or other winding-up. Atlantica may be unable to pay in full the Notes and this indebtedness in such circumstances. The incurrence of additional debt would increase the leverage related risks described in this DBI.

The Notes may not be a suitable investment for all investors.

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this DBI;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- understand thoroughly the terms of the Notes and be familiar with the behavior of financial markets in which they participate; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes will be effectively subordinated to any of Atlantica's secured indebtedness. The Notes are Atlantica's unsecured obligations, respectively. As of September 30, 2022, the Issuer had certain secured indebtedness outstanding totalling approximately $282.1 million, consisting in its Revolving Credit Facility and 2020 Green Private Placement. As of September 30, 2022, Atlantica had no borrowings of secured indebtedness outstanding under the Revolving Credit Facility and Atlantica had $10 million in letters of credit outstanding under this facility. Thus, the Issuer had approximately $440 million available under its Revolving Credit Facility as of September 30, 2022. To the extent that Atlantica or were to secure any of its indebtedness, its obligation, in respect of the Notes would be effectively subordinated to such secured indebtedness to the extent of the value of the security securing such indebtedness.

The claims of holders of the Notes are structurally subordinated to the indebtedness of the Issuer's non-guarantor subsidiaries and to the claims of creditors of Non-Recourse Financing.

Atlantica's operations are principally conducted through subsidiaries. Accordingly, Atlantica is and will be dependent on its subsidiaries' operations to service its payment obligations in respect of the Notes. The Notes are structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Issuer's subsidiaries and structurally and/or effectively subordinated to the extent of the value of collateral to all its and its subsidiaries' secured creditors. In the event of an insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up of the business of any of Atlantica's subsidiaries, creditors of such subsidiaries, secured creditors and obligations that may be preferred by provisions of law that are mandatory and of general application generally will have the right to be paid in full before any distribution is made to the Issuer.

In addition, the claims of holders of the Notes are structurally subordinated to claims made by creditors of non-recourse debt. As of September 30, 2022, Atlantica had outstanding non-recourse debt of $4,621.9 million. The Issuer's consolidated annual accounts include, as assets, its equity interests in entities which have raised non-recourse financing and security over these equity interests is usually granted in favor of the relevant creditors. If these creditors were to enforce this security, Atlantica's assets would be depleted by the value attributable to such equity interests and the Issuer would no longer be entitled to the revenue generated by such assets.

The Issuer's ability to pay amounts due on the Notes will depend on dividends and other payments received from its subsidiaries and its subsidiaries need to fulfill several covenants in order to distribute cash to Atlantica.

Atlantica is a holding company and conduct its operations through, and derive its revenue principally from, its subsidiaries. Atlantica's ability to make payments on its indebtedness and its other obligations is dependent not only on the ability of Atlantica's subsidiaries and joint ventures to generate cash, but also on the ability of its subsidiaries and joint ventures to distribute cash to the Company in the form of dividends, fees, interest, loans or otherwise, which may be subject to contractual or legal restrictions.

Many of Atlantica's subsidiaries are obliged, pursuant to financing agreements, to satisfy certain restricted payment covenants or other conditions before they may make distributions to us. In addition, the payment of dividends or the making of loans, advances or other payments to us may be subject to other contractual, legal or regulatory restrictions. Business performance and local accounting and tax rules may limit the amount of retained earnings that may be distributed to us as a dividend. Any right that Atlantica has to receive any assets of any of Atlantica's subsidiaries and joint ventures upon any liquidation, dissolution, winding-up, receivership, reorganization, bankruptcy, insolvency or similar proceedings will be effectively subordinated to the claims of any such subsidiary's or joint venture's creditors (including trade creditors and holders of debt issued by such subsidiary, joint venture or associate).]

There is no existing active trading market for the Notes and the ability to transfer them is limited, which may adversely affect the value of the Notes.

There is no existing trading market for the Notes and there can be no assurance that a trading market for the Notes will develop. The Issuer cannot predict the extent to which investor interest in the Company will lead to the development of an active trading market or how liquid that trading market might become. The market price of the Issuer's Notes may be influenced by many factors, some of which are beyond its control, including but not limited to (i) general economic conditions, including solar panel and raw materials prices; (ii) changes in demand, the supply or pricing of the Company's products and services; (iii) the activities of competitors; (iv) the Company's quarterly or annual earnings or those of its competitors; (v) investors' perceptions of the Company and its industry; (vi) the public's reaction to the Company's press releases or its other public announcements; and (vii) future sales of notes.

As a result of these factors, investors may not be able to resell its Notes at or above the initial Issuing Price. In addition, securities trading markets experience extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Company's Notes, regardless of its operating performance. If an active trading market does not develop, investors may have difficulty selling any Note that they buy.

Credit risk

The Notes are guaranteed by the Issuer's total net worth. The credit risk arises from the potential inability of the counterparty to comply with its obligations and involves the possible loss that a full or a partial breach of these obligations could cause.

The market price of the Notes may be volatile

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes as well as other factors. In addition, in recent years and particularly during 2020, the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer's financial condition, results of operations or cash flows.

The Issue Price may be greater than the market value of the Notes

The Issue Price specified in the relevant Complementary Certificates (*certificaciones complementarias*) may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which the correspondent Placement Entity or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, whilst the proprietary pricing models of the correspondent Placement Entity is often based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

Additionally, the market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer's operating results, financial condition or prospects.

The Notes will not be rated

The Notes will not be rated. To the extent that any credit rating agencies assign credit ratings to the Notes, such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

Clearing and settlement

The Notes will be registered with Iberclear in book-entry form. Consequently, no physical Notes will be issued. Clearing and settlement relating to the Notes, as well as redemption or adjustment of principal amounts, will be performed within Iberclear's account-based system. Holders are therefore dependent on the functionality of Iberclear's account-based system.

Title to the Notes will be evidenced by book entries (*anotaciones en cuenta*), and each person shown in the Spanish Central Registry (*Registro Central*) managed by Iberclear and in the registries maintained by the Iberclear members as being a holder of the Notes shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Notes recorded therein.

The Issuer will discharge its payment obligation by making payments through Iberclear. Holders must rely on the procedures of Iberclear and the Iberclear members to receive payments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, holders of the Notes according to book entries and registries as described above.

Exchange rate risks and exchange controls for investors

The Notes will be denominated in Euros. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency other than the euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to the euro would decrease (i) the investor's currency equivalent yield on the Notes; (ii) the investor's currency equivalent value of the amount payable on the Notes; and (iii) the investor's currency equivalent market value of the Notes.

Government and monetary authorities in some countries may impose, as some have done in the past, exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less amounts than expected.

2. DESCRIPTION OF THE ISSUER

The full name of the Issuer is Atlantica Sustainable Infrastructure plc, originally incorporated in England and Wales as a private limited company on December 17, 2013 under the name Abengoa Yield Limited. On March 19, 2014, the Company was re-registered as a public limited company, under the name Abengoa Yield plc. On May 13, 2016, the change of the Company's registered name to Atlantica Yield plc was filed with the Registrar of Companies in the United Kingdom. Moreover, on May 7, 2020, the change of the Company's registered name to Atlantica Sustainable Infrastructure plc was filed with the Registrar of Companies in the United Kingdom. The Company is registered with the Companies House under number 8818211. The unique taxpayer reference of the Issuer is 1692810323 and its Legal Entity Identifier (LEI) is 549300ITBBGKJ651R879.

The Issuer's registered office is located at Great West House, GW1, 17th floor, Great West Road, Brentford TW8 9DF, United Kingdom.

Additional information can be found on Atlantica's annual report filed with the SEC and on the Company's website.

The Issuer's annual report can be found in

https://www.sec.gov/Archives/edgar/data/1601072/000114036122010798/brhc10035548_20fa.htm

The Issuer's website is www.atlantica.com.

3. FULL NAME OF THE NOTES

The Notes to be issued under the so called "*Commercial Paper Program 2022*" are commercial paper (*pagarés*) as construed under Spanish law.

4. PERSONS RESPONSIBLE

Mr. Francisco Martinez-Davis, acting on behalf of and representing Atlantica, in his capacity as authorized person and acting under a special authorization granted by the Board of Directors of Atlantica on 21 September, 2021, is responsible for the entire content of this Information Memorandum (*documento base informativo de incorporación*).

Mr. Francisco Martinez-Davis hereby declares that the information contained in this Information Memorandum is, to the best of his knowledge and after executing the reasonable diligence to ensure that it is as stated, compliant with the facts and does not omit any relevant fact likely to affect the content of this Information Memorandum.

5. DUTIES OF THE COMPANY'S REGISTERED ADVISOR ON THE MARF

Atlantica has appointed VGM Advisory Partners, S.L.U. ("**VGM**" or the "**Registered Advisor**") as the Company's registered advisor (*asesor registrado*) in the MARF. The Registered Advisor is domiciled in Madrid, Spain, with registered office at Calle de Serrano 68, 2º Dcha., 28001 Madrid, and its tax identification number (*número de identificación fiscal*) is B-86790110. VGM is registered with the Commercial Registry of Madrid (*Registro Mercantil de Madrid*); and the MARF in its registry of registered advisors (*Registro de Asesores Registrados del Mercado*) pursuant to the Operative Instruction 4/2014 of 17 February (*Instrucción Operativa 4/2014, de 17 de febrero*), in accordance with section 2 of the Circular 3/2013, of 18 July, on Registered Advisors on the Alternative Fixed-Income Market (*Circular 3/2013, de 18 de julio, sobre asesores registrados del Mercado Alternativo de Renta Fija).*

The Issuer shall have, at all times as long as there are outstanding Notes, a designated registered advisor registered with the MARF. The Registered Advisor undertakes to collaborate with the Issuer in complying with the obligations related to the listing of the Notes on the MARF, acting as specialist liaison between both the MARF and the Issuer for the purposes of obtaining the listing of the Notes and enabling the performance by the Issuer in the trading of the Notes. Therefore, VGM shall provide the MARF with any periodically information as may be required and the MARF, in turn, may request from VGM any information it may deem necessary regarding the actions to be carried out and its corresponding obligations, being authorized to perform as many actions as necessary, where appropriate, in order to verify the information provided.

VGM shall assist the Issuer in relation to (i) the admission to trading of the Notes; (ii) its compliance with the obligations and duties of the Issuer before the MARF; (iii) the preparation and presentation of financial and business information required by the MARF's regulations; and (iv) the review of any such information to ensure it complies with the applicable regulatory requirements.

With respect to the request for the admission to trading of the Notes on the MARF, VGM has:

(i) verified that the Issuer complies with the requirements of the MARF's regulations for the admission to trading of the Notes; and

(ii) assisted the Issuer in the preparation of the Information Memorandum, reviewed all the information provided by the Issuer to the MARF in connection with the request for the admission (*incorporación*) to trading of the Notes on the MARF and checked that the information provided complies with the requirements of applicable regulations and there is no omission of any relevant information that could lead to confusion among prospective investors.

Once the Notes are admitted to trading, the Registered Advisor shall:

(i) review the information that the Issuer prepares periodically for the MARF or on a one-off basis and verify that this information meets the content and deadlines requirements set out in the regulations;

(ii) advise the Issuer on any events that might affect compliance with the obligations undertaken when listing the Notes to trading on the MARF, and on the best manner of treating such events to avoid any breach of said obligations;

(iii) inform the MARF of any facts that may constitute a breach by the Issuer of its obligations in the event that it appreciates a potential material breach by the Issuer that had not been rectified following its advice; and

(iv) manage, deal with and answer any query and request for information from the MARF regarding the situation of the Issuer, progress of its activity, level of compliance with its obligations and any other data the MARF may deem relevant.

For the above purposes, the Registered Advisor shall perform the following actions:

(i) maintain regular and necessary contact with the Issuer and analyze any exceptional situations that may arise concerning the evolution of the price, trading volumes and other relevant circumstances regarding trading of the Notes;

(ii) sign any declarations which, in general, have been set out in the regulations as a consequence of the admission to trading of the Notes on the MARF, as well as with regard to the information required from companies with Notes listed on the MARF; and

(iii) forward to the MARF without delay any communication received from the Issuer in response to any queries and requests for information by the MARF.

6. MAXIMUM OUTSTANDING AMOUNT

The total maximum outstanding nominal amount of the Program is FIFTY MILLION EUROS (€ 50,000,000) at any time.

7. DESCRIPTION OF THE TYPE AND CLASS OF NOTES. NOMINAL VALUE

The Notes are securities (*pagarés*) issued at a discount from their nominal value, represent a debt for the Issuer and will be paid at their nominal value on maturity. Each issuance of Notes with the same terms and conditions, such as maturity date, among others, will be registered with the same (International Securities Identification Number ("ISIN") code.

Each Note will have a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) and therefore the maximum number of outstanding Notes will not exceed FIVE HUNDRED (500) at any time.

8. GOVERNING LAW OF THE NOTES

The Notes will be governed by the laws of Spain, in particular, by the Spanish Securities Market Act and related regulations.

The courts of the city of Madrid have exclusive jurisdiction to settle any disputes arising from or in connection with the Notes (including disputes regarding any non-contractual obligation arising from or in connection with the Notes).

9. REPRESENTATION OF THE NOTES THROUGH BOOK ENTRIES

The Notes to be issued under the Program will be represented in book-entry form (*anotaciones en cuenta*) and will be registered with Iberclear as managing entity of the Spanish Central Registry (*Registro Central*), together with its member entities (*entidades participantes*).

Iberclear, with registered office in Madrid, Plaza de la Lealtad, 1, will be in charge of the accounting records together with its participating entities, pursuant to the provisions of article 8.3 of the Spanish Securities Market Act and Royal Decree 878/2015 of 2 October, on the clearing, settlement and registration of marketable securities represented by book entry forms (*anotaciones en cuenta*), on the legal regime governing central securities depositories and central counterparties and on transparency requirements of issuers of securities admitted to trading on an official secondary market (*Real Decreto 878/2015, de 2 de octubre, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*), as amended by Royal Decree 827/2017 of September 1 and Royal Decree 1464/2 of 21 December, by which the Royal Decree 878/2015 of October 2 is modified.

10. DENOMINATION OF THE NOTES

The Notes will be denominated in euros.

11. STATUS OF THE NOTES

The Notes shall constitute direct, unconditional, and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

12. DESCRIPTION OF THE RIGHTS RELATED TO THE NOTES AND THE PROCEDURE TO EXERCISE SUCH RIGHTS. METHOD AND TERM FOR PAYMENT AND DELIVERY OF THE NOTES.

Pursuant to Spanish law, the holders of the Notes will not have any present and/or future political rights over the Issuer. The economic and financial rights of the Notes will derive from the particular terms and conditions, such as interest rate (discount rate) and redemption amount, among others.

The date of payment of the Notes will be the same as the date of issuance, and the issue price of the Notes will be paid to the Issuer by the Paying Agent (as defined in section 15 below) into the account specified by the Issuer on the corresponding date of issuance.

In all cases the correspondent Placement Entity will issue a nominative and non-negotiable certificate of acquisition of the Notes. This certificate will provisionally credit the subscription of the Notes until the appropriate book entry is practiced, which will grant holders the right to request the relevant certificate (*certificado de legitimación*). The Issuer will notify the payment of the Notes to the MARF and Iberclear through the relevant certificate.

13. TERM OF THE PROGRAM AND NOTES ISSUANCE

The term of the Program is of ONE (1) year from the registration date (*fecha de incorporación*) of the Information Memorandum in the MARF.

The Notes may be issued, subscribed and admitted (*incorporados*) on any day during the one-year term of the Program. However, the Issuer reserves the right to not issue any new securities as it deems appropriate.

The issue date and disbursement date of the Notes will appear in the complementary certificates (*certificaciones complementarias*) corresponding to each issue. The date of issue, disbursement and admission of the Notes may not be subsequent to the expiry date of this Information Memorandum.

14. NOMINAL INTEREST RATE. INDICATION OF THE YIELD AND CALCULATION METHOD

The Notes will be issued at the interest rate (discount rate) agreed between the Issuer and the correspondent Placement Entity or the investors, as applicable. The yield of the Notes is implicit as the Notes will be issued at a discount from their nominal value to be paid at maturity date. As the Notes are securities issued at a discount with an implicit yield, the effective payment amount to be paid by the subscriber of the Notes on the issuance date will vary depending on the agreed interest rate (discount rate) and maturity of the Notes.

Therefore, the effective payment amount for each Note may be calculated through the following formulas:

- Where the Note is issued for a term of 365 days or less:

$$E = \frac{N}{1 + i\frac{d}{365}}$$

- Where the issue term exceeds 365 days:

$$E = \frac{N}{(1 + i)^{\frac{d}{365}}}$$

Where:

N = nominal value of the Note.

E = effective payment amount of the Note.

d = number of days until maturity.

i = nominal interest rate expressed as a decimal.

The tables included below purport to help investors by specifying the effective values for different interest rates and maturities, including also a column showing the variation of the effective value of the Notes when increasing by TEN (10) days its maturity.

EFFECTIVE VALUE OF € 100,000 NOTIONAL NOTE

(Less than one-year term)

	7 DAYS			14 DAYS			30 DAYS			60 DAYS		
Nominal rate (%)	**Subscription Price (euros)**	**IRR/AER (%)**	**+10 days (euros)**	**Subscription Price (euros)**	**IRR/AER (%)**	**+10 days (euros)**	**Subscription Price (euros)**	**IRR/AER (%)**	**+10 days (euros)**	**Subscription Price (euros)**	**IRR/AER (%)**	**+10 days (euros)**
0.25	99,995.21	0.25	-6.85	99,990.41	0.25	-6.85	99,979.46	0.25	-6.85	99,958.92	0.25	-6.84
0.50	99,990.41	0.50	-13.69	99,980.83	0.50	-13.69	99,958.92	0.50	-13.69	99,917.88	0.50	-13.67
0.75	99,985.62	0.75	-20.54	99,971.24	0.75	-20.53	99,938.39	1.62	-20.52	99,876.86	0.75	-20.49
1.00	99,980.83	1.00	-27.38	99,961.66	1.00	-27.37	99,917.88	2.17	-27.34	99,835.89	1.00	-27.30
1.25	99,976.03	1.26	-34.22	99,952.08	1.26	-34.20	99,897.37	2.71	-34.16	99,794.94	1.26	-34.09
1.50	99,971.24	1.51	-41.06	99,942.50	1.51	-41.03	99,876.86	3.26	-40.98	99,754.03	1.51	-40.88
1.75	99,966.45	1.77	-47.89	99,932.92	1.76	-47.86	99,856.37	3.82	-47.78	99,713.15	1.76	-47.65
2.00	99,961.66	2.02	-54.72	99,923.35	2.02	-54.68	99,835.89	4.38	-54.58	99,672.31	2.02	-54.41
2.25	99,956.87	2.28	-61.55	99,913.77	2.27	-61.50	99,815.41	4.93	-61.38	99,631.50	2.27	-61.15
2.50	99,952.08	2.53	-68.38	99,904.20	2.53	-68.32	99,794.94	5.50	-68.17	99,590.72	2.53	-67.89
2.75	99,947.29	2.79	-75.21	99,894.63	2.79	-75.13	99,774.48	6.06	-74.95	99,549.98	2.78	-74.61
3.00	99,942.50	3.04	-82.03	99,885.06	3.04	-81.94	99,754.03	6.63	-81.72	99,509.27	3.04	-81.32
3.25	99,937.71	3.30	-88.85	99,875.50	3.30	-88.74	99,733.59	7.20	-88.49	99,468.59	3.29	-88.02
3.50	99,932.92	3.56	-95.67	99,865.93	3.56	-95.54	99,713.15	7.78	-95.25	99,427.95	3.55	-94.71
3.75	99,928.13	3.82	-102.49	99,856.37	3.82	-102.34	99,692.73	8.35	-102.00	99,387.34	3.81	-101.38
4.00	99,923,35	4.08	-109.30	99,846.81	4.08	-109.13	99,672.31	8.93	-108.75	99,346.76	4.07	-108.04
4.25	99,918,56	4.34	-116.11	99,837.25	4.34	-115.92	99,651.90	9.52	-115.50	99,306.22	4.33	-114.70
4.50	99,913,77	4.60	-122.92	99,827.69	4.60	-122.71	99,631.50	10.10	-122.23	99,265.71	4.59	-121.34

EFFECTIVE VALUE OF € 100,000 NOTIONAL NOTE

	(Less than one-year term)						(Equal to one-year term)			(More than one-year term)		
	90 DAYS			180 DAYS			365 DAYS			730 DAYS		
Nominal rate (%)	Subscription Price (euros)	IRR/AER (%)	+10 days (euros)	Subscription Price (euros)	IRR/AER (%)	+10 days (euros)	Subscription Price (euros)	IRR/AER (%)	+10 days (euros)	Subscription Price (euros)	IRR/AER (%)	+10 days (euros)
0.25	99,938.39	0.25	-6.84	99,876.86	0.25	-6.83	99,750.62	0.25	-6.81	99,501.87	0.25	-6.81
0.50	99,876.86	0.50	-13.66	99,754.03	0.50	-13.63	99,502.49	0.50	-13.56	99,007.45	0.50	-13.53
0.75	99,815.41	0.75	-20.47	99,631.50	0.75	-20.39	99,255.58	0.75	-20.24	98,516.71	0.75	-20.17
1.00	99,754.03	1.00	-27.26	99,509.27	1.00	-27.12	99,009.90	1.00	-26.85	98,029.60	1.00	-26.72
1.25	99,692.73	1.26	-34.02	99,387.34	1.25	-33.82	98,765.43	1.25	-33.39	97,546.11	1.25	-33.19
1.50	99,631.50	1.51	-40.78	99,265.71	1.51	-40.48	98,522.17	1.50	-39.87	97,066.17	1.50	-39.59
1.75	99,570.35	1.76	-47.51	99,144.37	1.76	-47.11	98,280.10	1.75	-46.29	96,589.78	1.75	-45.90
2.00	99,509.27	2.02	-54.23	99,023.33	2.01	-53.70	98,039.22	2.00	-52.64	96,116.88	2.00	-52.13
2.25	99,448.27	2.27	-60.93	98,902.59	2.26	-60.26	97,799.51	2.25	-58.93	95,647.44	2.25	-58.29
2.50	99,387.34	2.52	-67.61	98,782.14	2.52	-66.79	97,560.98	2.50	-65.15	95,181.44	2.50	-64.37
2.75	99,326.48	2.78	-74.28	98,661.98	2.77	-73.29	97,323.60	2.75	-71.31	94,718.83	2.75	-70.37
3.00	99,265.71	3.03	-80.92	98,542.12	3.02	-79.75	97,087.38	3.00	-77.41	94,259.59	3.00	-76.30
3.25	99,205.00	3.29	-87.55	98,422.54	3.28	-86.18	96,852.30	3.25	-83.45	93,803.68	3.25	-82.16
3.50	99,144.37	3.55	-94.17	98,303.26	3.53	-92.58	96,618.36	3.50	-89.43	93,351.07	3.50	-87.94
3.75	99,083.81	3.80	-100.76	98,184.26	3.79	-98.94	96,385.54	3.75	-95.35	92,901.73	3.75	-93.65
4.00	99,023.33	4.06	-107.34	98,065.56	4.04	-105.28	96,153.85	4.00	-101.21	92,455.62	4.00	-99.29
4.25	98,962.92	4.32	-113.90	97,947.14	4.30	-111.58	95,923.26	4.25	-107.02	92,012.72	4.25	-104.86
4.50	98,902.59	4.58	-120.45	97,829.00	4.55	-117.85	95,693.78	4.50	-112.77	91,573.00	4.50	-110.37

Given the various types of issues that will be applied throughout the Program, it is not possible to predetermine the internal rate of return (IRR) for the investor. In any case, it will be determined in accordance with the formula detailed below for Notes with a term of up to 365 days:

$$IRR = \left[\left(\frac{N}{E}\right)^{\frac{365}{d}} - 1\right]$$

Whereby:

IRR = effective annual interest rate expressed as a decimal.

N = nominal value of the Note.

E = effective payment amount at the subscription or acquisition date.

d = number of calendar days between the date of issue (inclusive) and the date of maturity (exclusive).

For Notes with a term of more than 365 days, the IRR will be the equivalent to the annual interest of the Notes described in this section.

15. PAYING AGENT AND DEPOSITORY ENTITIES

The paying entity in connection with the Notes will be Bankinter, S.A. (the "**Paying Agent**"). The tax identification number of the Paying Agent is A-28157360 and its registered office is located at Paseo de la Castellana, 29, 28046, Madrid.

The Issuer has not designated any depository entity in connection with the Notes. Each subscriber of the Notes will designate a depositary entity among any of the member entities (*entidades participantes*) of Iberclear.

16. REDEMPTION AMOUNT AND PROVISIONS REGARDING MATURITY OF THE NOTES. DATE AND METHODS OF REDEMPTION.

The Notes issued under the Program will be redeemed at their nominal value.

The Notes issued under the Program may have a redemption period of between 3 Business Days and 730 calendar days. For these purposes "**Business Day**" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto is operating, except from those days that, in spite of being Business Days according to TARGET2, are holidays in the city of Madrid.

The Notes will not include an early redemption option for the Issuer (call) or for the holders of the Notes (put). However, the Issuer may purchase the Notes in the secondary market for their redemption.

Should the reimbursement coincide with a non-Business Day according to the TARGET-2 calendar, as described above, reimbursement will be deferred to the first subsequent Business Day. In such case, there will be no effect on the amount to be paid.

Given that the Notes will be traded in the MARF, their redemption will take place pursuant to the clearance and settlement rules of Iberclear. On the maturity date, the nominal value of the Notes will be paid to holders by the Paying Agent on behalf of the Issuer. The Paying Agent does not take any liability whatsoever before the noteholders regarding the payment by the Issuer of the Notes.

17. VALID TERM TO CLAIM THE NOMINAL VALUE OF THE NOTES

In accordance with article 1,964 of the Spanish Civil Code, claims against the Issuer for the payment of the nominal value of the Notes will be prescribed after 5 years from the date on which such payment becomes due.

18. MINIMUM AND MAXIMUM MATURITY OF THE NOTES

During the term of the Program, the Notes may be issued with a maturity of not less than THREE (3) Business Days nor more than SEVEN HUNDRED AND THIRTY (730) calendar days.

19. EARLY REDEMPTION OF THE NOTES

The Notes will not include an early redemption option for the Issuer (call) or for the noteholders (put). However, the Issuer may purchase the Notes in the secondary market for their redemption.

20. RESTRICTIONS ON THE FREE TRANSFERABILITY OF THE NOTES

Upon issuance, the Notes will have no generic or specific restrictions on their free transferability.

21. TAXATION OF THE NOTES

The following comments relate only to United Kingdom withholding tax and certain information gathering powers of the tax authorities of the United Kingdom. They do not deal with any other aspect of the United Kingdom taxation treatment that may be applicable to holders of the Notes (including, for instance, income tax, capital gains tax and corporation tax). The comments are of a general nature and are based on current United Kingdom law and the current practice of HM Revenue & Customs, which may be subject to change, sometimes with retrospective effect. They relate only to the position of persons who are the absolute beneficial owners of their Notes and all payments made thereon. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective noteholder.

Any prospective noteholders who are in doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and, if so, under the laws of which jurisdictions). In particular, noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

United Kingdom withholding tax

Any payment (or deemed payment) of interest on the Notes may be paid without withholding or deduction for or on account of United Kingdom income tax provided that the Notes are and continue to be admitted to trading on a “multilateral trading facility” (within the meaning of Article 2.1 (14B) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments) operated by a “regulated recognized stock exchange”. It is considered that Notes admitted to trading on the MARF should qualify as being admitted to trading on a “multilateral trading facility” operated by a “regulated recognized stock exchange”, on the basis that the MARF is operated by the operator of *AIAF Mercado de Renta Fija*, which HM Revenue & Customs currently affords the status of a “recognized stock exchange” and which is a regulated market in Spain. In the event the Notes were not admitted to trading on a multilateral trading facility, payments on the Notes characterized as payments of interest for United Kingdom tax purposes could be paid without withholding or deduction for or on account of United Kingdom income tax where the maturity date of the Notes is less than one year from the date of issue, and the Issuer and the holder of the Notes in question do not contemplate that the indebtedness under the Notes will continue, through a succession of subsequent redemptions and subscriptions of further Notes or otherwise, for a period of one year or more, while Notes with a longer maturity could be subject to such withholding or deduction.

In other cases, an amount generally must be withheld from any payment (or deemed payment) of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to such relief as may be available, for example under the provisions of any applicable double taxation treaty, or in certain other circumstances.

If a payment (or deemed payment) of interest on the Notes was paid subject to deduction of United Kingdom income tax, noteholders who are not resident for tax purposes in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer and does not consider the tax consequences of any such substitution.

UK Information Gathering Powers

Noteholders who are individuals may wish to note that any person in the United Kingdom (including any United Kingdom based paying agent) who pays amounts payable on redemption of the Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and other Income) Act 2005 to, or receives such amounts for the benefit of, an individual may also be required by HM Revenue & Customs to provide certain information (which may include the name and address of the beneficial owner of the amount payable on redemption) to HM Revenue & Customs. In addition, HM Revenue & Customs has the power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual. These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the holder of a Note is resident in the United Kingdom for United Kingdom taxation purposes. Any information obtained may, in certain circumstances, be exchanged by HM Revenue & Customs with the tax authorities of the jurisdiction in which the noteholder is resident for tax purposes.

22. PUBLICATION OF THE INFORMATION MEMORANDUM

This Information Memorandum will be published on the website of the MARF (www.bmerf.es).

23. DESCRIPTION OF THE PLACEMENT SYSTEM AND, IF APPLICABLE, SUBSCRIPTION OF THE NOTES

Placement by the Placement Entity

The correspondent Placement Entity will intermediate in the subscription of the Notes by prospective investors.

For these purposes, the Placement Entity may request the Issuer in any Business Day, between 10:00 a.m. and 14:00 p.m. (CET), volume quotations and interest rates for any potential issuances of Notes in order to carry out the corresponding book building process among investors. In addition, the Issuer may request to the Placement Entity in any Business Day, between 10:00 a.m. and 14:00 p.m. (CET), proposals of volume quotations and interest rates for any potential issuances of Notes.

The amount, interest rate, issue and payment date, maturity date, as well as the rest of the terms and conditions of each issuance of Notes will be agreed between the Issuer and the Placement Entity or other Placement Entities, if any.

Issue and subscription of the Notes directly by investors

Final investors may subscribe the Notes directly from the Issuer without the intervention of the Placement Entity. In this case, the amount, interest rate, issue date, payment date, maturity date, as well as the rest of the terms and conditions of each issuance of Notes will be agreed between the Issuer and the relevant final investors in relation to each particular issuance of Notes.

24. COSTS FOR LEGAL, FINANCIAL AND AUDITING SERVICES, AND OTHER SERVICES PROVIDED TO THE ISSUER REGARDING THE PROGRAM AND THE NOTES.

The estimated costs for all legal, financial and other services provided to the Issuer in relation to the Program and the admission to trading of the Notes will amount to a total of € 81,000 approximately excluding taxes and including the fees of the MARF and Iberclear. This estimate assumes the issuance of Notes with a maturity of up to 365 days for an aggregate nominal amount of € 50,000,000.

25. ADMISSION (*INCORPORACIÓN*) TO TRADING OF THE NOTES

Application will be made for the Notes to be listed on the MARF. The Issuer hereby undertakes to carry out all the necessary actions for the Notes to be listed on the MARF within 7 Business Days from the date of issuance of the Notes. For these purposes, the date of issuance of the Notes is the same as the date of payment. The admission to trading of the Notes on the MARF must take place, in any event, within the term of this Information Memorandum and before the maturity date of the Notes. In the event of not meeting such deadline, the reasons for the delay will be notified to the MARF through the publication of a regulatory announcement (*otra información relevante*), regardless of any possible contractual liability that the Issuer may incur.

The MARF is a multilateral trading facility (MTF) (*sistema multilateral de negociación*) established in Spain in accordance with the Real Decreto-ley 21/2017. Therefore, the MARF is not a regulated market in accordance with the provisions of MiFID II.

The MARF will inform of the admission (*incorporación*) to trading of the Notes through its website (www.bmerf.es).

This Information Memorandum has been prepared in compliance with the Circular 2/2018.

Neither the MARF, nor the CNMV, nor the Placement Entities, nor the Registered Advisor has approved or carried out any verification or testing regarding the content of this Information Memorandum or with regard to the content of the documentation and information provided by the Issuer to the MARF in compliance with the Circular 2/2018. The admission on MARF does not represent a statement or recognition of the fullness, comprehensibility and consistency of the documentation and information provided by the Issuer to the MARF in connection with this Information Memorandum.

The Issuer hereby expressly declares that it is aware of the necessary requirements and conditions for the admission, permanence and delisting of the Notes on the MARF, according to the applicable regulations and the requirements of the MARF, and expressly agrees to comply with them.

The clearance and settlement of the Notes will be performed through Iberclear. The Issuer hereby expressly declares that it is aware of the requirements for registration and settlement on Iberclear.

26. LIQUIDITY AGREEMENT

The Issuer has not entered into any liquidity agreement with any entity regarding the Notes to be issued under the Program.

As the person responsible for the Information Memorandum:

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Francisco Martinez-Davis
Atlantica Sustainable Infrastructure plc

ANNEXES

ANNEX 1 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

Audit report

The auditors' report issued by Ernst & Young, S.L. can be found in the 2021 Annual Report on Form 20-F (page F-1) of Atlantica. The 20-F is public on the Company's website (20-F Link)) and is also publicly available on the website of the U.S. Securities and Exchange Commission (www.sec.gov).

Consolidated statements of financial position as of December 31, 2021 and 2020

Amounts in thousands of U.S. dollars

	Note (1)	As of December 31, 2021	As of December 31, 2020
Assets			
Non-current assets			
Contracted concessional assets	6	8,021,568	8,155,418
Investments carried under the equity method	7	294,581	116,614
Other accounts receivable	8	85,801	88,655
Derivative assets	9	10,807	1,099
Financial investments	8	96,608	89,754
Deferred tax assets	18	172,268	152,290
Total non-current assets		**8,585,025**	**8,514,076**
Current assets			
Inventories		29,694	23,958
Trade receivables	11	227,343	258,087
Credits and other receivables	11	79,800	73,648
Trade and other receivables	11	307,143	331,735
Financial investments	8	207,379	200,084
Cash and cash equivalents	12	622,689	868,501
Total current assets		**1,166,905**	**1,424,278**
Total assets		**9,751,930**	**9,938,354**

(1) Notes 1 to 23 are an integral part of the Consolidated Financial Statements

Consolidated statements of financial position as of December 31, 2021 and 2020

Amounts in thousands of U.S. dollars

	Note (1)	As of December 31, 2021	As of December 31, 2020
Equity and liabilities			
Equity attributable to the Company			
Share capital	13	11,240	10,667
Share premium	13	872,011	1,011,743
Capital reserves	13	1,020,027	881,745
Other reserves	9	171,272	96,641
Accumulated currency translation differences	13	(133,450)	(99,925)
Accumulated deficit	13	(398,701)	(373,489)
Non-controlling interest	13	206,206	213,499
Total equity		**1,748,605**	**1,740,881**
Non-current liabilities			
Long-term corporate debt	14	995,190	970,077
Borrowings		3,407,956	3,862,068
Notes and bonds		979,718	1,063,200
Long-term project debt	15	4,387,674	4,925,268
Grants and other liabilities	16	1,263,744	1,229,767
Derivative liabilities	9	223,453	328,184
Deferred tax liabilities	18	308,859	260,923
Total non-current liabilities		**7,178,920**	**7,714,219**
Current liabilities			
Short-term corporate debt	14	27,881	23,648
Borrowings		597,680	261,788
Notes and bonds		50,839	50,558
Short-term project debt	15	648,519	312,346
Trade payables and other current liabilities	17	113,907	92,557

Income and other tax payables	34,098	54,703
Total current liabilities	**824,405**	**483,254**
Total equity and liabilities	**9,751,930**	**9,938,354**

(1) Notes 1 to 23 are an integral part of the Consolidated Financial Statements

Consolidated income statements for the years ended December 31, 2021, 2020 and 2019

Amounts in thousands of U.S. dollars

	Note (1)	For the year ended December 31,		
		2021	2020	2019
Revenue	4	1,211,749	1,013,260	1,011,452
Other operating income	20	74,670	99,525	93,774
Employee benefit expenses	20	(78,758)	(54,464)	(32,246)
Depreciation, amortization, and impairment charges	6	(439,441)	(408,604)	(310,755)
Other operating expenses	20	(414,330)	(276,666)	(261,776)
Operating profit		**353,890**	**373,051**	**500,449**
Financial income	21	2,755	7,052	4,121
Financial expense	21	(361,270)	(378,386)	(407,990)
Net exchange differences	21	1,873	(1,351)	2,674
Other financial income/(expense), net	21	15,750	40,875	(1,153)
Financial expense, net		**(340,892)**	**(331,810)**	**(402,348)**

Share of profit of associates carried under the equity method	7	12,304	510	7,457
Profit before income tax		**25,302**	**41,751**	**105,558**
Income tax expense	18	(36,220)	(24,877)	(30,950)
Profit/(loss) for the year		**(10,918)**	**16,874**	**74,608**
Profit attributable to non-controlling interests		(19,162)	(4,906)	(12,473)
Profit/(loss) for the year attributable to the Company		**(30,080)**	**11,968**	**62,135**
Weighted average number of ordinary shares outstanding (thousands) - basic	22	111,008	101,879	101,063
Weighted average number of ordinary shares outstanding (thousands) - diluted	22	114,523	103,392	101,063
Basic earnings per share (U.S. dollar per share)	22	(0.27)	0.12	0.61
Diluted earnings per share (U.S. dollar per share)	22	(0.26)	0.12	0.61

(1) Notes 1 to 23 are an integral part of the Consolidated Financial Statements

Consolidated statements of comprehensive income for the years ended December 31, 2021, 2020 and 2019

Amounts in thousands of U.S. dollars

		For the year ended December 31,		
	Note (1)	**2021**	**2020**	**2019**
Profit/(loss) for the year		(10,918)	16,874	74,608

Items that may be subject to transfer to income statement				
Change in fair value of cash flow hedges		33,846	(26,272)	(81,713)
Currency translation differences		(41,956)	(9,947)	(22,284)
Tax effect		(9,139)	5,897	20,088
Net expenses recognized directly in equity		**(17,249)**	**(30,322)**	**(83,909)**
Cash flow hedges	9	58,292	58,381	55,765
Tax effect		(14,573)	(14,595)	(13,941)
Transfers to income statement		**43,719**	**43,786**	**41,824**
Other comprehensive income/(loss)		**26,470**	**13,464**	**(42,085)**
Total comprehensive income for the year		**15,552**	**30,338**	**32,523**
Total comprehensive income attributable to non-controlling interest		(14,586)	(4,627)	(12,429)
Total comprehensive income attributable to the Company		**966**	**25,711**	**20,094**

(1) Notes 1 to 23 are an integral part of the Consolidated Financial Statements

Consolidated statements of changes in equity for the years ended December 31, 2021, 2020 and 2019

Amounts in thousands of U.S. dollars

	Share capital	Share premium	Capital reserves	Other reserves	Accumulated currency translation	Accumulated deficit	Total equity attributable	Non-controlling interest	Total equity

					differences		to the Company		
Balance as of January 1, 2019	**10,022**	**1,981,881**	**48,059**	**95,011**	**(68,315)**	**(449,274)**	**1,617,384**	**138,728**	**1,756,112**
Profit for the year after taxes	**-**	**-**	**-**	**-**	**-**	**62,135**	**62,135**	**12,473**	**74,608**
Change in fair value of cash flow hedges	**-**	**-**	**-**	**(27,947)**	**-**	**1,682**	**(26,265)**	**317**	**(25,948)**
Currency translation differences	**-**	**-**	**-**	**-**	**(22,509)**	**-**	**(22,509)**	**225**	**(22,284)**
Tax effect	**-**	**-**	**-**	**6,733**	**-**	**-**	**6,733**	**(586)**	**6,147**
Other comprehensive income	**-**	**-**	**-**	**(21,214)**	**(22,509)**	**1,682**	**(42,041)**	**(44)**	**(42,085)**
Total comprehensive income	**-**	**-**	**-**	**(21,214)**	**(22,509)**	**63,817**	**20,094**	**12,429**	**32,523**
Capital increase (Note 13)	**138**	**29,862**	**-**	**-**	**-**	**-**	**30,000**	**-**	**30,000**
Amherst Island (Note 7)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**92,303**	**92,303**
Reduction of Share Premium (Note 13)	**-**	**(1,000,000)**	**1,000,000**	**-**	**-**	**-**	**-**	**-**	**-**

	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
Distributions (Note 13)	**-**	**-**	**(159,002)**	**-**	**-**	**-**	**(159,002)**	**(37,080)**	**(196,082)**
Balance as of December 31, 2019	**10,160**	**1,011,743**	**889,057**	**73,797**	**(90,824)**	**(385,457)**	**1,508,476**	**206,380**	**1,714,856**

Notes 1 to 23 are an integral part of the Consolidated Financial Statements

	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, 2020	**10,160**	**1,011,743**	**889,057**	**73,797**	**(90,824)**	**(385,457)**	**1,508,476**	**206,380**	**1,714,856**
Profit for the year after taxes	**-**	**-**	**-**	**-**	**-**	**11,968**	**11,968**	**4,906**	**16,874**
Change in fair value of cash flow hedges	**-**	**-**	**-**	**31,353**	**-**	**-**	**31,353**	**756**	**32,109**
Currency translation differences	**-**	**-**	**-**	**-**	**(9,101)**	**-**	**(9,101)**	**(846)**	**(9,947)**
Tax effect	**-**	**-**	**-**	**(8,509)**	**-**	**-**	**(8,509)**	**(189)**	**(8,698)**
Other comprehensive income	**-**	**-**	**-**	**22,844**	**(9,101)**	**-**	**13,743**	**(279)**	**13,464**

Total comprehensive income	**-**	**-**	**-**	**22,844**	**(9,101)**	**11,968**	**25,711**	**4,627**	**30,338**
Capital increase (Note 13)	**507**	**-**	**161,347**	**-**	**-**	**-**	**161,854**	**-**	**161,854**
Business combinations (Note 5)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,308**	**25,308**
Distributions (Note 13)	**-**	**-**	**(168,659)**	**-**	**-**	**-**	**(168,659)**	**(22,816)**	**(191,475)**
Balance as of December 31, 2020	**10,667**	**1,011,743**	**881,745**	**96,641**	**(99,925)**	**(373,489)**	**1,527,382**	**213,499**	**1,740,881**

Notes 1 to 23 are an integral part of the Consolidated Financial Statements

	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	-	-	-	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**

Notes 1 to 23 are an integral part of the Consolidated Financial Statements

Consolidated cash flow statements for the years ended December 31, 2021, 2020 and 2019

Amounts in thousands of U.S. dollars

	Note [(1)]	For the year ended 2021	2020	2019
I. Profit/(loss) for the year		**(10,918)**	**16,874**	**74,608**
Non-monetary adjustments				
Depreciation, amortization and impairment charges	6	439,441	408,604	310,755
Financial (income)/expenses	21	359,550	315,151	405,634
Fair value (gains)/losses on derivative financial instruments	21	(16,785)	15,308	(613)
Shares of (profits)/losses from associates	7	(12,304)	(510)	(7,457)
Income tax	18	36,220	24,877	30,950
Other non-monetary items		55,809	(43,943)	(25,800)
II. Profit/(loss) for the year adjusted by non-monetary items		**851,013**	**736,361**	**788,077**
Changes in working capital				
Inventories		5,215	(4,590)	(1,343)
Trade and other receivables	11	48,521	(790)	(71,505)
Trade payables and other current liabilities	17	(25,782)	(9,771)	(36,533)

	Note			
Financial investments and other current assets/liabilities		(31,081)	4,249	(15,602)
III. Changes in working capital		**(3,127)**	**(10,902)**	**(124,983)**
Income tax received/(paid)		(51,684)	(16,425)	(23)
Interest received		2,519	5,148	10,135
Interest paid		(293,098)	(275,961)	(309,625)
A. Net cash provided by operating activities		**505,623**	**438,221**	**363,581**
Acquisitions of subsidiaries and entities under the equity method	5&7	(362,449)	2,453	(173,366)
Investments in contracted concessional assets*	6	(24,682)	(1,361)	22,009
Distributions from entities under the equity method	7	34,883	22,246	30,443
Other non-current assets/liabilities		1,093	(29,198)	2,703
B. Net cash used in investing activities		**(351,155)**	**(5,860)**	**(118,211)**
Proceeds from project debt	15	14,560	603,949	5,860
Proceeds from corporate debt	14	429,014	678,651	352,966
Repayment of project debt	15	(418,265)	(621,691)	(282,255)
Repayment of corporate debt	14	(376,154)	(502,042)	(320,815)
Dividends paid to Company´s shareholders	13	(190,638)	(168,659)	(159,002)
Dividends paid to non-controlling interest	13	(28,134)	(22,944)	(29,239)
Purchase of Liberty´s Interactive's equity interests in Solana	1	-	(266,850)	-
Non-controlling interest capital contribution		-	-	92,303
Capital increase	13	189,454	162,246	30,000
C. Net cash used in financing activities		**(380,163)**	**(137,340)**	**(310,182)**
Net increase/(decrease) in cash and cash equivalents		**(225,695)**	**295,021**	**(64,812)**
Cash and cash equivalents at beginning of the year	12	868,501	562,795	631,542
Translation differences in cash and cash equivalents		(20,117)	10,685	(3,935)
Cash and cash equivalents at the end of the year	12	**622,689**	**868,501**	**562,795**

* Includes proceeds for $20.5 million, $7.4 million, and $22.2 million in 2021, 2020 and 2019 respectively (Note 6).

(1) Notes 1 to 23 are an integral part of the Consolidated Financial Statements

Contents

(1) The Appendices are an integral part of the notes to the consolidated financial statements

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Note 1.- Nature of the business

Atlantica Sustainable Infrastructure plc ("Atlantica" or the "Company") 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".

Algonquin Power & Utilities Corp. ("Algonquin") is the largest shareholder of the Company and owns a 43.6% stake in Atlantica as of December 31, 2021. 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.

During the year 2020, the Company completed the following investments:

- On April 3, 2020, the Company made an initial investment in the creation of a renewable energy platform in Chile, together with financial partners, where it owns an approximately 35% stake and has a strategic investor role. The first investment was the acquisition of a 55 MW solar PV plant ("Chile PV 1"). The Company's initial contribution was approximately $4 million. In addition, on January 6, 2021, the Company closed its second investment through the platform with the acquisition of a 40 MW solar PV plant ("Chile PV 2"). The total equity investment for this new asset was approximately $5.0 million. The platform intends to make further investments in renewable energy in Chile and sign Power Purchase Agreements ("PPAs") with credit worthy off-takers.

- In January 2019, the Company entered into an agreement with Abengoa (references to "Abengoa" refer to Abengoa, S.A., together with its subsidiaries, or Abenewco1, S.A. together with its subsidiaries, unless the context otherwise requires) for the acquisition of a 51% stake in Tenes, a water desalination plant in Algeria. Closing of the acquisition was subject to certain conditions precedent, which were not fulfilled. On May 31, 2020, the Company entered into a new agreement, which provided the Company with certain additional decision rights, including the right to appoint the majority of directors of the board of Befesa Agua Tenes, and therefore controls the asset.

- On August 17, 2020, the Company closed the acquisition of Liberty Interactive's equity interest in Solana. Liberty Interactive was the tax equity investor in the Solana project. The total equity investment is expected to be up to $285 million of which $272 million has already been paid.

In January 2021 the Company closed the acquisition of 42.5% of the equity of Rioglass Solar Holding S.A. ("Rioglass") a supplier of spare parts and services to the solar industry, increasing its stake to 57.5%. In addition, on July 22, 2021 the Company exercised the option to acquire the remaining stake of 42.5%. The investment made in 2021 to acquire the additional 85% equity, resulting in a 100% ownership, was approximately $17.1 million (Note 5).

On April 7, 2021, the Company closed the acquisition of Coso, a 135 MW renewable asset in California. Coso is the third largest geothermal plant in the United States and provides base load renewable energy to the California Independent System Operator (California ISO). It has PPAs signed with an 18-year average contract life. The total equity investment was approximately $130 million (Note 5). In addition, on July 15, 2021, the Company repaid $40 million of project debt.

On May 14, 2021, the Company closed the acquisition of Calgary District Heating, a district heating asset of approximately 55 MWt in Canada for a total equity investment of approximately $22.7 million (Note 5). Calgary District Heating has been in operation since 2010 and provides heating services to a diverse range of government, institutional and commercial customers in the city of Calgary.

On June 16, 2021, the Company acquired a 49% interest in a 596 MW portfolio of wind assets in the United States (Vento II) 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 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). Italy PV 1 and Italy PV 2 have regulated revenues under a feed in tariff until 2030 and 2031, 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 approximately $23.5 million. The asset was acquired under a Right of First Offer ("ROFO") agreement with Liberty GES. The Company also acquired two additional solar projects in Colombia which are currently in construction with a combined capacity of approximately 30 MW, La Tolua and Tierra Linda.

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 approximately $4 million. Italy PV 3 has regulated revenues under a feed in tariff until 2032.

The following table provides an overview of the main contracted concessional assets the Company owned or had an interest in as of December 31, 2021:

Assets	Type	Ownership	Location	Currency[9]	Capacity (Gross)	Counterparty Credit Ratings[10]	COD*	Contract Years Remaining[16]
Solana	Renewable (Solar)	100%	Arizona (USA)	USD	280 MW	BBB+/A3/BBB+	2013	22
Mojave	Renewable (Solar)	100%	California (USA)	USD	280 MW	BB-/ -- /BB	2014	18
Coso	Renewable (Geothermal)	100%	California (USA)	USD	135 MW	Investment Grade[11]	1987-1989	17

Elkhorn Valley	Renewable (Wind)	49%	Oregon (USA)	USD	101 MW	BBB/A3/--	2007	6
Prairie Star	Renewable (Wind)	49%	Minnesota (USA)	USD	101 MW	--/A3/A-	2007	6
Twin Groves II	Renewable (Wind)	49%	Illinois (USA)	USD	198 MW	BBB-/Baa2/--	2008	4
Lone Star II	Renewable (Wind)	49%	Texas (USA)	USD	196 MW	Not rated	2008	1
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	9
La Sierpe	Renewable (Solar)	100%	Colombia	COP	20 MW	Not rated	2021	14
Palmatir	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB/Baa2/BBB-(12)	2014	12
Cadonal	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB/Baa2/BBB-(12)	2014	13
Melowind	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB/Baa2/BBB-	2015	14
Mini-Hydro	Renewable (Hydraulic)	100%	Peru	USD	4 MW	BBB+/Baa1/BBB	2012	11
Solaben 2 & 3	Renewable (Solar)	70%(2)	Spain	Euro	2x50 MW	A/Baa1/A-	2012	16/16

Solacor 1 & 2	Renewable (Solar)	87%(3)	Spain	Euro	2x50 MW	A/Baa1/A-	2012	15/15
PS10 & PS20	Renewable (Solar)	100%	Spain	Euro	31 MW	A/Baa1/A-	2007&2009	10/12

Helioenergy 1 & 2	Renewable (Solar)	100%	Spain	Euro	2x50 MW	A/Baa1/A-	2011	15/15
Helios 1 & 2	Renewable (Solar)	100%	Spain	Euro	2x50 MW	A/Baa1/A-	2012	15/16
Solnova 1, 3 & 4	Renewable (Solar)	100%	Spain	Euro	3x50 MW	A/Baa1/A-	2010	13/13/14
Solaben 1 & 6	Renewable (Solar)	100%	Spain	Euro	2x50 MW	A/Baa1/A-	2013	17/17
Seville PV	Renewable (Solar)	80%(4)	Spain	Euro	1 MW	A/Baa1/A-	2006	14
Italy PV 1	Renewable (Solar)	100%	Italy	Euro	1.6 MW	BBB/Baa3/BBB	2010	9
Italy PV 2	Renewable (Solar)	100%	Italy	Euro	2.1 MW	BBB/Baa3/BBB	2011	9
Italy PV 3	Renewable (Solar)	100%	Italy	Euro	2.5 MW	BBB/Baa3/BBB	2012	10
Kaxu	Renewable	51%(5)	South	Rand	100 MW	BB-/Ba2/BB-(13)	2015	13

	(Solar)		Africa					
Calgary	Efficient natural gas &heat	100%	Canada	CAD	55 MWt	~41% A+ or higher[14]	2010	19
ACT	Efficient natural gas & heat	100%	Mexico	USD	300 MW	BBB/ Ba3/BB-	2013	11
Monterrey	Efficient natural gas &heat	30%	Mexico	USD	142 MW	Not rated	2018	17
ATN [15]	Transmission line	100%	Peru	USD	379 miles	BBB+/Baa1/BBB	2011	19
ATS	Transmission line	100%	Peru	USD	569 miles	BBB+/Baa1/BBB	2014	22
ATN 2	Transmission line	100%	Peru	USD	81 miles	Not rated	2015	11
Quadra 1 & 2	Transmission line	100%	Chile	USD	49 miles/32 miles	Not rated	2014	13/13
Palmucho	Transmission line	100%	Chile	USD	6 miles	BBB/ -- /A-	2007	16
Chile TL3	Transmission line	100%	Chile	USD	50 miles	A/A1/A-	1993	Regulated
Skikda	Water	34.2%[6]	Algeria	USD	3.5 M ft3/day	Not rated	2009	12
Honaine	Water	25.5%[7]	Algeria	USD	7 M ft3/day	Not rated	2012	16

Tenes	Water	51%(8)	Algeria	USD	7 M ft3/day	Not rated	2015	18

(1) 65% of the shares in Chile PV 1 and Chile PV 2 are indirectly held by financial partners through the renewable energy platform of the Company in Chile.

(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 (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%.

(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.

(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.

(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) As of December 31, 2021.

(*) Commercial Operation Date.

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 represents 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 which was conditional upon the replacement of the operation and maintenance supplier of the plant. On February 1, 2022, the Company transferred the employees performing the operation and maintenance services to an Atlantica subsidiary. The waiver has been extended until April 30, 2022 and is subject to the lenders receiving certain documentation from the Company, including formal evidence of the approval by the client and the department of energy of South Africa of the operation and maintenance internalization and the Company is currently working on obtaining such documentation. Although the Company does 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 (Note 15) has been presented as current in the Consolidated Financial Statements of the Company as of December 31, 2021 for an amount of $315 million, in accordance with International Accounting Standards 1 (“IAS 1”), “Presentation of Financial Statements”.

Outbreak of COVID-19

The outbreak of the COVID-19 coronavirus disease (“COVID-19”) was declared a pandemic by the World Health Organization in March 2020 and continues to spread in key markets of the Company.

Main risks and uncertainties identified by the Company, which may affect its business, financial condition, results of operations and cash flows, are:

- COVID-19 can affect the operation and maintenance activities of the Company. The Company may experience delays in certain operation and maintenance activities, or certain activities may take longer than usual.

- The rapid increase in demand in 2021 after the slowdown in 2020 caused tensions in the supply chains, including delays to obtain some components and increased prices. If the Company was to experience a shortage of or inability to acquire critical spare parts, it could incur significant delays in returning facilities to full operation. Supply chain tensions may also affect its projects in development and construction where the Company can experience delays or an increase in prices of equipment and materials required for the construction of new assets.

- The Company could also experience commercial disputes with its clients, suppliers and partners related to implications of COVID-19 in contractual relations. All the risks referred to can cause delays in distributions from its assets to the holding company.

- Many governments have implemented and may continue to implement stimulus measures to reduce the negative impact of COVID-19 in the economy. In many cases, these measures may increase government spending which may translate into increased tax pressure on companies in the countries where the Company operates.

Measures taken by the Company so far have focused on reinforcing safety measures in all its assets while it continues to provide a reliable service to its clients. For example, the Company has implemented the use of additional protection equipment, reinforced access control to its plants, reduced contact between employees, changed shifts, tested employees, identified and isolated potential cases together with their close contacts and taken additional measures to increase safety measures for its employees and operation and maintenance suppliers' employees working at its assets. The Company has also reinforced its physical and cyber-security measures. The Company has implemented protocols to decide which offices to keep open and under what limitations, depending on health and safety indicators in each specific region.

COVID-19 did not have any material impact on the business disclosed in these Consolidated Financial Statements.

The Consolidated Financial Statements were approved by the Board of Directors of the Company on February 25, 2022.

Note 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").

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.

Application of new accounting standards

a) Standards, interpretations and amendments effective from January 1, 2021 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.

<u>Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.</u>

These amendments are mandatory for annual periods beginning on or after January 1, 2021 under IFRS-IASB. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (“IBOR”) is replaced with an alternative risk-free interest rate (“RFR”). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

The Company intends to use the practical expedients in future periods if they become applicable.

b) Standards, interpretations and amendments published by the IASB that will be effective for periods beginning on or after January 1, 2022:

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, 2021, 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.

Effect of IBOR reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as LIBOR and IBORs has become a priority for global regulators. There remains some uncertainty around the timing and precise nature of these changes. The Company currently has several contracts which reference LIBOR and extend beyond 2021. These contracts are disclosed within the tables below.

It is currently expected that alternative RFRs will replace LIBOR. There remain key differences between LIBOR and RFRs. LIBOR is a ‘term rate’, which means that it is published for a borrowing period (such as three months or six months) and is ‘forward looking’, because it is published at the beginning of the borrowing period. RFRs may be based on overnight rates from actual transactions and published at the end of the overnight borrowing period. Furthermore, LIBOR includes a credit spread over the risk-free rate, which RFRs currently may not. To transition existing contracts and agreements that reference LIBOR to RFRs, adjustments for term differences and credit differences might need to be applied to RFRs, to enable the two benchmark rates to be economically equivalent on transition. At the time of reporting, industry working groups are reviewing methodologies for calculating adjustments between LIBOR and RFRs.

Risks arising from the transition relate principally to the potential impact of rate differences if the debt and related hedging instruments do not transition to the new benchmark interest rate at the same time and/or the rates move by different amounts. This could result in hedge ineffectiveness and a net cash expense to the Company as a result of the IBOR transition.

The following table contains details of the financial instruments that the Company holds as of December 31, 2021 which reference LIBOR and have not yet transitioned to RFRs:

	Carrying amount as of December 31, 2021	
	Assets	**Liabilities**
Non-derivative assets and liabilities referenced to LIBOR		
Measured at amortized cost		
Project debt	-	1,068,501
Total non-derivatives items	**-**	**1,068,501**
Derivatives	-	62,571
Total assets and liabilities referenced to LIBOR	**-**	**1,131,072**

The following table contains details of only the hedging instruments used in the Company's hedging strategies which reference LIBOR and have not yet transitioned to RFRs, such that relief(s) of phase 1 and phase 2 amendments to IFRS 9 and IFRS 7 for IBOR reform, effective January 1st, 2020 and January 1st, 2021, respectively, have been applied to the hedging relationship:

	Carrying amount as of December 31, 2021				
	Notional	**Assets**	**Liabilities**	**Balance sheet line item(s)**	**2021 changes in fair value used for**

					calculating hedge ineffectiveness
Cash flow hedge					
Interest rate swaps	939,670	-	62,571	Derivative liabilities	30,013
Total cash flow hedges	**939,670**	**-**	**62,571**		**30,013**

In calculating the change in fair value attributable to the hedged risk of floating-rate debt, the Company has made the following assumptions that reflect its current expectations:

- The floating-rate debt will move to RFRs during 2022, and the spread will be similar to the spread included in the interest rate swap used as the hedging instrument;
- No other changes to the terms of the floating-rate debt are anticipated;

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 group, equity, income, expenses, and cash flows relating to transactions between entities of the group 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.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize changes in Atlantica´s share of net assets of the associate 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.

Controlled entities and associates included in these financial statements as of December 31, 2021 and 2020 are set out in appendices.

2.3. Contracted concessional assets

Contracted concessional assets correspond to the assets of the Company recorded as intangible or financial assets in accordance with IFRIC 12, property plant and equipment in accordance with IAS 16 and financial asset in accordance with IFRS 16. The assets accounted for by the Company as concessions include renewable energy assets, transmission lines, efficient natural gas assets and water plants. The useful life of these assets is approximately the same as the length of the concession arrangement. The infrastructure used in a concession 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.

a) Intangible asset

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.

b) 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

According to IFRS 9, Atlantica recognizes 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.

c) Property, plant and equipment

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.

Once the infrastructure is in operation, the treatment of income and expenses is the same as the one described above for intangible asset.

d) Right-of-use assets

Main right of use agreements correspond to land rights. The Company recognizes right-of-use assets under IFRS 16, 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.

e) 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 service 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 Appendix III-2.

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 by the asset 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.

2.4. 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 in note 2.3. 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.

2.5. 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 subsidiary’s functional currency are translated into the subsidiary’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.

Non-controlling interest represents interest of other partners in entities included in these Consolidated Financial Statements which are not fully owned by Atlantica as of the dates presented.

Share Capital, Share Premium and Capital Reserves represent the Parent's net investment in the entities included in these Consolidated Financial Statements.

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 accrued 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 reflect significant management estimates and judgement to determine amounts in these Consolidated Financial Statements, are as follows:

- Assessment of contracted concessional agreements.
- Impairment of intangible assets and property, plant and equipment.
- Assessment of control.
- Derivative financial instruments and fair value estimates.
- Income taxes and recoverable amount of deferred tax assets.

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, 2021, 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.

Note 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 Finance and Compliance Departments, which are responsible for identifying and evaluating financial risks quantifying them by project, region and company, in accordance with mandatory internal management rules. Written internal policies exist for global risk management, as well as for specific areas of risk. In addition, there are official written management regulations regarding key controls and control procedures for each company and the implementation of these controls is monitored through internal audit procedures.

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 RFRs. 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 a result, the notional amounts hedged, strikes contracted and maturities, depending on the characteristics of the debt on which the interest rate risk is being hedged, are very diverse, including the following:

o Project debt in Euros: the Company hedges between 75% and 100% of the notional amount with headges maturing up to 2038 and average guaranteed strike interest rates of between 0.00% and 4.87%.

- o Project debt in U.S. dollars: the Company hedges between 75% and 100% of the notional amount with headges maturing up to 2038 and average guaranteed strike interest rates of between 0.86% and 5.89%.

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 or LIBOR, which represent the reference interest rate for most of the debt of the Company. In the event that Euribor and Libor had risen by 25 basis points as of December 31, 2021, with the rest of the variables remaining constant, the effect in the consolidated income statement would have been a loss of $2,495 thousand (a loss of $2,897 thousand in 2020 and a loss of $2,745 thousand in 2019) and an increase in hedging reserves of $22,440 thousand ($22,130 thousand in 2020 and $27,570 thousand in 2019). The increase 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, 2021 and 2020, 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 always 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, 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 Spain. The net Euro exposure is 100% hedged for the coming 12 months and 75% for the following 12 months on a rolling basis.

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.

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.

Corporate and Project debt repayment schedules are disclosed in Note 14 and 15, respectively.

Note 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, 2021, the Company had the following business sectors: Renewable energy, Efficient natural gas and Heat, Transmission lines and Water. The business sector “Efficient natural gas” has been renamed “Efficient natural gas and Heat” in these Consolidated Financial Statements as it includes the Calgary District Heating asset acquired in May 2021 (Note 5).

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 the these Consolidated Financial Statements and depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates (pro rata of Atlantica's equity ownership). Adjusted EBITDA previously excluded share of profit/(loss) of associates carried under the equity method and did not include depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates (pro-rata of Atlantica’s equity ownership). Prior periods have been presented accordingly.

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, 2021, Atlantica had one customer with revenues representing more than 10% of total revenue, in the renewable energy business sector. In the year ended December 31, 2020, Atlantica had four customers with revenues representing more than 10% of the total revenue, three in the renewable energy and one in the efficient natural gas and heat business sectors.

a) The following tables show Revenues and Adjusted EBITDA by operating segments and business sectors for the years 2021, 2020 and 2019:

	Revenue			Adjusted EBITDA		
	For the year ended December 31,			For the year ended December 31,		
Geography	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
North America	395,775	330,921	332,965	311,803	279,365	307,242
South America	154,985	151,460	142,207	119,547	120,023	115,346
EMEA	660,989	530,879	536,280	393,038	396,735	398,967
Total	**1,211,749**	**1,013,260**	**1,011,452**	**824,388**	**796,123**	**821,555**

	Revenue			Adjusted EBITDA		
	For the year ended December 31,			For the year ended December 31,		
Business sectors	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
Renewable energy	928,525	753,089	761,090	602,583	576,285	604,080
Efficient natural gas & Heat	123,692	111,030	122,281	99,935	101,006	109,200
Transmission lines	105,680	106,042	103,453	83,635	87,272	85,657
Water	53,852	43,099	24,629	38,235	31,560	22,618
Total	**1,211,749**	**1,013,260**	**1,011,452**	**824,388**	**796,123**	**821,555**

The reconciliation of segment Adjusted EBITDA with the profit/(loss) attributable to the parent company is as follows:

	For the year ended December 31,		
	2021	**2020**	**2019**
Profit/(loss) attributable to the Company	(30,080)	11,968	62,135
Profit attributable to non-controlling interests	19,162	4,906	12,473
Income tax expense	36,220	24,877	30,950
Financial expense, net	340,892	331,810	402,348
Depreciation, amortization, and impairment charges	439,441	408,604	310,755
Depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates (pro rata	18,753	13,958	2,894

of Atlantica's equity ownership)			
Total segment Adjusted EBITDA	**824,388**	**796,123**	**821,555**

b) The assets and liabilities by geography and business sector at the end of 2021 and 2020 are as follows:

Assets and liabilities by geography as of December 31, 2021:

	North America	South America	EMEA	Balance as of December 31, 2021
Assets allocated				
Contracted concessional 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
Current financial investments	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	South America	EMEA	Balance as of December 31, 2021
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 geography as of December 31, 2020:

	North America	**South America**	**EMEA**	**Balance as of December 31, 2020**
Assets allocated				
Contracted concessional assets	3,073,785	1,211,952	3,869,681	8,155,418
Investments carried under the equity method	74,660	-	41,954	116,614
Current financial investments	129,264	27,836	42,984	200,084
Cash and cash equivalents (project companies)	206,344	70,861	255,530	532,735
Subtotal allocated	**3,484,053**	**1,310,649**	**4,210,149**	**9,004,851**
Unallocated assets				
Other non-current assets				242,044
Other current assets (including cash and cash equivalents at holding company level)				691,459
Subtotal unallocated				**933,503**
Total assets				**9,938,354**

	North America	**South America**	**EMEA**	**Balance as of December 31,**

				2020
Liabilities allocated				
Long-term and short-term project debt	1,623,284	902,500	2,711,830	5,237,614
Grants and other liabilities	1,078,974	11,355	139,438	1,229,767
Subtotal allocated	**2,702,258**	**913,855**	**2,851,268**	**6,467,381**
Unallocated liabilities				
Long-term and short-term corporate debt				993,725
Other non-current liabilities				589,107
Other current liabilities				147,260
Subtotal unallocated				**1,730,092**
Total liabilities				**8,197,473**
Equity unallocated				**1,740,881**
Total liabilities and equity unallocated				**3,470,973**
Total liabilities and equity				**9,938,354**

Assets and liabilities by business sectors as of December 31, 2021:

	Renewable energy	Efficient natural gas & Heat	Transmission lines	Water	Balance as of December 31, 2021
Assets allocated					
Contracted concessional 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
Current financial investments	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	Efficient natural gas & Heat	Transmission lines	Water	Balance as of December 31, 2021
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**

Assets and liabilities by business sectors as of December 31, 2020:

	Renewable energy	Efficient natural gas & Heat	Transmission lines	Water	Balance as of December 31, 2020
Assets allocated					
Contracted concessional assets	6,632,611	502,285	842,595	177,927	8,155,418
Investments carried under the equity method	61,866	15,514	30	39,204	116,614
Current financial investments	6,530	124,872	27,796	40,886	200,084
Cash and cash equivalents (project companies)	397,465	67,955	46,045	21,270	532,735
Subtotal allocated	**7,098,472**	**710,626**	**916,466**	**279,287**	**9,004,851**

Unallocated assets	
Other non-current assets	242,044
Other current assets (including cash and cash equivalents at holding company level)	691,459
Subtotal unallocated	**933,503**
Total assets	**9,938,354**

	Renewable energy	Efficient natural gas & Heat	Transmission lines	Water	Balance as of December 31, 2020
Liabilities allocated					
Long-term and short-term project debt	3,992,512	504,293	625,203	115,606	5,237,614
Grants and other liabilities	1,221,176	108	6,040	2,443	1,229,767
Subtotal allocated	**5,213,688**	**504,401**	**631,243**	**118,049**	**6,467,381**
Unallocated liabilities					
Long-term and short-term corporate debt					993,725
Other non-current liabilities					589,107
Other current liabilities					147,260
Subtotal unallocated					**1,730,092**
Total liabilities					**8,197,473**
Equity unallocated					**1,740,881**
Total liabilities and equity unallocated					**3,470,973**
Total liabilities and equity					**9,938,354**

c) The amount of depreciation, amortization and impairment charges recognized for the years ended December 31, 2021, 2020 and 2019 are as follows:

	For the year ended December 31,		
Depreciation, amortization and impairment by geography	**2021**	**2020**	**2019**
North America	(152,946)	(197,643)	(116,232)
South America	(57,214)	(39,191)	(47,844)
EMEA	(229,281)	(171,770)	(146,679)
Total	**(439,441)**	**(408,604)**	**(310,755)**

Depreciation, amortization and impairment by business sectors	For the year ended December 31, 2021	2020	2019
Renewable energy	(432,138)	(350,785)	(286,907)
Efficient natural gas & Heat	23,910	(26,563)	3,102
Transmission lines	(31,286)	(30,889)	(27,490)
Water	73	(367)	541
Total	**(439,441)**	**(408,604)**	**(310,755)**

Note 5.- Business combinations

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 has 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 has 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 has 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 $22.7 million. The acquisition has 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 has 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 has 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 has 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 the following table:

	Business combinations for the year ended December 31, 2021		
	Coso	**Other**	**Total**
Contracted concessional assets (Note 6)	383,153	158,927	542,080
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	46,679	61,057
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)	(64,825)	(87,784)
Non-controlling interests	-	(8,287)	(8,287)

Total net assets acquired at fair value	**130,000**	**83,412**	**213,412**
Asset acquisition – purchase price paid	(130,000)	(80,364)	(210,364)
Fair value of previously held 15% stake in Rioglass	-	(3,048)	(3,048)
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, 2021 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, 2021. The measurement period will not exceed one year from the acquisition dates.

The amount of revenue contributed by the acquisitions performed during 2021 to the Consolidated Financial Statements of the Company for the year 2021 is $163.5 million, and the amount of profit after tax is $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.

For the year ended December 31, 2020

On April 3, 2020, the Company completed the investment in a 35% stake in a renewable energy platform in Chile for approximately $4 million and the acquisition of Chile PV 1, a 55 MW solar PV plant, through the platform. Atlantica has control over Chile PV 1 under IFRS 10, Consolidated Financial Statements. The acquisition of Chile PV 1 had been accounted for in these Consolidated Financial Statements in accordance with IFRS 3, Business Combinations, showing 65% of non-controlling interest. Chile PV 1 is included within the Renewable energy sector and the South America geography.

On May 31, 2020, the Company obtained the right to appoint the majority of directors of the board of Befesa Agua Tenes, which owns a 51% stake in Tenes, and therefore controls the asset, a water desalination plant in Algeria. The total investment amounted to approximately $19 million as of May 31, 2020. The acquisition had been accounted for in the Consolidated Financial Statements of Atlantica, in accordance with IFRS 3, Business Combinations, showing 49% of non-controlling interest. Tenes is included within the Water sector and the EMEA geography.

The fair value of assets and liabilities consolidated at the effective acquisition date is shown in the following table:

	Business combinations for the year ended December 31, 2020
Contracted concessional assets (Note 6)	172,321
Other non-current assets	356
Cash & cash equivalents	17,646
Other current assets	31,421
Non-current Project debt (Note 15)	(149,585)
Current Project debt (Note 15)	(8,680)
Other current and non-current liabilities	(15,561)
Non-controlling interests	(25,308)
Total net assets acquired at fair value	**22,610**
Asset acquisition - purchase price	(22,610)
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 2020 to the Consolidated Financial Statements of the Company for the year 2020 was $22.5 million, and the amount of profit after tax was $6.3 million. Had the acquisitions been consolidated from January 1, 2020, the consolidated statement of comprehensive income would have included additional revenue of $14.7 million and additional profit after tax of $3.7 million.

In April and May 2021, the provisional period for the purchase price allocation of Chile PV 1 and Tenes, respectively, closed and did not result in significant adjustments to the initial amounts recognized.

Note 6.- Contracted concessional assets

Contracted concessional assets correspond to the assets of the Company recorded as intangible or financial assets in accordance with IFRIC 12, property plant and equipment in accordance with IAS 16 and financial asset in accordance with IFRS 16.

For further details on the application of IFRIC 12 to assets of the Company, see Appendix III.

a) The following table shows the movements of assets included in the heading “Contracted Concessional assets” for 2021:

Cost	Financial	Financial	Intangible	Intangible	Property,	Total

	assets under IFRIC 12	assets under IFRS 16 (Lessor)	assets under IFRIC 12	assets under IFRS 16 (Lessee)	plant and equipment under IAS 16 and other intangible assets under IAS 38	assets
Total as of January 1, 2021	936,837	2,941	9,467,309	66,230	350,720	10,824,037
Additions	922	442	40,383	2,459	14,204	58,410
Subtractions	-	-	(348)	-	(21,282)	(21,630)
Business combinations (Note 5)	-	-	-	19,148	522,932	542,080
Currency translation differences	(9,519)	(540)	(334,497)	(5,019)	(20,703)	(370,278)
Reclassification and other movements	(53,715)	-	29,692	-	10,539	(13,484)
Total cost	**874,525**	**2,843**	**9,202,539**	**82,818**	**856,410**	**11,019,135**

Depreciation, amortization and impairment	Financial assets under IFRIC 12	Financial assets under IFRS 16 (Lessor)	Intangible assets under IFRIC 12	Intangible assets under IFRS 16 (Lessee)	Property, plant and equipment under IAS 16 and other intangible assets under IAS 38	Total assets
Total as of January 1, 2021	(87,689)	-	(2,442,520)	(10,060)	(128,350)	(2,668,619)
Additions	(418)	-	(424,181)	(4,759)	(31,003)	(460,361)
Reversal of impairment	24,929	-	-	-	-	24,929
Currency translation differences	289	-	97,356	714	8,125	106,484
Total depreciation, amortization and impairment	**(62,889)**	**-**	**(2,769,345)**	**(14,105)**	**(151,228)**	**(2,997,567)**

The increase in the contracted concessional assets cost is 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 is mainly offset by the amortization charge for the year and the impairment registered in Solana (see 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.

Solana triggering event of impairment

Considering the delays in the improvements and replacements that the Company is carrying out in the storage system in Solana and their impact on production in 2021, 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 which resulted in the recording of an impairment loss of $43 million as of December 31, 2021.

The impairment has been recorded within the line “Depreciation, amortization and impairment charges” of the consolidated income statement, decreasing the amount of “Contracted concessional assets” pertaining to the Renewable energy sector and the North America geography. The recoverable amount considered is the value in use and amounts to $943 million for Solana, 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 discount rates between 4.5% and 5.0%.

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 $69 million. An increase of 50 basis points in the discount rate would lead to an additional impairment of approximately $41 million.

The Company did not identify any other triggering event of impairment of its contracted concessional assets as of December 31, 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, decreased by $25 million in the year ended December 31, 2021, primarily in ACT following an improvement of its client’s credit risk metrics.

b) The following table shows the movements of assets included in the heading "Contracted Concessional assets" for 2020:

Cost	**Financial assets under IFRIC 12**	**Financial assets under IFRS 16 (Lessor)**	**Intangible assets under IFRIC 12**	**Intangible assets under IFRS 16 (Lessee)**	**Property, plant and equipment under IAS 16 and other intangible assets under IAS 38**	**Total assets**
Total as of January 1, 2020	872,945	3,459	9,183,011	60,618	264,564	10,384,597
Additions	-	-	29,213	1,832	4,310	35,355
Subtractions	-	-	(71,706)	(954)	(223)	(72,883)
Business combinations (Note 5)	102,560	-	-	385	63,916	166,861
Currency translation differences	(8,166)	(163)	326,791	4,349	18,153	340,964
Reclassification and other movements	(30,502)	(355)	-	-	-	(30,857)
Total cost	**936,837**	**2,941**	**9,467,309**	**66,230**	**350,720**	**10,824,037**

Depreciation, amortization and impairment	**Financial assets under IFRIC 12**	**Financial assets under IFRS 16 (Lessor)**	**Intangible assets under IFRIC 12**	**Intangible assets under IFRS 16 (Lessee)**	**Property, plant and equipment under IAS 16 and other intangible assets under IAS 38**	**Total assets**
Total as of January 1, 2020	(57,258)	-	(2,055,946)	(6,585)	(103,679)	(2,223,468)
Additions	(27,111)	-	(338,393)	(3,527)	(15,958)	(384,989)
Subtractions	-	-	17,571	634	49	18,253
Reversal of impairment	-	-	18,787	-	-	18,787
Business combinations (Note 5)	(3,797)	-	-	-	-	(3,797)
Currency translation differences	476	-	(84,538)	(581)	(8,762)	(93,405)
Total depreciation, amortization and impairment	**(87,689)**	**-**	**(2,442,520)**	**(10,060)**	**(128,350)**	**(2,668,619)**

During 2020, the cost of contracted concessional assets increased primarily due to the effect of the appreciation of the Euro against the U.S. dollar for the year ended December 31,2020, compared to the year ended December 31, 2019, and to the acquisition of new concessional assets (Note 5).

This increase was mainly offset by the amortization charge for the year and the write-off registered in Solana (see below).

The decrease included in "Reclassification and other movements" was mainly due to the reclassification from the long to the short term of the current portion of the contracted concessional financial assets.

Solana storage system partial write-off

The availability in the storage system of Solana was lower than expected in 2020 due to certain leaks identified in the storage system in the first quarter. The Company identified some elements of the storage system to be replaced, which were written off in these Consolidated Financial Statements through profit and loss in the line "Depreciation, amortization, and impairment charges" for an estimated net book value of approximately $48 million.

Solana triggering event of impairment

The Company identified in 2020 a triggering event of impairment for Solana as a result of the underperformance of the plant in terms of production. The Company therefore performed an impairment test as of December 31, 2020, which resulted in the recoverable amount (value in use) exceeding the carrying amount of the asset by 10%. To determine the value in use of the asset, a specific discount rate had 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 discount rates between 3.8% and 4.3%.

An adverse change in the key assumptions which are individually used for the valuation would not have led to future impairment recognition; neither in case of a 5% decrease in generation over the entire remaining useful life (PPA) of the project nor in case of an increase of 50 basis points in the discount rate.

Change in the useful life of the solar plants in Spain

Further to the recent developments in the Energy and Climate Policy Framework adopted by Spain in 2020, the Company concluded that the expected deep transformation of the electricity sector in Spain would probably significantly reduce the market price at which the electricity is sold in the mid- to long-term. In particular, the Company believed this may impact the price captured by the Company's solar plants in Spain after the end of the regulation in place (2035 to 2038 onwards). As a result, the price captured by the plants after 2035 to 2038 (the end of the 25 years regulatory period) would likely not be sufficient to cover operating costs. In this case, the plants would stop operating and be dismantled at that point in time.

The Company believed that it was possible that long-term price evolution and technology changes could result in scenarios where the plants may continue to operate after the end of the regulatory period. Nevertheless, given the information currently available, the Company decided to reduce the useful life of the CSP plants in Spain from 35 years to 25 years after COD. This change of estimate of the useful life, effective September 1st, 2020, was accounted for as a change in accounting estimate in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The main impacts recorded prospectively in these Consolidated Financial Statements were:

- an increased amortization charge from September 1st, 2020, considering the reduction in the residual useful life of the plants. The impact was approximately $23 million as of December 31, 2020, recorded within the line "Depreciation, amortization and impairment charges" in the profit and loss statement.

- an increase in the discounted value of the dismantling provision, as the dismantling of the plants would occur earlier. The provision increased by approximately $13 million as of December 31, 2020 (Note 16).

In addition, reducing the useful life of the solar plants in Spain was a triggering event of impairment, given that the recoverable amount of the asset is negatively impacted if the plants stop operating in year 25 after COD.

The Company therefore performed an impairment test as of December 31, 2020, which resulted in the recoverable amount (value in use) exceeding the carrying amount of the assets by 6%. To determine the value in use of the assets, a specific discount rate had 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 discount rates between 3.3% and 3.8%.

An adverse change in the key assumptions which were individually used for the valuation would not have led to future impairment recognition; neither in case of a 5% decrease in generation over the entire remaining useful life of the projects nor in case of an increase of 50 basis points in the discount rate.

Palmatir and Cadonal impairment reversals

As part of the triggering event analysis performed for Palmatir and Cadonal assets in 2020, the Company identified factors, such as a reduced discount rate according to favorable market conditions, increasing their recoverable amount (value in use). The Company therefore performed an impairment test as of December 31, 2020, which resulted in the reversal of impairments previously recorded, for an amount of $15.6 million and $3.1 million in Cadonal and Palmatir, respectively, recorded within the line “Depreciation, amortization and impairment charges” of the profit and loss statement.

No losses from impairment of contracted concessional assets, excluding any change in the provision for expected credit losses under IFRS 9, Financial instruments, were recorded during the year ended December 31, 2020. The impairment provision based on the expected credit losses on contracted concessional financial assets increased by $29 million in the year ended December 31, 2020, primarily in ACT.

Note 7.- Investments carried under the equity method

The table below shows the breakdown and the movement of the investments held in associates for 2021 and 2020:

Investments in associates	**2021**	**2020**
Initial balance	116,614	139,925
Share of profit	12,304	510
Distributions	(36,877)	(23,703)
Acquisitions	202,345	-
Others (incl. currency translation differences)	195	(118)
Final balance	**294,581**	**116,614**

The increase in investments carried under the equity method in 2021, is primarily due to the investment made in Vento II in June 2021, partially offset by the distributions received from this portfolio since then for $14.8 million, from Honaine for $4.4 million ($4.5 million in 2020) and from Amherst for $17.7 million ($16.1 million in 2020). A significant portion of the distributions received from Amherst 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 2021 and 2020 for the associated companies:

Company	% Shares	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 (*)	49.00	459,037	13,511	-	62,387	10,259	104,461	34,216	32,806	195,952
Windlectric Inc (**)	30.00	310,751	11,036	-	207,404	38,126	24,008	10,442	152	41,911
Myah Bahr Honaine, S.P.A.(***)	25.50	151,830	59,020	51,721	18,142	3,293	53,450	33,935	24,899	38,922
Pemcorp SAPI de CV (****)	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	-	-
ABY Infraestructuras S.L.U.	20.00	238	46	-	-	5	-	(54)	(54)	21
As of December 31, 2021										**294,581**

Company	% Shares	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
Windlectric Inc (**)	30.00	316,251	7,299	-	216,765	31,403	23,663	10,451	(493)	59,116
Myah Bahr Honaine, S.P.A.(***)	25.50	165,688	57,808	63,356	17,617	3,636	50,739	30,519	12,402	39,204
Pemcorp SAPI de CV (****)	30.00	127,429	121,468	154,937	104,893	3,190	28,832	3,068	(6,237)	15,514
Pectonex, R.F. Proprietary Limited	50.00	2,743	-	-	-	1	-	(168)	(168)	1,587
Evacuación Valdecaballeros, S.L.	57.16	19,531	1,130	-	16,721	646	853	(167)	(194)	976
Evacuación Villanueva del Rey, S.L	40.02	3,201	134	-	1,861	257	-	52	-	-
Ca Ku A1, S.A.P.I de CV (PTS)	5.00	468,131	156,528	-	604,986	25,773	80,240	17,415	1,615	30
ABY Infraestructuras S.L.U.	20.00	135	84	-	-	63	-	(53)	(53)	17
Other renewable energy joint ventures (*****)	50.00	323	210	-	-	19		(66)	(66)	169

As of December 31, 2020										**116,614**

The Company has no control over Evacuación 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.

(*) 2007 Vento II, LLC, is the holding company of a 596 MW portfolio of wind assets in the U.S., 0.49% 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 $8.4 million in 2021.

(**) 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.

(***) 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 $6.4 million in 2021 and $3.1 million in 2020.

(****) 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 $2.0 million in 2021 and a loss of $1.9 million in 2020.

(*****) Other renewable energy joint ventures in 2020 corresponded to investments made in the following entities: AC Renovables Sol 1 SAS Esp, PA Renovables Sol 1 SAS Esp, SJ Renovables Sun 1 SAS Esp and SJ Renovables Wind 1 SAS Esp. As of December 31, 2021, these entities have been fully consolidated as the Company has gained control over these entities under IFRS 10, Consolidated Financial Statements.

Note 8.- Financial instruments by category

Financial instruments, in addition to financial assets included within Contracted concessional 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, 2021 and 2020 are as follows:

	Notes	Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Balance as of December 31, 2021
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 cash equivalents	12	622,689	-	-	622,689
Other financial investments		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**

	Notes	Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Balance as of December 31, 2020
Derivative assets	9	-	-	1,559	1,559
Investment in Ten West Link		-	12,896	-	12,896
Investment in Rioglass		-	-	2,687	2,687
Financial assets under IFRIC 12 (short-term portion)		178,198	-	-	178,198
Trade and other receivables	11	331,735	-	-	331,735
Cash and cash equivalents	12	868,501	-	-	868,501

Other financial investments		94,497	-	-	94,497
Total financial assets		**1,472,931**	**12,896**	**4,246**	**1,490,073**

Corporate debt	14	993,725	-	-	993,725
Project debt	15	5,237,614	-	-	5,237,614
Related parties – non-current	10	6,810	-	-	6,810
Trade and other current liabilities	17	92,557	-	-	92,557
Derivative liabilities	9	-	-	328,184	328,184
Total financial liabilities		**6,330,707**	-	**328,184**	**6,658,891**

Other financial investments as of December 31, 2021 and as of December 31, 2020 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 development.

The investment in Rioglass corresponded to a 15.12% equity interest as of December 31, 2020. The Company gained control over the business in January 2021, which is fully consolidated since then in these Consolidated Financial Statements as of December 31, 2021 (Note 5).

Note 9.- Derivative financial instruments

The breakdowns of the fair value amount of the derivative financial instruments as of December 31, 2021 and 2020 are as follows:

	Balance as of December 31, 2021		**Balance as of December 31, 2020**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate cash flow hedge	9,550	206,763	898	302,302
Foreign exchange derivatives instruments	3,410	-	661	-
Notes conversion option (Note 14)	-	16,690	-	25,882
Total	**12,960**	**223,453**	**1,559**	**328,184**

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:

- Project debt in Euros: the Company hedges between 75% and 100% of the notional amount, with hedges maturing up to 2038 and average guaranteed interest rate of between 0.00% and 4.87%.
- Project debt in U.S. dollars: the Company hedges between 75% and 100% of the notional amount, with hedges maturing up to 2038 and average guaranteed interest rate of between 0.86% and 5.89%.

The table below shows a breakdown of the maturities of notional amounts of interest rate cash flow hedge derivatives as of December 31, 2021 and 2020.

Notionals	**Balance as of December 31, 2021**		**Balance as of December 31, 2020**	
	Assets	Liabilities	Assets	Liabilities
Up to 1 year	71,386	106,191	61,364	120,874
Between 1 and 2 years	304,930	240,197	296,828	249,785
Between 2 and 3 years	262,973	271,350	257,548	276,111
Subsequent years	217,989	860,777	292,011	852,696
Total	**857,278**	**1,478,515**	**907,752**	**1,499,466**

The table below shows a breakdown of the maturity of the fair values of interest rate cash flow hedge derivatives as of December 31, 2021 and 2020:

Fair value	Balance as of December 31, 2021		Balance as of December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Up to 1 year	678	(15,039)	59	(21,042)
Between 1 and 2 years	1,810	(33,670)	255	(48,276)
Between 2 and 3 years	2,268	(39,834)	305	(55,220)
Subsequent years	4,794	(118,220)	280	(177,764)
Total	**9,550**	**(206,763)**	**898**	**(302,302)**

The net amount of the fair value of interest rate derivatives designated as cash flow hedges transferred to the consolidated income statement in 2021 is a loss of $58,292 thousand (loss of $58,381 thousand in 2020 and a loss of $55,765 thousand in 2019).

The after-tax result accumulated in equity in connection with derivatives designated as cash flow hedges at the years ended December 31, 2021 and 2020, amount to a $171,272 thousand gain and a $96,641 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 negative fair value (liability) of $17 million as of December 31, 2021 ($26 million as of December 31, 2020).

Note 10.- Related parties

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) and Directors and the Senior Management of the Company.

Details of balances with related parties as of December 31, 2021 and 2020 are as follows:

	Balance as of December 31,	
	2021	**2020**
Credit receivables (current)	19,387	23,067
Credit receivables (non-current)	15,768	10,082
Total receivables from related parties	**35,155**	**33,149**
Credit payables (current)	9,494	18,477
Credit payables (non-current)	5	6,810
Total payables to related parties	**9,499**	**25,287**

Current credit receivables as of December 31, 2021 mainly correspond to the short-term portion of the loan to Arroyo Netherland II B.V., the holding company of Pemcorp SAPI de CV., Monterrey´s project company (Note 7) for $10.0 million ($15.5 million as of December 31, 2020) and to a dividend to be collected from Amherst Island Partnership for $6.3 million ($4.3 million as of December 31, 2020).

Non-current credit receivables as of December 31, 2021 and December 31, 2020 correspond to the long-term portion of the loan to Arroyo Netherland II B.V.

Credit payables relate to debts with non-controlling partners in Kaxu, Solaben 2 & 3 and Solacor 1 & 2 for an amount of $3.4 million as of December 31, 2021 ($21.1 million as of December 31, 2020). The decrease is primarily due to debt repayment at Kaxu. Current credit payables also include the dividend to be paid by AYES Canada to Algonquin for $6.1 million as of December 31, 2021 ($4.2 million as of December 31, 2020).

The transactions carried out by entities included in these Consolidated Financial Statements with related parties not included in the consolidation perimeter of Atlantica, for the years ended December 31, 2021, 2020 and 2019 have been as follows:

	For the year ended December 31,		
	2021	**2020**	**2019**
Financial income	2,069	2,017	978
Financial expense	(97)	(155)	(195)

The total amount of the remuneration received by the Board of Directors of the Company, including the CEO, amounts to $4.6 million in 2021 ($3.4 million in 2020), including $1.0 million of annual bonus ($1.0 million in 2020) and $1.9 million of long-term award vested in 2021 ($0.8 million in 2020). The increase of the total remuneration in 2021 is mainly due to the increase of the long-term award, as a result of the vesting in 2021 of one-third of the share options awarded in 2020 and the increase of Atlantica's share price. None of the directors received any pension remuneration in 2021 nor 2020.

Note 11.- Trade and other receivables

Trade and other receivable as of December 31, 2021 and 2020, consist of the following:

	Balance as of December 31,	
	2021	**2020**
Trade receivables	227,343	258,087
Tax receivables	59,350	50,663
Prepayments	9,342	12,074
Other accounts receivable	11,108	10,911
Total	**307,143**	**331,735**

As of December 31, 2021, and 2020, 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, 2021 and 2020, are as follows:

	Balance as of December 31,	
	2021	**2020**
Euro	65,854	105,826
South African Rand	24,513	24,121
Other	13,330	6,929
Total	**103,697**	**136,876**

The decrease in trade receivables in Euro as of December 31, 2021 is primarily due to the improvement in the collection of receivables from the Spanish state-owned regulator Comision Nacional de los Mercados y de la Competencia or "CNMC" (solar assets in Spain).

Note 12.- Cash and cash equivalents

The following table shows the detail of Cash and cash equivalents as of December 31, 2021 and 2020:

	Balance as of December 31,	
	2021	2020
Cash at bank and on hand - non restricted	368,381	588,690
Cash at bank and on hand - restricted	254,308	279,811
Total	**622,689**	**868,501**

Cash includes funds held to satisfy the customary requirements of certain non-recourse debt agreements within the Company´s projects (Note 15) amounting to $254 million as of December 31, 2021 ($280 million as of December 31, 2020).

The following breakdown shows the main currencies in which cash and cash equivalent balances are denominated:

	Balance as of December 31,	
Currency	2021	2020
U.S. dollar	318,071	575,567
Euro	230,136	196,431
South African Rand	38,268	40,561
Mexican Peso	4,926	23,570
Algerian Dinar	21,156	21,114
Others	10,132	11,258
Total	**622,689**	**868,501**

Note 13.- Equity

As of December 31, 2021, the share capital of the Company amounts to $11,240,297 ($10,667,087 as of December 31, 2020) represented by 112,402,973 ordinary shares (106,670,866 shares as of December 31, 2020) 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 43.6% of the shares of the Company and is its largest shareholder as of December 31,2021.

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.

On August 3, 2021, the Company established an "at-the-market program" (the "ATM") and entered into the distribution agreement with J.P. Morgan Securities LLC, as sales agent, (the "Distribution Agreement") 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"). During the year 2021, the Company sold 1,613,079 shares at an average market price of $38.43 pursuant to its Distribution Agreement, representing net proceeds of $61 million. 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, 2021 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 and Chile PV 2.

Additional information of subsidiaries including material non-controlling interests as of December 31, 2021 and 2020, is disclosed in Appendix IV.

Dividends declared during the year 2021 by the Board of Directors of the Company were:

- On February 26, 2021, the Board of Directors declared a dividend of $0.42 per share corresponding to the fourth quarter of 2020. The dividend was paid on March 22, 2021 for a total amount of $46.5 million
- On May 4, 2021, the Board of Directors declared a dividend of $0.43 per share corresponding to the first quarter of 2021. The dividend was paid on June 15, 2021 for a total amount of $47.7 million.
- On July 30, 2021, the Board of Directors declared a dividend of $0.43 per share corresponding to the second quarter of 2021. The dividend was paid on September 15, 2021 for a total amount of $47.8 million.
- On November 9, 2021, the Board of Directors declared a dividend of $0.435 per share corresponding to the third quarter of 2021. The dividend was paid on December 15, 2021 for a total amount of $48.6 million.

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 $17.3 million in 2021 ($14.7 million in 2020), Algerian Energy Company for $6.6 million in 2021 ($3.7 million in 2020) and Itochu for $5.7 million in 2021 ($1.4 million in 2020).

As of December 31, 2021, there was no treasury stock and there have been no transactions with treasury stock during the period then ended.

Note 14.- Corporate debt

The breakdown of the corporate debt as of December 31, 2021 and 2020 is as follows:

	Balance as of December 31,	
	2021	**2020**
Non-current	995,190	970,077
Current	27,881	23,648
Total Corporate debt	**1,023,071**	**993,725**

On July 20, 2017, the Company signed a credit facility (the “2017 Credit Facility”) for up to €10 million, approximately $11.4 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, 2021, $8.2 million were drawn down. As of December 31, 2020, the 2017 Credit Facility was fully available. The credit facility maturity is July 1, 2023.

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, LIBOR 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) LIBOR 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 and the maturity was extended to December 31, 2022. In the first quarter of 2021, the Company increased the amount of the Revolving Credit Facility from $425 million to $450 million and the maturity was extended to December 31, 2023. On December 31, 2021, the Company had issued letters of credit for $10 million, therefore, $440 million of the Revolving Credit Facility are available ($415 million as of December 31, 2020).

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, approximately $305 million, with maturity date on April 30, 2025. Interest accrues at a rate per annum equal to the sum of 3-month EURIBOR plus 4.50%. The interest rate on the Note Issuance Facility 2019 is 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 provided that the Company may capitalize interest on the notes issued thereunder for a period of up to two years from closing at the Company´s discretion, subject to certain conditions, and the Company elected to capitalize such interest until the end of 2020. The Note Issuance Facility 2019 has been 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 was extended for another twelve-month period on October 8, 2020. The program allowed Atlantica to issue short term notes over the next twelve months for up to €50 million, (approximately $57 million), with such notes having a tenor of up to two years. As of December 31, 2021, the Company had €21.5 million (approximately $24.4 million) issued and outstanding under the program at an average cost of 0.36% (€17.4 million, approximately $19.8 million, as of December 31, 2020).

On April 1, 2020, the Company closed the secured 2020 Green Private Placement for €290 million (approximately $330 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 approximately $159 million which is denominated in euros (€140 million). The Note Issuance Facility 2020 was issued on August 12, 2020, accrues annual interest of 5.25%, payable quarterly and has a maturity of seven years from the closing date.

On July 17, 2020, 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, approximately $5.7 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.

The repayment schedule for the corporate debt as of December 31, 2021 is 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**
Note Issuance Facility 2020	-	-	-	-	-	155,814	**155,814**
Green Exchangeable Notes	2,121	-	-	104,289	-	-	**106,410**
Bank Loan	11	1,895	1,895	1,862	-	-	**5,663**
Green Senior Note	963	-	-	-	-	394,155	**395,118**
Total	**27,881**	**10,094**	**1,895**	**106,151**	**327,081**	**549,969**	**1,023,071**

The repayment schedule for the corporate debt as of December 31, 2020 is as follows:

	2021	2022	2023	2024	2025	Subsequent years	Total
2017 Credit Facility	41	-	-	-	-	-	**41**
Notes Issuance Facility 2019	-	-	-	-	343,999	-	**343,999**
Commercial Paper	21,224	-	-	-	-	-	**21,224**
2020 Green Private Placement	289	-	-	-	-	351,026	**351,315**
Note Issuance Facility 2020	-	-	-	-	-	166,846	**166,846**
Green Exchangeable Notes	2,083	-	-	-	102,144	-	**104,227**

Bank Loan	11	-	2,036	2,036	1,990	-	**6,073**
Total	**23,648**	**-**	**2,036**	**2,036**	**448,133**	**517,872**	**993,725**

The following table details the movement in corporate debt for the years 2021 and 2020, split between cash and non-cash items:

Corporate Debt	**2021**	**2020**
Initial balance	**993,725**	**723,791**
Cash changes	14,754	171,182
Non-cash changes	14,592	98,752
Final balance	**1,023,071**	**993,725**

The non-cash changes primarily relate to interests accrued and to currency translation differences.

Note 15.- Project debt

This note shows the project debt linked to the contracted concessional 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 $254 million as of December 31, 2021 ($280 million as of December 31, 2020).

The variations in 2021 of project debt has been the following:

	Project debt - long term	**Project debt - short term**	**Total**
Balance as of December 31, 2020	4,925,268	312,346	5,237,614
Increases	54,908	256,581	311,489

Decreases	(85,259)	(564,603)	(649,862)
Business combinations (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 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, 2020.

The decrease of project debt during the year 2021 has been 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 are offset by a similar amount of interest paid during the year.

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 represents 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 which was conditional upon the replacement of the operation and maintenance supplier of the plant. On February 1, 2022, the Company transferred the employees performing the operation and maintenance services to an Atlantica subsidiary. The waiver has been extended until April 30, 2022 and is subject to the lenders receiving certain documentation from the Company, including formal evidence of the approval by the client and the department of energy of South Africa of the operation and maintenance internalization and the Company is currently working on obtaining such documentation. Although the Company does 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, has been presented as current in the Consolidated Financial Statements of the Company as of December 31, 2021 for an amount of $315 million (Note 1).

The variations in 2020 of project debt were the following:

	Project debt - long term	**Project debt - short term**	**Total**
Balance as of December 31, 2019	4,069,909	782,439	4,852,348
Increases	613,604	268,339	881,943

Decreases	(272,548)	(552,770)	(825,318)
Business combinations (Note 5)	149,585	8,680	158,265
Currency translation differences	150,506	19,869	170,375
Reclassifications	214,211	(214,211)	-
Balance as of December 31, 2020	**4,925,268**	**312,346**	**5,237,614**

The increase in total project debt as of December 31, 2020 was primarily due to:

- business combinations, being the acquisition of Chile PV 1 and Tenes for a total amount of $158 million (Note 5).

- a green project financing agreement entered into by Logrosán Solar Inversiones, S.A.U., the holding company of assets Solaben 1, 2, 3 and 6 in Spain, closed on April 8, 2020 for a €140 million nominal amount, (approximately $159 million).

- a non-recourse project debt refinancing of Helioenergy assets by adding a new long dated tranche of debt from an institutional investor closed on July 10, 2020, providing with a net refinancing proceeds (net “recap”) of approximately $43 million.

- a non-recourse, project debt financing closed on July 14, 2020 for approximately €326 million (approximately $371 million) in relation to Helios, with institutional investors, which refinanced the previous bank project debt with approximately €250 million outstanding and canceled legacy interest rate swaps. After transaction costs and cancelation of legacy swaps, net refinancing proceeds (net “recap”) were approximately $30 million. The accumulated impact of the change in fair value of the interest rate swaps recorded in Other reserves and any difference between the nominal amount of the debt repaid and the amortized cost of the debt were transferred to the profit and loss in line “Other financial income/(expense), net” on transaction date for a total amount of $73 million (Note 21).

- the higher value of debt denominated in Euro given the increase in the exchange rate of the Euro against the U.S. dollar since December 31, 2019.

The increase of project debt during the year 2020 was partially offset by the contractual payments of debt for the year. Interest accrued were offset by a similar amount of interest paid during the year.

Additionally, on June 12, 2020 the Company refinanced the debt of Cadonal (Uruguay). The terms of the new debts were not substantially different from the original debts refinanced and therefore the exchange of debts instruments did not qualify for an extinguishment of the original debts under IFRS 9, ´Financial instruments´. When there is a refinancing with a non-substantial modification of the original debt, there is a gain or loss recorded in the income statement. This gain or loss is equal to the difference between the present value of the cash flows under the original terms of the former financing and the present value of the cash flows under the new financing, discounted both at the original effective interest rate. In this respect, the Company recorded a $3.8 million financial income in the profit and loss statement of the Consolidated Financial Statements (Note 21).

Due to the PG&E Corporation and its regulated utility subsidiary, Pacific Gas and Electric Company ("PG&E"), Chapter 11 filings in January 2019, a default of the PPA agreement with PG&E occurred. On July 1, 2020, PG&E emerged from Chapter 11 and the technical event of default was cured. As a result, as of December 31, 2020 the debt previously presented as current (during the year 2019) was reclassified as non-current in accordance with the financing agreements in these Consolidated Financial Statements.

The repayment schedule for project debt in accordance with the financing arrangements and assuming there will be no acceleration at the Kaxu debt as of December 31, 2021, is as follows and is 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 repayment schedule for project debt in accordance with the financing arrangements as of December 31, 2020, is as follows and is consistent with the projected cash flows of the related projects:

2021		2022	2023	2024	2025	Subsequent years	Total
Interest payment	**Nominal repayment**						
19,287	293,059	328,364	355,806	371,548	508,843	3,360,707	5,237,614

The following table details the movement in project debt for the years 2021 and 2020, split between cash and non-cash items:

Project Debt	2021	2020
Initial balance	5,237,614	4,852,348
Cash changes	(636,831)	(254,495)
Non-cash changes	435,410	639,761
Final balance	**5,036,193**	**5,237,614**

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 foreign currency-denominated debts held by the Company is as follows:

	Balance as of December 31,	
Currency	**2021**	**2020**
Euro	1,942,903	2,240,811
South African Rand	314,471	355,414
Algerian Dinar	97,877	115,606
Total	**2,355,251**	**2,711,830**

All of the Company's financing agreements have a carrying amount close to its fair value.

Note 16.- Grants and other liabilities

Grants and other liabilities as of December 31, 2021 and December 31, 2020 are as follows:

	Balance as of December 31,	
	2021	**2020**
Grants	970,557	1,028,765
Other liabilities	293,187	201,002
Grant and other non-current liabilities	**1,263,744**	**1,229,767**

As of December 31, 2021, 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 $642 million ($674 million as of December 31, 2020), 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 $326 million ($352 million as of December 31, 2020). 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 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 $58.7 million and $58.9 million for the years ended December 31, 2021 and 2020, respectively (Note 20).

Other liabilities mainly include:

- $59 million of lease liabilities ($52 million as of December 31, 2020);
- $125 million of dismantling provision as of December 31, 2021 ($88 million as of December 31, 2020); and
- $75 million of provision related to the current high market prices in Spain at which the solar assets in Spain invoiced electricity up to December 31, 2021 ($0.6 million as of December 31, 2020), as a result of a negative adjustment to the regulated revenues expected to be recorded progressively over the remaining regulatory life of the solar assets of the Company, as a compensation.

Note 17.- Trade payables and other current liabilities

Trade payables and other current liabilities as of December 31, 2021 and 2020 are as follows:

	Balance as of December 31,	
Item	**2021**	**2020**
Trade accounts payables	79,052	51,421
Down payments from clients	542	416
Other accounts payables	34,313	40,720
Total	**113,907**	**92,557**

Trade accounts payables mainly relate to the operation and maintenance of the plants.

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.

Note 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, 2021, and 2020, the analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets	**Balance as of December 31,**	
from	**2021**	**2020**
Net operating loss carryforwards (“NOL´s”)	323,115	497,184
Temporary tax non-deductible expenses	128,186	115,063

Derivatives financial instruments	55,217	83,847
Other	4,225	3,021
Total deferred tax assets	**510,743**	**699,115**

Deferred tax liabilities from	Balance as of December 31, 2021	2020
Accelerated tax amortization	465,219	652,600
Other difference between tax and book value of assets	180,218	154,969
Other	1,897	179
Total deferred tax liabilities	**647,334**	**807,748**

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, 2021	2020
Deferred tax assets	172,268	152,290
Deferred tax liabilities	308,859	260,923
Net deferred tax liabilities	**136,591**	**108,633**

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, 2021 and 2020.

As of December 31, 2021, 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 $97 million ($110 million as of December 31, 2020).

Deferred tax assets for derivatives financial instruments as of December 31, 2021 mainly relate to ACT for $14 million and to solar plants in Spain for $33 million ($22 million and $51 million as of December 31, 2020, respectively).

As of December 31, 2021, deferred tax liabilities for accelerated tax amortization are primarily in the solar plants in Spain for $186 million, Solana and Mojave for $184 million and Kaxu for $76 million ($202 million, $361 million and $90 million as of December 31, 2020, respectively).

Deferred tax liabilities for other temporary differences between the tax and book value of contracted concessional assets relate primarily to ACT for $72 million, the Peruvian entities for $34 million, U.S. entities for $28 million, and the Chilean entities for $27 million as of December 31, 2021 ($75 million, $32 million, $2 million and $29 million as of December 31, 2020, 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.

In addition, the Company has $259 million unrecognized net operating loss carryforwards as of December 31, 2021 ($290 million as of December 31, 2020), 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, 2021 and 2020 were as follows:

Deferred tax assets	**Amount**
As of December 31, 2019	**147,966**
Increase/(decrease) through the consolidated income statement	6,003
Increase/(decrease) through other consolidated comprehensive income (equity)	(8,698)
Currency translation differences and other	7,019
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**

Deferred tax liabilities	**Amount**
As of December 31, 2019	**248,996**
Increase/(decrease) through the consolidated income statement	9,675
Currency translation differences and other	2,252

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**

Details of income tax for the years ended December 31, 2021, 2020 and 2019 are as follows:

	For the year ended December 31,		
	2021	**2020**	**2019**
Current tax	**(51,016)**	**(21,205)**	**(5,081)**
Deferred tax	**14,796**	**(3,672)**	**(25,869)**
- relating to the origination and reversal of temporary differences	14,796	(3,672)	(25,869)
Total income tax expense	**(36,220)**	**(24,877)**	**(30,950)**

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 recognized in the consolidated income statements for the years ended December 31, 2021, 2020, and 2019, is as follows:

	For the year ended December 31,		
	2021	**2020**	**2019**
Consolidated income before taxes	25,302	41,751	105,558
Average statutory tax rate	25%	25%	25%
Corporate income tax at average statutory tax rate	**(6,326)**	**(10,438)**	**(26,390)**
Income tax of associates, net	3,076	128	1,808
Differences in statutory tax rates	(3,359)	(94)	(7,076)
Unrecognized NOLs and deferred tax assets	(11,232)	(37,183)	(14,161)
Purchase of Liberty Interactive's equity interest in Solana	-	36,352	-
Other permanent differences	(4,052)	(8,895)	11,220
Other non-taxable income/(expense)	(14,327)	(4,747)	3,649
Corporate income tax	**(36,220)**	**(24,877)**	**(30,950)**

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.

For the year ended December 31, 2020, 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, partially offset by the non-taxable gain recorded in the Consolidated Financial Statements on the purchase of Liberty Interactive's equity interest in Solana (Note 21).

For the year ended December 31, 2019, 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 and US entities.

Any uncertain tax positions identified by the Company as of December 31, 2021, 2020 and 2019 has been provided for in these Consolidated Financial Statements in accordance with IFRIC 23, uncertainty over income tax treatments.

Note 19.- Commitments, third-party guarantees, contingent assets and liabilities

Contractual obligations

The following tables show the breakdown of the third-party commitments and contractual obligations as of December 31, 2021 and 2020:

2021	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

2020	Total	2021	2022 and 2023	2024 and 2025	Subsequent

Corporate debt (Note 14)	993,725	23,648	2,036	450,169	517,872
Loans with credit institutions (project debt) (Note 15)	4,123,856	261,800	583,259	770,507	2,508,290
Notes and bonds (project debt) (Note 15)	1,113,758	50,558	100,911	109,884	852,405
Purchase commitments*	1,709,660	93,791	160,211	172,776	1,282,881
Accrued interest estimate during the useful life of loans	2,309,597	286,724	541,652	468,060	1,013,161

* Purchase commitments include lease commitments for lease arrangements accounted for under IFRS 16 for $107.6 million as of December 31, 2021 ($94.6 million as of December 31, 2020), of which $7.3 million is due within one year and $100.3 million thereafter as of December 31, 2021 ($5.3 million due within one year and $89.3 million thereafter as of December 31, 2020).

Third-party guarantees

As of December 31, 2021, 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 $92.7 million ($36.2 million as of December 31, 2020). The increase primarily relates to Coso and Rioglass, which are businesses acquired by the Company in 2021 (Note 5). In addition, Atlantica Sustainable Infrastructure plc had outstanding guarantees amounting to $174.2 million as of December 31, 2021 ($159.8 million as of December 31, 2020). Guarantees issued by Atlantica Sustainable Infrastructure plc 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, several lawsuits were filed related to the February 2021 winter storm Uri 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.

Note 20.- Employee benefit expenses and other operating income and expenses

Employee benefit expenses

The table below shows employee benefit expenses and number of employees for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31,		
	2021	**2020**	**2019**
Employee benefit expenses	78,758	54,464	32,246
Average monthly number of employees	655	441	306

The increase in employee benefit expenses in 2021 compared to 2020 is primarily due to the acquisition of Rioglass and Coso made effective in January 2021 and April 2021, respectively. The increase in 2020 compared to 2019 was primarily due to the internalization of operation and maintenance services in the U.S. solar assets of the Company, following the acquisition of ASI Operations in July 2019.

Other operating income and expenses

The table below shows the detail of Other operating income and expenses for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31,		
Other operating income	**2021**	**2020**	**2019**
Grants	60,746	59,010	59,142
Insurance proceeds and other	13,925	40,515	34,632
Total	**74,670**	**99,525**	**93,774**

	For the year ended December 31,		
Other operating expenses	**2021**	**2020**	**2019**
Raw materials and consumables used	(70,690)	(7,792)	(9,719)
Leases and fees	(9,332)	(2,531)	(1,850)
Operation and maintenance	(154,007)	(110,873)	(116,018)
Independent professional services	(39,177)	(40,193)	(41,579)
Supplies	(40,790)	(27,926)	(25,823)
Insurance	(45,429)	(37,638)	(23,971)
Levies and duties	(29,949)	(39,820)	(34,844)
Other expenses	(24,957)	(9,891)	(7,971)
Total	**(414,330)**	**(276,666)**	**(261,776)**

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 increase in other operating expenses in 2021 is primarily due to the business combinations made effective in 2021 (Note 5).

Note 21.- Financial expense, net

The following table sets forth financial income and expenses for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31,		
Financial income	**2021**	**2020**	**2019**
Interest income from loans and credits	2,066	6,651	3,665
Interest rates benefits derivatives: cash flow hedges	689	401	456
Total	**2,755**	**7,052**	**4,121**

	For the year ended December 31,		
Financial expenses	**2021**	**2020**	**2019**
Interest on loans and notes	(302,558)	(316,237)	(348,672)
Interest rates losses derivatives: cash flow hedges	(58,712)	(62,149)	(59,318)
Total	**(361,270)**	**(378,386)**	**(407,990)**

Financial interest income from loans and credits included in 2020 a non-monetary financial income of $3.8 million resulting from the refinancing of the debt of Cadonal in the second quarter of 2020 (Note 15).

Interest on loans and notes primarily include interest on corporate and project debt. The decrease in 2020 compared to 2019 is primarily due to the acquisition of Liberty Interactive's equity interest in Solana in August 2020, which was accounted for as a liability in these Consolidated Financial Statements, in accordance with IAS 32.

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.

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.

Other financial income/(expense), net

The following table sets out Other financial income/(expense), net for the years 2021, 2020 and 2019:

	For the year ended December 31,		
Other financial income/(expense), net	**2021**	**2020**	**2019**
Other financial income	32,321	162,290	14,152
Other financial losses	(16,571)	(121,415)	(15,305)
Total	**15,750**	**40,875**	**(1,153)**

Other financial income in 2021 include $7.6 million of income for non-monetary change to the fair value of derivatives of Kaxu for which hedge accounting is not applied, and $9.2 million income further to the change in the fair value of the conversion option of the Green Exchangeable Notes since December 2020 (Note 14). Residual items primarily relate to interest on deposits and loans, including non-monetary changes to the amortized cost of such loans. The decrease of other financial income compared to the year 2020 is primarily due to the gain of $145 million further to the purchase of Liberty Interactive´s equity interest in Solana accounted for in the third quarter of 2020.

Other financial losses 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 other minor financial expenses. The decrease compared to the year 2020 is primarily due to $73 million of financial expenses further to the refinancing of the Helios 1&2 debts accounted for in the third quarter of 2020 (Note 15) and a $16 million expense further to the change in the fair value of the conversion option of the Green Exchangeable Notes in 2020 (Note 14).

Note 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.

Diluted earnings per share for the year 2021 have been calculated considering the potential issuance of 3,347,305 shares on the settlement of the Green Exchangeable Notes (Note 14) and the potential issuance of 725,041 shares 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).

Diluted earnings per share for the year 2020 was calculated considering the potential issuance of 3,347,305 shares on settlement of the Green Exchangeable Notes. Diluted earnings per share equal basic earnings per share for the year 2019.

Item	For the year ended December 31, 2021	2020	2019
Profit/(loss) from continuing operations attributable to Atlantica	(30,080)	11,968	62,135
Average number of ordinary shares outstanding (thousands) - basic	**111,008**	**101,879**	**101,063**
Average number of ordinary shares outstanding (thousands) - diluted	**114,523**	**103,392**	**101,063**
Earnings per share for the year (US dollar per share) - basic	(0.27)	0.12	0.61
Earnings per share for the year (US dollar per share) - diluted	**(0.26)**	**0.12**	**0.61**

Note 23.- Other information

23.1 Restricted Net assets

Certain of the consolidated entities are restricted from remitting certain funds to Atlantica Sustainable Infrastructure plc. as a result of a number of regulatory, contractual or statutory requirements. These restrictions are mainly related to standard requirements to maintain debt service coverage ratios and other requirements from the financing arrangements. At December 31, 2021, the accumulated amount of the temporary restrictions for the entire restricted term of these affiliates was $326 million.

The Company performed a test on the restricted net assets of consolidated subsidiaries in accordance with Securities and Exchange Commission Regulation S-X Rule 12-04 and concluded the restricted net assets did not exceed 25% of the consolidated net assets of the Company as of December 31, 2021. Therefore, separate financial statements of Atlantica Sustainable Infrastructure, plc. do not have to be presented.

23.2 Subsequent events

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 $39 million. The Company expects to make an expansion of the line in 2022, which would represent an additional investment of approximately $8 million. The asset has fully contracted revenues in US dollars, with inflation escalation and 50-year contract life. The off-takers are several mini-hydro plants that receive contracted or regulated payments.

On February 25, 2022, the Board of Directors of the Company approved a dividend of $0.44 per share, which is expected to be paid on March 25, 2022.

Appendices **Appendix I**

Entities included in the Group as subsidiaries as of December 31, 2021

Company name	Project name	Registered address	% of nominal share	Business
ACT Energy México, S. de R.L. de C.V.	ACT	Santa Barbara (Mexico)	100.00	(2)
AC Renovables Sol 1 S.A.S. E.S		Bogota D.C. (Colombia)	70.00	(3)
Agrisun, Srl.	Italy PV 1	Rome (Italy)	100.00	(3)
Atlantica Corporate Resources, S.L		Seville (Spain)	100.00	(5)
Atlantica North America, LLC		Delaware (United States)	100.00	(5)
Atlantica Infraestructura Sostenible, S.L.U		Seville (Spain)	100.00	(5)
Atlantica Perú, S.A.		Lima (Peru)	100.00	(5)
Atlantica Sustainable Infrastructure Jersey, Ltd		Jersey (United Kingdom)	100.00	(5)
Atlantica Newco Limited		Brentford (United Kingdom)	100.00	(5)
Atlantica DCR, LLC		Delaware (United States)	100.00	(5)
ASHUSA Inc.		Delaware (United States)	100.00	(5)
Atlantica South Africa (Pty) Ltd		Pretoria (South Africa)	100.00	(5)
ASUSHI, Inc.		Delaware (United States)	100.00	(5)
Atlantica Chile SpA		Santiago de Chile (Chile)	100.00	(5)
Atlantica Holdings USA LLC		Tempe (United States)	100.00	(5)
Atlantica Energia Sostenibile Italia, Srl.		Rome (Italy)	100.00	(5)
Atlantica Colombia S.A.S. E.S.P.		Bogota D.C. (Colombia)	100.00	(5)
ATN, S.A.	ATN	Lima (Peru)	100.00	(1)
ATN 4, S.A		Lima (Peru)	100.00	(1)
Atlantica Transmisión Sur, S.A.	ATS	Lima (Peru)	100.00	(1)
ACT Holdings, S.A. de C.V.		Mexico D.F. (Mexico)	100.00	(5)
Aguas de Skikda S.P.A.	Skikda	Dely Ibrahim (Algeria)	51.00	(4)

Arizona Solar One, LLC.	Solana	Delaware (United States)	100.00	(3)
ASI Operations LLC		Delaware (United States)	100.00	(3)
ASO Holdings Company, LLC.		Delaware (United States)	100.00	(5)
Atlantica Investment Ltd.		Brentford (United Kingdom)	100.00	(5)
AYES International UK Ltd		Brentford (United Kingdom)	100.00	(5)
Atlantica España O&M, S.L.		Seville (Spain)	100.00	(5)
ATN 2, S.A.	ATN 2	Lima (Peru)	100.00	(1)
AY Holding Uruguay, S.A.		Montevideo (Uruguay)	100.00	(5)
Atlantica Yield Energy Solutions Canada Inc.		Vancouver (Canada)	10.00*	(5)
Banitod, S.A.		Montevideo (Uruguay)	100.00	(5)
Befesa Agua Tenes		Seville (Spain)	100.00	(5)
BPC US Wind Corporation, Inc.		Tempe (United States)	100.00	(5)
Cadonal, S.A.	Cadonal	Montevideo (Uruguay)	100.00	(3)
Calgary District Heating, Inc	Calgary	Vancouver (Canada)	100.00	(2)
Carpio Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Chile PV 1	Chile PV 1	Santiago de Chile (Chile)	35.00	(3)
CGP Holding Finance, LLC	Coso	Delaware (United States)	100.00	(3)
Coropuna Transmisión, S.A		Lima (Peru)	100.00	(1)
Ecija Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Estrellada, S.A.	Melowind	Montevideo (Uruguay)	100.00	(3)
Extremadura Equity Investments Sárl.		Luxembourg (Luxembourg)	100.00	(5)
Fotovoltaica Solar Sevilla, S.A.	Seville PV	Seville (Spain)	80.00	(3)
Geida Skikda, S.L.		Madrid (Spain)	67.00	(5)
Helioenergy Electricidad Uno, S.A.	Helioenergy 1	Seville (Spain)	100.00	(3)
Helioenergy Electricidad Dos, S.A.	Helioenergy 2	Seville (Spain)	100.00	(3)

Helios I Hyperion Energy Investments, S.A.	Helios 1	Seville (Spain)	100.00	(3)
Helios II Hyperion Energy Investments, S.A.	Helios 2	Seville (Spain)	100.00	(3)
Hidrocañete S.A.	Mini-Hydro	Lima (Peru)	100.00	(3)
Hypesol Energy Holding, S.L.		Seville (Spain)	100.00	(5)
Hypesol Solar Inversiones, S.A		Seville (Spain)	100.00	(5)
Kaxu Solar One (Pty) Ltd.	Kaxu	Gauteng (South Africa)	51.00	(3)

Logrosán Equity Investments Sárl.		Luxembourg (Luxembourg)	100.00	(5)
Logrosán Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Logrosán Solar Inversiones Dos, S.L.		Seville (Spain)	100.00	(5)
Mojave Solar Holdings, LLC.		Delaware (United States)	100.00	(5)
Mojave Solar LLC.	Mojave	Delaware (United States)	100.00	(3)
Montesejo Piano, Srl.	Italy PV 3	Rome (Italy)	100.00	(3)
Nesyla, S.A		Montevideo (Uruguay)	100.00	(3)
Overnight Solar LLC		Arizona (United States)	100.00	(3)
Palmatir S.A.	Palmatir	Montevideo (Uruguay)	100.00	(3)
Palmucho, S.A.	Palmucho	Santiago de Chile (Chile)	100.00	(1)
PA Renovables Sol 1 S.A.S. E.S		Bogota D.C. (Colombia)	70.00	(3)
Parque Fotovoltaico La Tolua S.A.S		Bogota D.C. (Colombia)	100.00	(3)
Parque Solar Tierra Linda, S.A.S		Bogota D.C. (Colombia)	100.00	(3)
Parque Fotovoltaico La Sierpe S.A.S	La Sierpe	Bogota D.C. (Colombia)	100.00	(3)
Re Sole, Srl.	Italy PV 2	Rome (Italy)	100.00	(3)
Rioglass Solar Holding, S.A.	Rioglass	Asturias (Spain)	100.00	(3)
RRHH Servicios Corporativos, S. de R.L. de C.V.		Santa Barbara. (Mexico)	100.00	(5)
Sanlucar Solar, S.A.	PS-10	Seville (Spain)	100.00	(3)
SJ Renovables Sun 1 S.A.S. E.S		Bogota D.C. (Colombia)	70.00	(3)
SJ Renovables Wind 1 S.A.S. E.		Bogota D.C. (Colombia)	70.00	(3)
Solaben Electricidad Uno S.A.	Solaben 1	Caceres (Spain)	100.00	(3)
Solaben Electricidad Dos S.A.	Solaben 2	Caceres (Spain)	70.00	(3)
Solaben Electricidad Tres S.A.	Solaben 3	Caceres (Spain)	70.00	(3)
Solaben Electricidad Seis S.A.	Solaben 6	Caceres (Spain)	100.00	(3)
Solaben Luxembourg S.A.		Luxembourg (Luxembourg)	100.00	(5)
Solacor Electricidad Uno, S.A.	Solacor 1	Seville (Spain)	87.00	(3)
Solacor Electricidad Dos, S.A.	Solacor 2	Seville (Spain)	87.00	(3)
Solar Processes, S.A.	PS-20	Seville (Spain)	100.00	(3)
Solnova Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Solnova Electricidad, S.A.	Solnova 1	Seville (Spain)	100.00	(3)
Solnova Electricidad Tres, S.A.	Solnova 3	Seville (Spain)	100.00	(3)
Solnova Electricidad Cuatro, S.A.	Solnova 4	Seville (Spain)	100.00	(3)
Tenes Lilmiyah, S.P.A	Tenes	Dely Ibrahim (Algeria)	51.00	(4)
Transmisora Mejillones, S.A.	Quadra 1	Santiago de Chile (Chile)	100.00	(1)
Transmisora Baquedano, S.A.	Quadra 2	Santiago de Chile (Chile)	100.00	(1)
VO Renovables SOL 1 S.A.S. E.S.P.		Bogota D.C. (Colombia)	70.00	(3)

White Rock Insurance (Europe) PCC Limited	Birkirkara (Malta)	100.00	(3)

(1) Business sector: Transmission lines
(2) Business sector: Efficient natural gas and Heat
(3) Business sector: Renewable energy
(4) Business sector: Water
(5) Holding Company
* Atlantica has control over AYES Canada Inc. under IFRS 10, Consolidated Financial Statements.

The Appendices are an integral part of the Notes to the Consolidated Financial Statements.

Entities included in the Group as subsidiaries as of December 31, 2020

Company name	Project name	Registered address	% of nominal share	Business
ACT Energy México, S. de R.L. de C.V.	ACT	Santa Barbara (Mexico)	100.00	(2)
Atlantica Corporate Resources, S.L		Seville (Spain)	100.00	(5)
Atlantica North America, LLC		Delaware (United States)	100.00	(5)
Atlantica Infraestructura Sostenible, S.L.U		Seville (Spain)	100.00	(5)
Atlantica Perú, S.A.		Lima (Peru)	100.00	(5)
Atlantica Sustainable Infrastructure Jersey, Ltd		Jersey (United Kingdom)	100.00	(5)
Atlantica Newco Limited		Brentford (United Kingdom)	100.00	(5)
Atlantica DCR, LLC		Delaware (United States)	100.00	(5)
ASHUSA Inc.		Delaware (United States)	100.00	(5)
Atlantica South Africa (Pty) Ltd		Pretoria (South Africa)	100.00	(5)
ASUSHI, Inc.		Delaware (United States)	100.00	(5)
Atlantica Chile SpA		Santiago de Chile (Chile)	100.00	(5)
ATN, S.A.	ATN	Lima (Peru)	100.00	(1)

ATN 4, S.A		Lima (Peru)	100.00	(1)
Atlantica Transmisión Sur, S.A.	ATS	Lima (Peru)	100.00	(1)
ACT Holdings, S.A. de C.V.		Mexico D.F. (Mexico)	100.00	(5)
Aguas de Skikda S.P.A.	Skikda	Dely Ibrahim (Algeria)	51.00	(4)
Arizona Solar One, LLC.	Solana	Delaware (United States)	100.00	(3)
ASI Operations LLC		Delaware (United States)	100.00	(3)
ASO Holdings Company, LLC.		Delaware (United States)	100.00	(5)
Atlantica Investment Ltd.		Brentford (United Kingdom)	100.00	(5)
AYES International UK Ltd		Brentford (United Kingdom)	100.00	(5)
Atlantica España O&M, S.L.		Seville (Spain)	100.00	(5)
ATN 2, S.A.	ATN 2	Lima (Peru)	100.00	(1)
AY Holding Uruguay, S.A.		Montevideo (Uruguay)	100.00	(5)
Atlantica Yield Energy Solutions Canada Inc.		Vancouver (Canada)	10.00*	(5)
Banitod, S.A.		Montevideo (Uruguay)	100.00	(5)
Befesa Agua Tenes		Seville (Spain)	100.00	(5)
Cadonal, S.A.	Cadonal	Montevideo (Uruguay)	100.00	(3)
Calgary District Heating, Inc	Calgary	Vancouver (Canada)	100.00	(2)
Carpio Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Chile PV 1	Chile PV 1	Santiago de Chile (Chile)	35.00	(3)
Coropuna Transmisión, S.A		Lima (Peru)	100.00	(1)
Ecija Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
CKA1 Holding S. de R.L. de C.V.		Mexico D.F. (Mexico)	100.00	(5)
Estrellada, S.A.	Melowind	Montevideo (Uruguay)	100.00	(3)
Extremadura Equity Investments Sárl.		Luxembourg (Luxembourg)	100.00	(5)
Fotovoltaica Solar Sevilla, S.A.	Seville PV	Seville (Spain)	80.00	(3)
Geida Skikda, S.L.		Madrid (Spain)	67.00	(5)
Helioenergy Electricidad Uno, S.A.	Helioenergy 1	Seville (Spain)	100.00	(3)
Helioenergy Electricidad Dos, S.A.	Helioenergy 2	Seville (Spain)	100.00	(3)

Helios I Hyperion Energy Investments, S.A.	Helios 1	Seville (Spain)	100.00	(3)
Helios II Hyperion Energy Investments, S.A.	Helios 2	Seville (Spain)	100.00	(3)
Hidrocañete S.A.	Mini-Hydro	Lima (Peru)	100.00	(3)

Hypesol Energy Holding, S.L.		Seville (Spain)	100.00	(5)
Hypesol Solar Inversiones, S.A		Seville (Spain)	100.00	(5)
Kaxu Solar One (Pty) Ltd.	Kaxu	Gauteng (South Africa)	51.00	(3)
Logrosán Equity Investments Sárl.		Luxembourg (Luxembourg)	100.00	(5)
Logrosán Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Logrosán Solar Inversiones Dos, S.L.		Seville (Spain)	100.00	(5)
Mojave Solar Holdings, LLC.		Delaware (United States)	100.00	(5)
Mojave Solar LLC.	Mojave	Delaware (United States)	100.00	(3)
Nesyla, S.A		Montevideo (Uruguay)	100.00	(3)
Overnight Solar LLC		Arizona (United States)	100.00	(3)
Palmatir S.A.	Palmatir	Montevideo (Uruguay)	100.00	(3)
Palmucho, S.A.	Palmucho	Santiago de Chile (Chile)	100.00	(1)
RRHH Servicios Corporativos, S. de R.L. de C.V.		Santa Barbara. (Mexico)	100.00	(5)
Sanlucar Solar, S.A.	PS-10	Seville (Spain)	100.00	(3)
Solaben Electricidad Uno S.A.	Solaben 1	Caceres (Spain)	100.00	(3)
Solaben Electricidad Dos S.A.	Solaben 2	Caceres (Spain)	70.00	(3)
Solaben Electricidad Tres S.A.	Solaben 3	Caceres (Spain)	70.00	(3)
Solaben Electricidad Seis S.A.	Solaben 6	Caceres (Spain)	100.00	(3)
Solaben Luxembourg S.A.		Luxembourg (Luxembourg)	100.00	(5)
Solacor Electricidad Uno, S.A.	Solacor 1	Seville (Spain)	87.00	(3)
Solacor Electricidad Dos, S.A.	Solacor 2	Seville (Spain)	87.00	(3)
Solar Processes, S.A.	PS-20	Seville (Spain)	100.00	(3)
Solnova Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Solnova Electricidad, S.A.	Solnova 1	Seville (Spain)	100.00	(3)
Solnova Electricidad Tres, S.A.	Solnova 3	Seville (Spain)	100.00	(3)
Solnova Electricidad Cuatro, S.A.	Solnova 4	Seville (Spain)	100.00	(3)
Tenes Lilmiyah, S.P.A	Tenes	Dely Ibrahim (Algeria)	51.00	(4)
Sunshine Finance Jersey, Ltd		Jersey (United Kigdom)	100.00	(5)
Transmisora Mejillones, S.A.	Quadra 1	Santiago de Chile (Chile)	100.00	(1)
Transmisora Baquedano, S.A.	Quadra 2	Santiago de Chile (Chile)	100.00	(1)

(1) Business sector: Transmission lines

(2) Business sector: Efficient natural gas and Heat

(3) Business sector: Renewable energy

(4) Business sector: Water

(5) Holding Company

* Atlantica has control over AYES Canada Inc. under IFRS 10, Consolidated Financial Statements.

The Appendices are an integral part of the Notes to the Consolidated Financial Statements.

Investments recorded under the equity method as of December 31, 2021

Company name	Project name	Registered address	% of nominal share	Business
ABY Infraestructuras, S.L.		Seville (Spain)	20.0	(3)
Amherst Island Partnership	Windlectric	Ontario (Canada)	30.0	(3)
Arroyo Energy Netherlands II B.V.	Monterrey	Amsterdam (Netherlands)	30.0	(2)
Evacuacion Valdecaballeros, S.L.		Caceres (Spain)	57.2	(3)
Evacuación Villanueva del Rey, S.L.		Seville (Spain)	40.0	(3)
Geida Tlemcen S.L.	Honaine	Madrid (Spain)	50.0	(4)
Pectonex R.F.		Pretoria (South Africa)	50.0	(3)
2007 Vento II, LLC.	Vento II	Delaware (United States)	49.0	(3)

(1) Business sector: Transmission lines

(2) Business sector: Efficient natural gas and Heat

(3) Business sector: Renewable energy

(4) Business sector: Water

(5) Holding Company

The Appendices are an integral part of the Notes to the Consolidated Financial Statements.

Investments recorded under the equity method as of December 31, 2020

Company name	Project name	Registered address	% of nominal share	Business
ABY Infraestructuras, S.L.		Seville (Spain)	20.0	(3)
AC Renovables Sol 1 S.A.S. E.S.P.		Bogota D.C. (Colombia)	50.0	(3)
Amherst Island Partnership	Windlectric	Ontario (Canada)	30.0	(3)
Arroyo Energy Netherlands II B.V.	Monterrey	Amsterdam (Netherlands)	30.0	(2)
Ca Ku A1, S.A.P.I de CV		Mexico D.F. (Mexico)	5.0	(2)
Evacuacion Valdecaballeros, S.L.		Caceres (Spain)	57.2	(3)
Evacuación Villanueva del Rey, S.L.		Seville (Spain)	40.0	(3)
Geida Tlemcen S.L.	Honaine	Madrid (Spain)	50.0	(4)
PA Renovables Sol 1 S.A.S. E.S.P.		Bogota D.C. (Colombia)	50.0	(3)
Pectonex R.F.		Pretoria (South Africa)	50.0	(3)
SJ Renovables Sun 1 S.A.S. E.S.P.		Bogota D.C. (Colombia)	50.0	(3)
SJ Renovables Wind 1 S.A.S. E.S.P.		Bogota D.C. (Colombia)	50.0	(3)

(1) Business sector: Transmission lines

(2) Business sector: Efficient natural gas and Heat

(3) Business sector: Renewable energy

(4) Business sector: Water

(5) Holding Company

The Appendices are an integral part of the Notes to the Consolidated Financial Statements.

Assets subject to the application of IFRIC 12 interpretation based on the concession of services as of December 31, 2021 and 2020

Description of the Arrangements

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 began on COD. 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 each. 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. dollars exchange rate.

Solaben 2 & Solaben 3

The Solaben 2 and Solaben 3 are two 50 MW Solar Power facilities and reached COD in 2012. 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 offer 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 & Solacor 2

The Solacor 1 and Solacor 2 are two 50 MW Solar Power facilities and reached COD in 2012. 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 Spain and reached COD in 2012.

Helioenergy 1 & 2

The Helioenergy 1 and 2 solar plants are located in Ecija, Spain, and reached COD in 2011.

Solaben 1 & 6

The Solaben 1&6 50 MW solar plants are located in the municipality of Logrosán, Spain and reached COD in 2013.

Kaxu

Kaxu Solar One, or Kaxu, is a 100 MW solar Conventional Parabolic Trough Project located in Paulputs 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 owns 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 in 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 an approximately 52 mile and 115-kilowatt 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 (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 (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 has 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 a 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 receipt of the tariff base is independent from the effective utilization of the transmission lines and substations related to the ATN2 Project. The tariff base 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 (SEC), the Economic Local Dispatch Center (CDEC), the National Board of Energy CNE) and the National Environmental Board (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 / 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 seven M ft3 per day of desalinated water and it is under operation since July 2012.

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 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 Ténès 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.

Appendices **Appendix III-2**

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)	(11,377)	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)	49,086	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 Administration	(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 Administration	(I)	122,002	(43,465)	1,220	Fixed price per MWh in USD with annual increases	20-year PPA with UTE, Uruguay state-owned utility

										based on inflation	
Melowind	Uruguay	(O)	100.0	20 Years	UTE, Uruguay Administration	(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

Efficient natural gas &Heat:

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

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 accordancewith 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.	18 years purchase agreement

										dollars with Las Bambas	
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
Water:											
Skikda	Argelia	(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	Argelia	(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.

The Appendices are an integral part of the Notes to the Consolidated Financial Statements.

Assets subject to the application of IFRIC 12 interpretation based on the concession of services as of December 31, 2020

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)	1,830,148	(468,323)	(5,722)	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)	1,557,559	(374,193)	48,436	Fixed price	25-year PPA

									per MWh without any indexation mechanism	with PG&E regulated by CPUC and CAEC
Palmatir	Uruguay	(O)	100.0	20 Years	UTE, Uruguay Administration	(I)	147,911	(48,843)	7,971	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 Administration	(I)	121,986	(37,315)	15,293	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 Administration	(I)	135,977	(29,598)	4,673	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)	337,506	(80,255)	10,222	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)	336,556	(81,998)	10,802	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)	341,674	(88,382)	9,359	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)	355,614	(90,861)	9,248	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)	340,713	(108,908)	14,090	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)	318,415	(98,755)	14,331	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)	297,118	(91,251)	13,865	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)	344,533	(84,144)	11,285	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)	335,550	(80,361)	11,677	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)	330,497	(87,496)	11,149	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)	331,206	(84,360)	11,560	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)	332,537	(70,486)	11,542	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)	329,203	(69,659)	12,161	Regulated revenue	Regulated revenue

										base[6]	established by different laws and rulings in Spain
Kaxu	South Africa	(O)	51.0	20 Years	Eskom	(I)	521,523	(154,962)	41,483	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

Efficient natural gas & Heat:										
ACT	Mexico(O)	100.0	20 Years	Pemex	(F)	580,141	-	75,349	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

Transmission lines:

ATS	Peru	(O)	100.0	30 Years	Republic of Peru	(I)	531,887	(122,005)	29,339	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)	359,912	(105,618)	6,474	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)	78,743	-	12,332	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)	40,381	-	5,362	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)	55,417	-	4,922	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
Water:											
Skikda	Argelia	(O)	34.2	25 Years	Sonatrach & ADE	(F)	77,702	-	13,909	U.S. dollar indexed take-or-pay contract with Sonatrach / ADE	25 years purchase agreement
Honaine	Argelia	(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)	106,071	-	10,610	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, 2020.

(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, 2020.

(9) Recorded under the equity method.

The Appendices are an integral part of the Notes to the Consolidated Financial Statements.

Additional information of subsidiaries including material non-controlling interest as of December 31, 2021

Subsidiary name	Non-controlling interest name	% of non-controlling interest held	Dividends paid to non-controlling interest	Profit/(Loss) of non-controlling interest in Atlantica consolidated net result 2021	Non-controlling interest in Atlantica consolidated equity as of December 31, 2021	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)	-

* 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.

ANNEX 2 - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020.

Audit report

The auditors’ report issued by Ernst & Young, S.L. can be found in the 2020 Annual Report on Form 20-F (page F-1) of Atlantica. The 20-F is public on the Company’s website (20-F Link) and is also publicly available on the website of the U.S. Securities and Exchange Commission (www.sec.gov)

Consolidated statements of financial position as of December 31, 2020 and 2019
Amounts in thousands of U.S. dollars

	Note (1)	As of December 31, 2020	2019
Assets			
Non-current assets			
Contracted concessional assets	6	8,155,418	8,161,129
Investments carried under the equity method	7	116,614	139,925
Other receivables accounts	8	88,655	88,405
Derivative assets	8&9	1,099	3,182
Financial investments	8	89,754	91,587
Deferred tax assets	18	152,290	147,966
Total non-current assets		**8,514,076**	**8,540,607**
Current assets			
Inventories		23,958	20,268
Trade receivables	11	258,087	242,008
Credits and other receivables	11	73,648	75,560
Trade and other receivables	8&11	331,735	317,568
Financial investments	8	200,084	218,577
Cash and cash equivalents	8&12	868,501	562,795
Total current assets		**1,424,278**	**1,119,208**
Total assets		**9,938,354**	**9,659,815**

(1) Notes 1 to 23 are an integral part of the consolidated financial statements

Consolidated statements of financial position as of December 31, 2020 and 2019

Amounts in thousands of U.S. dollars

	Note (1)	As of December 31, 2020	2019
Equity and liabilities			
Equity attributable to the Company			
Share capital	13	10,667	10,160
Share premium	13	1,011,743	1,011,743
Capital reserves	13	881,745	889,057
Other reserves	9	96,641	73,797
Accumulated currency translation differences	13	(99,925)	(90,824)
Accumulated deficit	13	(373,489)	(385,457)
Non-controlling interest	13	213,499	206,380
Total equity		**1,740,881**	**1,714,856**
Non-current liabilities			
Long-term corporate debt	14	970,077	695,085
Borrowings		3,862,068	3,351,780
Notes and bonds		1,063,200	718,129
Long-term project debt	15	4,925,268	4,069,909
Grants and other liabilities	16	1,229,767	1,658,867
Derivative liabilities	9	328,184	298,744
Deferred tax liabilities	18	260,923	248,996
Total non-current liabilities		**7,714,219**	**6,971,601**
Current liabilities			
Short-term corporate debt	14	23,648	28,706
Borrowings		261,788	754,135
Notes and bonds		50,558	28,304
Short-term project debt	15	312,346	782,439
Trade payables and other current liabilities	17	92,557	128,062
Income and other tax payables		54,703	34,151
Total current liabilities		**483,254**	**973,358**
Total equity and liabilities		**9,938,354**	**9,659,815**

(1) Notes 1 to 23 are an integral part of the consolidated financial statements

Consolidated income statements for the years ended December 31, 2020, 2019 and 2018

Amounts in thousands of U.S. dollars

	Note (1)	For the year ended December 31, 2020	2019	2018
Revenue	4	1,013,260	1,011,452	1,043,822
Other operating income	20	99,525	93,774	132,557
Employee benefit expenses	20	(54,464)	(32,246)	(15,130)
Depreciation, amortization, and impairment charges	6	(408,604)	(310,755)	(362,697)
Other operating expenses	20	(276,666)	(261,776)	(310,642)
Operating profit		**373,051**	**500,449**	**487,910**
Financial income	21	7,052	4,121	36,444
Financial expense	21	(378,386)	(407,990)	(425,019)
Net exchange differences	21	(1,351)	2,674	1,597
Other financial income/(expense), net	21	40,875	(1,153)	(8,235)
Financial expense, net		**(331,810)**	**(402,348)**	**(395,213)**
Share of profit of associates carried under the equity method	7	510	7,457	5,231
Profit before income tax		**41,751**	**105,558**	**97,928**
Income tax expense	18	(24,877)	(30,950)	(42,659)
Profit for the year		**16,874**	**74,608**	**55,269**
Profit attributable to non-controlling interests		(4,906)	(12,473)	(13,673)
Profit for the year attributable to the Company		**11,968**	**62,135**	**41,596**
Weighted average number of ordinary shares outstanding (thousands) - basic	22	101,879	101,063	100,217
Weighted average number of ordinary shares outstanding (thousands) - diluted	22	103,392	101,063	100,217
Basic earnings per share (U.S. dollar per share)	22	0.12	0.61	0.42
Diluted earnings per share (U.S. dollar per share)	22	0.12	0.61	0.42

(1) Notes 1 to 23 are an integral part of the consolidated financial statements

Consolidated statements of comprehensive income for the years ended December 31, 2020, 2019 and 2018

Amounts in thousands of U.S. dollars

	Note (1)	For the year ended December 31, 2020	2019	2018
Profit for the year		16,874	74,608	55,269
Items that may be subject to transfer to income statement				
Change in fair value of cash flow hedges		(26,272)	(81,713)	(40,220)
Currency translation differences		(9,947)	(22,284)	(57,628)
Tax effect		5,897	20,088	6,195
Net expenses recognized directly in equity		**(30,322)**	**(83,909)**	**(91,653)**
Cash flow hedges	9	58,381	55,765	67,519
Tax effect		(14,595)	(13,941)	(16,880)
Transfers to income statement		**43,786**	**41,824**	**50,639**
Other comprehensive income/(loss)		**13,464**	**(42,085)**	**(41,014)**
Total comprehensive income for the year		**30,338**	**32,523**	**14,255**
Total comprehensive income attributable to non-controlling interest		(4,627)	(12,429)	(11,954)
Total comprehensive income attributable to the Company		**25,711**	**20,094**	**2,301**

(1) Notes 1 to 23 are an integral part of the consolidated financial statements

Consolidated statements of changes in equity for the years ended December 31, 2020, 2019 and 2018

Amounts in thousands of U.S. dollars

	Share capital	Share premium	Capital reserves	Other reserves	Accumulated Deficit	Accumulated currency translation differences	Total equity attributable to the Company	Non-controlling interest	Total equity
Balance as of January 1, 2018	**10,022**	**1,981,881**	**181,348**	**82,294**	**(489,026)**	**(18,147)**	**1,748,372**	**136,595**	**1,884,967**
Profit for the year after taxes	-	-	-	-	41,596	-	41,596	13,673	55,269
Change in fair value of cash flow hedges	-	-	-	21,474	(236)	-	21,238	6,061	27,299
Currency translation differences	-	-	-	-	-	(50,168)	(50,168)	(7,460)	(57,628)
Tax effect	-	-	-	(8,757)	(1,608)	-	(10,365)	(320)	(10,685)
Other comprehensive income	-	-	-	**12,717**	**(1,844)**	**(50,168)**	**(39,295)**	**(1,719)**	**(41,014)**
Total comprehensive income	-	-	-	**12,717**	**39,752**	**(50,168)**	**2,301**	**11,954**	**14,255**
Distributions (Note 13)	-	-	**(133,289)**	-	-	-	**(133,289)**	**(9,821)**	**(143,110)**
Balance as of December 31, 2018	**10,022**	**1,981,881**	**48,059**	**95,011**	**(449,274)**	**(68,315)**	**1,617,384**	**138,728**	**1,756,112**

	Share capital	Share premium	Capital reserves	Other reserves	Accumulated Deficit	Accumulated currency translation differences	Total equity attributable to the Company	Non-controlling interest	Total equity
Balance as of January 1, 2019	**10,022**	**1,981,881**	**48,059**	**95,011**	**(449,274)**	**(68,315)**	**1,617,384**	**138,728**	**1,756,112**
Profit for the year after taxes	-	-	-	-	62,135	-	62,135	12,473	74,608
Change in fair value of cash flow hedges	-	-	-	(27,947)	1,682	-	(26,265)	317	(25,948)
Currency translation differences	-	-	-	-	-	(22,509)	(22,509)	225	(22,284)
Tax effect	-	-	-	6,733	-	-	6,733	(586)	6,147
Other comprehensive income	**-**	**-**	**-**	**(21,214)**	**1,682**	**(22,509)**	**(42,041)**	**(44)**	**(42,085)**
Total comprehensive income	**-**	**-**	**-**	**(21,214)**	**63,817**	**(22,509)**	**20,094**	**12,429**	**32,523**
Capital increase (Note 13)	**138**	**29,862**	**-**	**-**	**-**	**-**	**30,000**	**-**	**30,000**
Amherst Island (Note 7)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**92,303**	**92,303**
Reduction of Share Premium (Note 13)	**-**	**(1,000,000)**	**1,000,000**	**-**	**-**	**-**	**-**	**-**	**-**
Distributions (Note 13)	**-**	**-**	**(159,002)**	**-**	**-**	**-**	**(159,002)**	**(37,080)**	**(196,082)**
Balance as of December 31, 2019	**10,160**	**1,011,743**	**889,057**	**73,797**	**(385,457)**	**(90,824)**	**1,508,476**	**206,380**	**1,714,856**

Notes 1 to 23 are an integral part of the consolidated financial statements

	Share capital	Share premium	Capital reserves	Other reserves	Accumulated Deficit	Accumulated currency translation differences	Total equity attributable to the Company	Non-controlling interest	Total equity
Balance as of January 1, 2020	**10,160**	**1,011,743**	**889,057**	**73,797**	**(385,457)**	**(90,824)**	**1,508,476**	**206,380**	**1,714,856**
Profit for the year after taxes	**-**	**-**	**-**	**-**	**11,968**	**-**	**11,968**	**4,906**	**16,874**
Change in fair value of cash flow hedges	-	-	-	31,353	-	-	31,353	756	32,109
Currency translation differences	-	-	-	-	-	(9,101)	(9,101)	(846)	(9,947)
Tax effect	-	-	-	(8,509)	-	-	(8,509)	(189)	(8,698)
Other comprehensive income	**-**	**-**	**-**	**22,844**	**-**	**(9,101)**	**13,743**	**(279)**	**13,464**
Total comprehensive income	**-**	**-**	**-**	**22,844**	**11,968**	**(9,101)**	**25,711**	**4,627**	**30,338**
Capital increase (Note 13)	**507**	**-**	**161,347**	**-**	**-**	**-**	**161,854**	**-**	**161,854**
Business combinations (Note 5)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,308**	**25,308**
Distributions (Note 13)	**-**	**-**	**(168,659)**	**-**	**-**	**-**	**(168,659)**	**(22,816)**	**(191,475)**
Balance as of December 31, 2020	**10,667**	**1,011,743**	**881,745**	**96,641**	**(373,489)**	**(99,925)**	**1,527,382**	**213,499**	**1,740,881**

Notes 1 to 23 are an integral part of the consolidated financial statements

Consolidated cash flow statements for the years ended December 31, 2020, 2019 and 2018

Amounts in thousands of U.S. dollars

	Note (1)	For the year ended 2020	2019	2018
I. Profit for the year		**16,874**	**74,608**	**55,269**
Non-monetary adjustments				
Depreciation, amortization and impairment charges	6	408,604	310,755	362,697
Financial (income)/expenses	21	315,151	405,634	396,411
Fair value (gains)/losses on derivative financial instruments	21	15,308	(613)	399
Shares of (profits)/losses from associates	7	(510)	(7,457)	(5,231)
Income tax	18	24,877	30,950	42,659
Other non-monetary items		(21,633)	(37,432)	(99,280)
II. Profit for the year adjusted by non monetary items		**758,671**	**776,445**	**752,924**
Variations in working capital				
Inventories		(4,590)	(1,343)	(1,991)
Trade and other receivables	11	(790)	(71,505)	5,564
Trade payables and other current liabilities	17	(9,771)	(36,533)	(4,898)
Financial investments and other current assets/liabilities		(18,061)	(3,970)	(17,019)
III. Variations in working capital		**(33,212)**	**(113,351)**	**(18,344)**
Income tax received/(paid)		(16,425)	(23)	(12,525)
Interest received		5,148	10,135	6,726
Interest paid		(275,961)	(309,625)	(327,738)
A. Net cash provided by operating activities		**438,221**	**363,581**	**401,043**
Acquisitions of subsidiaries and entities under equity method	5&7	2,453	(173,366)	(70,672)
Investments in contracted concessional assets*	6	(1,361)	22,009	68,048
Distributions from entities under the equity method	7	22,246	30,443	4,432
Other non-current assets/liabilities		(29,198)	2,703	(16,668)
B. Net cash (used in)/provided by investing activities		**(5,860)**	**(118,211)**	**(14,860)**
Proceeds from Project debt	15	603,949	5,860	16,266
Proceeds from Corporate debt	14	678,651	352,966	107,501
Repayment of Project debt	15	(621,691)	(282,255)	(331,964)
Repayment of Corporate debt	14	(502,042)	(320,815)	(54,000)
Dividends paid to Company´s shareholders	13	(168,659)	(159,002)	(133,289)
Dividends paid to Non-controlling interests	13	(22,944)	(29,239)	(9,745)
Purchase of Liberty´s equity interests in Solana	16	(266,850)	-	-
Non-controlling interests capital contribution	7	-	92,303	-
Capital increase	13	162,246	30,000	-
C. Net cash used in financing activities		**(137,340)**	**(310,182)**	**(405,231)**
Net increase/(decrease) in cash and cash equivalents		**295,021**	**(64,812)**	**(19,048)**
Cash and cash equivalents at beginning of the year	12	562,795	631,542	669,387
Translation differences cash and cash equivalents		10,685	(3,935)	(18,797)
Cash and cash equivalents at the end of the year	12	**868,501**	**562,795**	**631,542**

* Includes proceeds for $7.4 million, $22.2 million and $72.6 million in 2020, 2019 and 2018 respectively (Note 6).

(1) Notes 1 to 23 are an integral part of the consolidated financial statements

Contents

The Appendices are an integral part of the notes to the consolidated financial statements

Note 1.- Nature of the business

Atlantica Sustainable Infrastructure plc ("Atlantica" or the "Company") is a sustainable infrastructure company that owns, manages and invests in renewable energy, storage, efficient natural gas, electric transmission lines and water assets focused on North America (the United States, Mexico and Canada), South America (Peru, Chile and Uruguay) and EMEA (Spain, Algeria and South Africa).

Atlantica's shares began trading on the NASDAQ Global Select Market under the symbol "ABY" on June 13, 2014. The symbol changed to "AY" on November 11, 2017.

Algonquin Power & Utilities ("Algonquin") is the largest shareholder of the Company and currently owns a 44.2% stake in Atlantica. 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.

During the year 2019, the Company completed the following acquisitions:

- On May 24, 2019, Atlantica and Algonquin formed Atlantica Yield Solutions Canada Inc. ("AYES Canada"), a vehicle to channel co-investment opportunities in which Atlantica holds the majority of voting rights. AYES Canada's first investment was in Amherst Island, a 75 MW wind plant in Canada owned by the project company Windlectric, Inc. ("Windlectric"). Atlantica invested $4.9 million and Algonquin invested $92.3 million, both through AYES Canada, which in turn invested those funds in Amherst Island Partnership ("AIP"), the holding company of Windlectric.

- On August 2, 2019, the Company closed the acquisition of ASI Operations LLC ("ASI Ops"), the company that performs the operation and maintenance services to Solana and Mojave plants. The consideration paid was $6 million.

- On August 2, 2019, the Company closed the acquisition of a 30% stake in Monterrey, a 142 MW gas-fired engine facility ("Monterrey") and paid $42 million for the total investment.

- On October 22, 2019, the Company closed the acquisition of ATN Expansion 2 from Enel Green Power Perú, for a total equity investment of approximately $20 million, controlling the asset from this date.

On April 3, 2020, the Company made an initial investment in the creation of a renewable energy platform in Chile, together with financial partners, where it owns approximately a 35% stake and has a strategic investor role. The first investment was the acquisition of a 55 MW solar PV plant in an area with excellent solar resource ("Chile PV I"). This asset has been in operation since 2016 demonstrating a good operating track record while selling its production in the Chilean power market. The Company's initial contribution was approximately $4 million. In addition, on January 6, 2021, the Company closed its second investment through the platform with the acquisition of a 40 MW solar PV plant ("Chile PV 2"). This asset started commercial operation in 2017 and its revenue is partially contracted. Total equity investment for this new asset was approximately $5.0 million. The platform intends to make further investments in renewable energy in Chile and to sign PPAs with credit worthy off-takers.

In January 2019, the Company entered into an agreement with Abengoa (references to "Abengoa" refer to Abengoa, S.A., together with its subsidiaries, or Abenewco1, S.A. together with its subsidiaries, unless the context otherwise requires) under the Abengoa ROFO Agreement for the acquisition of Befesa Agua Tenes, a holding company which owns a 51% stake in Ténès Lilmiyah SpA ("Tenes"), a water desalination plant in Algeria. The Company paid in January 2019 an advance payment of $19.9 million. Closing of the acquisition was subject to conditions precedent which were not fulfilled. In accordance with the terms of the share purchase agreement, the advance payment was converted into a secured loan to be reimbursed by Befesa Agua Tenes, together with 12% per annum interest, through a full cash-sweep of all the dividends to be received from the asset. In October 2019, the Company received a first payment of $7.8 million through the cash sweep mechanism. On May 31, 2020, the Company entered into a new $4.5 million secured loan agreement with Befesa Agua Tenes, in addition to the initial one granted in 2019. The aggregate amount owed at that date, including interest accrued, was $14.0 million. This new loan agreement is expected to be reimbursed by Befesa Agua Tenes, together with 12% per annum interest, through a full cash-sweep of all the dividends to be received from the Tenes asset. The new agreement signed with Abengoa provides Atlantica with a majority at the board of directors of Befesa Agua Tenes and control over the asset.

On August 17, 2020, the Company closed the acquisition of Liberty's equity interest in Solana. Liberty was the tax equity investor in the Solana project. Total equity investment is expected to be up to $290 million of which $272 million has already been paid. Total price includes a deferred payment and a performance earn-out based on the average annual net production of the asset in the four calendar years with the highest annual net production during the five calendar years of 2020 through 2024 (Note 16).

In October 2020, the Company reached an agreement to acquire Calgary District Heating (Calgary District Energy Center), an approximately 55 MWt district heating asset in Canada for a total equity investment of approximately $20 million. Calgary District Heating has been in operation since 2010 and represents the first investment of the Company in this sector, which is recognized as a key measure for cities to reduce emissions by the UN Environment Program. The asset provides heating services to a diverse range of government, institutional and commercial customers in the city of Calgary. Closing is subject to customary conditions precedent and regulatory approvals and is expected by mid-2021.

In December 2020, the Company reached an agreement with Algonquin to acquire La Sierpe, a 20 MW solar asset in Colombia for a total equity investment of approximately $20 million. Closing is expected to occur after the asset reaches commercial operation, currently expected to occur by mid-2021. Closing is subject to customary conditions precedent and regulatory approvals. Additionally, the Company agreed to potentially co-invest with Algonquin in additional solar plants in Colombia with a combined capacity of approximately 30 MW to be developed and built by AAGES, a joint venture between Algonquin and Abengoa designed to invest in the development and construction of contracted clean energy and water infrastructure contracted assets.

In December 2020, the Company reached an agreement to acquire Coso, a 135 MW renewable asset in California. Coso is the third largest geothermal plant in the US and provides base load renewable energy to the California ISO. Coso has signed PPAs with three investment grade offtakers, with a 19-year average contract life. Closing is subject to customary regulatory approvals and is expected to occur in the first half of 2021. Total investment is expected to be approximately $170 million, including approximately $130 million for the equity and $40 million that would be invested to reduce project debt.

In January 2021, the Company reached an agreement to increase its equity stake from 15% to 100% in Rioglass, a multinational manufacturer of solar components. The Company has closed the acquisition of 42.5% of the equity for $7 million. In addition, the Company has an option to acquire the remaining 42.5% in the same conditions until September 2021, and after that date the seller has an option to sell the 42.5% also in the same conditions. The Company intends to find partners that would co-invest in Rioglass.

The following table provides an overview of the main concessional assets the Company owned or had an interest in as of December 31, 2020:

Assets	**Type**	**Ownership**	**Location**	**Currency**(9)	**Capacity (Gross)**	**Counterparty Credit Ratings**(10)	**COD***	**Contract Years Left**(14)
Solana	Renewable (Solar)	100%	Arizona (USA)	USD	280 MW	A-/A2/A-	2013	23
Mojave	Renewable (Solar)	100%	California (USA)	USD	280 MW	BB-/WR/BB	2014	19
Chile PV I	Renewable (Solar)	35%(8)	Chile	USD	55 MW	N/A	2016	N/A
Solaben 2 & 3	Renewable (Solar)	70%(1)	Spain	Euro	2x50 MW	A/Baa1/A-	2012	17/16
Solacor 1 & 2	Renewable (Solar)	87%(2)	Spain	Euro	2x50 MW	A/Baa1/A-	2012	16/16
PS10 & PS20	Renewable (Solar)	100%	Spain	Euro	31 MW	A/Baa1/A-	2007& 2009	11/13
Helioenergy 1 & 2	Renewable (Solar)	100%	Spain	Euro	2x50 MW	A/Baa1/A-	2011	16/16
Helios 1 & 2	Renewable (Solar)	100%	Spain	Euro	2x50 MW	A/Baa1/A-	2012	16/17

Solnova 1, 3 & 4	Renewable (Solar)	100%	Spain	Euro	3x50 MW	A/Baa1/A-	2010	14/14/15
Solaben 1 & 6	Renewable (Solar)	100%	Spain	Euro	2x50 MW	A/Baa1/A-	2013	18/18
Seville PV	Renewable (Solar)	80%(6)	Spain	Euro	1 MW	A/Baa1/A-	2006	15
Kaxu	Renewable (Solar)	51%(3)	South Africa	Rand	100 MW	BB-/Ba2/ BB-**(11)**	2015	14
Palmatir	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB/Baa2/BBB-**(12)**	2014	13
Cadonal	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB/Baa2/BBB-**(12)**	2014	14
Melowind	Renewable (Wind)	100%	Uruguay	USD	50 MW	BBB/Baa2/BBB-	2015	15
Mini-Hydro	Renewable (Hydraulic)	100%	Peru	USD	4 MW	BBB+/A3/BBB+	2012	12
ACT	Efficient natural gas	100%	Mexico	USD	300 MW	BBB/ Ba2/ BB-	2013	12
Monterrey	Efficient natural gas	30%	Mexico	USD	142 MW	Not rated	2018	18
ATN (13)	Transmission line	100%	Peru	USD	379 miles	BBB+/A3/BBB+	2011	20
ATS	Transmission line	100%	Peru	USD	569 miles	BBB+/A3/BBB+	2014	23
ATN 2	Transmission line	100%	Peru	USD	81 miles	Not rated	2015	12
Quadra 1 & 2	Transmission line	100%	Chile	USD	49 miles/ 32 miles	Not rated	2014	14/14
Palmucho	Transmission line	100%	Chile	USD	6 miles	BBB+/Baa1/ A-	2007	17
Chile TL3	Transmission line	100%	Chile	USD	50 miles	A+/A1/A-	1993	Regulated
Skikda	Water	34.2%(4)	Algeria	USD	3.5 M ft3/day	Not rated	2009	13
Honaine	Water	25.5%(5)	Algeria	USD	7 M ft3/ day	Not rated	2012	17
Tenes	Water	51%(7)	Algeria	USD	7 M ft3/ day	Not rated	2015	19

(1) Itochu Corporation, a Japanese trading company, holds 30% of the shares in each of Solaben 2 and Solaben 3.

(2) JGC, a Japanese engineering company, holds 13% of the shares in each of Solacor 1 and Solacor 2.

(3) Kaxu is owned by the Company (51%), Industrial Development Corporation of South Africa (29%) and Kaxu Community Trust (20%).

(4) Algerian Energy Company, SPA owns 49% of Skikda and Sacyr Agua, S.L. owns the remaining 16.83%.

(5) Algerian Energy Company, SPA owns 49% of Honaine and Sacyr Agua, S.L. owns the remaining 25.5%.

(6) Instituto para la Diversificación y Ahorro de la Energía ("Idae"), a Spanish state-owned company, holds 20% of the shares in Seville PV.

(7) Algerian Energy Company, SPA owns 49% of Tenes.

(8) 65% of the shares in Chile PV I is indirectly held by financial partners through the renewable energy platform of the Company in Chile.

(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.

(11) Refers to the credit rating of the Republic of South Africa. The offtaker is Eskom, which is a state-owned utility company in South Africa.

(12) Refers to the credit rating of Uruguay, as UTE (Administración Nacional de Usinas y Transmisoras Eléctricas) is unrated.

(13) Including the acquisition of ATN Expansion 1 & 2.

(14) As of December 31, 2020.

(*) Commercial Operation Date.

The project financing arrangement of Kaxu 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 restructuring process and the pre-insolvency filing by the individual company Abengoa S.A. in August 2020 represented a theoretical event of default under the Kaxu project finance agreement. In December 2020, the Company obtained a waiver from Kaxu's project debt lenders, which waived any potential cross-defaults with Abengoa for the pre-insolvency filing of August 2020, until December 31, 2021, but the waiver did not cover potential future cross-default events. The insolvency filing by the individual company Abengoa S.A. on February 22, 2021 represents a theoretical event of default under the Kaxu project finance agreement (Note 23.3). Although the Company does not expect the acceleration of debt to be declared by the credit entities, Kaxu does not have contractually from this date, 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 not unconditional. Thus, the total debt of Kaxu, which amounts to $355 million as of December 31, 2020 (Note 15), may be presented as current in the consolidated financial statements of the Company as of March 31, 2021 in accordance with International Accounting Standards 1 ("IAS 1"), "Presentation of Financial Statements", if the cross-default is not cured or waived. The Company is negotiating a waiver from the creditors and/or contractual modifications to permanently remove the cross-default provision.

Outbreak of COVID-19

The outbreak of the COVID-19 coronavirus disease ("COVID-19") was declared a pandemic by the World Health Organization in March 2020 and continues to spread in key markets of the Company. The COVID-19 virus continues to evolve rapidly, and its ultimate impact is uncertain and subject to change. Governmental authorities have imposed or recommended measures or responsive actions, including quarantines of certain geographic areas and travel restrictions.

Main risks and uncertainties identified by the Company, which may result in a material adverse effect on its business, financial condition, results of operations and cash flows, are:

- COVID-19 may affect the operation and maintenance employees of the Company as well as suppliers of operation and maintenance. Furthermore, COVID-19 has caused travel restrictions and significant disruptions to global supply chains. A prolonged disruption could limit the availability of certain parts required to operate the facilities of the Company and adversely impact the ability of its operation and maintenance suppliers. If the Company were to experience a shortage of or inability to acquire critical spare parts, it could incur significant delays in returning facilities to full operation.

- Slowdown of broad sectors of the economy, a general reduction in demand, including demand for commodities and a negative impact on prices of commodities, including electricity, oil and gas. The global outbreak also caused significant disruption and volatility in the global financial markets, especially from the end of February until the end on May 2020, including the market price of the shares of the Company. Debt and equity markets have also been affected and there have been weeks with a very low number of new debt and equity issuance transactions. Interest rates for new issuances and spreads with respect to treasury yields increased significantly. Although the revenue of the Company is generally contracted or regulated, clients may be affected by a reduced demand, lower commodity prices and the turmoil in the credit markets. A reduced demand and low prices persisting over time could cause delays in collections, a deterioration in the financial situation of the clients of the Company or their bankruptcy.

Measures taken by the Company so far have focused on reinforcing safety measures in all its assets while it continues to provide a reliable service to its clients. For example, the Company has implemented the use of additional protection equipment, reinforced access control to its plants, reduced contact between employees, changed shifts, tested employees, identified and isolated potential cases together with their close contacts and taken additional measures to increase safety measures for its employees and operation and maintenance suppliers' employees working at its assets. Furthermore, the Company has adopted additional precautionary measures intended to mitigate potential risks to its employees, including temporarily requiring all employees to work remotely when their work can be done from home, and suspending all non-essential travel. The Company has also reinforced its physical and cyber-security measures. The Company has implemented a protocol to decide when to maintain offices open and with what limitation depending on the number of cases and other health indicators. In addition, the Company has increased the purchase of spare parts and equipment required for operations, to manage potential disruptions in the supply chain. The Company continues to monitor the situation closely in all assets and offices to take additional action if required.

COVID-19 did not have any material impact on the business disclosed in these consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors of the Company on February 26, 2021.

Note 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").

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.

Application of new accounting standards

a) Standards, interpretations and amendments effective from January 1, 2020 under IFRS-IASB, applied by the Company in the preparation of these consolidated financial statements:

- IFRS 3 (Amendment). Definition of Business. This amendment is mandatory for annual periods beginning on or after January 1, 2020 under IFRS-IASB, earlier application is permitted.
- IAS 1 and IAS 8 (Amendment). Definition of Material. This amendment is mandatory for annual periods beginning on or after January 1, 2020 under IFRS-IASB, earlier application is permitted.
- IFRS 7 and IFRS 9. Amendments regarding pre-replacement issues in the context of the IBOR reform. These amendments are mandatory for annual periods beginning on or after January 1, 2020 under IFRS-IASB.
- IFRS 16. Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. This amendment is mandatory for annual periods beginning on or after June 1, 2020 under IFRS-IASB.
- IAS 41. Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (taxation in fair value measurements) These amendments are mandatory for annual periods beginning on or after January 1, 2020 under IFRS-IASB.

- Amendments to References to the Conceptual Frameworks in IFRS Standards. This Standard is applicable for annual periods beginning on or after January 1, 2020 under IFRS-IASB.

The applications of these amendments have not had any material 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, 2021:

- IAS 1 (Amendment). Classification of liabilities. This amendment is mandatory for annual periods beginning on or after January 1, 2023 under IFRS-IASB.
- IAS 37. Amendments regarding the costs to include when assessing whether a contract is onerous. This amendment is mandatory for annual periods beginning on or after January 1, 2022 under IFRS-IASB.
- IFRS 1. Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter). This amendment is mandatory for annual periods beginning on or after January 1, 2022 under IFRS-IASB.
- IFRS 3. Amendments updating a reference to the Conceptual Framework. This amendment is mandatory for annual periods beginning on or after January 1, 2022 under IFRS-IASB.
- IFRS 4. Amendments regarding the expiry date of the deferral approach. The fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 is now 1 January 2023.
- IFRS 4, IFRS 7, IFRS 16, IFRS 9 and IAS 39. Amendments regarding replacement issues in the context of the IBOR reform. This amendment is mandatory for annual periods beginning on or after January 1, 2021 under IFRS-IASB.
- IFRS 9. Amendments resulting from Annual Improvements to IFRS Standards 2018–2020. This amendment is mandatory for annual periods beginning on or after January 1, 2022 under IFRS-IASB.
- IFRS 17. Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published. This amendment is mandatory for annual periods beginning on or after January 1, 2023 under IFRS-IASB.
- IAS 16. Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. This amendment is mandatory for annual periods beginning on or after January 1, 2022 under IFRS-IASB.

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, 2021, although it is currently still in the process of evaluating such application.

Effect of IBOR reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as LIBOR and other inter-bank offered rates (‘IBORs’) has become a priority for global regulators. There remains some uncertainty around the timing and precise nature of these changes. The Company currently has several contracts which reference LIBOR and extend beyond 2021. These contracts are disclosed within the tables below.

It is currently expected that alternative risk-free rates (“RFRs”) will replace LIBOR. There remain key differences between LIBOR and RFRs. LIBOR is a ‘term rate’, which means that it is published for a borrowing period (such as three months or six months) and is ‘forward looking’, because it is published at the beginning of the borrowing period. RFRs may be based on overnight rates from actual transactions and published at the end of the overnight borrowing period. Furthermore, LIBOR includes a credit spread over the risk-free rate, which RFRs currently may not. To transition existing contracts and agreements that reference LIBOR to RFRs, adjustments for term differences and credit differences might need to be applied to RFRs, to enable the two benchmark rates to be economically equivalent on transition. At the time of reporting, industry working groups are reviewing methodologies for calculating adjustments between LIBOR and RFRs.

Risks arising from the transition relate principally to the potential impact of rate differences if the debt and related hedging instruments do not transition to the new benchmark interest rate at the same time and/or the rates move by different amounts. This could result in hedge ineffectiveness and a net cash expense to the Company as a result of the IBOR transition.

The following table contains details of the financial instruments that the Company holds as of December 31, 2020 which reference LIBOR and have not yet transitioned to RFRs:

	Carrying amount as of December 31, 2020	
	Assets	**Liabilities**
Non-derivative assets and liabilities referenced to LIBOR		
Measured at amortized cost		
Project debt	-	1,143,815
Total non-derivatives items	**-**	**1,143,815**
Derivatives	-	105,742
Total assets and liabilities referenced to LIBOR	**-**	**1,249,557**

The following table contains details of only the hedging instruments used in the Company's hedging strategies which reference LIBOR and have not yet transitioned to RFRs, such that relief(s) of phase 1 amendments to IFRS 9 and IFRS 7 for IBOR reform, effective January 1st, 2020, have been applied to the hedging relationship:

	Carrying amount as of December 31, 2020				
	Notional	**Assets**	**Liabilities**	**Balance sheet line item(s)**	**2020 changes in fair value used for calculating hedge ineffectiveness**
Cash flow hedge					
Interest rate swaps	618,806	-	105,742	Derivative liabilities	36,172
Total cash flow hedges	**618,806**	**-**	**105,742**		**36,172**

In calculating the change in fair value attributable to the hedged risk of floating-rate debt, the Company has made the following assumptions that reflect its current expectations:

- The floating-rate debt will move to RFRs during 2022, and the spread will be similar to the spread included in the interest rate swap used as the hedging instrument;
- No other changes to the terms of the floating-rate debt are anticipated;
- The Company has incorporated the uncertainty over when the floating-rate debt will move to RFRs, the resulting adjustment to the spread, and the other aspects of the reform that have not yet been finalized, by adding an additional spread to the discount rate used in the calculation.

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 had control over them and are accounted for as investments under the equity method as long as Atlantica has had 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 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 either in profit or loss or as a change to other comprehensive income. 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 group, equity, income, expenses, and cash flows relating to transactions between entities of the group 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.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company share of the profit or loss and other comprehensive income of the associate.

Controlled entities and associates included in these financial statements as of December 31, 2020 and 2019 are set out in appendices.

2.3. Contracted concessional assets

Contracted concessional assets include fixed assets, related to service concession arrangements recorded in accordance with IFRIC 12, except for Palmucho, which is recorded in accordance with IFRS 16 and PS10, PS20, Sevilla PV, Mini-Hydro, Chile TL 3, ATN Expansion 2 and Chile PV I which are recorded as tangible assets in accordance with IAS 16. The infrastructures accounted for by the Company as concessions are related to the activities concerning renewable energy assets, transmission lines, efficient natural gas assets and water plants. The useful life of these assets is approximately the same as the length of the concession arrangement. The infrastructure used in a concession 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 with, among other factors, (i) the identification of certain infrastructures and contractual agreements in the scope of IFRIC 12, (ii) the 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 the 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.

a) Intangible asset

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 expenses is as follows:

- Revenues from the updated annual revenue for the contracted concession, as well as 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.

b) 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. Revenue from operations and maintenance services is recognized in each period according to IFRS 15 “Revenue from contracts with Customers”. The income from managing and operating the asset resulting from the valuation at amortized cost is also recorded in revenue.

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 has elected to apply 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.

c) Property, plant and equipment

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.

Once the infrastructure is in operation, the treatment of income and expenses is the same as the one described above for intangible asset.

d) Right-of-use assets

Main right of use agreements correspond to land rights. The Company recognizes right-of-use assets under IFRS 16, 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.

The right-of-use assets are also subject to assets impairment (Note 2.4).

2.4. Asset impairment

Atlantica reviews its contracted concessional assets to identify any indicators of impairment at least annually. 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 with 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.

Accordingly, the following table provides a summary of the discount rates used (WACC) to calculate the recoverable amount for CGUs with the operating segment to which it pertains:

Operating segment	Discount rate(*)
EMEA	3%-5%
North America	4%-5%
South America	5%-7%

(*) post tax

The discount rates applied in 2020 are consistent with the ones applied in 2019.

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.

2.5. 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 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.

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 income tax is determined using tax rates and regulations which are expected to apply at the time when the deferred tax is realized.

Deferred tax assets are recognized only when it is probable that sufficient future taxable profit will be available to use deferred tax assets.

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 subsidiary's functional currency are translated into the subsidiary'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.

Non-controlling interest represents interest from other partners in entities included in these consolidated financial statements which are not fully owned by Atlantica as of the dates presented.

Share Capital, Share Premium and Capital Reserves represent the Parent's net investment in the entities included in these consolidated financial statements.

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 included in the group have dismantling provisions, which are intended to cover future expenditures related to the dismantlement of the plants and it will be likely to be settled with an outflow of resources in the long term (over 5 years).

Such provisions are accrued 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 reflect significant management estimates and judgement to determine amounts in these consolidated financial statements, are as follows:

- Contracted concessional agreements and PPAs.
- Impairment of intangible assets and property, plant and equipment.
- Assessment of control.
- Derivative financial instruments and fair value estimates.
- Income taxes and recoverable amount of deferred tax assets.

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, 2020, 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.

Note 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 Finance and Compliance Departments, which are responsible for identifying and evaluating financial risks quantifying them by project, region and company, in accordance with mandatory internal management rules. Written internal policies exist for global risk management, as well as for specific areas of risk. In addition, there are official written management regulations regarding key controls and control procedures for each company and the implementation of these controls is monitored through internal audit procedures.

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 and Euribor. 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 a result, the notional amounts hedged, strikes contracted and maturities, depending on the characteristics of the debt on which the interest rate risk is being hedged, are very diverse, including the following:

- Project debt in Euros: the Company hedges 100% of the notional amount, maturities until 2030 and average guaranteed strike interest rates of between 0.00% and 4.87%.
- Project debt in U.S. dollars: the Company hedges between 72% and 100% of the notional amount, including maturities until 2034 and average guaranteed strike interest rates of between 1.98% and 5.27%.

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 or LIBOR, which represent the reference interest rate for most of the debt of the Company. In the event that Euribor and Libor had risen by 25 basis points as of December 31, 2020, with the rest of the variables remaining constant, the effect in the consolidated income statement would have been a loss of $2,897 thousand (a loss of $2,745 thousand in 2019 and a loss of $2,731 thousand in 2018) and an increase in hedging reserves of $22,130 thousand ($27,570 thousand in 2019 and $32,928 thousand in 2018). The increase 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, 2020 and 2019, 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 always 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, 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 Spanish solar assets. The net Euro exposure is 100% hedged for the coming 12 months and 75% for the following 12 months on a rolling basis.

b) Credit risk

The Company considers that it has a limited credit risk with clients as revenues derive from power purchase agreements with electric utilities and state-owned entities.

c) Liquidity risk

Atlantica's liquidity and financing policy is intended to ensure that the Company maintains sufficient funds to meet our 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.

Corporate and Project debt repayment schedules are disclosed in Note 14 and 15, respectively.

Note 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
- EMEA

Based on the type of business, as of December 31, 2020 the Company had the following business sectors:

- Renewable energy
- Efficient natural gas
- Electric transmission lines
- 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 revenues 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 period attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interests from continued operations, income tax, share of profit/(loss) of associates carried under the equity method, finance expense net, depreciation, amortization and impairment charges of entities included in these consolidated financial statements.

In order to assess performance of the business, the CODM receives reports of each reportable segment using revenues 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 years ended December 31, 2020 and December 31, 2019 Atlantica had four customers with revenues representing more than 10% of the total revenues, three in the renewable energy and one in the efficient natural gas business sectors.

a) The following tables show Revenues and Adjusted EBITDA by operating segments and business sectors for the years 2020, 2019 and 2018:

	Revenue			Adjusted EBITDA		
	For the year ended December 31,			For the year ended December 31,		
Geography	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
North America	330,921	332,965	357,177	272,909	305,085	308,748
South America	151,460	142,207	123,214	120,023	115,346	100,234
EMEA	530,879	536,280	563,431	388,723	390,774	441,625
Total	**1,013,260**	**1,011,452**	**1,043,822**	**781,655**	**811,204**	**850,607**

	Revenue			Adjusted EBITDA		
	For the year ended December 31,			For the year ended December 31,		
Business sectors	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Renewable energy	753,089	761,090	793,557	575,660	603,666	664,428
Efficient natural gas	111,030	122,281	130,799	97,864	107,457	93,858
Electric transmission lines	106,042	103,453	95,998	84,584	85,657	78,461
Water	43,099	24,629	23,468	23,548	14,424	13,860
Total	**1,013,260**	**1,011,452**	**1,043,822**	**781,655**	**811,204**	**850,607**

The reconciliation of segment Adjusted EBITDA with the profit attributable to the parent company is as follows:

	For the year ended December 31,		
	2020	**2019**	**2018**
Profit attributable to the Company	11,968	62,135	41,596
Profit attributable to non-controlling interests	4,906	12,473	13,673
Income tax	24,877	30,950	42,659
Share of profit of associates	(510)	(7,457)	(5,231)
Financial expense, net	331,810	402,348	395,213
Depreciation, amortization, and impairment charges	408,604	310,755	362,697
Total segment Adjusted EBITDA	**781,655**	**811,204**	**850,607**

b) The assets and liabilities by operating segments (and business sector) at the end of 2020 and 2019 are as follows:

Assets and liabilities by geography as of December 31, 2020:

	North America	South America	EMEA	Balance as of December 31, 2020
Assets allocated				
Contracted concessional assets	3,073,785	1,211,952	3,869,681	8,155,418
Investments carried under the equity method	74,660	-	41,954	116,614
Current financial investments	129,264	27,836	42,984	200,084
Cash and cash equivalents (project companies)	206,344	70,861	255,530	532,735
Subtotal allocated	**3,484,053**	**1,310,649**	**4,210,149**	**9,004,851**
Unallocated assets				
Other non-current assets				242,044
Other current assets (including cash and cash equivalents at holding company level)				691,459
Subtotal unallocated				**933,503**
Total assets				**9,938,354**

	North America	South America	EMEA	Balance as of December 31, 2020
Liabilities allocated				
Long-term and short-term project debt	1,623,284	902,500	2,711,830	5,237,614
Grants and other liabilities	1,078,974	11,355	139,438	1,229,767
Subtotal allocated	**2,702,258**	**913,855**	**2,851,268**	**6,467,381**
Unallocated liabilities				
Long-term and short-term corporate debt				993,725
Other non-current liabilities				589,107
Other current liabilities				147,260
Subtotal unallocated				**1,730,092**
Total liabilities				**8,197,473**
Equity unallocated				**1,740,881**
Total liabilities and equity unallocated				**3,470,973**
Total liabilities and equity				**9,938,354**

Assets and liabilities by geography as of December 31, 2019:

	North America	South America	EMEA	Balance as of December 31, 2019
Assets allocated				
Contracted concessional assets	3,299,198	1,186,552	3,675,379	8,161,129
Investments carried under the equity method	90,847	-	49,078	139,925
Current financial investments	159,267	29,190	20,673	209,131
Cash and cash equivalents (project companies)	181,458	80,909	234,097	496,464
Subtotal allocated	**3,730,771**	**1,296,652**	**3,979,227**	**9,006,649**
Unallocated assets				
Other non-current assets				239,553
Other current assets (including cash and cash equivalents at holding company level)				413,613
Subtotal unallocated				**653,166**
Total assets				**9,659,815**

	North America	South America	EMEA	Balance as of December 31, 2019
Liabilities allocated				
Long-term and short-term project debt	1,676,251	884,835	2,291,262	4,852,348
Grants and other liabilities	1,490,661	12,864	155,342	1,658,867
Subtotal allocated	**3,166,912**	**897,699**	**2,446,604**	**6,511,215**
Unallocated liabilities				
Long-term and short-term corporate debt				723,791
Other non-current liabilities				547,740
Other current liabilities				162,213
Subtotal unallocated				**1,433,744**
Total liabilities				**7,944,959**
Equity unallocated				**1,714,856**
Total liabilities and equity unallocated				**3,148,600**
Total liabilities and equity				**9,659,815**

Assets and liabilities by business sectors as of December 31, 2020:

	Renewable energy	Efficient natural gas	Electric transmission lines	Water	Balance as of December 31, 2020
Assets allocated					
Contracted concessional assets	6,632,611	502,285	842,595	177,927	8,155,418
Investments carried under the equity method	61,866	15,514	30	39,204	116,614
Current financial investments	6,530	124,872	27,796	40,886	200,084
Cash and cash equivalents (project companies)	397,465	67,955	46,045	21,270	532,735
Subtotal allocated	**7,098,472**	**710,626**	**916,466**	**279,287**	**9,004,851**
Unallocated assets					
Other non-current assets					242,044
Other current assets (including cash and cash equivalents at holding company level)					691,459
Subtotal unallocated					**933,503**
Total assets					**9,938,354**

	Renewable energy	Efficient natural gas	Electric transmission lines	Water	Balance as of December 31, 2020
Liabilities allocated					
Long-term and short-term project debt	3,992,512	504,293	625,203	115,606	5,237,614
Grants and other liabilities	1,221,176	108	6,040	2,443	1,229,767
Subtotal allocated	**5,213,688**	**504,401**	**631,243**	**118,049**	**6,467,381**
Unallocated liabilities					
Long-term and short-term corporate debt					993,725
Other non-current liabilities					589,107
Other current liabilities					147,260
Subtotal unallocated					**1,730,092**
Total liabilities					**8,197,473**
Equity unallocated					**1,740,881**
Total liabilities and equity unallocated					**3,470,973**
Total liabilities and equity					**9,938,354**

Assets and liabilities by business sectors as of December 31, 2019:

	Renewable energy	Efficient natural gas	Electric transmission lines	Water	Balance as of December 31, 2019
Assets allocated					
Contracted concessional assets	6,644,024	559,069	872,757	85,280	8,161,129
Investments carried under the equity method	77,549	17,154	-	45,222	139,925
Current financial investments	13,798	148,723	28,237	18,373	209,131
Cash and cash equivalents (project companies)	421,198	11,850	53,868	9,548	496,464
Subtotal allocated	**7,156,568**	**736,796**	**954,862**	**158,423**	**9,006,649**
Unallocated assets					
Other non-current assets					239,553
Other current assets (including cash and cash equivalents at holding company level)					413,613
Subtotal unallocated					**653,166**
Total assets					**9,659,815**

	Renewable energy	Efficient natural gas	Electric transmission lines	Water	Balance as of December 31, 2019
Liabilities allocated					
Long-term and short-term project debt	3,658,507	529,350	640,160	24,331	4,852,348
Grants and other liabilities	1,651,476	146	6,517	728	1,658,867
Subtotal allocated	**5,309,983**	**529,495**	**646,677**	**25,059**	**6,511,215**
Unallocated liabilities					
Long-term and short-term corporate debt					723,791
Other non-current liabilities					547,740
Other current liabilities					162,213
Subtotal unallocated					**1,433,744**
Total liabilities					**7,944,959**
Equity unallocated					**1,714,856**
Total liabilities and equity unallocated					**3,148,600**
Total liabilities and equity					**9,659,815**

c) The amount of depreciation, amortization and impairment charges recognized for the years ended December 31, 2020, 2019 and 2018 are as follows:

	For the year ended December 31,		
Depreciation, amortization and impairment by geography	**2020**	**2019**	**2018**
North America	(197,643)	(116,232)	(166,046)
South America	(39,191)	(47,844)	(42,368)
EMEA	(171,770)	(146,679)	(154,283)
Total	**(408,604)**	**(310,755)**	**(362,697)**

	For the year ended December 31,		
Depreciation, amortization and impairment by business sectors	**2020**	**2019**	**2018**
Renewable energy	(350,785)	(286,907)	(323,538)
Electric transmission lines	(30,889)	(27,490)	(28,925)
Efficient natural gas	(26,563)	3,102	(10,334)
Water	(367)	541	100
Total	**(408,604)**	**(310,755)**	**(362,697)**

Note 5.- Business combinations

For the year ended December 31, 2020

On April 3, 2020, the Company completed the investment in a 35% stake in a renewable energy platform in Chile for approximately $4 million. The first investment made by the platform has been in a 55 MW solar PV plant, Chile PV I, located in Chile. Atlantica has control over Chile PV I under IFRS 10, Consolidated Financial Statements. The acquisition of Chile PV I has been accounted for in these consolidated financial statements in accordance with IFRS 3, Business Combinations, showing 65% of Non-Controlling interest.

On May 31, 2020, the Company obtained control over the Board of Directors of Befesa Agua Tenes which owns a 51% stake in Tenes and therefore controls the asset, a water desalination plant in Algeria. The total investment, in the form of a secured loan agreement to be reimbursed through a full cash-sweep of all the dividends to be received from the asset, amounted to approximately $19 million as of May 31, 2020. The acquisition has been accounted for in the consolidated financial statements of Atlantica, in accordance with IFRS 3, Business Combinations, showing 49% of Non-Controlling interest.

The amount of assets and liabilities consolidated at the effective acquisition date is shown in the following table:

	Business combinations for the year-ended December 31, 2020
Contracted concessional assets (Note 6)	163,064
Other non-current assets	356
Cash & cash equivalents	17,646
Other current assets	29,998
Non-current Project debt (Note 15)	(149,585)
Current Project debt (Note 15)	(8,680)
Other current and non-current liabilities	(4,881)
Non-controlling interests	(25,308)
Total net assets acquired at fair value	**22,610**
Asset acquisition - purchase price	(22,610)
Net result of business combinations	**-**

The purchase price equals the fair value of the net assets acquired.

The allocation of the purchase prices is provisional as of December 31, 2020 and the 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, 2020. The measurement period will not exceed one year from the acquisition dates.

The amount of revenue contributed by the acquisitions performed during 2020 to the consolidated financial statements of the Company for the year 2020 is $22.5 million, and the amount of profit after tax is $6.3 million. Had the acquisitions been consolidated from January 1, 2020, the consolidated statement of comprehensive income would have included additional revenue of $14.7 million and additional profit after tax of $3.7 million.

For the year ended December 31, 2019

On August 2, 2019, the Company closed the acquisition of a 100% stake in ASI Operations LLC (“ASI Ops”), the company that performs the operation and maintenance services for the Solana and Mojave plants. The total equity investment amounted to $6 million. The acquisition has been accounted for in the consolidated financial statements of Atlantica, in accordance with IFRS 3, Business Combinations.

On October 22, 2019, the Company closed the acquisition of ATN Expansion 2 from Enel Green Power Peru, for a total equity investment of $20 million, controlling the asset from this date. The purchase has been accounted for in the consolidated accounts of Atlantica, in accordance with IFRS 3, Business Combinations.

The amount of assets and liabilities consolidated at the effective acquisition date is shown in the following table:

	Business combinations for the year ended December 31, 2019
Concessional assets (Note 6)	28,738
Current assets	1,503
Deferred tax liabilities (Note 18)	(2,539)
Other current and non-current liabilities	(1,512)
Total net assets acquired at fair value	**26,190**
Asset acquisition - purchase price	(26,190)
Net result of business combinations	**-**

The purchase price was equal to the fair value of the net assets acquired.

The allocation of the purchase prices was provisional as of December 31, 2019 for some of the acquisitions that were made effective near to year end. No significant adjustments were made in 2020 to the amounts indicated in the table above during the measurement period (one year from the acquisition dates).

The amount of revenue contributed by the acquisitions performed during 2019 to the consolidated financial statements of the Company for the year 2019 was $0.3 million, and the amount of profit after tax was nil. Had the acquisitions been consolidated from January 1, 2019, the consolidated statement of comprehensive income would have included additional revenue of $2.3 million and additional profit after tax of $1.2 million.

Note 6.- Contracted concessional assets

Contracted concessional assets include fixed assets financed through project debt, related to service concession arrangements recorded in accordance with IFRIC 12, except for Palmucho, which is recorded in accordance with IFRS 16, and PS10, PS20, Seville PV, Mini-Hydro, Chile TL3, ATN Expansion 2 and Chile PV I, which are recorded as property plant and equipment in accordance with IAS 16.

For further details on the application of IFRIC 12 to projects, see Appendix III.

a) The following table shows the movements of assets included in the heading “Contracted Concessional assets” for 2020:

Cost	Financial assets under IFRIC 12	Financial assets under IFRS 16 (Lessor)	Intangible assets under IFRIC 12	Intangible assets under IFRS 16 (Lessee)	Other intangible assets	Property, plant and equipment	Total assets
Total as of January 1, 2020	872,945	3,459	9,183,011	60,618	12,927	251,637	10,384,597
Additions	-	-	29,213	1,832	557	3,753	35,355
Subtractions	-	-	(71,706)	(954)	-	(223)	(72,883)
Business combinations (Note 5)	102,560	-	-	385	-	63,916	166,861
Translation differences	(8,166)	(163)	326,791	4,349	317	17,836	340,964
Reclassification and other movements	(30,502)	(355)	-	-	-	-	(30,857)
Total cost	**936,837**	**2,941**	**9,467,309**	**66,230**	**13,801**	**336,919**	**10,824,037**

Depreciation, amortization and impairment	Financial assets under IFRIC 12	Financial assets under IFRS 16 (Lessor)	Intangible assets under IFRIC 12	Intangible assets under IFRS 16 (Lessee)	Other intangible assets	Property, plant and equipment	Total assets
Total as of January 1, 2020	(57,258)	-	(2,055,946)	(6,585)	(3,653)	(100,026)	(2,223,468)
Additions	(27,111)	-	(338,393)	(3,527)	(2,219)	(13,739)	(384,989)
Subtractions	-	-	17,571	634	-	49	18,253
Reversal of impairment	-	-	18,787	-	-	-	18,787
Business combinations (Note 5)	(3,797)	-	-	-	-	-	(3,797)
Translation differences	476	-	(84,538)	(581)	(238)	(8,524)	(93,405)
Total depreciation, amortization and impairment	**(87,689)**	**-**	**(2,442,520)**	**(10,060)**	**(6,111)**	**(122,239)**	**(2,668,619)**

During 2020, the cost of contracted concessional assets increased primarily due to the effect of the appreciation of the Euro against the U.S. dollar for the year ended December 31,2020, compared to the year ended December 31, 2019, and to the acquisition of new concessional assets (Note 5)

This increase is mainly offset by the amortization charge for the year and the write-off registered in Solana (see below).

The decrease included in "Reclassification and other movements" is mainly due to the reclassification from the long to the short term of the current portion of the contracted concessional financial assets.

Solana storage system partial write-off

The availability in the storage system of Solana has been lower than expected in 2020 due to certain leaks identified in the storage system in the first quarter. The Company has a preliminary plan to replace some elements of the storage system, which have been written off in these consolidated financial statements through profit and loss in the line "Depreciation, amortization, and impairment charges" for an estimated net book value of approximately $48 million. The exact scope and timing of the improvements and repairs are currently under review and still need to be finalized.

Solana triggering event of impairment

The Company identified in 2020 a triggering event of impairment for Solana as a result of the underperformance of the plant in terms of production. The Company therefore performed an impairment test as of December 31, 2020, which resulted in the recoverable amount (value in use) exceeding the carrying amount of the asset by 10%. To determine the value in use of the asset, 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 discount rates between 3.8% and 4.3%.

An adverse change in the key assumptions which are individually used for the valuation would not lead to future impairment recognition; neither in case of a 5% decrease in generation over the entire remaining useful life (PPA) of the project nor in case of an increase of 50 basis points in the discount rate.

Change in the useful life of the solar plants in Spain

Further to the recent developments in the Energy and Climate Policy Framework adopted by Spain in 2020, the Company concluded that the expected deep transformation of the electricity sector in Spain would probably significantly reduce the market price at which the electricity is sold in the mid- to long-term. In particular, the Company believes this may impact the price captured by the Company's solar plants in Spain after the end of the regulation in place (2035 to 2038 onwards). As a result, the price captured by the plants after 2035 to 2038 (the end of the 25 years regulatory period) would likely not be sufficient to cover operating costs. In this case, the plants would stop operating and be dismantled at that point in time.

The Company believes that it is possible that long-term price evolution and technology changes could result in scenarios where the plants may continue to operate after the end of the regulatory period. Nevertheless, given the information currently available, the Company decided to reduce the useful life of the CSP plants in Spain from 35 years to 25 years after COD. This change of estimate of the useful life, effective September 1st, 2020, is accounted for as a change in accounting estimate in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The main impacts recorded prospectively in these consolidated financial statements are:

- an increased amortization charge from September 1st, 2020, considering the reduction in the residual useful life of the plants. The impact is approximately $23 million as of December 31, 2020, recorded within the line "Depreciation, amortization and impairment charges" in the profit and loss statement.

- an increase in the discounted value of the dismantling provision, as the dismantling of the plants would occur earlier. The provision increased by approximately $13 million as of December 31, 2020 (Note 16).

In addition, reducing the useful life of the solar plants in Spain is a triggering event of impairment, given that the recoverable amount of the asset is negatively impacted if the plants stop operating in year 25 after COD.

The Company therefore performed an impairment test as of December 31, 2020, which resulted in the recoverable amount (value in use) exceeding the carrying amount of the assets by 6%. To determine the value in use of the assets, 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 discount rates between 3.3% and 3.8%.

An adverse change in the key assumptions which are individually used for the valuation would not lead to future impairment recognition; neither in case of a 5% decrease in generation over the entire remaining useful life of the projects nor in case of an increase of 50 basis points in the discount rate.

Palmatir and Cadonal impairment reversals

As part of the triggering event analysis performed for Palmatir and Cadonal assets in 2020, the Company identified factors, such as a reduced discount rate according to favorable market conditions, increasing their recoverable amount (value in use). The Company therefore performed an impairment test as of December 31, 2020, which resulted in the reversal of impairments previously recorded, for an amount of $15.6 million and $3.1 million in Cadonal and Palmatir, respectively, recorded within the line “Depreciation, amortization and impairment charges” of the profit and loss statement.

No losses from impairment of contracted concessional assets, excluding any change in the provision for expected credit losses under IFRS 9, Financial instruments, were recorded during the years ended December 31, 2020 and 2019. The impairment provision based on the expected credit losses on contracted concessional financial assets increased by $29 million in the year ended December 31, 2020 (reversal of $6 million in the year ended December 31, 2019), primarily in ACT.

b) The following table shows the movements of assets included in the heading “Contracted Concessional assets” for 2019:

Cost	Financial assets under IFRIC 12	Financial assets under IFRS 16 (Lessor)	Intangible assets under IFRIC 12	Intangible assets under IFRS 16 (Lessee)	Other intangible assets	Property, plant and equipment	Total assets
Total as of January 1, 2019	902,508	4,068	9,265,742	60,808	4,008	238,694	10,475,828
Additions	-	-	91	-	454	886	1,431
Subtractions	-	-	(22,391)	(347)	(15)	(119)	(22,872)
Business combinations (Note 5)	-	-	2,067	-	8,548	18,123	28,738
Translation differences	(1,049)	(295)	(62,498)	157	(68)	(5,947)	(69,700)
Reclassification and other movements	(28,514)	(314)	-	-	-	-	(28,828)
Total cost	**872,945**	**3,459**	**9,183,011**	**60,618**	**12,927**	**251,637**	**10,384,597**

Depreciation, amortization and impairment	Financial assets under IFRIC 12	Financial assets under IFRS 16 (Lessor)	Intangible assets under IFRIC 12	Intangible assets under IFRS 16 (Lessee)	Other intangible assets	Property, plant and equipment	Total assets
Total as of January 1, 2019	(63,285)	-	(1,766,179)	(3,341)	(2,157)	(91,684)	(1,926,646)
Additions	-	-	(305,702)	(3,294)	(1,523)	(10,147)	(320,666)
Subtractions	5,997	-	4,205	-	-	2	10,204
Translation differences	30	-	11,730	50	27	1,803	13,640
Total depreciation, amortization and impairment	**(57,258)**	**-**	**(2,055,946)**	**(6,585)**	**(3,653)**	**(100,026)**	**(2,223,468)**

During 2019, contracted concessional assets decreased primarily due to the effect of the depreciation of the Euro against the U.S. dollar for the year ended December 31, 2019 compared to December 31, 2018 and to the amortization charge for the year.

Other relevant movements in the cost of contracted concessional assets were an increase for the acquisition of new concessional assets (Note 5), offset by a decrease for the payments received from Abengoa by Solana in January, June and December 2019 further to Abengoa´s obligation as EPC Contractor for a total amount of $22.2 million (Note 15), included in the line "Subtractions" in the table above.

The decrease included in “Reclassification and other movements” is mainly due to the reclassification from the long to the short term of the current portion of the contracted concessional financial assets.

The Company has not identified any triggering event of impairment for its contracted concessional assets, and consequently, no losses from impairment of contracted concessional assets were recorded during the year ended December 31, 2019.

Note 7.- Investments carried under the equity method

The table below shows the breakdown and the movement of the investments held in associates for 2020 and 2019:

Investments in associates	**2020**	**2019**
Initial balance	139,925	53,419
Share of (loss)/profit	510	7,457
Distributions	(23,703)	(36,780)
Acquisitions	-	113,897
Others (incl. currency translation differences)	(118)	1,932
Final balance	**116,614**	**139,925**

Decrease in investments carried under the equity method in 2020 is primarily due to distributions received from the projects Honaine for $4.5 million ($4.6 million in 2019) and Amherst for $16.1 million ($25.9 million in 2019). A significant portion of the distributions received from Amherst are distributed by the Company to Algonquin Power Co. (Note 13).

On May 24, 2019, Atlantica and Algonquin formed AYES Canada, a vehicle to channel co-investment opportunities in which Atlantica holds the majority of voting rights. The first investment was in Amherst Island, a 75 MW wind plant in Canada owned by the project company Windlectric. Atlantica invested $4.9 million and Algonquin invested $92.3 million, both through AYES Canada, which in turn invested those funds in AIP, the holding company of Windlectric. Atlantica accounts for the investment in AIP and ultimately Windlectric under the equity method as per IAS 28, Investments in Associates and Joint Ventures. Since Atlantica has control over AYES Canada under IFRS 10 Consolidated Financial Statements, its consolidated financial statements initially showed a total investment in the Amherst Island project of $97.2 million, accounted for as “Investments carried under the equity method” and Algonquin’s portion of that investment of $92.3 million as “Non-controlling interest”.

On August 2, 2019, the Company closed the acquisition of a 30% stake in Monterrey, a 142 MW gas-fired engine facility with batteries. The total investment amounted to $42.0 million, out of which $16.7 million is an equity investment, and the rest is a shareholder loan classified as financial investments in these consolidated financial statements. The acquisition has been accounted for in the consolidated accounts of Atlantica, in accordance with IAS 28, Investments in Associates.

The tables below show a breakdown of stand-alone amounts of assets, revenues and profit and loss as well as other information of interest for the years 2020 and 2019 for the associated companies:

Company	**% Shares**	**Non-current assets**	**Current assets**	**Non-current liabilities**	**Current liabilities**	**Revenue**	**Operating profit/ (loss)**	**Net profit/ (loss)**	**Investment under the equity method**
Evacuación Valdecaballeros, S.L.	57.16	19,531	1,130	16,721	646	853	(167)	(194)	976
Myah Bahr Honaine, S.P.A.(*)	25.50	165,688	57,808	71,867	12,742	50,739	30,519	12,402	39,204
Pectonex, R.F. Proprietary Limited	50.00	2,743	-	-	1	-	(168)	(168)	1,587
Evacuación Villanueva del Rey, S.L	40.02	3,201	134	1,861	257	-	52	-	-
Ca Ku A1, S.A.P.I de CV (PTS)	5.00	468,131	156,528	604,986	25,773	80,240	17,415	1,615	30
Pemcorp SAPI de CV (**)	30.00	127,429	121,468	258,295	4,725	28,832	3,068	(6,237)	15,514
ABY Infraestructuras S.L.U.	20.00	135	84	-	63	-	(53)	(53)	17
Windlectric Inc (***)	30.00	316,251	7,229	216,765	31,403	23,663	10,451	(493)	59,116
Other renewable energy joint ventures (****)	50.00	323	210	-	19	-	(66)	(66)	169
As of December 31, 2020									**116,614**

Company	% Shares	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Operating profit/ (loss)	Net profit/ (loss)	Investment under the equity method
Evacuación Valdecaballeros, S.L.	57.16	18,584	1,268	13,145	783	694	(277)	(303)	2,348
Myah Bahr Honaine, S.P.A.(*)	25.50	184,332	63,148	71,614	13,562	51,504	33,372	30,186	45,222
Pectonex, R.F. Proprietary Limited	50.00	3,074	-	-	2	-	(190)	(190)	1,391
Evacuación Villanueva del Rey, S.L	40.02	2,946	107	1,841	225	-	47	-	-
Ca Ku A1, S.A.P.I de CV (PTS)	5.00	486,179	55,423	-	543,077	-	(39)	(495)	-
Pemcorp SAPI de CV (**)	30.00	125,301	72,669	197,324	5,090	32,302	5,737	(10,073)	17,179
ABY Infraestructuras S.L.U.	20.00	-	59	-	-	-	(104)	(101)	11
Windlectric Inc (***)	30.00	319,041	10,655	232,938	22,424	24,867	11,125	(6,537)	73,693
Other renewable energy joint ventures (****)	50.00	47	146	6	70	-	(46)	(46)	81
As of December 31, 2019									**139,925**

The Company has no control over Evacuación 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 are a listed company.

(*) 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. Share of profit of Myah Bahr Honaine S.P.A. included in these consolidated financial statements amounts to $3.1 million in 2020 and $7.7 million in 2019.

(**) 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 $1.9 million in 2020 and a profit of $0.5 million in 2019.

(***) Windlectric Inc., the project entity, is 100% owned by Amherst Island Partnership which is accounted for under the equity method.

(****) Other renewable energy joint ventures correspond to investments made in the following entities: AC Renovables Sol 1 SAS Esp, PA Renovables Sol 1 SAS Esp, SJ Renovables Sun 1 SAS Esp and SJ Renovables Wind 1 SAS Esp.

Note 8.- Financial instruments by category

Financial instruments, in addition to Contracted concessional 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, 2020 and 2019 are as follows:

	Notes	Amortized cost	Fair value through Other Comprehensive Income	Fair value through profit or loss	Balance as of December 31, 2020
Derivative assets	9	-	-	1,559	1,559
Investment in Ten West Link		-	12,896	-	12,896
Investment in Rioglass		-	-	2,687	2,687
Financial assets under IFRIC 12 (short-term portion)		178,198	-	-	178,198
Trade and other receivables	11	331,735	-	-	331,735
Cash and cash equivalents	12	868,501	-	-	868,501
Other financial investments		94,497	-	-	94,497
Total financial assets		**1,472,931**	**12,896**	**4,246**	**1,490,073**
Corporate debt	14	993,725	-	-	993,725
Project debt	15	5,237,614	-	-	5,237,614
Related parties – non-current	10	6,810	-	-	6,810
Trade and other current liabilities	17	92,557	-	-	92,557
Derivative liabilities	9	-	-	328,184	328,184
Total financial liabilities		**6,330,707**	**-**	**328,184**	**6,658,891**

	Notes	Amortized cost	Fair value through Other Comprehensive Income	Fair value through profit or loss	Balance as of December 31, 2019
Derivative assets	9	-	-	5,230	5,230
Investment in Ten West Link		-	9,874	-	9,874
Investment in Rioglass		-	-	7,000	7,000
Financial assets under IFRIC 12 (short-term portion)		160,624	-	-	160,624
Trade and other receivables	11	317,568	-	-	317,568
Cash and cash equivalents	12	562,795	-	-	562,795
Other financial investments		127,436	-	-	127,436
Total financial assets		**1,168,423**	**9,874**	**12,230**	**1,190,527**
Corporate debt	14	723,791	-	-	723,791
Project debt	15	4,852,348	-	-	4,852,348
Related parties – non-current	10	17,115	-	-	17,115
Trade and other current liabilities	17	128,062	-	-	128,062
Derivative liabilities	9	-	-	298,744	298,744
Total financial liabilities		**5,721,316**	**-**	**298,744**	**6,020,060**

Other financial investments as of December 31, 2020 include, among others, a loan to Monterrey (Note 7) and restricted cash for repairs or scheduled major maintenance work. As of December 31, 2019, Other financial investments additionally included a loan to Befesa Agua Tenes amounting to $13 million (Note 1).

Investment in Ten West Link is a 12.5% interest in a 114-mile transmission line in the U.S., currently under development.

Investment in Rioglass corresponds to 15.12% of the equity interest of Rioglass, a multinational solar power and renewable energy technology manufacturer, acquired in May 2019 by the Company (Note 1).

Note 9.- Derivative financial instruments

The breakdowns of the fair value amount of the derivative financial instruments as of December 31, 2020 and 2019 are as follows:

	Balance as of December 31, 2020		Balance as of December 31, 2019	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate cash flow hedge	898	302,302	1,619	298,744
Foreign exchange derivatives instruments	661	-	3,610	-
Notes conversion option (Note 14)	-	25,882	-	-
Total	**1,559**	**328,184**	**5,230**	**298,744**

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:

- Project debt in Euros: the Company hedges 100% of the notional amount, maturities until 2030 and average guaranteed interest rates of between 0.00% and 4.87%.

- Project debt in U.S. dollars: the Company hedges between 72% and 100% of the notional amount, including maturities until 2034 and average guaranteed interest rates of between 1.98% and 5.27%.

The table below shows a breakdown of the maturities of notional amounts of interest rate cash flow hedge derivatives as of December 31, 2020 and 2019.

Notionals	**Balance as of December 31, 2020**		**Balance as of December 31, 2019**	
	Assets	Liabilities	Assets	Liabilities
Up to 1 year	61,364	120,874	43,266	117,574
Between 1 and 2 years	296,828	249,785	45,955	124,908
Between 2 and 3 years	257,548	276,111	49,259	240,570
Subsequent years	292,011	852,696	455,235	1,697,033
Total	**$ 907,752**	**$ 1,499,466**	**$ 593,715**	**$ 2,180,085**

The table below shows a breakdown of the maturity of the fair values of interest rate cash flow hedge derivatives as of December 31, 2020 and 2019:

Fair value	**Balance as of December 31, 2020**		**Balance as of December 31, 2019**	
	Assets	Liabilities	Assets	Liabilities
Up to 1 year	59	(21,042)	118	(18,721)
Between 1 and 2 years	255	(48,276)	128	(19,787)
Between 2 and 3 years	305	(55,220)	140	(21,802)
Subsequent years	280	(177,764)	1,234	(238,434)
Total	**$ 898**	**$ (302,302)**	**$ 1,619**	**$ (298,744)**

The net amount of the fair value of interest rate derivatives designated as cash flow hedges transferred to the consolidated income statement in 2020 is a loss of $58,381 thousand (loss of $55,765 thousand in 2019 and a loss of $67,519 thousand in 2018).

The after-tax result accumulated in equity in connection with derivatives designated as cash flow hedges at the years ended December 31, 2020 and 2019, amount to a $96,641 thousand gain and a $73,797 thousand gain respectively.

Additionally, the Company owns following derivatives instruments:

- 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 Spanish 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.

- the conversion option of notes issued in July 2020 (Note 14), which fair value is a liability of $26 million as of December 31, 2020.

Note 10.- Related parties

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) and directors and the senior management of the Company.

Details of balances with related parties as of December 31, 2020 and 2019 are as follows:

	Balance as of December 31,	
	2020	**2019**
Credit receivables (current)	23,067	13,350
Credit receivables (non-current)	10,082	21,355
Total receivables from related parties	**33,149**	**34,705**
Credit payables (current)	18,477	23,979
Credit payables (non-current)	6,810	17,115
Total payables to related parties	**25,287**	**41,094**

Current credit receivables as of December 31, 2020 mainly correspond to the short-term portion of the loan to Arroyo Netherland II B.V., the holding company of Pemcorp SAPI de CV., Monterrey´s project entity (Note 7) for $15.5 million ($4.0 million as of December 31, 2019) and to a dividend to be collected from Amherst Island Partnership for $4.3 million ($5.5 million as of December 31, 2019).

Non-current credit receivables as of December 31, 2020 and December 31, 2019 correspond to the long-term portion of the loan to Arroyo Netherland II B.V.

Credit payables relate to debts with non-controlling interests partners in Kaxu, Solaben 2&3 and Solacor 1&2 for an amount of $21.1 million as of December 31, 2020 ($35.6 million as of December 31, 2019). Current credit payables also include the dividend to be paid from Atlantica Yield Energy Solutions Ltd to Algonquin for $4.2 million as of December 31, 2020 ($5.4 million as of December 31, 2019).

The transactions carried out by entities included in these consolidated financial statements with related parties not included in the consolidation perimeter of Atlantica, for the years ended December 31, 2020, 2019 and 2018 have been as follows:

	For the year ended December 31,		
	2020	**2019**	**2018**
Services received	-	-	(101,582)
Financial income	2,017	978	3,721
Financial expenses	(155)	(195)	(398)

Services received in 2018 primarily included operation and maintenance services received by some assets from Abengoa and subsidiaries of Abengoa, which had been related parties during these years. Further to the sale of its remaining 16.47% stake in the Company to Algonquin on November 27, 2018, Abengoa ceased to fulfill the conditions to be a related party as per IAS 24 - Related Parties Disclosures.

The total amount of the remuneration received by the Board of Directors of the Company, including the CEO, amounts to $3.4 million in 2020 ($2.5 million in 2019), including $1.0 million of annual bonus ($1.0 million in 2019). The increase of the total remuneration in 2020 is mainly due to the CEO having received a long-term award of $0.8 million in 2020. No long-term awards have vested in 2019. None of the directors received any pension remuneration in 2020 nor 2019.

Note 11.- Trade and other receivables

Trade and other receivable as of December 31, 2020 and 2019, consist of the following:

	Balance as of December 31,	
	2020	2019
Trade receivables	258,087	242,008
Tax receivables	50,663	50,901
Prepayments	12,074	5,150
Other accounts receivable	10,911	19,508
Total	**331,735**	**317,568**

As of December 31, 2020, and 2019, 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, 2020 and 2019, are as follows:

	Balance as of December 31,	
	2020	2019
Euro	105,826	108,280
South African Rand	24,121	24,289
Other	6,929	4,001
Total	**136,876**	**136,570**

Note 12.- Cash and cash equivalents

The following table shows the detail of Cash and cash equivalents as of December 31, 2020 and 2019:

	Balance as of December 31,	
	2020	2019
Cash at bank and on hand - non restricted	588,690	223,867
Cash at bank and on hand - restricted	279,811	338,928
Total	**868,501**	**562,795**

Cash includes funds held to satisfy the customary requirements of certain non-recourse debt agreements within the Company´s projects (Note 15) amounting to $280 million as of December 31, 2020 ($339 million as of December 31, 2019).

The following breakdown shows the main currencies in which cash and cash equivalent balances are denominated:

	Balance as of December 31,	
Currency	2020	2019
U.S. dollar	575,567	313,678
Euro	196,431	181,961
South African Rand	40,561	47,679
Mexican Peso	23,570	64
Algerian Dinar	21,114	9,301
Others	11,258	10,176
Total	**868,501**	**562,795**

Note 13.- Equity

As of December 31, 2020, the share capital of the Company amounts to $10,667,087 represented by 106,670,866 ordinary shares completely 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 completed in 2018 the acquisition from Abengoa of its entire stake in Atlantica, 41.5% of the total shares of the Company, becoming the largest shareholder of the Company. On May 22, 2019, the Company issued an additional 1,384,402 ordinary shares, which were fully subscribed by Algonquin for a total amount of $30,000,000, increasing the stake of Algonquin to 42.3%. Additionally, Algonquin purchased 2,000,000 ordinary shares on May 31, 2019, increasing its stake in Atlantica to 44.2%.

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, 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.

Atlantica´s reserves as of December 31, 2020 are made up of share premium account and capital reserves. The share premium account reduction by $1,000,000 thousand during the year 2019, increasing capital reserves by the same amount, was made effective upon 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 Industrial Development Corporation of South Africa (IDC) and Kaxu Community Trust in Kaxu, by Algonquin Power Co. in AYES Canada, by Algerian Energy Company, SPA in Tenes and by our partners in the Chilean renewable energy platform in Chile PV I.

Additional information of subsidiaries including material non-controlling interests as of December 31, 2020 and 2019, are disclosed in Appendix IV.

Dividends declared during the year 2020 by the Board of Directors of the Company were:

- On February 26, 2020, the Board of Directors declared a dividend of $0.41 per share corresponding to the fourth quarter of 2019. The dividend was paid on March 23, 2020 for a total amount of $41.7 million

- On May 6, 2020, the Board of Directors of the Company approved a dividend of $0.41 per share corresponding to the first quarter of 2020. The dividend was paid on June 15, 2020 for a total amount of $41.7 million.

- On July 31, 2020, the Board of Directors of the Company approved a dividend of $0.42 per share corresponding to the second quarter of 2020. The dividend was paid on September 15, 2020 for a total amount of $42.7 million.

- On November 4, 2020, the Board of Directors declared a dividend of $0.42 per share corresponding to the third quarter of 2020. The dividend was paid on December 15, 2020 for a total amount of $42.7 million.

In addition, the Company declared dividends to non-controlling interests, primarily to Algonquin Power Co. for $14.7 million in 2020 ($25.6 million in 2019) and Algerian Energy Company, SPA for $5.6 million in 2020 ($4.1 million in 2019).

As of December 31, 2020, there was no treasury stock and there have been no transactions with treasury stock during the period then ended.

Note 14.- Corporate debt

The breakdown of the corporate debt as of December 31, 2020 and 2019 is as follows:

	Balance as of December 31,	
Non-current	**2020**	**2019**
Credit Facilities with financial entities	867,933	695,085
Notes and Bonds	102,144	-
Total Non-current	**970,077**	**695,085**

	Balance as of December 31,	
Current	**2020**	**2019**
Credit Facilities with financial entities	342	789
Notes and Bonds	23,306	27,917
Total Current	**23,648**	**28,706**

On February 10, 2017, the Company issued Senior Notes due 2022, 2023, 2024 (the “Note Issuance Facility 2017”), in an aggregate principal amount of €275,000 thousand. The Note Issuance Facility 2017 was fully repaid on April 2, 2020.

On July 20, 2017, the Company signed a credit facility (the “2017 Credit Facility”) for up to €10 million, approximately $12.2 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. As of December 31, 2020, the 2017 Credit Facility is fully available (€9 million drawn down as of December 31, 2019). The credit facility maturity is December 13, 2021.

On May 10, 2018, the Company entered into a $215 million revolving credit facility (the “Revolving Credit Facility”) with Royal Bank of Canada, as administrative agent and Royal Bank of Canada and Canadian Imperial Bank of Commerce, as issuers of letters of credit. Amounts drawn down accrue interest at a rate per year equal to (A) for Eurodollar rate loans, LIBOR 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) LIBOR 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 the year 2019, the amount of the Revolving Credit Facility increased from $215 million to $425 million and the maturity was extended to December 31, 2022. On December 31, 2020, the Company had issued letter of credits for $10 million and, therefore, $415 million of the Revolving Credit Facility are available. On December 31, 2019 the Company had drawn down $84 million which were repaid in the third quarter of 2020.

On April 30, 2019, the Company entered into 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 (the “Note Issuance Facility 2019”). The principal amount was issued on May 24, 2019. The Note Issuance Facility 2019 includes an upfront fee of 2% paid on drawdown and its maturity date is April 30, 2025. Interest accrue at a rate per annum equal to the sum of 3-month EURIBOR plus 4.50%. The interest rate on the Note Issuance Facility 2019 is fully hedged by an interest rate swap with effective date June 28, 2019 and maturity date June 30, 2022, resulting in the Company paying a net fixed interest rate of 4.24%. The Note Issuance Facility 2019 provides that the Company may capitalize interest on the notes issued thereunder for a period of up to two years from closing at the Company´s discretion, subject to certain conditions.

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 was extended for another twelve-month period on October 8, 2020. The program allows Atlantica to issue short term notes over the next twelve months for up to €50 million, with such notes having a tenor of up to two years. As of December 31, 2020, the Company had €17.4 million issued and outstanding under the program at an average cost of 0.69% (€25 million as of December 31, 2019).

On April 1, 2020, the Company closed the secured 2020 Green Private Placement for €290 million (approximately $354 million). The private placement accrues interest at an annual 1.96% interest, payable quarterly and has a June 2026 maturity. Net proceeds were primarily used to fully repay the Note Issuance Facility 2017.

On July 8, 2020, the Company entered into a senior unsecured financing (the "Note Issuance Facility 2020") with Lucid Agency Services Limited, as agent, and a group of funds managed by Westbourne Capital as purchasers of the notes issued thereunder for a total amount of approximately $171 million which is denominated in euros (€140 million). The Note Issuance Facility 2020 was issued on August 12, 2020, accrues interest at an annual 5.25% interest, payable quarterly and has a maturity of seven years from the closing date.

On July 17, 2020, the Company issued $100 million aggregate principal amount of 4.00% convertible bonds (the "Green Exchangeable Notes") due 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 ordinary shares of Atlantica, cash or a combination thereof. The exchange rate is subject to adjustment upon the occurrence of certain events.

On December 4, 2020, the Company entered into a credit facility (the "2020 Credit Facility") for up to €5 million, approximately $6.1 million. Amounts drawn down accrue interest at a rate per year equal to 2.50%. As of December 31, 2020, the total amount of the credit has been drawn down. The maturity date is December 4, 2025.

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 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".

The repayment schedule for the corporate debt as of December 31, 2020 is as follows:

	2021	2022	2023	2024	2025	Subsequent years	Total
2017 Credit Facility	41	-	-	-	-	-	**41**
Notes Issuance Facility 2019	-	-	-	-	343,999	-	**343,999**
Commercial Paper	21,224	-	-	-	-	-	**21,224**
2020 Green Private Placement	289	-	-	-	-	351,026	**351,315**
Note Issuance Facility 2020	-	-	-	-	-	166,846	**166,846**
Green Exchangeable Notes	2,083	-	-	-	102,144	-	**104,227**
2020 Credit Facility	11	-	2,036	2,036	1,990	-	**6,073**
Total	**23,648**	**-**	**2,036**	**2,036**	**448,133**	**517,872**	**993,725**

The repayment schedule for the corporate debt as of December 31, 2019 was as follows:

	2020	2021	2022	2023	2024	Subsequent years	Total
Revolving Credit Facility	701	-	81,164	-	-	-	**81,865**
Note Issuance Facility 2017	84	-	101,317	100,513	100,413	-	**302,327**
2017 Credit Facility	4	10,085	-	-	-	-	**10,089**
Notes Issuance Facility 2019	-	7,938	-	-	-	293,655	**301,593**
Commercial Paper	27,917	-	-	-	-	-	**27,917**
Total	**28,706**	**18,023**	**182,481**	**100,513**	**100,413**	**293,655**	**723,791**

The following table details the movement in corporate debt for the years 2020 and 2019, split between cash and non-cash items:

Corporate Debt	**2020**	**2019**
Initial balance	**723,791**	**684,073**
Cash Flow	171,182	6,620
Non-cash changes	98,752	33,098
Final balance	**993,725**	**723,791**

The non-cash changes primarily relate to interests accrued and to currency translation differences.

Note 15.- Project debt

The main purpose of the Company is the long-term ownership and management of contracted concessional assets, such as renewable energy, storage, efficient natural gas, electric transmission lines and water assets, which are financed through project debt. This note shows the project debt linked to the contracted concessional 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 $280 million as of December 31, 2020 ($339 million as of December 31, 2019).

Compared with corporate debt, project debt has certain key advantages, including a greater leverage and a clearly defined risk profile.

The variations in 2020 and 2019 of project debt have been the following:

	Project debt - long term	Project debt - short term	Total
Balance as of December 31, 2019	4,069,909	782,439	4,852,348
Increases	613,604	268,339	881,943
Decreases	(272,548)	(552,770)	(825,318)
Business combinations (Note 5)	149,585	8,680	158,265
Currency translation differences	150,506	19,869	170,375
Reclassifications	214,211	(214,211)	-
Balance as of December 31, 2020	**4,925,268**	**312,346**	**5,237,614**

The increase in total project debt as of December 31, 2020 is primarily due to:

- business combinations, being the acquisition of Chile PV I and Tenes for a total amount of $158 million (Note 5).

- a green project financing agreement entered into by Logrosán Solar Inversiones, S.A.U., the holding company of Spanish assets Solaben 1, 2, 3 and 6, closed on April 8, 2020 for a €140 million nominal amount.

- a non-recourse project debt refinancing of Helioenergy assets by adding a new long dated tranche of debt from an institutional investor closed on July 10, 2020, providing with a net refinancing proceeds (net “recap”) of approximately $43 million.

- a non-recourse, project debt financing closed on July 14, 2020 for approximately €326 million in relation to Helios, with institutional investors, which has refinanced the previous bank project debt with approximately €250 million outstanding and has canceled legacy interest rate swaps. After transaction costs and cancelation of legacy swaps, net refinancing proceeds (net “recap”) were approximately $30 million. The accumulated impact of the change in fair value of the interest rate swaps recorded in Other reserves and any difference between the nominal amount of the debt repaid and the amortized cost of the debt have been transferred to the profit and loss in line “Other financial income/(expense), net” on transaction date for a total amount of $73 million (Note 21).

- the higher value of debt denominated in Euro given the increase in the exchange rate of the Euro against the U.S. dollar since December 31, 2019.

The increase of Project debt during the year 2020 has been partially offset by the contractual payments of debt for the year. Interests accrued are offset by a similar amount of interests paid during the year.

Additionally, on June 12, 2020 the Company refinanced the debt of Cadonal (Uruguay). The terms of the new debts are not substantially different from the original debts refinanced and therefore the exchange of debts instruments does not qualify for an extinguishment of the original debts under IFRS 9, ´Financial instruments´. When there is a refinancing with a non-substantial modification of the original debt, there is a gain or loss recorded in the income statement. This gain or loss is equal to the difference between the present value of the cash flows under the original terms of the former financing and the present value of the cash flows under the new financing, discounted both at the original effective interest rate. In this respect, the Company recorded a $3.8 million financial income in the profit and loss statement of the consolidated financial statements (Note 21).

Due to the PG&E Corporation and its regulated utility subsidiary, Pacific Gas and Electric Company ("PG&E"), Chapter 11 filings in January 2019, a default of the PPA agreement with PG&E occurred. Since PG&E failed to assume the PPA within 180 days from the commencement of the PG&E's Chapter 11 proceedings, a technical event of default was triggered under the Mojave project finance agreement in July 2019. On July 1, 2020, PG&E emerged from Chapter 11. In addition, PG&E paid to Mojave the portion of the invoice corresponding to the electricity delivered for the period between January 1 and January 28, 2019. This invoice was overdue because the services relate to the pre-petition period and any payment therefore required the approval by the Bankruptcy Court. The technical event of default under the Mojave project finance agreement, which was preventing cash distributions from Mojave to Atlantica, was cured and the Company can make distributions from Mojave. As a result, as of December 31, 2020, the Company has again an unconditional right to defer the settlement of the debt for at least twelve months, and therefore the debt previously presented as current (during the year 2019) has been reclassified as non-current in accordance with the financing agreements in these consolidated financial statements.

	Project debt - long term	Project debt - short term	Total
Balance as of December 31, 2018	4,826,659	264,455	5,091,114
Increases	53,222	280,005	333,226
Decreases	(19,272)	(516,147)	(535,418)
Currency translation differences	(33,718)	(2,855)	(36,574)
Reclassifications	(756,981)	756,981	-
Balance as of December 31, 2019	**4,069,909**	**782,439**	**4,852,348**

The line "Increases" included primarily accrued interests for the year.

The decrease of Project debt during the year 2019 was primarily due to the contractual payments of debt for the year and the partial repayment of Solana debt using the indemnity received from Abengoa for $22.2 million (Note 6). Interests accrued were offset by a similar amount of interests paid during the year.

The repayment schedule for project debt in accordance with the financing arrangements as of December 31, 2020, is as follows and is consistent with the projected cash flows of the related projects:

2021		2022	2023	2024	2025	Subsequent years	Total
Interest repayment	Nominal repayment						
19,287	293,059	328,364	355,806	371,548	508,843	3,360,707	5,237,614

The repayment schedule for project debt in accordance with the financing arrangements and assuming there would be no acceleration of the Mojave debt, as of December 31, 2019, was as follows and was consistent with the projected cash flows of the related projects:

2020		2021	2022	2023	2024	Subsequent years	Total
Interest repayment	Nominal repayment						
12,799	256,620	262,787	293,642	319,962	335,067	3,371,724	4,852,348

Current and non-current loans with credit entities include amounts in foreign currencies for a total amount of $2,711,830 thousand as of December 31, 2020 ($2,291,262 thousand as of December 31, 2019).

The following table details the movement in Project debt for the years 2020 and 2019, split between cash and non-cash items:

Project Debt	**2020**	**2019**
Initial balance	4,852,348	5,091,114
Cash Flow	(254,495)	(531,726)
Non-cash changes	639,763	292,960
Final balance	**5,237,614**	**4,852,348**

The non-cash changes primarily relate to interests accrued, currency translation differences and the business combinations for the year.

The equivalent in U.S. dollars of the most significant foreign currency-denominated debts held by the Company is as follows:

	Balance as of December 31,	
Currency	**2020**	**2019**
Euro	2,240,811	1,882,618
South African Rand	355,414	384,313
Algerian Dinar	115,606	24,331
Total	**2,711,830**	**2,291,262**

All of the Company's financing agreements have a carrying amount close to its fair value.

Note 16.- Grants and other liabilities

Grants and other liabilities as of December 31, 2020 and December 31, 2019 are as follows:

	Balance as of December 31,	
	2020	**2019**
Grants	1,028,765	1,087,553
Other liabilities	201,002	571,314
Grant and other non-current liabilities	**1,229,767**	**1,658,867**

As of December 31, 2020, 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 $674 million ($707 million as of December 31, 2019), 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 $352 million ($379 million as of December 31, 2019). 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 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 $58.9 million and $59.0 million for the years ended December 31, 2020 and 2019, respectively.

Other liabilities included as of December 31, 2019, the investment from Liberty Interactive Corporation ("Liberty") made on October 2, 2013 for an original amount of $300 million. The liability was recorded in Grants and other liabilities for a total amount of $380 million as of December 31, 2019 and its current portion was recorded in other current liabilities for $41 million (Note 17). The investment was made in the parent company of the project entity, in exchange for the right to receive a large part of taxable losses and distributions until such time when Liberty reaches a certain rate of return, or the Flip Date. According to the stipulations of IAS 32 and in spite of the fact that the investment of Liberty was in shares, it did not qualify as equity and had been classified as a liability as of December 31, 2019. This liability had been initially valued at fair value, calculated as the present value of expected cash-flows during the useful life of the concession, and was then measured at amortized cost in accordance with the effective interest method, considering the most updated expected future cash-flows.

The Company acquired on August 17, 2020 Liberty´s equity interest in Solana for a total estimated purchase price of approximately $290 million, of which $272 million have already been paid. Total price includes a deferred payment and a performance earn-out based on the average annual net production of the asset in the four calendar years with the highest annual net production during the five calendar years of 2020 through 2024 (Note 1). The difference between the purchase price and the carrying amount of the liability previously recorded resulted in a $145 million gain recorded within the line "Other financial income/(expense), net" in the profit and loss statement (Note 21).

Additionally, other liabilities include $52 million of finance lease liabilities and $88 million of dismantling provision as of December 31, 2020 ($54 million and $60 million as of December 31, 2019, respectively). The increase in the dismantling provision since December 31, 2019 is primarily due to the reduction of the useful life of the CSP plants in Spain, effective September 1, 2020 (Note 6).

Note 17.- Trade payables and other current liabilities

Trade payables and other current liabilities as of December 31, 2020 and 2019 are as follows:

	Balance as of December 31,	
Item	**2020**	**2019**
Trade accounts payables	54,219	52,062
Down payments from clients	416	565
Liberty (Note 16)	-	41,032
Other accounts payables	37,922	34,403
Total	**92,557**	**128,062**

Trade accounts payables mainly relate to the operation and maintenance of the plants.

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.

Note 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, 2020, and 2019, the analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets from	Balance as of December 31, 2020	2019
Net operating loss carryforwards ("NOL´s")	497,184	546,705
Temporary tax non-deductible expenses	115,063	95,847
Derivatives financial instruments	83,847	86,096
Other	3,021	-
Total deferred tax assets	**699,115**	**728,648**

Deferred tax liabilities from	Balance as of December 31, 2020	2019
Accelerated tax amortization	652,600	682,800
Other difference between tax and book value of assets	154,969	137,192
Other	179	9,686
Total deferred tax liabilities	**807,748**	**829,678**

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, 2020	2019
Deferred tax assets	152,290	147,966
Deferred tax liabilities	260,923	248,996
Net deferred tax liabilities	**108,633**	**101,030**

Most of the NOL´s recognized as deferred tax assets corresponds to the entities in the U.S., South Africa, Perú, Chile and Spain as of December 31, 2020 and 2019.

As of December 31, 2020, 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 $110 million ($83 million as of December 31, 2019).

Deferred tax assets for derivatives financial instruments as of December 31, 2020 mainly relate to ACT for $22 million and to solar plants in Spain for $51 million ($17 million and $61 million as of December 31, 2019, respectively).

As of December 31, 2020, deferred tax liabilities for accelerated tax amortization are primarily in Solana and Mojave for $361 million, the solar plants in Spain for $202 million and Kaxu for $90 million ($391 million, $182 million and $109 million as of December 31, 2019, respectively).

Deferred tax liabilities for other temporary differences between the tax and book value of contracted concessional assets relate primarily to ACT for $75 million, the Chilean entities for $29 million and the Peruvian entities for $32 million as of December 31, 2020 ($84 million, $29 million and $25 million as of December 31, 2019, 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.

In addition, the Company has $329 million unrecognized net operating loss carryforwards as of December 31, 2020 ($180 million as of December 31, 2019), 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, 2020 and 2019 were as follows:

Deferred tax assets	**Amount**
As of December 31, 2018	**136,066**
Increase/(decrease) through the consolidated income statement	5,809
Increase/(decrease) through other consolidated comprehensive income (equity)	6,147
Other movements	(56)
As of December 31, 2019	**147,966**
Increase/(decrease) through the consolidated income statement	6,003
Increase/(decrease) through other consolidated comprehensive income (equity)	(8,698)
Other movements	7,019
As of December 31, 2020	**152,290**

Deferred tax liabilities	**Amount**
As of December 31, 2018	**211,000**
Increase/(decrease) through the consolidated income statement	31,678
Business combinations (Note 5)	2,539
Other movements	3,779
As of December 31, 2019	**248,996**
Increase/(decrease) through the consolidated income statement	9,675
Other movements	2,252
As of December 31, 2020	**260,923**

Details of income tax for the years ended December 31, 2020, 2019 and 2018 are as follows:

	For the twelve-month period ended December 31,		
Item	**2020**	**2019**	**2018**
Current tax	**(21,205)**	**(5,081)**	**(468)**
Deferred tax	**(3,672)**	**(25,869)**	**(42,191)**
- relating to the origination and reversal of temporary differences	(3,672)	(25,869)	(42,191)
Total income tax expense	**(24,877)**	**(30,950)**	**(42,659)**

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 recognized in the consolidated income statements for the years ended December 31, 2020, 2019 and 2018, are as follows:

	For the year ended December 31,		
Concept	**2020**	**2019**	**2018**
Consolidated income before taxes	41,751	105,558	97,928
Average statutory tax rate	25%	25%	30%
Corporate income tax at average statutory tax rate	**(10,438)**	**(26,390)**	**(29,378)**
Income tax of associates, net	128	1,808	1,639
Differences in statutory tax rates	(94)	(7,076)	752
Unrecognized NOLs and deferred tax assets	(37,183)	(14,161)	(22,972)
Purchase of Liberty´s equity interest in Solana	36,352	-	-
Other permanent differences	(8,895)	11,220	5,385
Other non-taxable income/(expense)	(4,747)	3,649	1,915
Corporate income tax	**(24,877)**	**(30,950)**	**(42,659)**

For the year ended December 31, 2020, the overall effective tax rate was different than the statutory rate of 25% primarily due to unrecognized tax losses carryforwards, mainly in the UK entities, partially offset by the non-taxable gain recorded in the consolidated financial statements on the purchase of Liberty´s equity interest in Solana (Note 16).

For the years ended December 31, 2019 and 2018, the overall effective tax rate was different than the statutory rate of 25% and 30%, respectively, primarily due to unrecognized tax losses carryforwards, mainly in the UK and US entities.

The average statutory tax rate used by the Company changed in 2019 considering some changes in the statutory tax rate of some geographies over the past years.

The Company had no identified uncertain tax positions that require evaluation as of December 31, 2020 and 2019.

Note 19.- Commitments, third-party guarantees, contingent assets and liabilities

Contractual obligations

The following tables show the breakdown of the third-party commitments and contractual obligations as of December 31, 2020 and 2019:

2020	Total	2021	2022 and 2023	2024 and 2025	Subsequent
Corporate debt	993,725	23,648	2,036	450,169	517,872
Loans with credit institutions (project debt)	4,123,856	261,800	583,259	770,507	2,508,290
Notes and bonds (project debt)	1,113,758	50,558	100,911	109,884	852,405
Purchase commitments*	1,709,660	93,791	160,211	172,776	1,282,881
Accrued interest estimate during the useful life of loans	2,309,597	286,724	541,652	468,060	1,013,161

2019	Total	2020	2021 and 2022	2023 and 2024	Subsequent
Corporate debt	723,791	28,706	200,504	200,926	293,655
Loans with credit institutions (project debt)	4,105,915	241,116	504,921	598,837	2,761,041
Notes and bonds (project debt)	746,433	28,304	51,508	56,192	610,429
Purchase commitments*	1,758,147	84,881	186,222	173,622	1,313,422
Accrued interest estimate during the useful life of loans	2,472,070	294,676	549,320	471,535	1,156,539

* Purchase commitments include lease commitments for $94.6 million as of December 31, 2020 ($93.0 million as of December 31, 2019), of which $5.3 million is due within one year and $89.3 million thereafter as of December 31, 2020 ($5.1 million due within one year and $87.9 million thereafter as of December 31, 2019).

Third-party guarantees

As of December 31, 2020, the overall sum of Bank Bond and Surety Insurance directly deposited by the subsidiaries of the Company as a guarantee to third parties (clients, financial entities and other third parties) amounted to $36.3 million attributed to operations of technical nature ($38.2 million as of December 31, 2019). In addition, Atlantica Sustainable Infrastructure plc issued guarantees amounting to $159.8 million as of December 31, 2020 ($130.1 million as of December 31, 2019). Guarantees issued by Atlantica Sustainable Infrastructure plc 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 Revolving Credit Facility, the Note Issuance Facility 2020 and 2019, and the 2020 Green Private Placement are guaranteed on a senior unsecured basis by following subsidiaries of the Company: Atlantica Infrastructures, S.L.U., ABY Concessions Peru S.A., ACT Holding, S.A. de C.V., ASHUSA Inc., ASUSHI Inc. and Atlantica Investments Limited. 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

A number of Abengoa's subcontractors and insurance companies that issued bonds covering Abengoa's obligations under such contracts in the U.S. included some of the non-recourse subsidiaries of Atlantica in the U.S. at the time of the construction of the plants the Company currently owns as co-defendants in claims against Abengoa. Generally, the subsidiaries of Atlantica were dismissed as defendants at early stages of the processes. With respect to a claim addressed by a group of insurance companies to a number of Abengoa's subsidiaries and to Solana for Abengoa related losses of approximately $20 million that could increase, according to the insurance companies, up to a maximum of approximately $200 million if all their exposure resulted in losses, Atlantica reached an agreement with all but one of the above-mentioned insurance companies, under which they agreed to dismiss their claims in exchange for payments of approximately $4.3 million, which were paid in 2018. The insurance company that did not join the agreement has temporarily stopped legal actions against Atlantica, and Atlantica does not expect this particular claim to have a material adverse effect on its business.

In addition, an insurance company covering certain Abengoa's obligations in Mexico claimed certain amounts related to a potential loss. This claim is covered by existing indemnities from Abengoa. Nevertheless, the Company 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. On January 2019, the insurance company executed $2.5 million from the escrow account and Abengoa reimbursed such amount according to the indemnities in force between Atlantica and Abengoa. The payments by Atlantica would only happen 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 covering potential losses, but such indemnities are no longer valid following the insolvency filing by Abengoa S.A. in February 2021 (Note 23.3).

The Company is not a party to any other significant legal proceeding other than legal proceedings arising in the ordinary course of its business. The Company is party to various administrative and regulatory proceedings that have arisen in the ordinary course of business.

While the Company does not expect these proceedings, either individually or in the aggregate, to have a material adverse effect on its financial position or results of operations, because of the nature of these proceedings the Company is not able to predict their ultimate outcomes, some of which may be unfavorable to the Company.

Other matters

Abengoa maintains a number of obligations under EPC, O&M and other contracts, as well as indemnities covering certain potential risks. Certain of these indemnities and obligations are no longer valid after the insolvency filing by Abengoa S.A. in February 2021. In addition, a potential insolvency of Abenewco1, S.A. may also terminate the remaining obligations, indemnities and guarantees. Additionally, Abengoa represented that further to the accession to its restructuring agreement, Atlantica would not be a guarantor of any obligation of Abengoa with respect to third parties and agreed to indemnify the Company for any penalty claimed by third parties resulting from any breach in such representations. The Company has contingent assets, which have not been recognized as of December 31, 2020, related to the obligations of Abengoa referred above, which result and amounts will depend on the occurrence of uncertain future events.

Note 20.- Employee benefit expenses and other operating income and expenses

Employee benefit expenses

The table below shows employee benefit expenses and number of employees for the years ended December 31, 2020, 2019 and 2018:

	For the year ended December 31,		
	2020	**2019**	**2018**
Employee benefit expenses	54,464	32,246	15,130
Average monthly number of employees	441	306	207

The increase in employee benefit expenses in 2020 and 2019 is primarily due to the internalization of operation and maintenance services in the U.S. solar assets of the Company, following the acquisition of ASI Operations in July 2019.

Other operating income and expenses

The table below shows the detail of Other operating income and expenses for the years ended December 31, 2020, 2019 and 2018:

	For the year ended December 31,		
Other operating income	**2020**	**2019**	**2018**
Grants	59,010	59,142	59,421
Income from various services and insurance proceeds	40,515	34,632	34,181
Income from the purchase of the long-term operation and maintenance payable to Abengoa	-	-	38,955
Total	**99,525**	**93,774**	**132,557**

Other operating expenses	For the year ended December 31, 2020	2019	2018
Raw materials and consumables used	(7,792)	(9,719)	(10,648)
Leases and fees	(2,531)	(1,850)	(1,716)
Operation and maintenance	(110,873)	(116,018)	(145,857)
Independent professional services	(40,193)	(41,579)	(43,229)
Supplies	(27,926)	(25,823)	(25,947)
Insurance	(37,638)	(23,971)	(24,227)
Levies and duties	(39,820)	(34,844)	(37,439)
Other expenses	(9,891)	(7,971)	(21,579)
Total	**(276,666)**	**(261,776)**	**(310,642)**

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).

Other operating income in 2018 includes a $39.0 million one-time gain in relation to the purchase from Abengoa of the long-term operation and maintenance payable accrued for the period up to December 31, 2017.

Note 21.- Financial expense, net

The following table sets forth financial income and expenses for the years ended December 31, 2020, 2019 and 2018:

Financial income	For the year ended December 31, 2020	2019	2018
Interest income from loans and credits	6,651	3,665	36,296
Interest rates benefits derivatives: cash flow hedges	401	456	148
Total	**7,052**	**4,121**	**36,444**

Financial expenses	For the year ended December 31, 2020	2019	2018
Expenses due to interest:			
- Loans from credit entities	(246,676)	(259,416)	(256,736)
- Other debts	(69,561)	(89,256)	(100,057)
Interest rates losses derivatives: cash flow hedges	(62,149)	(59,318)	(68,226)
Total	**(378,386)**	**(407,990)**	**(425,019)**

Financial interest income from loans and credits primarily include a non-monetary financial income of $3.8 million resulting from the refinancing of the debt of Cadonal in the second quarter of 2020 (Note 15).

Financial interest income from loans and credits in 2018 primarily included a non-monetary financial income of $36.6 million resulting from the refinancing of the debts of Helios 1&2 and Helioenergy 1&2 in the second quarter of 2018.

Interests from other debts are primarily interests on the notes issued by ATS, ATN, Solaben Luxembourg, Hypesol Solar Inversiones and Atlantica Sustainable Infrastructure Jersey, and interests related to the investment from Liberty (Note 16). The decrease in 2020 is primarily due to the acquisition of Liberty's equity interest in Solana in August 2020. The decrease in 2019 was primarily due to a lower increase of the amortized cost of the Liberty debt compared to the previous year.

Losses from interest rate derivatives designated as cash flow hedges correspond primarily to transfers from equity to financial expense when the hedged item is impacting the consolidated income statement.

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.

Other financial income/(expenses), net

The following table sets out Other financial income/(expenses), net for the years 2020, 2019 and 2018:

	For the year ended December 31,		
Other financial income/(expenses), net	**2020**	**2019**	**2018**
Other financial income	162,290	14,152	14,431
Other financial losses	(121,415)	(15,305)	(22,666)
Total	**40,875**	**(1,153)**	**(8,235)**

Other financial income in 2020 include a $145 million gain further to the purchase of Liberty´s equity interest in Solana (Note 16). Residual items are primarily interests on deposits and loans, including non-monetary changes to the amortized cost of such loans. In 2019 and 2018, other financial income was primarily interests on deposits and on loans granted to third parties.

Other financial losses include in 2020 a $73 million expense further to the refinancing of the Helios 1&2 debts (Note 15) and a $16 million expense further to the change in the fair value of the conversion option of the Green Exchangeable Notes since July 2020 (Note 14). Residual items are primarily guarantees and letters of credit, other bank fees, non-monetary changes to the fair value of derivatives for which hedge accounting is not applied and of financial instruments recorded at fair value through profit and loss, and other minor financial expenses.

Note 22.- Earnings per share

Basic earnings per share for the year 2020 have been calculated by dividing the profit attributable to equity holders by the average number of shares outstanding.

Diluted earnings per share for the year 2020 have been calculated considering the potential issuance of 3,347,305 shares on settlement of the Green Exchangeable Notes (Note 14). Diluted earnings per share equal basic earnings per share for the years 2019 and 2018.

	For the year ended December 31,		
Item	**2020**	**2019**	**2018**
Profit from continuing operations attributable to Atlantica	11,968	62,135	41,596
Average number of ordinary shares outstanding (thousands) - basic	**101,879**	**101,063**	**100,217**
Average number of ordinary shares outstanding (thousands) - diluted	**103,392**	**101,063**	**100,217**
Earnings per share from continuing operations (US dollar per share) - basic and diluted	0.12	0.61	0.42
Earnings per share from profit for the period (US dollar per share) - basic and diluted	**0.12**	**0.61**	**0.42**

Note 23.- Other information

23.1 Restricted Net assets

Certain of the consolidated entities are restricted from remitting certain funds to Atlantica Sustainable Infrastructure plc. as a result of a number of regulatory, contractual or statutory requirements. These restrictions are mainly related to standard requirements to maintain debt service coverage ratios and other requirements from the financing arrangements. At December 31, 2020, the accumulated amount of the temporary restrictions for the entire restricted term of these affiliates was $324 million.

The Company performed a test on the restricted net assets of consolidated subsidiaries in accordance with Securities and Exchange Commission Regulation S-X Rule 12-04 and concluded the restricted net assets did not exceed 25% of the consolidated net assets of the Company as of December 31, 2020. Therefore, separate financial statements of Atlantica Sustainable Infrastructure, plc. do not have to be presented.

23.2. United Kingdom's exit from the European Union

On January 31, 2020, the United Kingdom ("UK") ceased to be part of the European Union ("EU") and entered into a transition period to, among other things, negotiate an agreement with the EU on the future terms of the UK's relationship with the EU. On December 24, 2020, both parties announced that a trade agreement had been reached (the "Trade Agreement"), which was passed by both houses of the British parliament on December 30 and given Royal Assent on December 31, 2020, which ended the transition period.

On January 1, 2021, the UK left the EU Single Market and Customs Union, as well as all EU policies and international agreements. As a result, the free movement of persons, goods, services and capital between the UK and the EU ended, with the EU and the UK forming two separate markets and two distinct regulatory and legal frameworks. The Trade Agreement offers UK and EU companies preferential access to each other's markets, ensuring imported goods will be free of tariffs and quotas; however, economic relations between the UK and the EU will now be on more restricted terms than existed previously. Moreover, the Trade Agreement does not incorporate the full scope of the services sector, and certain businesses such as banking and finance face a more uncertain future. At this time, the Company cannot predict the impact that the Trade Agreement and any future agreements between the UK and the EU will have on its business.

23.3 Subsequent events

On January 6, 2021, the Company closed its second investment through its renewable energy platform in Chile, with the acquisition of a 40 MW solar PV plant ("Chile PV 2"). This asset started commercial operation in 2017 and its revenue is partially contracted. Total equity investment for this new asset was approximately $5.0 million.

On January 7, 2021, Algonquin purchased 4,020,860 ordinary shares of the Company in a private placement in order to maintain its previous equity ownership of 44.2% in the Company. Gross proceeds were approximately $133 million.

In January 2021, the Company reached an agreement to increase its equity stake from 15% to 100% in Rioglass, a multinational manufacturer of solar components. The Company has closed the acquisition of 42.5% of the equity for $7 million. In addition, the Company has an option to acquire the remaining 42.5% in the same conditions until September 2021, and after that date the seller has an option to sell the 42.5% also in the same conditions. The Company intends to find partners that would co-invest in Rioglass.

On February 22, 2021, Abengoa S.A. (the holding company) filed for insolvency proceedings in Spain. Based on the public information filed in connection with these proceedings, such insolvency proceedings do not include other Abengoa companies, including Abenewco1, S.A., the controlling company of the subsidiaries performing the operation and maintenance services. Although the Company has contingency plans in place, including a potential change of supplier and/or internalization, in the short term it expects the operation and maintenance services being provided by Abengoa subsidiaries to continue to be provided by its current supplier. Currently, Atlantica does not expect any material impact in the accounting value of its contracted concessional assets as a result of the insolvency filing of Abengoa S.A. The insolvency filing by the individual company Abengoa S.A. represents a theoretical event of default under the Kaxu project finance agreement (Note 1).

On February 26, 2021, the Board of Directors of the Company approved a dividend of $0.42 per share, which is expected to be paid on March 22, 2021.

Appendices **Appendix I**

Entities included in the Group as subsidiaries as of December 31, 2020

Company name	Project name	Registered address	% of nominal share	Business
ACT Energy México, S. de R.L. de C.V.	ACT	Santa Barbara (Mexico)	100.00	(2)
Atlantica North America, LLC		Delaware (United States)	100.00	(5)
Atlantica Infraestructura Sostenible, S.L.U		Seville (Spain)	100.00	(5)
Atlantica Perú, S.A.		Lima (Peru)	100.00	(5)
Atlantica Sustainable Infrastructure Jersey, Ltd		Jersey (United Kingdom)	100.00	(5)
Atlantica Newco Limited		Brentford (United Kingdom)	100.00	(5)
Atlantica DCR, LLC		Delaware (United States)	100.00	(5)
ASHUSA Inc.		Delaware (United States)	100.00	(5)
Atlantica South Africa (Pty) Ltd		Pretoria (South Africa)	100.00	(5)
ASUSHI, Inc.		Delaware (United States)	100.00	(5)
Atlantica Chile SpA		Santiago de Chile (Chile)	100.00	(5)
ATN, S.A.	ATN	Lima (Peru)	100.00	(1)
ATN 4, S.A		Lima (Peru)	100.00	(1)
Atlantica Transmisión Sur, S.A.	ATS	Lima (Peru)	100.00	(1)
ACT Holdings, S.A. de C.V.		Mexico D.F. (Mexico)	100.00	(5)
Aguas de Skikda S.P.A.	Skikda	Dely Ibrahim (Algeria)	51.00	(4)
Arizona Solar One, LLC.	Solana	Delaware (United States)	100.00	(3)
ASI Operations LLC		Delaware (United States)	100.00	(3)
ASO Holdings Company, LLC.		Delaware (United States)	100.00	(5)
Atlantica Investment Ltd.		Brentford (United Kingdom)	100.00	(5)
AYES International UK Ltd		Brentford (United Kingdom)	100.00	(5)
Atlantica Yield España S.L.		Seville (Spain)	100.00	(5)
ATN 2, S.A.	ATN 2	Lima (Peru)	100.00	(1)
AY Holding Uruguay, S.A.		Montevideo (Uruguay)	100.00	(5)
Atlantica Yield Energy Solutions Canada Inc.		Vancouver (Canada)	10.00*	(5)
Banitod, S.A.		Montevideo (Uruguay)	100.00	(5)
Befesa Agua Tenes		Seville (Spain)	100.00	(5)
Cadonal, S.A.	Cadonal	Montevideo (Uruguay)	100.00	(3)
Calgary District Heating, Inc		Vancouver (Canada)	100.00	(5)
Carpio Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Chile PV I	Chile PV I	Santiago de Chile (Chile)	35.00	(3)
Coropuna Transmisión, S.A		Lima (Peru)	100.00	(1)
Ecija Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
CKA1 Holding S. de R.L. de C.V.		Mexico D.F. (Mexico)	100.00	(5)
Estrellada, S.A.	Melowind	Montevideo (Uruguay)	100.00	(3)
Extremadura Equity Investments Sárl.		Luxembourg (Luxembourg)	100.00	(5)
Fotovoltaica Solar Sevilla, S.A.	Seville PV	Seville (Spain)	80.00	(3)
Geida Skikda, S.L.		Madrid (Spain)	67.00	(5)
Helioenergy Electricidad Uno, S.A.	Helioenergy 1	Seville (Spain)	100.00	(3)
Helioenergy Electricidad Dos, S.A.	Helioenergy 2	Seville (Spain)	100.00	(3)

Helios I Hyperion Energy Investments, S.A.	Helios 1	Seville (Spain)	100.00	(3)
Helios II Hyperion Energy Investments, S.A.	Helios 2	Seville (Spain)	100.00	(3)
Hidrocañete S.A.	Mini-Hydro	Lima (Peru)	100.00	(3)
Hypesol Energy Holding, S.L.		Seville (Spain)	100.00	(5)
Hypesol Solar Inversiones, S.A		Seville (Spain)	100.00	(5)
Kaxu Solar One (Pty) Ltd.	Kaxu	Gauteng (South Africa)	51.00	(3)
Logrosán Equity Investments Sárl.		Luxembourg (Luxembourg)	100.00	(5)
Logrosán Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Logrosán Solar Inversiones Dos, S.L.		Seville (Spain)	100.00	(5)
Mojave Solar Holdings, LLC.		Delaware (United States)	100.00	(5)
Mojave Solar LLC.	Mojave	Delaware (United States)	100.00	(3)
Nesyla, S.A		Montevideo (Uruguay)	100.00	(3)
Overnight Solar LLC		Arizona (United States)	100.00	(3)
Palmatir S.A.	Palmatir	Montevideo (Uruguay)	100.00	(3)
Palmucho, S.A.	Palmucho	Santiago de Chile (Chile)	100.00	(1)
RRHH Servicios Corporativos, S. de R.L. de C.V.		Santa Barbara. (Mexico)	100.00	(5)
Sanlucar Solar, S.A.	PS-10	Seville (Spain)	100.00	(3)
Solaben Electricidad Uno S.A.	Solaben 1	Caceres (Spain)	100.00	(3)
Solaben Electricidad Dos S.A.	Solaben 2	Caceres (Spain)	70.00	(3)
Solaben Electricidad Tres S.A.	Solaben 3	Caceres (Spain)	70.00	(3)
Solaben Electricidad Seis S.A.	Solaben 6	Caceres (Spain)	100.00	(3)
Solaben Luxembourg S.A.		Luxembourg (Luxembourg)	100.00	(5)
Solacor Electricidad Uno, S.A.	Solacor 1	Seville (Spain)	87.00	(3)
Solacor Electricidad Dos, S.A.	Solacor 2	Seville (Spain)	87.00	(3)
Atlantica Corporate Resources, S.L		Seville (Spain)	100.00	(5)
Solar Processes, S.A.	PS-20	Seville (Spain)	100.00	(3)
Solnova Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Solnova Electricidad, S.A.	Solnova 1	Seville (Spain)	100.00	(3)
Solnova Electricidad Tres, S.A.	Solnova 3	Seville (Spain)	100.00	(3)
Solnova Electricidad Cuatro, S.A.	Solnova 4	Seville (Spain)	100.00	(3)
Tenes Lilmiyah, S.P.A	Tenes	Dely Ibrahim (Algeria)	51.00	(4)
Sunshine Finance Jersey, Ltd		Jersey (United Kigdom)	100.00	(5)
Transmisora Mejillones, S.A.	Quadra 1	Santiago de Chile (Chile)	100.00	(1)
Transmisora Baquedano, S.A.	Quadra 2	Santiago de Chile (Chile)	100.00	(1)

(1) Business sector: Electric transmission lines
(2) Business sector: Efficient natural gas
(3) Business sector: Renewable energy
(4) Business sector: Water
(5) Holding Company
* Atlantica has control over AYES Canada Inc. under IFRS 10, Consolidated Financial Statements.

The Appendices are an integral part of the Notes to the financial statements.

Entities included in the Group as subsidiaries as of December 31, 2019

Company name	Project name	Registered address	% of nominal share	Business
ACT Energy México, S. de R.L. de C.V.	ACT	Santa Barbara (Mexico)	100.00	(2)
Atlantica North America LLC.		Delaware (United States)	100.00	(5)
Atlantica Infraestructura Sostenible, S.LU.		Seville (Spain)	100.00	(5)
Atlantica Perú, S.A.		Lima (Peru)	100.00	(5)
Atlantica DCR LLC		Delaware (United States)	100.00	(5)
ASHUSA Inc.		Delaware (United States)	100.00	(5)
Atlantica South Africa (Pty) Ltd		Pretoria (South Africa)	100.00	(5)
ASUSHI, Inc.		Delaware (United States)	100.00	(5)
Atlantica Chile SpA		Santiago de Chile (Chile)	100.00	(5)
ATN, S.A.	ATN	Lima (Peru)	100.00	(1)
Atlantica Transmisión Sur, S.A.	ATS	Lima (Peru)	100.00	(1)
ACT Holdings, S.A. de C.V.		Mexico D.F. (Mexico)	100.00	(5)
Aguas de Skikda S.P.A.	Skikda	Dely Ibrahim (Algeria)	51.00	(4)
Arizona Solar One, LLC.	Solana	Delaware (United States)	100.00	(3)
ASI Operations LLC		Delaware (United States)	100.00	(3)
ASO Holdings Company, LLC.		Delaware (United States)	100.00*	(5)
Atlantica Investment Ltd.		Brentford (United Kingdom)	100.00	(5)
AYES International UK Ltd		Brentford (United Kingdom)	100.00	(5)
Atlantica Yield España S.L.		Seville (Spain)	100.00	(5)
ATN 2, S.A.	ATN 2	Lima (Peru)	100.00	(1)
AY Holding Uruguay, S.A.		Montevideo (Uruguay)	100.00	(5)
Atlantica Yield Energy Solutions Canada Inc.		Vancouver (Canada)	10.00**	(5)
Banitod, S.A.		Montevideo (Uruguay)	100.00	(5)
Cadonal, S.A.	Cadonal	Montevideo (Uruguay)	100.00	(3)
Carpio Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Ecija Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
CKA1 Holding S. de R.L. de C.V.		Mexico D.F. (Mexico)	100.00	(5)
Estrellada, S.A.	Melowind	Montevideo (Uruguay)	100.00	(3)
Extremadura Equity Investments Sárl.		Luxembourg (Luxembourg)	100.00	(5)
Fotovoltaica Solar Sevilla, S.A.	Seville PV	Seville (Spain)	80.00	(3)
Geida Skikda, S.L.		Madrid (Spain)	67.00	(5)
Helioenergy Electricidad Uno, S.A.	Helioenergy 1	Seville (Spain)	100.00	(3)
Helioenergy Electricidad Dos, S.A.	Helioenergy 2	Seville (Spain)	100.00	(3)
Helios I Hyperion Energy Investments, S.A.	Helios 1	Seville (Spain)	100.00	(3)
Helios II Hyperion Energy Investments, S.A.	Helios 2	Seville (Spain)	100.00	(3)
Hidrocañete S.A.	Mini-Hydro	Lima (Peru)	100.00	(3)
Hypesol Energy Holding, S.L.		Seville (Spain)	100.00	(5)
Kaxu Solar One (Pty) Ltd.	Kaxu	Gauteng (South Africa)	51.00	(3)
Logrosán Equity Investments Sárl.		Luxembourg (Luxembourg)	100.00	(5)
Logrosán Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Logrosán Solar Inversiones Dos, S.L.		Seville (Spain)	100.00	(5)
Mojave Solar Holdings, LLC.		Delaware (United States)	100.00	(5)
Mojave Solar LLC.	Mojave	Delaware (United States)	100.00	(3)
Palmatir S.A.	Palmatir	Montevideo (Uruguay)	100.00	(3)

Palmucho, S.A.	Palmucho	Santiago de Chile (Chile)	100.00	(1)
RRHH Servicios Corporativos, S. de R.L. de C.V.		Santa Barbara. (Mexico)	100.00	(5)
Sanlucar Solar, S.A.	PS-10	Seville (Spain)	100.00	(3)
Solaben Electricidad Uno S.A.	Solaben 1	Caceres (Spain)	100.00	(3)
Solaben Electricidad Dos S.A.	Solaben 2	Caceres (Spain)	70.00	(3)
Solaben Electricidad Tres S.A.	Solaben 3	Caceres (Spain)	70.00	(3)
Solaben Electricidad Seis S.A.	Solaben 6	Caceres (Spain)	100.00	(3)
Solaben Luxembourg S.A.		Luxembourg (Luxembourg)	100.00	(5)
Solacor Electricidad Uno, S.A.	Solacor 1	Seville (Spain)	87.00	(3)
Solacor Electricidad Dos, S.A.	Solacor 2	Seville (Spain)	87.00	(3)
Atlantica Corporate Resources, S.L.		Seville (Spain)	100.00	(5)
Solar Processes, S.A.	PS-20	Seville (Spain)	100.00	(3)
Solnova Solar Inversiones, S.A.		Seville (Spain)	100.00	(5)
Solnova Electricidad, S.A.	Solnova 1	Seville (Spain)	100.00	(3)
Solnova Electricidad Tres, S.A.	Solnova 3	Seville (Spain)	100.00	(3)
Solnova Electricidad Cuatro, S.A.	Solnova 4	Seville (Spain)	100.00	(3)
Transmisora Mejillones, S.A.	Quadra 1	Santiago de Chile (Chile)	100.00	(1)
Transmisora Baquedano, S.A.	Quadra 2	Santiago de Chile (Chile)	100.00	(1)

(1) Business sector: Electric transmission lines
(2) Business sector: Efficient natural gas
(3) Business sector: Renewable energy
(4) Business sector: Water
(5) Holding Company
* 100% of Class A shares held by Liberty (US tax equity investor, non-related party) as of December 31, 2019.
** Atlantica has control over AYES Canada Inc. under IFRS 10, Consolidated Financial Statements.

The Appendices are an integral part of the Notes to the financial statements.

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Investments recorded under the equity method as of December 31, 2020

Company name	Project name	Registered address	% of nominal share	Business
ABY Infraestructuras, S.L.		Seville (Spain)	20.0	(3)
AC Renovables Sol 1 S.A.S. E.S.P.		-	50.0	(3)
Amherst Island Partnership	Windlectric	Ontario (Canada)	30.0	(3)
Arroyo Energy Netherlands II B.V.	Monterrey	Amsterdam (Netherlands)	30.0	(2)
Ca Ku A1, S.A.P.I de CV		Mexico D.F. (Mexico)	5.0	(2)
Evacuacion Valdecaballeros, S.L.		Caceres (Spain)	57.2	(3)
Evacuación Villanueva del Rey, S.L.		Seville (Spain)	40.0	(3)
Geida Tlemcen S.L.	Honaine	Madrid (Spain)	50.0	(4)
PA Renovables Sol 1 S.A.S. E.S.P.		-	50.0	(3)
Pectonex R.F.		Pretoria (South Africa)	50.0	(3)
SJ Renovables Sun 1 S.A.S. E.S.P.		-	50.0	(3)
SJ Renovables Wind 1 S.A.S. E.S.P.		-	50.0	(3)

(1) Business sector: Electric transmission lines
(2) Business sector: Efficient natural gas
(3) Business sector: Renewable energy
(4) Business sector: Water
(5) Holding Company

The Appendices are an integral part of the Notes to the consolidated financial statements.

Investments recorded under the equity method as of December 31, 2019

Company name	Project name	Registered address	% of nominal share	Business
ABY Infraestructuras, S.L.		Seville (Spain)	20.0	(3)
AC Renovables Sol 1 S.A.S. E.S.P.		-	50.0	(3)
Amherst Island Partnership	Windlectric	Ontario (Canada)	30.0	(3)
Arroyo Energy Netherlands II B.V.	Monterrey	Amsterdam (Netherlands)	30.0	(2)
Ca Ku A1, S.A.P.I de CV		Mexico D.F. (Mexico)	5.0	(2)
Evacuacion Valdecaballeros, S.L.		Caceres (Spain)	57.2	(3)
Evacuación Villanueva del Rey, S.L.		Seville (Spain)	40.0	(3)
Geida Tlemcen S.L.	Honaine	Madrid (Spain)	50.0	(4)
PA Renovables Sol 1 S.A.S. E.S.P.		-	50.0	(3)
Pectonex R.F.		Pretoria (South Africa)	50.0	(3)
SJ Renovables Sun 1 S.A.S. E.S.P.		-	50.0	(3)
SJ Renovables Wind 1 S.A.S. E.S.P.		-	50.0	(3)

(1) Business sector: Electric transmission lines
(2) Business sector: Efficient natural gas
(3) Business sector: Renewable energy
(4) Business sector: Water
(5) Holding Company

The Appendices are an integral part of the Notes to the consolidated financial statements.

Projects subject to the application of IFRIC 12 interpretation based on the concession of services as of December 31, 2020 and 2019

Description of the Arrangements

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 began on COD. 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 each. 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.

Solaben 2 & Solaben 3

The Solaben 2 and Solaben 3 are two 50 MW Solar Power facilities and reached COD in 2012.

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 offer 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 & Solacor 2

The Solacor 1 and Solacor 2 are two 50 MW Solar Power facilities and reached COD in 2012. JGC Corporation holds 13% of Solacor 1 & Solacor 2, a Japanese engineering company.

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 an approximately 52 mile and 115-kilowatt 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 (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 (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.

ATN

ATN is part of the Peruvian SGT (Sistema Garantizado de Transmision), which includes all transmission line concessions allocated by a bidding process by the government and is comprised of the following facilities:

(i) the approximately 356 mile, 220kV line from Carhuamayo-Paragsha-Conococha-Kiman-Ayllu-Cajamarca Norte;
(ii) the 4.3 mile, 138kV link between the existing Huallanca substation and Kiman Ayllu substations;
(iii) the 1.9 mile, 138kV link between the 138kV Carhuamayo substation and the 220kV Carhuamayo substation;
(iv) the Conococha and Kiman Ayllu substations; and
(v) the expansion of the Cajamarca Norte, 220kV Carhuamayo, 138kV Carhuamayo and 220kV Paragsha substations.

Additionally, on December 28, 2018 ATN completed the acquisition of a 220-kV power substation and two small transmission lines to connect the lines of the Company to the Shahuindo mine located nearby (ATN Expansion 1) and, on October 22, 2019, the Company 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.

ATS

ATS is part of the Peruvian Guaranteed Transmission System, or (Sistema Garantizado de Transmisión) which includes all transmission line concessions allocated by a bidding process by the government, and is comprised of:

(i) a 500kV electric transmission line and two short 220kV electric transmission lines, which are linked to existing substations;
(ii) three 500kV substations; and

(iii) three existing substations (two existing 220kV substations and one existing 550/220kV substation), through the development of new transformers, line reactors, series reactive compensation and shunt reactions in some substations.

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 has 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.

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 (SEC), the Economic Local Dispatch Center (CDEC), the National Board of Energy CNE) and the National Environmental Board (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.

Helioenergy 1 & 2

The Helioenergy 1 and 2 solar plants are located in Ecija, Spain, and reached COD in 2011.

Renewable energy plants in Spain, like Helionergy 1 and Helionergy 2, are regulated through a series of laws and rulings which guarantee the owners of the plants a reasonable return for their investments. Helionergy 1 and Helionergy 2 sell the power they produce into the wholesale electricity market, where offer and demand are matched and the pool price is determined, and also receive additional payments from the CNMC, the Spanish state-owned regulator.

Helios 1 & 2

The Helios 1 and 2 solar plants are located in Spain and reached COD in 2012.

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.

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 seven M ft3 per day of desalinated water and it is under operation since July 2012.

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 indexation mechanisms that include local inflation, U.S. inflation and the exchange rate between the U.S. dollar and local currency.

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 / 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.

ATN 2

ATN 2, in Peru, is part of the Complementary Transmission System, or Sistema Complementario de Transmision, SCT, and is comprised of the following facilities:

(i) The approximately 130km, 220kV line from SE Cotaruse to Las Bambas;

(ii) The connection to the gate of Las Bambas Substation

(iii) The expansion of the Cotaruse 220kV substation (works assigned to Consorcio Transmantaro)

The Client is Las Bambas Mining Company.

The plant reached COD in May 2015.

The ATN2 Project has a 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 receipt of the tariff base is independent from the effective utilization of the transmission lines and substations related to the ATN2 Project. The tariff base 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.

Kaxu

Kaxu Solar One, or Kaxu, is a 100 MW solar Conventional Parabolic Trough Project located in Paulputs 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 owns 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 in February 2035.

Solaben 1 & 6

The Solaben 1&6 50 MW solar plants are located in the municipality of Logrosán, Spain and reached COD in 2013.

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. dollars exchange rate.

Tenes

Tenes is a water desalination plant located in Algeria. Befesa Agua Tenes has a 51.0% stake in Ténès 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.

Projects subject to the application of IFRIC 12 interpretation based on the concession of services as of December 31, 2020

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)	1,830,148	(468,323)	(5,722)	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)	1,557,559	(374,193)	48,436	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 Administration	(I)	147,911	(48,843)	7,971	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 Administration	(I)	121,986	(37,315)	15,293	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 Administration	(I)	135,977	(29,598)	4,673	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)	337,506	(80,255)	10,222	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)	336,556	(81,998)	10,802	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)	341,674	(88,382)	9,359	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)	355,614	(90,861)	9,248	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)	340,713	(108,908)	14,090	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)	318,415	(98,755)	14,331	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)	297,118	(91,251)	13,865	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)	344,533	(84,144)	11,285	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)	335,550	(80,361)	11,677	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)	330,497	(87,496)	11,149	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)	331,206	(84,360)	11,560	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)	332,537	(70,486)	11,542	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)	329,203	(69,659)	12,161	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Kaxu	South Africa	(O)	51.0	20 Years	Eskom	(I)	521,523	(154,962)	41,483	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

Efficient natural gas:

ACT	Mexico	(O)	100.0	20 Years	Pemex	(F)	580,141	-	75,349	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

Electric transmission lines:

ATS	Peru	(O)	100.0	30 Years	Republic of Peru	(I)	531,887	(122,005)	29,339	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)	359,912	(105,618)	6,474	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
Quadra I	Chile	(O)	100.0	21 Years	Sierra Gorda	(F)	40,381	-	5,362	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)	55,417	-	4,922	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
ATN 2	Peru	(O)	100.0	18 Years	Las Bambas Mining	(F)	78,743	-	12,332	Fixed-price tariff base denominated in U.S. dollars with Las Bambas	18 years purchase agreement
Water:											
Skikda	Argelia	(O)	34.2	25 Years	Sonatrach & ADE	(F)	77,702	-	13,909	U.S. dollar indexed take-or-pay contract with Sonatrach / ADE	25 years purchase agreement
Honaine	Argelia	(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)	106,071	-	10,610	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, 2020.
(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, 2020.
(9) Recorded under the equity method.

The Appendices are an integral part of the Notes to the consolidated financial statements.

Projects subject to the application of IFRIC 12 interpretation based on the concession of services as of December 31, 2019

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)	1,916,268	(424,627)	47,344	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)	1,556,638	(312,544)	49,939	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 Administration	(I)	148,043	(43,967)	3,537	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 Administration	(I)	122,104	(43,987)	2,650	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 Administration	(I)	136,421	(22,501)	3,826	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)	308,407	(63,275)	12,763	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)	307,174	(65,072)	12,836	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)	311,963	(70,393)	11,569	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)	324,834	(72,228)	11,559	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)	311,759	(89,172)	15,482	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)	292,904	(80,829)	16,569	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)	271,943	(74,523)	15,966	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)	313,132	(66,794)	14,095	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)	304,945	(63,626)	14,346	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)	303,316	(68,486)	14,927	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)	304,083	(66,007)	16,130	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)	303,392	(54,293)	12,603	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)	300,209	(53,641)	11,730	Regulated revenue base(6)	Regulated revenue established by different laws and rulings in Spain
Kaxu	South Africa	(O)	51.0	20 Years	Eskom	(I)	543,761	(132,849)	53,040	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

Efficient natural gas:

ACT	Mexico	(O)	100.0	20 Years	Pemex	(F)	610,363	-	113,549	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

Electric transmission lines:

ATS	Peru	(O)	100.0	30 Years	Republic of Peru	(I)	531,779	(104,201)	28,993	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)	356,876	(93,061)	5,680	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
Quadra I	Chile	(O)	100.0	21 Years	Sierra Gorda	(F)	41,237	-	5,716	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)	55,157	-	6,638	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
ATN 2	Peru	(O)	100.0	18 Years	Las Bambas Mining	(F)	80,407	-	14,432	Fixed-price tariff base denominated in U.S. dollars with Las Bambas	18 years purchase agreement
Water:											
Skikda	Argelia	(O)	34.2	25 Years	Sonatrach & ADE	(F)	87,285	-	15,583	U.S. dollar indexed take-or-pay contract with Sonatrach / ADE	25 years purchase agreement
Honaine	Argelia	(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

(1) In operation (O), Construction (C) as of December 31, 2019.

(2) Liberty Interactive Corporation agreed to invest $300 million in Class A membership interests in exchange for a share of the dividends and the taxable loss generated by Solana on October 2, 2013. 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

(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, 2019.

(9) Recorded under the equity method.

The Appendices are an integral part of the Notes to the consolidated financial statements.

Additional information of subsidiaries including material non-controlling interest as of December 31, 2020

Subsidiary name	Non-controlling interests name	% of non-controlling interests held	Dividends paid to non-controlling interests	Profit/(Loss) of non-controlling interests in Atlantica consolidated net result 2020	Non-controlling interests in Atlantica consolidated equity as of December 31, 2020	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%**	3,584	1,563	44,486	75,893	28,343	22,336	7,801	2,374	-
Atlantica Yield Energy Solutions Canada Inc.	Algonquin Power Co.	90%	15,709	(6)	54,924	56,308	4,312	-	4,292	(6)	-

* Stand-alone figures as of December 31, 2020.

** 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 interests of the SPV, Aguas de Skikda S.P.A.

Additional Information of subsidiaries including material non-controlling interest as of December 31, 2019

Subsidiary name	Non-controlling interests name	% of non-controlling interests held	Dividends paid to non-controlling interests	Profit/(Loss) of non-controlling interests in Atlantica consolidated net result 2019	Non-controlling interests in Atlantica consolidated equity as of December 31, 2019	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%**	4,116	8,473	53,215	85,668	29,363	19,945	7,726	12,477	-
Atlantica Yield Energy Solutions Canada Inc.	Algonquin Power Co.	90%	20,332	-	69,050	72,156	5,789	-	5,790	-	-

* Stand-alone figures as of December 31, 2019.

** 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 interests of the SPV, Aguas de Skikda S.P.A.

ANNEX 3 - **6K FORM FOR THE MONTH OF NOVEMBER 2022 AS FURNISHED TO THE U.S. SECURITIES AND EXCHANGE COMMISSION** including the consolidated condensed unaudited interim financial statements as of September 30, 2022 and for the nine-month periods ended September 30, 2022 and 2021

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2022

Commission File Number 001-36487

Atlantica Sustainable Infrastructure plc

(Exact name of Registrant as Specified in its Charter)

Not Applicable
(Translation of Registrant's name into English)

Great West House, GW1, 17th floor
Great West Road
Brentford, TW8 9DF
United Kingdom
Tel.: +44 203 499 0465

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

☒ Form 20-F ☐ Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

This Report on Form 6-K is incorporated by reference into the Registration Statement on Form F-3 of the Registrant filed with the Securities and Exchange Commission on August 3, 2021 (File 333-258395).

TABLE OF CONTENTS

Definitions

Unless otherwise specified or the context requires otherwise in this quarterly report:

- references to “2020 Green Private Placement” refer to the €290 million ($284 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 as further described in “Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of Liquidity—2020 Green Private Placement”;

- 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 “Adjusted EBITDA” have the meaning set forth in “Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures”;

- 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 “Amherst Island Partnership” 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, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, including the related notes thereto, prepared in accordance with IFRS as issued by the IASB (as such terms are defined herein), included in our Annual Report;

- references to “Annual Report” refer to our Annual Report on Form 20-F for the year ended December 31, 2021, filed with the SEC on February 28, 2022, as amended by Amendment No. 1 on Form 20-F/A, filed with the SEC on March 24, 2022;

- references to “Atlantica Jersey” refer to Atlantica Sustainable Infrastructure Jersey Limited, a wholly-owned subsidiary of Atlantica;

- references to “ATN” refer to ATN S.A., the operational transmission asset in Peru, which is part of the Guaranteed Transmission System;

- references to “AYES Canada” refer to Atlantica Sustainable Infrastructure Energy Solutions Canada Inc., a vehicle formed by Atlantica and Algonquin to channel co-investment opportunities;

- references to “Befesa Agua Tenes” refer to Befesa Agua Tenes, S.L.U.;

- references to “cash available for distribution” 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 “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 “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 TL3” refer to the 50-mile transmission line located in Chile;
- references to “Chile TL4” refer to the 63-mile transmission line located in Chile;
- references to “Consolidated Condensed Interim Financial Statements” refer to the consolidated condensed unaudited interim financial statements as of September 30, 2022 and for the nine-month periods ended September 30, 2022 and 2021, including the related notes thereto prepared in accordance with IFRS as issued by the IASB, which form a part of this quarterly report;
- 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 Securities Act of 1933, as amended;
- references to “EMEA” refer to Europe, Middle East and Africa;
- references to “Eskom” refer to Eskom Holdings SOC Limited, together with its subsidiaries, unless the context otherwise requires;
- 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 “Exchange Act” refer to the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the SEC thereunder;

- 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 “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, as further described in “Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of Liquidity—Green Exchangeable Notes”;
- references to “Green Senior Notes” refer to the $400 million green senior notes due in 2028, as further described in “Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of Liquidity—-Green Senior Notes”;
- references to “gross capacity” refer to the maximum, or rated, power generation capacity, in MW, of a facility or group of facilities, without adjusting for the facility’s power parasitics’ consumption, or by our percentage of ownership interest in such facility as of the date of this quarterly 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 IASB;
- references to “IRA” refer to the U.S. Inflation Reduction Act;
- references to “Italy PV” refer to the solar PV plants with combined capacity of 9.8 MW located in Italy;
- 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 20 MW solar PV plant located in Colombia;
- 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 assets;

- references to “Liberty GES ROFO Agreement” refer to the agreement we entered into with Liberty GES on March 5, 2018, that provides us a right of first offer to purchase any of the assets offered for sale thereunder, as amended and restated from time to time;
- references to “LIBOR” refer to London Interbank Offered Rate;
- references to “M 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 “Multinational Investment Guarantee Agency” refer to the Multinational Investment Guarantee Agency, a financial institution member of the World Bank Group which provides political insurance and credit enhancement guarantees;
- references to “MW” refer to megawatts;
- references to “MWh” refer to megawatt hour;
- references to “MWt” refer to thermal megawatts;
- references to “Moody’s” refer to Moody’s Investor Service Inc.;
- 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 ($137 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 as further described in “Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of Liquidity—Note Issuance Facility 2020”;
- 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;
- references to “Pemex” refer to Petróleos Mexicanos;
- 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 “PTC” refer to production tax credits;
- references to “PV” refer to photovoltaic power;

- references to “Revolving Credit Facility” refer 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, 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 as further described in “Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of Liquidity—Revolving Credit Facility”;

- references to “Rioglass” refer to Rioglass Solar Holding, S.A.;

- references to “ROFO” refer to a right of first offer;

- references to “Skikda” refer to the seawater desalination plant in Algeria, which is 34% owned by Atlantica;

- references to “Solaben Luxembourg” refer to Solaben Luxembourg S.A.;

- references to “S&P” refer to S&P Global Rating;

- references to “Tenes” refer to Ténès Lilmiyah SpA, a water desalination plant in Algeria, which is 51% owned by Befesa Agua Tenes;

- references to “U.K.” refer to the United Kingdom;

- references to “U.S.” or “United States” refer to the United States of America;

- references to “Vento II” refer to the wind portfolio in the U.S. in which we acquired a 49% interest in June 2021; and

- references to “we,” “us,” “our,” “Atlantica” and the “Company” refer to Atlantica Sustainable Infrastructure plc and its consolidated subsidiaries, unless the context otherwise requires.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This 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, believe, will, could, should, would, estimated, may, plan, potential, future, projection, goals, target, outlook, predict and intend or words of similar meaning) are not statements of historical facts and may be forward looking. Such statements occur throughout this 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 favorable terms, 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 "Item 3.D.—Risk Factors" in our Annual Report (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 report, in our 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 tax laws, market rules, rates, tariffs, environmental laws and policies affecting renewable energy, including the IRA and changes in regulation defining the remuneration of our solar assets in Spain;

- potential changes in relation to the Royal Decree Law 6/2022 published in Spain on March 30, 2022, to the Royal Decree Law 10/2022 and to the proposed detailed components of electricity pricing which have been published in draft form and are subject to final publication;

- changes in tax laws and regulations, including new taxes recently announced in Italy and Spain;

- risks relating to our activities in areas subject to economic, social and political uncertainties;

- recession risks, a persistent inflationary environment and supply chain issues, and the related increases in prices of materials, labor, services and other costs and expenses required to operate our business;
- our ability to finance and make new investments and acquisitions on favorable terms, our ability to complete the construction of assets in time and budget and our ability to identify and execute development opportunities;
- risks relating to new assets and businesses which have a higher risk profile and our ability to transition these successfully;
- risks related to our reliance on third-party contractors or suppliers including issues arising with our O&M suppliers among others, resulting from disagreements with subcontractors;
- 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;
- 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;
- our electricity generation, our projections thereof and factors affecting production;
- our ability to grow organically and investments in new assets;
- risks related to our ability to develop renewable and transmission projects, including construction risks and risks associated with the arrangements with our joint venture partners;
- risks related to our current or previous relationship with Abengoa, our former largest shareholder and currently one of our O&M suppliers, including bankruptcy, reputational risk and particularly the potential impact of Abengoa's insolvency filing and liquidation process, including the insolvency filing of the subsidiary in Spain performing the O&M services at some of our plants in Spain, Abenewco1, S.A.'s and certain of its subsidiaries' insolvency filings, 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 internalized;
- our plans relating to our financings, including refinancing plans;
- our plans relating to our "at-the-market program" and the use of proceeds from the offering thereunder;
- risks related to the Russian military actions across Ukraine; and
- other factors discussed in "Part I, Item 3.D.—Risk Factors" in our Annual Report.

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.

Consolidated condensed statements of financial position as of September 30, 2022 and December 31, 2021

Amounts in thousands of U.S. dollars

	Note (1)	As of September 30, 2022	As of December 31, 2021
Assets			
Non-current assets			
Contracted concessional assets	6	7,338,449	8,021,568
Investments carried under the equity method	7	268,151	294,581
Financial investments	8	186,875	96,608
Deferred tax assets		118,632	172,268
Total non-current assets		**7,912,107**	**8,585,025**
Current assets			
Inventories		31,865	29,694
Trade and other receivables	12	230,716	307,143
Financial investments	8	190,069	207,379
Cash and cash equivalents		781,575	622,689
Total current assets		**1,234,225**	**1,166,905**
Total assets		**9,146,332**	**9,751,930**

(1) Notes 1 to 22 form an integral part of the Consolidated Condensed Interim Financial Statements.

Consolidated condensed statements of financial position as of September 30, 2022 and December 31, 2021

Amounts in thousands of U.S. dollars

	Note (1)	As of September 30, 2022	As of December 31, 2021
Equity and liabilities			
Equity attributable to the Company			
Share capital	13	11,606	11,240
Share premium	13	986,594	872,011
Capital reserves	13	866,715	1,020,027
Other reserves	9	333,739	171,272
Accumulated currency translation differences	13	(197,026)	(133,450)
Accumulated deficit	13	(402,519)	(398,701)
Non-controlling interests	13	206,259	206,206
Total equity		**1,805,368**	**1,748,605**
Non-current liabilities			
Long-term corporate debt	14	934,795	995,190
Long-term project debt	15	4,249,902	4,387,674
Grants and other liabilities	16	1,242,059	1,263,744
Derivative liabilities	9	50,536	223,453
Deferred tax liabilities		293,757	308,859
Total non-current liabilities		**6,771,049**	**7,178,920**
Current liabilities			
Short-term corporate debt	14	20,745	27,881
Short-term project debt	15	372,038	648,519
Trade payables and other current liabilities	17	135,694	113,907
Income and other tax payables		41,438	34,098
Total current liabilities		**569,915**	**824,405**
Total equity and liabilities		**9,146,332**	**9,751,930**

(1) Notes 1 to 22 form an integral part of the Consolidated Condensed Interim Financial Statements.

Consolidated condensed income statements for the nine-month periods ended September 30, 2022 and 2021

Amounts in thousands of U.S. dollars

	Note (1)	For the nine-month period ended September 30, 2022	2021
Revenue	4	858,405	940,418
Other operating income	20	54,860	57,597
Employee benefit expenses		(58,766)	(59,105)
Depreciation, amortization, and impairment charges	4	(374,059)	(334,916)
Other operating expenses	20	(261,435)	(320,873)
Operating profit		**219,005**	**283,121**
Financial income	19	3,367	1,848
Financial expense	19	(244,305)	(277,000)
Net exchange differences	19	13,837	2,046
Other financial income, net	19	2,208	21,684
Financial expense, net		**(224,893)**	**(251,422)**
Share of profit of associates carried under the equity method		20,668	4,245
Profit before income tax		**14,780**	**35,944**
Income tax	18	(12,975)	(42,390)
Profit/(loss) for the period		**1,805**	**(6,446)**
Profit attributable to non-controlling interests		(11,278)	(11,720)
Loss for the period attributable to the Company		**(9,473)**	**(18,166)**
Weighted average number of ordinary shares outstanding (thousands) - basic	21	114,236	110,749
Weighted average number of ordinary shares outstanding (thousands) - diluted	21	118,197	114,156
Basic earnings per share (U.S. dollar per share)	21	(0.08)	(0.16)
Diluted earnings per share (U.S. dollar per share)	21	(0.08)	(0.16)

(1) Notes 1 to 22 form an integral part of the Consolidated Condensed Interim Financial Statements.

Consolidated condensed statements of comprehensive income for the nine-month periods ended September 30, 2022 and 2021

Amounts in thousands of U.S. dollars

For the nine-month period ended September 30,	Note (1)	2022	2021
Profit/(loss) for the period		**1,805**	**(6,446)**
Items that may be subject to transfer to income statement			
Change in fair value of cash flow hedges		209,108	15,262
Currency translation differences		(76,915)	(27,901)
Tax effect		(52,498)	(4,632)
Net income/(expense) recognized directly in equity		**79,695**	**(17,271)**
Cash flow hedges	9	31,473	44,643
Tax effect		(7,868)	(11,161)
Transfers to income statement		**23,605**	**33,482**
Other comprehensive income		**103,300**	**16,211**
Total comprehensive income for the period		**105,105**	**9,765**
Total comprehensive income attributable to non-controlling interests		(14,114)	(8,981)
Total comprehensive income attributable to the Company		**90,991**	**784**

(1) Notes 1 to 22 form an integral part of the Consolidated Condensed Interim Financial Statements.

Consolidated condensed statements of changes in equity for the nine-month periods ended September 30, 2022 and 2021

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 interests	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 nine - month period after taxes	**-**	**-**	**-**	**-**	**-**	**(18,166)**	**(18,166)**	**11,720**	**(6,446)**
Change in fair value of cash flow hedges	-	-	-	66,553	-	(10,060)	56,493	3,412	59,905
Currency translation differences	-	-	-	-	(22,264)	-	(22,264)	(5,637)	(27,901)
Tax effect	-	-	-	(15,279)	-	-	(15,279)	(514)	(15,793)
Other comprehensive income	**-**	**-**	**-**	**51,274**	**(22,264)**	**(10,060)**	**18,950**	**(2,739)**	**16,211**
Total comprehensive income	**-**	**-**	**-**	**51,274**	**(22,264)**	**(28,226)**	**784**	**8,981**	**9,765**
Capital increase (Note 13)	**481**	**24,526**	**129,567**	**-**	**-**	**-**	**154,574**	**-**	**154,574**
Reduction of Share Premium (Note 13)	**-**	**(200,000)**	**200,000**	**-**	**-**	**-**	**-**	**-**	**-**
Business combinations (Note 5)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,287**	**8,287**
Share-based compensation (Note 13)	**-**	**-**	**-**	**-**	**-**	**12,895**	**12,895**	**-**	**12,895**
Distributions (Note 13)	**-**	**-**	**(141,968)**	**-**	**-**	**-**	**(141,968)**	**(22,845)**	**(164,813)**
Balance as of September 30, 2021	**11,148**	**836,269**	**1,069,344**	**147,915**	**(122,189)**	**(388,820)**	**1,553,667**	**207,922**	**1,761,589**

Notes 1 to 22 form an integral part of the Consolidated Condensed Interim Financial Statements.

	Share capital	Share premium	Capital reserves	Other reserves	Accumulated currency translation differences	Accumulated Deficit	Total equity attributable to the Company	Non-controlling interests	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 for the nine -month period after taxes	**-**	**-**	**-**	**-**	**-**	**(9,473)**	**(9,473)**	**11,278**	**1,805**
Change in fair value of cash flow hedges	-	-	-	220,638	-	1,573	222,211	18,370	240,581
Currency translation differences	-	-	-	-	(63,576)	-	(63,576)	(13,339)	(76,915)
Tax effect	-	-	-	(58,171)	-	-	(58,171)	(2,195)	(60,366)
Other comprehensive income	**-**	**-**	**-**	**162,467**	**(63,576)**	**1,573**	**100,464**	**2,836**	**103,300**
Total comprehensive income	**-**	**-**	**-**	**162,467**	**(63,576)**	**(7,900)**	**90,991**	**14,114**	**105,105**
Capital increase (Note 13)	**366**	**114,583**	**(1,850)**	**-**	**-**	**-**	**113,099**	**-**	**113,099**
Business combinations (Note 5)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,300**	**14,300**
Share-based compensation (Note 13)	**-**	**-**	**-**	**-**	**-**	**4,082**	**4,082**	**-**	**4,082**
Distributions (Note 13)	**-**	**-**	**(151,462)**	**-**	**-**	**-**	**(151,462)**	**(28,361)**	**(179,823)**
Balance as of September 30, 2022	**11,606**	**986,594**	**866,715**	**333,739**	**(197,026)**	**(402,519)**	**1,599,109**	**206,259**	**1,805,368**

Notes 1 to 22 form an integral part of the Consolidated Condensed Interim Financial Statements.

Consolidated condensed cash flows statements for the nine-month periods ended September 30, 2022 and 2021

Amounts in thousands of U.S. dollars

	Note (1)	For the nine-month periods ended September 30, 2022	2021
I. Profit/(loss) for the period		1,805	(6,446)
Financial expense and non-monetary adjustments		628,279	661,992
II. Profit/(loss) for the period adjusted by non-monetary items		**630,084**	**655,546**
III. Changes in working capital		**47,778**	**(4,576)**
Net interest and income tax paid		(162,136)	(209,030)
A. Net cash provided by operating activities		**515,726**	**441,940**
Acquisitions of subsidiaries and entities under the equity method	5&7	(45,553)	(337,539)
Investments in operating concessional assets	6	(27,890)	(9,156)
Investments in assets under development or construction	6	(30,406)	(2,754)
Distributions from entities under the equity method	7	56,202	24,615
Other non-current assets/liabilities		(419)	1,937
B. Net cash used in investing activities		**(48,066)**	**(322,897)**
Proceeds from Project debt	15	-	11,149
Proceeds from Corporate debt	14	57,503	409,023
Repayment of Project debt	15	(196,311)	(256,170)
Repayment of Corporate debt	14	(59,573)	(361,154)
Dividends paid to Company´s shareholders	13	(151,462)	(141,968)
Dividends paid to non-controlling interests	13	(26,442)	(23,327)
Capital increase	13	113,167	154,482
C. Net cash used in financing activities		**(263,118)**	**(207,965)**
Net increase/(decrease) in cash and cash equivalents		**204,542**	**(88,922)**
Cash and cash equivalents at beginning of the period		622,689	868,501
Translation differences in cash or cash equivalent		(45,656)	(16,034)
Cash and cash equivalents at end of the period		**781,575**	**763,545**

(1) Notes 1 to 22 form an integral part of the Consolidated Condensed Interim Financial Statements.

Notes to the consolidated condensed interim financial statements

Note 1. - Nature of the business

Atlantica Sustainable Infrastructure plc ("Atlantica" or the "Company") 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 $39 million (Note 5). The Company expects to make an expansion of the line in 2023-2024, which would represent an additional investment of approximately $8 million. The asset has fully contracted revenues in US dollars, with inflation escalation and 50-year 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. 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 of approximately 100MWh in 2023. The asset currently has part of its revenue based on capacity payments. Adding storage would increase the portion of capacity payments.

During the year 2021, the Company completed the following acquisitions:

- 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 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 Company has currently three assets under construction:

- Albisu, a 10 MW PV asset wholly owned by the Company, currently under construction near 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 15-year PPA in local currency indexed to local inflation with Synermin, 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.

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The following table provides an overview of the main contracted concessional assets the Company owned or had an interest in as of September 30, 2022:

Assets	**Type**	**Ownership**	**Location**	**Currency**(9)	**Capacity (Gross)**	**Counterparty Credit Ratings**(10)	**COD***	**Contract Years Remaining**(16)
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	17
Elkhorn Valley	Renewable (Wind)	49%	Oregon (USA)	USD	101 MW	BBB/Baa1/--	2007	5
Prairie Star	Renewable (Wind)	49%	Minnesota (USA)	USD	101 MW	--/A3/A-	2007	5
Twin Groves II	Renewable (Wind)	49%	Illinois (USA)	USD	198 MW	BBB/Baa2/--	2008	3
Lone Star II	Renewable (Wind)	49%	Texas (USA)	USD	196 MW	Not rated	2008	-
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	Not rated	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	12
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	10/12
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	15/15
Solnova 1, 3 & 4	Renewable (Solar)	100%	Spain	Euro	3x50 MW	A/Baa1/A-	2010	13/13/13
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	9
Italy PV 3	Renewable (Solar)	100%	Italy	Euro	2.5 MW	BBB/Baa3/BBB	2012	10
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	11
Monterrey	Efficient natural gas &heat	30%	Mexico	USD	142 MW	Not rated	2018	24
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	11
Quadra 1 & 2	Transmission line	100%	Chile	USD	49 miles/32 miles	Not rated	2014	13/13
Palmucho	Transmission line	100%	Chile	USD	6 miles	BBB/ -- /A-	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	18

(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.
(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 (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%.
(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.
(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.
(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) As of September 30, 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 Condensed Interim Financial Statements (Note 15).

As expected, the Administration in Spain has recently 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, the 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 the prices of gas and electricity. 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.

The proposed parameters for the year 2022 were published on May 12, 2022, and, although they are still subject to comments, the Company does not expect any significant changes. As a result, the Company has recorded its revenue for the nine-month period up to September 30, 2022, following these new parameters. In addition, on May 14, 2022, the Royal Decree Law 10/2022 was published, including additional details on the changes to the regulated components of revenue.

The changes to the detailed regulated components of revenue 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 is being revised.

- The 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. 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.

- 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.

Note 2. - Basis of preparation

The accompanying Consolidated Condensed Interim Financial Statements represent the consolidated results of the Company and its subsidiaries.

The Company's annual consolidated financial statements as of December 31, 2021, were approved by the Board of Directors on February 25, 2022.

These Consolidated Condensed Interim Financial Statements are presented in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting". In accordance with IAS 34, interim financial information is prepared solely in order to update the most recent annual consolidated financial statements prepared by the Company, placing emphasis on new activities, occurrences and circumstances that have taken place during the nine-month period ended September 30, 2022, and not duplicating the information previously published in the annual consolidated financial statements for the year ended December 31, 2021. Therefore, the Consolidated Condensed Interim Financial Statements do not include all the information that would be required in a complete set of consolidated financial statements prepared in accordance with the IFRS-IASB ("International Financial Reporting Standards-International Accounting Standards Board"). In view of the above, for an adequate understanding of the information, these Consolidated Condensed Interim Financial Statements must be read together with Atlantica's consolidated financial statements for the year ended December 31, 2021 included in the 2021 20-F.

In determining the information to be disclosed in the notes to the Consolidated Condensed Interim Financial Statements, Atlantica, in accordance with IAS 34, has taken into account its materiality in relation to the Consolidated Condensed Interim Financial Statements.

The Consolidated Condensed Interim Financial Statements are presented in U.S. dollars, which is the parent company's functional and presentation currency. Amounts included in these Consolidated Condensed Interim Financial Statements are all expressed in thousands of U.S. dollars, unless otherwise indicated.

These Consolidated Condensed Interim Financial Statements were approved by the Board of Directors of the Company on November 8, 2022.

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 Condensed Interim Financial Statements:

The applications of these amendments have not had any impact on these Consolidated Condensed Interim 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 Condensed Interim 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.

Use of estimates

Some of the accounting policies applied require the application of significant judgment by management to select the appropriate assumptions to determine these estimates. These assumptions and estimates are based on the Company´s 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 its businesses. By their nature, these judgments 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 require significant management estimates and judgment are as follows:

- Assessment of contracted concessional agreements.
- Impairment of contracted concessional assets.
- Assessment of control.
- Derivative financial instruments and fair value estimates.
- Income taxes and recoverable amount of deferred tax assets.

As of the date of preparation of these Consolidated Condensed Interim Financial Statements, no relevant changes in estimates made are anticipated and, therefore, no significant changes in the value of assets and liabilities recognized at September 30, 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 period in which the change occurs.

Note 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, Finance and Compliance Departments, which are responsible for identifying and evaluating financial risks, quantifying them by project, region and company, in accordance with mandatory internal management rules. Written internal policies exist for global risk management, as well as for specific areas of risk. In addition, there are official written management regulations regarding key controls and control procedures for each company and the implementation of these controls is monitored through internal audit procedures.

These Consolidated Condensed Interim Financial Statements do not include all financial risk management information and disclosures required for annual financial statements and should be read together with the information included in Note 3 to Atlantica's annual consolidated financial statements as of December 31, 2021 included in the 2021 20-F.

Note 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 September 30, 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 period attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interests, income tax expense, financial expense (net), depreciation, amortization and impairment charges of entities included in the these Consolidated Condensed Interim Financial Statements and depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates (pro rata of Atlantica's equity ownership). Until September 30, 2021, adjusted EBITDA excluded share of profit/(loss) of associates carried under the equity method and did not include depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates (pro-rata of Atlantica's equity ownership). Prior periods have been presented accordingly.

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 nine-month periods ended September 30, 2022 and 2021, Atlantica had two customers with revenues representing more than 10% of total revenue, both in the renewable energy business sector.

a) The following tables show Revenue and Adjusted EBITDA by operating segments and business sectors for the nine-month periods ended September 30, 2022 and 2021:

	Revenue		Adjusted EBITDA	
	For the nine-month period ended September 30,		For the nine-month period ended September 30,	
	($ in thousands)			
Geography	**2022**	**2021**	**2022**	**2021**
North America	323,693	308,661	258,161	243,361
South America	122,549	117,129	95,080	90,626
EMEA	412,163	514,628	277,400	300,094
Total	**858,405**	**940,418**	**630,641**	**634,081**

	Revenue		Adjusted EBITDA	
	For the nine-month period ended September 30,		For the nine-month period ended September 30,	
	($ in thousands)			
Business sector	**2022**	**2021**	**2022**	**2021**
Renewable energy	652,757	725,756	469,851	464,861
Efficient natural gas & heat	81,944	93,524	66,808	76,387
Transmission lines	83,278	80,428	66,226	64,243
Water	40,424	40,710	27,756	28,590
Total	**858,405**	**940,418**	**630,641**	**634,081**

The reconciliation of segment Adjusted EBITDA with the loss attributable to the Company is as follows:

	For the nine-month period ended September 30, ($ in thousands)	
	2022	2021
Loss attributable to the Company	(9,473)	(18,166)
Profit attributable to non-controlling interests	11,278	11,720
Income tax	12,975	42,390
Financial expense, net	224,893	251,422
Depreciation, amortization, and impairment charges	374,059	334,916
Depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates (pro rata of Atlantica's equity ownership)	16,909	11,799
Total segment Adjusted EBITDA	**630,641**	**634,081**

b) The assets and liabilities by operating segments (and business sector) as of September 30, 2022 and December 31, 2021 are as follows:

Assets and liabilities by geography as of September 30, 2022:

	North America	South America	EMEA	Balance as of September 30, 2022
		($ in thousands)		
Assets allocated				
Contracted concessional assets	3,191,373	1,274,981	2,872,095	7,338,449
Investments carried under the equity method	222,624	-	45,528	268,151
Current financial investments	117,327	29,244	43,498	190,069
Cash and cash equivalents (project companies)	211,483	99,880	364,179	675,542
Subtotal allocated	**3,742,807**	**1,404,105**	**3,325,300**	**8,472,211**
Unallocated assets				
Other non-current assets				305,507
Other current assets (including cash and cash equivalents at holding company level)				368,614
Subtotal unallocated				**674,121**
Total assets				**9,146,332**

	North America	South America	EMEA	Balance as of September 30, 2022
		($ in thousands)		
Liabilities allocated				
Long-term and short-term project debt	1,771,257	857,401	1,993,282	4,621,940
Grants and other liabilities	1,019,619	25,115	197,325	1,242,059
Subtotal allocated	**2,790,876**	**882,516**	**2,190,607**	**5,863,999**
Unallocated liabilities				
Long-term and short-term corporate debt				955,540
Other non-current liabilities				344,293
Other current liabilities				177,132
Subtotal unallocated				**1,476,965**
Total liabilities				**7,340,964**
Equity unallocated				**1,805,368**
Total liabilities and equity unallocated				**3,282,333**
Total liabilities and equity				**9,146,332**

Assets and liabilities by geography as of December 31, 2021:

	North America	South America	EMEA	Balance as of December 31, 2021
		($ in thousands)		
Assets allocated				
Contracted concessional 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
Current financial investments	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	South America	EMEA	Balance as of December 31, 2021
		($ in thousands)		
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 sector as of September 30, 2022:

	Renewable energy	Efficient natural gas & heat	Transmission lines	Water	Balance as of September 30, 2022
			($ in thousands)		
Assets allocated					
Contracted concessional assets	5,893,598	476,590	806,781	161,480	7,338,449
Investments carried under the equity method	211,156	13,841	-	43,154	268,151
Current financial investments	4,091	115,893	28,999	41,086	190,069
Cash and cash equivalents (project companies)	514,378	67,744	66,008	27,412	675,542
Subtotal allocated	**6,623,223**	**674,068**	**901,788**	**273,132**	**8,472,211**
Unallocated assets					
Other non-current assets					305,507
Other current assets (including cash and cash equivalents at holding company level)					368,614
Subtotal unallocated					**674,121**
Total assets					**9,146,332**

	Renewable energy	Efficient natural gas & heat	Transmission lines	Water	Balance as of September 30, 2022
			($ in thousands)		
Liabilities allocated					
Long-term and short-term project debt	3,483,395	452,360	598,626	87,559	4,621,940
Grants and other liabilities	1,201,593	31,998	6,118	2,350	1,242,059
Subtotal allocated	**4,684,988**	**484,358**	**604,744**	**89,909**	**5,863,999**
Unallocated liabilities					
Long-term and short-term corporate debt					955,540
Other non-current liabilities					344,293
Other current liabilities					177,132
Subtotal unallocated					**1,476,965**
Total liabilities					**7,340,964**
Equity unallocated					**1,805,368**
Total liabilities and equity unallocated					**3,282,333**
Total liabilities and equity					**9,146,332**

Assets and liabilities by business sector as of December 31, 2021:

	Renewable energy	Efficient natural gas & heat	Transmission lines ($ in thousands)	Water	Balance as of December 31, 2021
Assets allocated					
Contracted concessional 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
Current financial investments	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	Efficient natural gas & heat	Transmission lines ($ in thousands)	Water	Balance as of December 31, 2021
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 nine-month periods ended September 30, 2022 and 2021 are as follows:

Depreciation, amortization and impairment by geography	For the nine-month period ended September 30, 2022	2021
	($ in thousands)	
North America	(167,497)	(119,196)
South America	(46,467)	(43,388)
EMEA	(160,095)	(172,332)
Total	**(374,059)**	**(334,916)**

Depreciation, amortization and impairment by business sectors	For the nine-month period ended September 30, 2022	2021
	($ in thousands)	
Renewable energy	(322,183)	(334,513)
Efficient natural gas & heat	(23,884)	22,956
Transmission lines	(26,321)	(24,194)
Water	(1,671)	836
Total	**(374,059)**	**(334,916)**

Note 5. – Business combinations

For the nine-month period ended September 30, 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 $39 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 Condensed Interim 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 Condensed Interim 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 Condensed Interim 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 the following table:

	Business combinations for the nine-month period ended September 30, 2022
Contracted concessional assets	74,969
Cash & cash equivalents	1,057
Other current assets	8,282
Non-current Project debt	(1,422)
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 September 30, 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 September 30, 2022. The measurement period will not exceed one year from the acquisition date.

The amount of revenue contributed by the acquisitions performed during the nine-month period ended September 30, 2022 to the Consolidated Condensed Interim Financial Statements of the Company as of September 30, 2022 is $4.2 million, and the amount of loss after tax is $0.3 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 profit after tax of $2.1 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 Condensed Interim 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 has been accounted for in these Consolidated Condensed Interim 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 Condensed Interim 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 Condensed Interim 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 Condensed Interim 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 Condensed Interim 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 million. The acquisition had been accounted for in these Consolidated Condensed Interim 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 the following table:

	Business combinations for the year ended December 31, 2021		
	Coso	Other	Total
Contracted concessional assets	383,153	159,575	542,728
Deferred tax asset	-	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	(248,544)	(39,808)	(288,352)
Current Project debt	(13,415)	(25,366)	(38,781)
Deferred tax liabilities	-	(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 equaled 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 Italy PV 1, Italy PV 2, Coso, Calgary, Chile PV 2 and Rioglass closed during the nine-month period ended September 30, 2022 and did not result in significant adjustments to the initial amounts recognized.

Note 6. - Contracted concessional assets

Contracted concessional assets correspond to the assets of the Company recorded as intangible or financial assets in accordance with IFRIC 12, property plant and equipment in accordance with IAS 16, intangible assets in accordance with IAS 38 and financial asset in accordance with IFRS 16.

The detail of contracted concessional assets included in the heading 'Contracted concessional assets' as of September 30, 2022 and December 31, 2021 is as follows:

	Financial assets under IFRIC 12	Financial assets under IFRS 16	Intangible assets under IFRIC 12	Intangible assets under IFRS 16 (Lessee)	Property, plant and equipment under IAS 16 and other intangible assets under IAS 38	Balance as of September 30, 2022
			($ in thousands)			
Contracted concessional assets cost	829,083	2,808	8,622,516	85,932	952,393	10,492,732
Amortization and impairment	(89,999)	-	(2,883,265)	(16,061)	(164,958)	(3,154,283)
Total	**739,084**	**2,808**	**5,739,251**	**69,871**	**787,435**	**7,338,449**

	Financial assets under IFRIC 12	Financial assets under IFRS 16	Intangible assets under IFRIC 12	Intangible assets under IFRS 16 (Lessee)	Property, plant and equipment under IAS 16 and other intangible assets under IAS 38	Balance as of December 31, 2021
			($ in thousands)			
Contracted concessional assets cost	874,525	2,843	9,202,539	82,818	856,410	11,019,135
Amortization and impairment	(62,889)	-	(2,769,345)	(14,105)	(151,228)	(2,997,567)
Total	**811,636**	**2,843**	**6,433,194**	**68,713**	**705,182**	**8,021,568**

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.

Considering the continued delays in the works and replacements that the Company is carrying out in the storage system in 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 which resulted in the recording of an impairment loss of $41 million as of September 30, 2022 ($43 million as of December 31, 2021).

The impairment has been recorded within the line “Depreciation, amortization and impairment charges” of the consolidated condensed interim income statement, decreasing the amount of “Contracted concessional assets” 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 September 30, 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 discount rates between 4.6% and 6.3%.

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.

In addition, changes in the provision for expected credit losses under IFRS 9, Financial instruments, were recorded during the nine-month periods ended September 30, 2022 and 2021. The impairment provision based on the expected credit losses on contracted concessional financial assets increased by $27 million in the nine-month period ended September 30, 2022 (decrease of $24 million in the nine-month period ended September 30, 2021), primarily in ACT.

Note 7. - Investments carried under the equity method

The table below shows the breakdown of the investments held in associates as of September 30, 2022 and December 31, 2021:

	Balance as of September 30, 2022	Balance as of December 31, 2021
	($ in thousands)	
2007 Vento II, LLC	185,418	195,952
Windlectric Inc	23,365	41,911
Myah Bahr Honaine, S.P.A.	43,154	38,922
Pemcorp SAPI de CV	13,841	15,358
Pectonex, R.F. Proprietary Limited	1,430	1,495
Evacuación Valdecaballeros, S.L.	918	923
Liberty Infraestructuras S.L.	25	20
Total	**268,151**	**294,581**

2007 Vento II, LLC, is the holding company of a 596 MW portfolio of wind assets ("Vento II") in the U.S., 49% owned by Atlantica since June 16, 2021, and accounted for under the equity method in these Consolidated Condensed Interim Financial Statements (Note 1).

Windlectric Inc., the project entity, is 100% owned by Amherst Island Partnership, itself 30% owned by Atlantica Yield Energy Solutions Canada Inc. ("AYES Canada") and therefore accounted for under the equity method in these Consolidated Condensed Interim Financial Statements.

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 Condensed Interim Financial Statements. Geida Tlemcen, S.L. is 50% owned by Atlantica.

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 Condensed Interim Financial Statements. Arroyo Netherlands II B.V. is 30% owned by Atlantica.

The decrease in investments carried under the equity method as of September 30, 2022, is primarily due to the distributions received by AYES Canada from Amherst Island Partnership for $14.9 million. A significant portion of the distributions received from Amherst are distributed by the Company to its partner in this project (Note 13). The decrease in the investment in Vento II is primarily due to the distributions received from this asset by the Company for $26.0 million, partially offset by the share of profit in Vento II for the nine-month period ended September 30, 2022 for $17.2 million.

Note 8. - Financial investments

The detail of Non-current and Current financial investments as of September 30, 2022 and December 31, 2021 is as follows:

	Balance as of September 30, 2022	Balance as of December 31, 2021
	($ in thousands)	
Fair Value through OCI (Investment in Ten West link)	15,959	14,459
Derivative assets (Note 9)	99,044	10,807
Other receivable accounts at amortized cost	71,872	71,342
Total non-current financial investments	**186,875**	**96,608**
Contracted concessional financial assets	184,392	188,912
Derivative assets (Note 9)	5,046	2,153
Other receivable accounts at amortized cost	631	16,314
Total current financial investments	**190,069**	**207,379**

Investment in Ten West Link is a 12.5% interest in a 114-mile transmission line in the U.S., currently under development.

Note 9. - Derivative financial instruments

The breakdowns of the fair value amount of the derivative financial instruments as of September 30, 2022 and December 31, 2021 are as follows:

	Balance as of September 30, 2022		Balance as of December 31, 2021	
	($ in thousands)			
	Assets	Liabilities	Assets	Liabilities
Interest rate cash flow hedge	97,044	40,645	9,550	206,763
Foreign exchange derivatives instruments	7,046	-	3,410	-
Notes conversion option (Note 14)	-	9,891	-	16,690
Total	**104,090**	**50,536**	**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.

The net amount of the fair value of interest rate derivatives designated as cash flow hedges transferred to the consolidated condensed income statement is a loss of $31.5 million for the nine-month period ended September 30, 2022 (loss of $44.7 million for the nine-month period ended September 30, 2021).

The after-tax results accumulated in equity in connection with derivatives designated as cash flow hedges as of September 30, 2022 and December 31, 2021 amount to a profit of $333,739 thousand and $171,272 thousand, 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 negative fair value (liability) of $9.9 million as of September 30, 2022 ($17 million as of December 31, 2021).

Note 10. - Fair value of financial instruments

Financial instruments measured at fair value are classified 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.

As of September 30, 2022, all the financial instruments measured at fair value correspond to derivatives and have been classified as Level 2, except for the investments held in Ten West Link, which has been classified as Level 3.

Note 11. - Related parties

The related parties of the Company are primarily Algonquin Power & Utilities Corp. (“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 September 30, 2022 and December 31, 2021 are as follows:

	Balance as of September 30,	Balance as of December 31,
	($ in thousands)	
	2022	2021
Credit receivables (current)	3,695	19,387
Credit receivables (non-current)	17,006	15,768
Total receivables from related parties	**20,701**	**35,155**
Credit payables (current)	8,053	9,494
Credit payables (non-current)	-	5
Total payables to related parties	**8,053**	**9,499**

Current credit receivables as of December 31, 2021 included a dividend to be collected from Amherst Island Partnership for $6.3 million and the short-term portion of the loan to Arroyo Netherland II B.V., the holding company of Pemcorp SAPI de CV, Monterrey´s project entity (Note 7), of which $8.2 million was collected in the first quarter of 2022.

Non-current credit receivables as of September 30, 2022 and December 31, 2021 correspond to the long-term portion of the loan to Arroyo Netherland II B.V.

Current credit payables primarily include the dividend to be paid by AYES Canada to Algonquin for $2.3 million as of September 30, 2022 ($6.1 million as of December 31, 2021) and the dividend to be paid by Skikda and Tenes to Algerian Energy Company, SPA and Sacyr Agua S.L for $5.1 million as of September 30, 2022 (nil as of December 31,2021).

The transactions carried out by entities included in these Consolidated Condensed Interim Financial Statements with related parties, for the nine-month periods ended September 30, 2022 and 2021 have been as follows:

	For the nine-month period ended September 30,	
	2022	2021
	($ in thousands)	
Financial income	996	1,547
Financial expenses	(143)	(89)

Note 12. - Trade and other receivables

Trade and other receivables as of September 30, 2022 and December 31, 2021, consist of the following:

	Balance as of September 30, 2022	Balance as of December 31, 2021
	($ in thousands)	
Trade receivables	158,611	227,343
Tax receivables	39,700	59,350
Prepayments	24,054	9,342
Other accounts receivable	8,351	11,108
Total	**230,716**	**307,143**

The decrease in trade receivables is primarily due to payments received from CNMC in the solar assets of the Company in Spain and from Pemex in ACT.

The increase in prepayments is primarily due to the timing of insurance payments.

As of September 30, 2022, and December 31, 2021, the fair value of trade and other receivables accounts does not differ significantly from its carrying value.

Note 13. - Equity

As of September 30, 2022, the share capital of the Company amounts to $11,605,512 represented by 116,055,126 ordinary shares 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 September 30, 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. In the nine-month period ended September 30, 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 nine- month period ended September 30, 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 September 30, 2022 are made up of share premium account and capital reserves. The share premium account reduction by $200,000 thousand during the nine-month period ended September 30, 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.

On February 25, 2022, the Board of Directors declared a dividend of $0.44 per share corresponding to the fourth quarter of 2021. The dividend was paid on March 25, 2022 for a total amount of $49.7 million.

On May 5, 2022, the Board of Directors declared a dividend of $0.44 per share corresponding to the first quarter of 2022. The dividend was paid on June 15, 2022 for a total amount of $50.3 million.

On August 2, 2022, the Board of Directors declared a dividend of $0.445 per share corresponding to the second quarter of 2022. The dividend was paid on September 15, 2022 for a total amount of $51.5 million.

In addition, the Company declared dividends to non-controlling interests, primarily to Algerian Energy Company, SPA and Algonquin (interests in Amherst through AYES Canada, see Note 7) for $5.3 million and $14.6 million, respectively, in the nine-month period ended September 30, 2022 ($6.7 million and $10.9 million in the nine-month period ended September 30, 2021, respectively).

As of September 30, 2022 and December 31, 2021, there was no treasury stock and there have been no transactions with treasury stock during the period then ended.

Note 14. - Corporate debt

The breakdown of corporate debt as of September 30, 2022 and December 31, 2021 is as follows:

	Balance as of September 30, 2022	Balance as of December 31, 2021
	($ in thousands)	
Non-current	934,795	995,190
Current	20,745	27,881
Total Corporate Debt	**955,540**	**1,023,071**

On July 20, 2017, the Company signed a credit facility (the "2017 Credit Facility") for up to €10 million ($9.8 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 September 30, 2022, $8.8 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 September 30, 2022, the Company issued letters of credit for $10 million ($10 million as of December 31, 2021). As of September 30, 2022, therefore, $440 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 ($263 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 twice, for annual periods. The program allows Atlantica to issue short term notes over the next twelve months for up to €50 million ($49 million), with such notes having a tenor of up to two years. As of September 30, 2022, the Company had €13.4 million ($13.1 million) issued and outstanding under the program at an average cost of 0.71% (€21.5 million, or $22.4 million, as of December 31, 2021).

On April 1, 2020, the Company closed the secured 2020 Green Private Placement for €290 million ($284 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 $137 million which is denominated in euros (€140 million). The Note Issuance Facility 2020 was issued on August 12, 2020, accrues annual interest of 5.25%, payable quarterly and has a maturity of seven years from the closing date.

On July 17, 2020, 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 Condensed Interim 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 Condensed Interim 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 ($4.9 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 ($4.9 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 as of September 30, 2022 is as follows:

	Remainder of 2022	Between January and September 2023	Between October and December 2023	2024	2025	2026	Subsequent years	Total
				($ in thousands)				
2017 Credit Facility	6	-	-	8,822	-	-	-	**8,828**
Commercial Paper	10,967	2,145	-	-	-	-	-	**13,112**
2020 Green Private Placement	356	-	-	-	-	282,052	-	**282,408**
2020 Note Issuance Facility	-	-	-	-	-	-	134,778	**134,778**
Green Exchangeable Notes	957	-	-	-	106,330	-	-	**107,287**
Green Senior Notes	5,087	-	-	-	-	-	394,833	**399,920**
Other bank loans	25	1,202	1,634	2,859	2,859	628	-	**9,207**
Total	**17,398**	**3,347**	**1,634**	**11,681**	**109,189**	**282,680**	**529,611**	**955,540**

The repayment schedule for the corporate debt as of December 31, 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**

Note 15. - Project debt

This note shows the project debt linked to the contracted concessional assets included in Note 6 of these Consolidated Condensed Interim Financial Statements.

Project debt is generally used to finance contracted assets, exclusively using as guarantee the assets and cash flows of the company or group of companies carrying out the activities financed. In addition, the cash of the Company´s projects include funds held to satisfy the customary requirements of certain non-recourse debt agreements and other restricted cash for an amount of $231 million as of September 30, 2022 ($254 million as of December 31, 2021).

The breakdown of project debt for both non-current and current liabilities as of September 30, 2022 and December 31, 2021 is as follows:

	Balance as of September 30, 2022	Balance as of December 31, 2021
	($ in thousands)	
Non-current	4,249,902	4,387,674
Current	372,038	648,519
Total Project debt	**4,621,940**	**5,036,193**

The decrease in total project debt 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.

As of December 31, 2021, Kaxu total debt was presented as current in the Consolidated Condensed Interim 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 twelve months, and therefore the debt previously presented as current in these Consolidated Condensed Interim Financial Statements has been reclassified as non-current in accordance with the financing agreements (Note 1).

The repayment schedule for project debt in accordance with the financing arrangements as of September 30, 2022, is as follows and is consistent with the projected cash flows of the related projects:

Remainder of 2022								
Interest payment	Nominal repayment	Between January and September 2023	Between October and December 2023	2024	2025	2026	Subsequent years	Total
				($ in thousands)				
52,074	170,195	149,769	174,980	341,020	453,890	381,112	2,898,900	4,621,940

The repayment schedule for project debt in accordance with the financing arrangements and assuming there would be no acceleration of the Kaxu debt repayment 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

Note 16. - Grants and other liabilities

	Balance as of September 30, 2022	Balance as of December 31, 2021
	($ in thousands)	
Grants	926,085	970,557
Other Liabilities	315,974	293,187
Grants and other non-current liabilities	**1,242,059**	**1,263,744**

As of September 30, 2022, the amount recorded in Grants primarily corresponds to the ITC Grant awarded by the U.S. Department of the Treasury to Solana and Mojave for a total amount of $618 million ($642 million as of December 31, 2021). 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 $306 million as of September 30, 2022 ($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".

Total amount of income for these two types of grants for Solana and Mojave is $43.9 million and $44.0 million for the nine-month periods ended September 30, 2022 and 2021, respectively (Note 20).

Other liabilities mainly include:

- $59 million of lease liabilities ($59 million as of December 31, 2021);
- $129 million of dismantling provision ($125 million as of December 31, 2021); and
- $86 million of provision related to the current high market prices in Spain at which the solar assets in Spain invoiced electricity up to September 30, 2022 ($75 million as of December 31, 2021), as a result of a negative adjustment to the regulated revenues expected to be recorded progressively over the remaining regulatory life of the solar assets of the Company, as a compensation.

Note 17. - Trade payables and other current liabilities

Trade payables and other current liabilities as of September 30, 2022 and December 31, 2021 are as follows:

	Balance as of September 30, 2022	Balance as of December 31, 2021
	($ in thousands)	
Trade accounts payable	87,054	79,052
Down payments from clients	6,286	542
Other accounts payable	42,354	34,313
Total	**135,694**	**113,907**

Trade accounts payable mainly relate to the operation and maintenance of the plants.

Nominal values of trade payables and other current liabilities are considered to be approximately equal to fair values and the effect of discounting them is not significant.

Note 18. - Income Tax

The effective tax rate for the periods presented has been established based on management's best estimates, taking into account the tax treatment of permanent differences and tax credits.

For the nine-month period ended September 30, 2022, income tax amounted to a $12,975 thousand expense with respect to a profit before income tax of $14,780 thousand. In the nine-month period ended September 30, 2021, income tax amounted to a $42,390 thousand expense with respect to a profit before income tax of $35,944 thousand. The effective tax rate differs from the nominal tax rate mainly due to unrecognized tax loss carryforwards and permanent tax differences in some jurisdictions.

Note 19. - Financial expense, net

Financial income and expense

The following table sets forth financial income and expenses for the nine-month periods ended September 30, 2022 and 2021:

	For the nine-month period ended September 30,	
	2022	2021
Financial income	($ in thousands)	
Interest income from loans and credits	1,143	1,549
Interest rate gains on derivatives: cash flow hedges	2,224	299
Total	**3,367**	**1,848**

	For the nine-month period ended September 30,	
	2022	2021
Financial expense	($ in thousands)	
Interest on loans and notes	(211,484)	(232,065)
Interest rates losses derivatives: cash flow hedges	(32,821)	(44,935)
Total	**(244,305)**	**(277,000)**

Interest on loans and notes primarily include interest on corporate and project debt.

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.

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 business of the Company and to the increase in value of the currency options of the Company (Note 9).

Other financial income and expenses

The following table sets out Other financial income and expenses for the nine-month periods ended September 30, 2022, and 2021:

	For the nine-month period ended September 30,	
Other financial income / (expenses)	2022	2021
	($ in thousands)	
Other financial income	18,790	35,355
Other financial losses	(16,582)	(13,671)
Total	**2,208**	**21,684**

Other financial income in the nine-month period ended September 30, 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 ($5.6 million for the nine-month period ended September 30, 2021), and $6.8 million income ($13.9 million income for the nine-month period ended September 30, 2021) 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 and other minor financial expenses.

Note 20.- Other operating income and expenses

The table below shows the detail of Other operating income and expenses for the nine-month periods ended September 30, 2022, and 2021:

Other operating income	For the nine-month period ended September 30,	
	2022	2021
	($ in thousands)	
Grants (Note 16)	44,364	44,449
Insurance proceeds and other	10,496	13,148
Total	**54,860**	**57,597**

Other operating expenses	For the nine-month period ended September 3(	
	2022	2021
	($ in thousands)	
Raw materials and consumables used	(13,710)	(64,756)
Leases and fees	(8,571)	(6,451)
Operation and maintenance	(106,118)	(117,750)
Independent professional services	(28,096)	(27,297)
Supplies	(45,678)	(25,270)
Insurance	(34,446)	(33,943)
Levies and duties	(13,596)	(25,948)
Other expenses	(11,220)	(19,458)
Total	**(261,435)**	**(320,873)**

The decrease in Other operating expenses in 2022 is primarily due to a specific non-recurrent solar project of Rioglass which ended in October 2021, which mainly explains the decrease in Raw materials and consumables used in 2022.

Note 21. - 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.

Diluted earnings per share for the nine-month period ended September 30, 2022 have been calculated considering the potential issuance of 3,347,305 shares (3,347,305 shares for the nine-month period ended September 30, 2021) on the settlement of the Green Exchangeable Notes (Note 14) and the potential issuance of 596,681 shares (510,169 shares for the nine-month period ended September 30, 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 nine-month period ended September 30,	
	2022	2021
	($ in thousands)	
Loss attributable to Atlantica	(9,473)	(18,166)
Average number of ordinary shares outstanding (thousands) - basic	114,236	110,749
Average number of ordinary shares outstanding (thousands) - diluted	118,197	114,156
Earnings per share for the period (U.S. dollar per share) - basic	**(0.08)**	**(0.16)**
Earnings per share for the period (U.S. dollar per share) - diluted	**(0.08)**	**(0.16)**

Note 22. - Subsequent events

On October 20, 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 million. The maturity has been extended until 2037. Interest accrue 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. The Company hedged its EURIBOR exposure, 71% through a swap set at 2.36% for the life of the financing and 19% by maintaining the existing caps with 1% strike and maturity in 2025.

On November 8, 2022, the Board of Directors of the Company approved a dividend of $0.445 per share, which is expected to be paid on December 15, 2022.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read together with, and is qualified in its entirety by reference to, our Consolidated Condensed Interim Financial Statements and our Annual Consolidated Financial Statements prepared in accordance with IFRS as issued by the IASB and other disclosures including the disclosures under "Part II, Item 1.A.—Risk Factors" of this quarterly report and "Part I, Item 3.D.—Risk Factors" in our Annual Report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs, which are based on assumptions we believe to be reasonable. Our actual results could differ materially from those discussed in such forward-looking statements. The results shown here are not necessarily indicative of the results expected in any future period. Please see our Annual Report for additional discussion of various factors affecting our results of operations.

Overview

We are a sustainable infrastructure company with a majority of our business in renewable energy. Our purpose is to support the transition towards a more sustainable world by investing in and managing sustainable infrastructure, while creating long-term value for our investors and the rest of our stakeholders. In 2021, our renewable sector represented 77% of our revenue, with solar energy representing 69%. We complement our portfolio of renewable assets with storage, efficient natural gas and heat 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 the date of this quarterly report, we own or have an interest in a portfolio of diversified assets, both 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 transmission lines and 17.5 M ft3 per day of water desalination.

We currently own and manage operating facilities 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 September 30, 2022, our assets had a weighted average remaining contract life of approximately 15 years.

Our objective is to pay a consistent and growing cash dividend to shareholders that is sustainable on a long-term basis. We expect to distribute a significant percentage of our cash available for distribution as cash dividends and we will seek to increase such cash dividends over time through organic growth, investments in new assets and acquisitions.

Recent Investments and Acquisitions

- In November 2021, we closed the acquisition of La Sierpe, a 20 MW solar PV plant in Colombia for a total equity investment of $23.5 million. The asset was acquired under our Liberty GES ROFO Agreement.

- In 2021, we completed our two-step acquisition of the 85% equity interest in Rioglass that we did not previously own for a total investment of $17.1 million, resulting in a 100% ownership. Rioglass is a supplier of spare parts and services in the solar industry and we gained control over the asset in January 2021.

- 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 $39 million. We expect to expand the 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 inflation escalation 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 improve the electric power redundancy. The PPA, which is denominated in U.S. dollars, has now 24 years remaining.

- In July 2022 we closed a 12-year transmission service agreement denominated in U.S. 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 73MW 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 of approximately 100MWh in 2023. Total investment including batteries is expected to be in the range of $15 million to $20 million. The asset currently has part of its revenue based on capacity payments. Adding storage would increase the portion of capacity payments.

- In addition, we currently have three assets under construction:

  - Albisu is a 10 MW PV asset wholly owned by us, currently under construction near 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 are two solar PV assets in Colombia with a combined capacity of 30 MW. Each plant has a 15-year PPA in local currency indexed to local inflation with Synermin, the largest independent electricity wholesaler in Colombia. Additionally, we have recently started the construction of three additional solar PV plants with a total capacity of 30 MW.

• Furthermore:

- 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. We are in an advanced stage of development of this project and are preparing to start construction, with COD expected in 2024.

- In addition, we have an exclusivity agreement to co-invest in an 80 MW PV portfolio which is currently starting construction. Our investment is expected to be approximately $30 million.

Recent Developments

• Regulation in Spain. As expected, the Administration in Spain approved in 2022 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, the 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 the prices of gas and electricity. 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.

The proposed remuneration parameters for the year 2022 were published on May 12, 2022, and, although they are still subject to final publication, we do not expect significant changes. As a result, we have recorded our revenue for the nine-month period ended September 30, 2022 following these new parameters. In addition, on May 14, 2022, the Royal Decree Law 10/2022 was published, including additional details on the changes to the regulated components of revenue. The main changes 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 is being revised. 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. 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.

The proposed remuneration parameters applicable to our plants for 2022 are as follows, as preliminarily published on May 12, 2022:

	Useful Life	Remuneration on Investment (Rinv) 2022 (euros/MW)	Remuneration on Operation (Ro) 2022 (euros/GWh)	Maximum Hours	Minimum Hours	Operating Threshold
Solaben 2	25 years	390,452	0	2,008	1,205	703
Solaben 3	25 years	390,452	0	2,008	1,205	703
Solacor 1	25 years	390,452	0	2,008	1,205	703
Solacor 2	25 years	390,452	0	2,008	1,205	703
PS 10	25 years	543,185	0	1,840	1,104	644
PS 20	25 years	401,296	0	1,840	1,104	644
Helioenergy 1	25 years	385,012	0	2,008	1,205	703
Helioenergy 2	25 years	385,012	0	2,008	1,205	703
Helios 1	25 years	398,496	0	2,008	1,205	703
Helios 2	25 years	398,496	0	2,008	1,205	703
Solnova 1	25 years	404,290	0	2,008	1,205	703
Solnova 3	25 years	404,290	0	2,008	1,205	703
Solnova 4	25 years	404,290	0	2,008	1,205	703
Solaben 1	25 years	395,303	0	2,008	1,205	703
Solaben 6	25 years	395,303	0	2,008	1,205	703
Seville PV	30 years	696,405	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.

Given that our solar assets in Spain are regulated and are entitled to receive a predetermined reasonable rate of return, we do not expect any impact on the net value of the assets from the changes in the regulatory remuneration parameters. For the year 2022, as a result of these changes, revenue from Rinv (Remuneration on Investment) will be reduced by €5.6 million and revenue from Ro (Remuneration on Operation) will be reduced by €42.7 million. These effects are expected to be more than offset by significantly higher revenue from sales of electricity at market prices. The new parameters are therefore expected to have a net positive effect in 2022 on our revenue and Adjusted EBITDA with respect to our expectations at the end of 2021. However, we expect this effect to be largely offset by the depreciation of the euro against the U.S. dollar, the increase in the cost of supplies for some of which the price is linked to the price of electricity and natural gas and by lower than expected production.

In order to obtain the right to receive the Rinv, the plants need to achieve an annual minimum production threshold. In the second quarter and beginning of third quarter, some of our assets were subject to significant technical curtailment by the grid operator, which had happened very seldomly in the past. For the year 2022, we expect all our assets to reach the annual minimum production threshold. However, if this curtailment happened again in the future, our assets may not reach the annual minimum production threshold necessary to obtain the Rinv, which may have a material negative effect on our financial condition, results of operations and cash flows.

- Potential electric reform in Mexico. On April 17, 2022, the House of Representatives in Mexico rejected a constitutional amendment proposal submitted by the Mexican President aimed at approving a reform to the Electricity Industry Law and granting the state-owned Federal Electricity Commission priority over private sector companies. Although the Mexican President has stated that he does not intend to re-submit a modified amendment proposal for approval again, at this point we cannot guarantee that he will not pursue other changes to the electricity sector in Mexico, since this has been an important component of his political agenda.

- Changes in tax regulations. Italy has recently enacted an extraordinary and temporary tax on extraordinary profits obtained by companies operating in the energy sector (including electricity and oil and gas) due to current high prices and calculated by comparing certain 2022 metrics versus 2021. The tax would only be paid if those extraordinary profits are higher than a certain threshold. We do not expect this tax to affect our assets and profits due to this threshold. In addition, the government of Spain has recently announced a new temporary levy which is expected to be in force during the fiscal years 2023 and 2024, and to be applicable to revenues obtained in fiscal years 2022 and 2023 by large operators of the electric and oil and gas sectors with revenue in Spain exceeding €1,000 million. The levy is not expected to be applicable to our assets in Spain since we are out of the proposed scope.

- Arizona Corporation Commission. In August 2021, the Arizona Corporation Commission (“ACC”) held a hearing related to different aspects of Arizona Public Service’s electricity supply during which the ACC Chairwoman raised the possibility to retroactively examine Solana’s PPA prudency. This proceeding was ultimately resolved at a July 13, 2022, hearing of the ACC in which the ACC formally approved a resolution to take no action in respect of the Solana PPA.

- New director. On August 2, 2022, our board of directors appointed Mr. Edward C. Hall as independent director. Mr. Hall is an active independent director and advisor with 35 years of experience in all facets of the electricity industry. Mr. Hall brings a deep understanding of electricity markets, power generation technologies, utility operations and commercial structuring. 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 spent 25 years of his career with AES Corporation, where he was a member of the AES Executive Leadership Team and served as Chief Operating Officer of global generation. Mr. Hall has previously served on the boards of General Cable, Globeleq, TerraForm Power and Green Conversion Systems. Mr. Hall earned a B.S. in Mechanical Engineering from Tufts University and M.S. in Finance and Technology Innovation from the MIT Sloan School of Management.

- IRA. 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, incentivize clean energy investment. The IRA includes, among other incentives, a 30% solar ITC for solar projects to be built until 2032, a PTC for wind projects to be built until 2032, a 30% ITC for standalone storage projects to be built until 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 monetization of these tax credits.

- Dividend. On November 8, 2022, our board of directors approved a dividend of $0.445 per share. The dividend is expected to be paid on December 15, 2022, to shareholders of record as of November 30, 2022.

Potential implications of Abengoa developments

In 2021, Abengoa performed operation and maintenance (O&M) services for assets that represented approximately 47% of our consolidated revenue for that year. In February 2022, we started to perform the O&M services in Kaxu from an Atlantica subsidiary after reaching an agreement with Abengoa to transition such services. In addition, following the expiration of two O&M agreements, we reached a global agreement for the O&M services of the assets in Spain. As a result of this agreement, in June 2022 Atlantica replaced Abengoa as a service provider for three of our assets in Spain: Solaben 2&3, Solaben 1&6 and Helioenergy 1&2. After this replacement, Abengoa currently provides services for assets representing around 20% of our 2021 consolidated revenue.

On February 22, 2021, Abengoa, S.A., which is the holding company of subsidiaries performing O&M services for those assets, filed for insolvency proceedings in Spain. In addition, on July 28, 2022, the subsidiary in Spain performing the O&M services at some of our plants filed for insolvency proceedings. During the insolvency period, we expect the O&M services to continue to be provided as usual, but no assurance can be provided that that will be the case. The O&M contracts in Spain include the possibility for Atlantica to terminate the agreements by the end of 2024 and before under certain circumstances.

For these assets in respect of which O&M services are provided by Abengoa as of November 7, 2022, we cannot guarantee that Abengoa and/or its subcontractors will be able to continue performing the services or at the same level of service as they did in the past (or at all) or under the same terms and conditions, or at the same prices. If Abengoa cannot continue performing current services at the same prices, we may need to renegotiate contracts, to internalize the service, engage with other suppliers at higher prices or change the scope of those O&M contracts. This may have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, the project financing arrangement for Kaxu contained a cross-default provision related to Abengoa' S.A.'s insolvency filing. In September 2021, we 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. The Kaxu project debt was reclassified to non-current as of that date.

There may be unanticipated consequences of Abengoa S.A. insolvency filings and potential liquidation process, Abengoa's subsidiary in Spain, Abenewco1, S.A.'s and certain other Abengoa's subsidiaries pre-insolvency filings or potential insolvency filings, further restructurings by Abengoa or ongoing bankruptcy proceedings by Abengoa's subsidiaries that we have not yet identified. There are uncertainties as to how any further bankruptcy proceedings would be resolved and how our current O&M agreements or other relationships with Abengoa would be affected following the initiation or resolution of any such proceedings.

In addition, in Mexico, Abengoa was the owner of a plant that shares certain infrastructure and has certain back-to-back obligations with ACT. ACT is required to deliver an equipment to Pemex which has been recently donated and delivered to ACT by such plant. If we are unable to comply with these obligations, it may result in a material adverse effect on ACT and on our business, financial conditions, results of operations and cash flows. According to public information, the plant mentioned above is currently controlled by a third party.

Prior to the completion of our initial public offering in 2014, we and many of our assets were part of Abengoa. In addition, many of our senior executives have previously worked for 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 investigations 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. We refer to "*Part I. Item 3.D.—Risk Factors—Risks Related to Our Relationship with Algonquin and Abengoa*" in our Annual Report for further discussion of potential implications of the Abengoa situation.

Factors Affecting the 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 acquisitions represent additional revenue for $33.8 million and additional Adjusted EBITDA of $35.1 million in the nine-month period ended September 30, 2022, when compared to the nine-month period ended September 30, 2021.

In addition, the results of operations of Rioglass have been fully consolidated since January 2021. In the nine-month period ended September 30, 2021, most of Rioglass operating results relate to a specific solar project which ended in October 2021, and which represented $79.8 million in revenue and $1.0 million in Adjusted EBITDA, included in our EMEA and Renewable energy segments for the nine-month period ended September 30, 2021, and which are non-recurrent.

Impairment

Considering the continued delays in the works and replacements that we are carrying out in the storage system in Solana and their impact on production in 2022, as well as an increase in the discount rate, we identified in accordance with IAS 36 (Impairment of Assets) an impairment triggering event. As a result, an impairment test has been performed which resulted in the recording of an impairment loss of $41.2 million for the nine-month period ended September 30, 2022. In the nine-month period ended September 30, 2021, we recorded an impairment loss of $43.1 million in Solana.

In addition, IFRS 9 requires impairment provisions to be based on expected credit losses on financial assets rather than on actual credit losses. For the nine-month period ended September 30, 2022, we recorded an expected credit loss impairment provision at ACT for $22.8 million which is reflected in the line item "Depreciation, amortization, and impairment charges" following a worsening in its client's credit risk metrics. For the nine-month period ended September 30, 2021, we had recorded a $23.7 million reversal of the expected credit loss impairment provision in ACT.

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 have increased significantly since mid-2021 and revenue from the sale of electricity at current market prices represented $136.8 million in the nine-month period ended September 30, 2022, compared to $94.6 million in the nine-month period ended September 30, 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 $28.2 million in the nine-month period ended September 30, 2022, with no cash impact on the current period, compared to a provision increase of $52.5 million in the nine-month period ended September 30, 2021. On March 30, 2022, the Royal Decree Law 6/2022 introduced certain temporary changes to the detailed regulated components of revenue received by our solar assets in Spain, which are applicable from January 1, 2022, and which are still subject to final publication. Considering the proposed remuneration parameters published, revenue from the sale of electricity at market prices plus Ro less incremental market price provision was $108.6 million in the nine-month period ended September 30, 2022, compared to $90.4 million in the nine-month period ended September 30, 2021 (see "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations— Recent Developments").

Exchange rates

We refer to "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant Trends Affecting Results of Operations—Exchange Rates" below.

Significant Trends Affecting Results of Operations

Acquisitions

If the acquisitions recently closed perform as expected, we expect these assets to positively impact our results of operations in 2022 and upcoming years.

Solar, wind and geothermal resources

The availability of solar, wind and geothermal resources affects the financial performance of our renewable assets, which may impact our overall financial performance. Due to the variable nature of solar, wind and geothermal resources, we cannot predict future availabilities or potential variances from expected performance levels from quarter to quarter. Based on the extent to which the solar, wind and geothermal resources are not available at expected levels, this could have a negative impact on our results of operations.

Capital markets conditions

The capital markets in general are subject to volatility that is unrelated to the operating performance of companies. Our growth strategy depends on our ability to close acquisitions, which often requires access to debt and equity financing to complete these acquisitions. Volatility in capital markets may affect our ability to access this capital through debt or equity financings.

Exchange rates

Our functional currency is the U.S. dollar, as most of our revenue and expenses are denominated or linked to U.S. dollars. 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 and La Sierpe our solar plant in Colombia has its revenue and expenses denominated in Colombian pesos. Project financing is typically denominated in the same currency as that of the contracted revenue agreement. This policy seeks to ensure that the main revenue and expenses streams in foreign companies are denominated in the same currency, limiting our risk of foreign exchange differences in our financial results.

Our strategy is to hedge cash distributions from our assets in Europe. We hedge the exchange rate for the distributions in euros after deducting euro-denominated interest payments and euro-denominated general and administrative expenses. 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 South African rand and Colombian peso with respect to the U.S. dollar may also affect our operating results. Apart from the impact of these translation differences, the exposure of our income statement 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 agreements.

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 recognized 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 as issued by the IASB, nor should such amounts be considered in isolation.

Impacts associated with fluctuations in foreign currency are discussed in more detail under "Item 3—Quantitative and Qualitative Disclosure about Market Risk—Foreign exchange risk".

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 September 30, 2022, approximately 93% of our project debt and close to 100% 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

In addition to regulated revenue, our solar assets in Spain receive revenue from the sale of electricity at market prices. Regulated revenues are revised every three years 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 March 30, 2022, the Royal Decree Law 6/2022 introduced certain temporary changes to the detailed regulated components of revenue received by our solar assets in Spain, which is applicable from January 1, 2022. In addition, the proposed remuneration parameters for the year 2022 were published on May 12, 2022. These parameters, already take into account the current high electricity prices and is applicable from January 1, 2022. The remuneration parameters will be subsequently reviewed in the next semi-regulatory period, starting on January 1, 2023.

Key Financial Measures

We regularly review a number of financial measurements and operating metrics to evaluate our performance, measure our growth and make strategic decisions. In addition to traditional IFRS performance measures, such as total revenue, we also consider Adjusted EBITDA.

Adjusted EBITDA is calculated as profit/(loss) for the period 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 the Consolidated Condensed Interim Financial Statements and depreciation and amortization, 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 associates carried under the equity method and did not include depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates (pro-rata of our equity ownership). Prior periods have been presented accordingly.

Our management believes Adjusted EBITDA is useful to investors and other users of our financial statements in evaluating our operating performance because it provides them with an additional tool to compare business performance across companies and across periods. EBITDA is widely used by investors to measure a company’s operating performance without regard to items such as interest expense, taxes, depreciation and amortization, 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. Adjusted EBITDA is widely used by other companies in our industry.

The non-GAAP financial measures including Adjusted EBITDA may not be comparable to other similarly titled measures of other companies and has 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 as issued by the IASB. Non-GAAP financial measures and ratios are not measurements of our performance or liquidity under IFRS as issued by the IASB and should not be considered as alternatives to operating profit or profit for the period or any other performance measures derived in accordance with IFRS as issued by the IASB or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities. Adjusted EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS GAAP.

Our revenue and Adjusted EBITDA by geography and business sector for the nine-month periods ended September 30, 2022, and 2021 are set forth in the following tables:

Revenue by geography

Revenue by geography	Nine-month period ended September 30, 2022 $ in millions	2022 % of revenue	2021 $ in millions	2021 % of revenue
North America	$ 323.7	37.7%	$ 308.7	32.8%
South America	122.5	14.3%	117.1	12.5%
EMEA	412.2	48.0%	514.6	54.7%
Total revenue	**$ 858.4**	**100.0%**	**$ 940.4**	**100.0%**

Revenue by business sector

Revenue by business sector	Nine-month period ended September 30, 2022 $ in millions	2022 % of revenue	2021 $ in millions	2021 % of revenue
Renewable energy	$ 652.8	76.1%	$ 725.8	77.2%
Efficient natural gas & heat	81.9	9.5%	93.5	9.9%
Transmission lines	83.3	9.7%	80.4	8.6%
Water	40.4	4.7%	40.7	4.3%
Total revenue	**$ 858.4**	**100.0%**	**$ 940.4**	**100.0%**

Adjusted EBITDA by geography

Adjusted EBITDA by geography	**Nine-month period ended September 30, 2022**		**2021**	
	$ in millions	**% of Adjusted EBITDA**	**$ in millions**	**% of Adjusted EBITDA**
North America	$ 258.1	40.9%	$ 243.4	38.4%
South America	95.1	15.1%	90.6	14.3%
EMEA	277.4	44.0%	300.1	47.3%
Total Adjusted EBITDA(1)	**$ 630.6**	**100.0%**	**$ 634.1**	**100.0%**

Adjusted EBITDA by business sector

Adjusted EBITDA by business sector	**Nine-month period ended September 30, 2022**		**2021**	
	$ in millions	**% of Adjusted EBITDA**	**$ in millions**	**% of Adjusted EBITDA**
Renewable energy	$ 469.8	74.5%	$ 464.9	73.3%
Efficient natural gas & heat	66.8	10.6%	76.4	12.1%
Transmission lines	66.2	10.5%	64.2	10.1%
Water	27.8	4.4%	28.6	4.5%
Total Adjusted EBITDA(1)	**$ 630.6**	**100.0%**	**$ 634.1**	**100.0%**

Note:

(1) Adjusted EBITDA is calculated as profit/(loss) for the period 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 the Consolidated Condensed Interim Financial Statements and depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates (pro-rata of our equity ownership). Adjusted EBITDA is not a measure of performance under IFRS as issued by the IASB and you should not consider Adjusted EBITDA as an alternative to operating income or profits or as a measure of our operating performance, cash flows from operating, investing and financing activities or as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Adjusted EBITDA may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results. See "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures".

Reconciliation of profit/(loss) for the period to Adjusted EBITDA

The following table sets forth a reconciliation of Adjusted EBITDA to our net cash generated by or used in operating activities:

	Nine-month period ended September 30,	
	2022	2021
	($ in millions)	
Profit/(Loss) attributable to the company	**$ (9.5)**	**$ (18.2)**
Profit attributable to non-controlling interests	11.3	11.7
Income tax	13.0	42.4
Financial expense, net	224.9	251.4
Depreciation, amortization and impairment charges	374.1	334.9
Depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates (pro rata of our equity ownership)	16.9	11.9
Adjusted EBITDA	**$ 630.6**	**$ 634.1**

Reconciliation of net cash generated by operating activities to Adjusted EBITDA

	Nine-month period ended September 30,	
	2022	2021
	($ in millions)	
Net cash flow provided by operating activities	**$ 515.7**	**$ 441.9**
Net interest /taxes paid	162.1	209.0
Variations in working capital	(47.7)	4.6
Non-monetary items and other	(37.0)	(37.5)
Share of profit/(loss) of associates carried under the equity method, depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates (pro-rata of our equity ownership)	37.6	16.0
Adjusted EBITDA	**$ 630.6**	**$ 634.1**

Operational Metrics

In addition to the factors described above, 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 Mft^3 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.

Key Performance Indicators

	Volume sold and availability levels As of and for the nine-month period ended September 30,	
Key performance indicator	**2022**	**2021**
Renewable energy		
MW in operation(1)	2,121	2,022
GWh produced(2)	4,155	3,460
Efficient natural gas & heat		
MW in operation(3)	398	398
GWh produced(4)	1,898	1,665
Availability (%)	100.4%	99.8%
Transmission lines		
Miles in operation	1,229	1,166
Availability (%)	99.9%	100.0%
Water		
Mft^3 in operation(1)	17.5	17.5
Availability (%)	102.6%	99.8%

Notes:

(1) Represents total installed capacity in assets owned or consolidated for the nine-month period ended September 30, 2022 and 2021, respectively, regardless of our percentage of ownership in each of the assets except for Vento II for which we have included our 49% interest.

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

(3) Includes 43 MW corresponding to our 30% share in Monterrey and 55MWt corresponding to thermal capacity from Calgary District Heating.

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

Production in the renewable business sector increased by 20.0% in the nine-month period ended September 30, 2022, compared to the same period of the previous year. 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 and La Sierpe bringing approximately 757.1 GWh of additional electricity generation.

In our solar assets in the U.S. solar radiation was higher in the nine-month period ended September 30, 2022, than in the same period of the previous year, and production increased by 1.3% compared to the same period in the previous year. In our wind assets in the U.S., wind resource was in line with expectations in the nine-month period ended September 30, 2022.

In Chile, production at our PV assets was lower in the nine-month period ended September 30, 2022 compared to the same period of the previous year mainly as a result of curtailments and lower solar radiation. In our wind assets in Uruguay, production decreased by 8.3% mainly due to lower wind resource in the second and third quarters of 2022 compared to the same period of the previous year.

In Spain, production at our solar assets decreased by 7.5% in the nine-month period ended September 30, 2022, compared to the same period of the previous year. Although solar radiation remained stable, some of our assets experienced significant technical curtailments by the grid operator during the second quarter and beginning of third quarter of 2022. In Kaxu, production increased mainly due to the scheduled maintenance stop performed in the third quarter of 2021.

Efficient natural gas and heat availability and production levels during the nine-month period ended September 30, 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 the nine-month period ended September 30, 2022 compared to the same period of 2021.

In Water, availability during the nine-month period ended September 30, 2022 was higher than in the same period of the previous year, 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 illustrates our results of operations for the nine-month periods ended September 30, 2022 and 2021.

	Nine-month period ended September 30,		
	2022	2021	% Changes
	($ in millions)		
Revenue	$ 858.4	940.4	(8.7)%
Other operating income	54.9	57.6	(4.7)%
Employee benefit expenses	(58.8)	(59.1)	(0.5)%
Depreciation, amortization, and impairment charges	(374.1)	(334.9)	11.7%
Other operating expenses	(261.4)	(320.9)	(18.5)%
Operating profit	**$ 219.0**	**283.1**	**(22.6)%**
Financial income	3.4	1.9	78.9%
Financial expense	(244.3)	(277.0)	(11.8)%
Net exchange differences	13.8	2.0	590.0%
Other financial income/(expense), net	2.2	21.7	(89.9)%
Financial expense, net	**$ (224.9)**	**(251.4)**	**(10.5)%**
Share of profit of associates carried under the equity method	20.7	4.2	392.8%
Profit/(loss) before income tax	**$ 14.8**	**35.9**	**58.8%**
Income tax	(13.0)	(42.4)	(69.3)%
Profit/(loss) for the period	**$ 1.8**	**(6.5)**	**127.7%**
Profit attributable to non-controlling interests	(11.3)	(11.7)	(3.4)%
Profit/(loss) for the period attributable to the company	**$ (9.5)**	**(18.2)**	**47.8%**
Weighted average number of ordinary shares outstanding basic	114,236	110,749	
Weighted average number of ordinary shares outstanding diluted	118,197	114,156	
Basic earnings per share (U.S. dollar per share)	(0.08)	(0.16)	
Diluted earnings per share (U.S. dollar per share)	(0.08)	(0.16)	
Dividend paid per share[1]	1.33	1.28	

Note:

(1) On February 25, 2022, May 5, 2022 and August 2, 2022 our board of directors approved a dividend of $0.44 per share for each of the fourth quarter of 2021 and the first quarter of 2022, and a dividend of $0.445 per share for the second quarter of 2022 which were paid on March 25, 2022, June 15, 2022, and September 15, 2022 respectively. On February 26, 2021, May 4, 2021 and July 30, 2021 our board of directors approved a dividend of $0.42, $0.43 and $0.43 per share, respectively, corresponding to the fourth quarter of 2020, the first quarter of 2021 and the second quarter of 2021, which were paid on March 22, 2021, June 15, 2021 and September 15, 2021, respectively.

Comparison of the Nine-Month Periods Ended September 30, 2022 and 2021.

The significant variances or variances of the significant components of the results of operations are discussed in the following section.

Revenue

Revenue decreased to $858.4 million for the nine-month period ended September 30, 2022, which represents a decrease of 8.7% compared to $940.4 million for the nine-month period ended September 30, 2021. On a constant currency basis, revenue for the nine-month period ended September 30, 2022, was $902.7 million, which represents a decrease of 4.0% compared to the nine-month period ended September 30, 2021. Additionally, on a constant currency basis and excluding the Rioglass non-recurrent solar project accounted for in the nine-month period ended September 30, 2021, revenue increased by 4.9% for the nine-month period ended September 30, 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 $33.8 million of additional revenue in the nine-month period ended September 30, 2022 compared to the nine-month period ended September 30, 2021. In addition, revenue increased at our solar assets in Spain in spite of lower production during the period primarily due to higher electricity prices net of its corresponding accounting provision (see "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting our Results of Operations—Electricity market prices). Revenue also increased in the U.S. and at Kaxu due to higher production during the nine-month period ended September 30, 2022 compared to the same period from previous year, as previously explained. These effects were partially offset by a decrease in revenue at ACT, in which the portion of the tariff related to operation and maintenance services was lower, driven by lower operation and maintenance costs for the nine-month period ended September 30, 2022, compared to the same period of the previous year.

Other operating income

The following table sets forth our other operating income for the nine-month periods ended September 30, 2022, and 2021:

	Nine-month period ended September 30,	
Other operating income	**2022**	**2021**
	($ in millions)	
Grants	$ 44.4	$ 44.5
Insurance proceeds and other	10.5	13.1
Total	**$ 54.9**	**$ 57.6**

Other operating income decreased by 4.7% to $54.9 million for the nine-month period ended September 30, 2022, compared to $57.6 million for the period ended September 30, 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 nine-month period ended September 30, 2022, compared to same period of the previous year.

“Insurance proceeds and other” included $6.8 million profit resulting from the purchase of a long-term operation and maintenance account payable at a discounted price in the nine-month period ended September 30, 2021, which is the main reason for the decrease when compared to the nine-month period ended September 30, 2022.

Employee benefit expenses

Employee benefit expenses decreased by 0.5% to $58.8 million for the nine-month period ended September 30, 2022, compared to $59.1 million for the nine-month period ended September 30, 2021. The decrease was mainly due to a decrease in the number of employees who were working for the non-recurrent solar project previously mentioned once it was completed. The decrease was partially offset by the consolidation of Coso and the internalization of the operation and maintenance services at Kaxu and in part of our solar assets in Spain.

Depreciation, amortization and impairment charges

Depreciation, amortization and impairment charges increased by 11.7% to $374.1 million for the nine-month period ended September 30, 2022, compared to $334.9 million for the nine-month period ended September 30, 2022. The increase was mainly due to an increase of the expected credit loss impairment provision 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 a credit loss impairment provision of $22.8 million for the nine-month period ended September 30, 2022, while for the nine-month period ended September 30, 2021, there was a reversal of the expected credit loss provision of $23.7 million. In addition, in the nine-month period ended September 30, 2022, we recorded an impairment loss of $41.2 million in Solana, as previously described, compared to a $43.1 million impairment in the nine-month period ended on September 30, 2021. Depreciation, amortization and impairment charges also increased due to the consolidation of recent acquisitions. On the other hand, depreciation, amortization and impairment charges decreased in our assets in Spain mainly due to the depreciation of the euro against the U.S. dollar.

Other operating expenses

The following table sets forth our other operating expenses for the nine-month periods ended September 30, 2022 and 2021:

Other operating expenses	**Nine-month period ended September 30, 2022**		**2021**	
	$ in millions	**% of revenue**	**$ in millions**	**% of revenue**
Leases and fees	$ (8.6)	1.0%	$ (6.5)	0.7%
Operation and maintenance	(106.1)	12.4%	(117.7)	12.5%
Independent professional services	(28.1)	3.2%	(27.3)	2.9%
Supplies	(45.7)	5.3%	(25.3)	2.7%
Insurance	(34.4)	4.0%	(33.9)	3.6%
Levies and duties	(13.6)	1.6%	(25.9)	2.8%
Other expenses	(11.2)	1.3%	(19.5)	2.1%
Raw materials	(13.7)	1.6%	(64.8)	6.9%
Total	**$ (261.4)**	**30.5%**	**$ (320.9)**	**34.1%**

Other operating expenses decreased by 18.5% to $261.4 million for the nine-month period ended September 30, 2022, compared to $320.9 million for the nine-month period ended September 30, 2021, mainly due to lower raw material costs corresponding to the aforementioned Rioglass non-recurrent solar project which ended in October 2021.

In addition, our operation and maintenance costs decreased during the nine- month period ended September 30, 2022, compared to the same period from previous year mainly due to lower operation and maintenance costs at ACT. Operation and maintenance costs also decreased at our assets in Spain and Kaxu where these services have been internalized and are now provided by employees of Atlantica, with the cost classified in “Employee benefit expenses”.

On the other hand, the cost of supplies increased mainly because a portion of our supply costs are related to the electricity market prices, which have increased since mid-2021.

Operating profit

As a result of the above-mentioned factors, operating profit decreased by 22.6% to $219.0 million for the nine-month period ended September 30, 2022, compared with $283.1 million for the nine-month period ended September 30, 2021.

Financial income and financial expense

Financial income and financial expense	Nine-month period ended September 30, 2022	2021
	($ in millions)	
Financial income	$ 3.4	$ 1.9
Financial expense	(244.3)	(277.0)
Net exchange differences	13.8	2.0
Other financial income/(expense), net	2.2	21.7
Financial expense, net	**$ (224.9)**	**$ (251.4)**

Financial expense

The following table sets forth our financial expense for the nine-month periods ended September 30, 2022, and 2021:

Financial expense	For the nine-month period ended September 30, 2022	2021
	($ in millions)	
Interest on loans and notes	$ (211.5)	$ (232.1)
Interest rates losses derivatives: cash flow hedges	(32.8)	(44.9)
Total	**$ (244.3)**	**$ (277.0)**

Financial expense decreased by 11.8% to $244.3 million for the nine-month period ended September 30, 2022, compared to $277.0 million for the nine-month period ended September 30, 2021.

“Interest on loans and notes” expense decreased mainly because the nine-month period ended September 30, 2021, included costs related to the prepayment of the Note Issuance Facility 2019 in May 2021, the impact of the devaluation of the euro against the U.S. dollar and the decrease in interest expense in our assets as we progressively repay our project debt.

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. The decrease was mainly due to lower losses in swaps hedging loans indexed to EURIBOR and LIBOR primarily due to the increase in the reference rates EURIBOR and LIBOR in the nine-month period ended September 30, 2022, compared to the same period of the previous year and to lower notional amounts, as we progressively repay our project debt.

Net exchange differences

Net exchange differences increased to $13.8 million in the nine-month period ended September 30, 2022 compared to $2.0 million income in the same period of the previous year. The increase was mainly due to the change in fair value of 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

Other financial income /(expense), net	**Nine-month period ended September 30, 2022**	**2021**
	($ in millions)	
Other financial income	$ 18.8	$ 35.4
Other financial expense	(16.6)	(13.7)
Total	**$ 2.2**	**$ 21.7**

Other financial income/(expense), net decreased to a net income of $2.2 million for the nine-month period ended September 30, 2022, compared to a net income of $21.7 million for the nine-month period ended September 30, 2021.

The decrease of other financial income for the nine-month period ended September 30, 2022, was mainly due to a lower income related to the mark-to-market of the derivative liability embedded in the Green Exchangeable Notes.

Other financial expense includes expenses for guarantees and letters of credit, wire transfers, other bank fees and other minor financial expenses. The increase is primarily due the contribution of the recently acquired assets.

Share of profit of associates carried under the equity method

Share of profit of associates carried under the equity method increased to $20.7 million for the nine-month period ended September 30, 2022, compared to $4.2 million for the nine-month period ended September 30, 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 profit before income tax of $14.8 million for the nine-month period ended September 30, 2022, compared to a profit before income tax of $35.9 million for the nine-month period ended September 30, 2021.

Income tax

The effective tax rate for the periods presented has been established based on management's best estimates. For the nine-month period ended September 30, 2022, income tax amounted to an expense of $13.0 million, with a profit before income tax of $14.8 million. For the nine-month period ended September 30, 2021, income tax amounted to an expense of $42.4 million, with a profit before income tax of $35.9 million. The effective tax rate differs from the nominal tax rate mainly due to unrecognized tax losses carryforwards, permanent tax differences in some jurisdictions and different nominal tax rates in different jurisdictions.

Profit/(loss) attributable to non-controlling interests

Profit attributable to non-controlling interests remained stable at $11.3 million for the nine-month period ended September 30, 2022, compared to $11.7 million for the nine-month period ended September 30, 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 losses in our PV assets in Chile which were primarily caused by technical curtailment by the grid operator and lower electricity market prices was largely offset by higher income in Kaxu.

Loss attributable to the parent company

As a result of the previously mentioned factors, loss attributable to the parent company was $9.5 million for the nine-month period ended September 30, 2022, compared to a loss of $18.2 million for the nine-month period ended September 30, 2021.

Segment Reporting

We organize 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 and Water. We report our results in accordance with both criteria.

Revenue and Adjusted EBITDA by geography

The following table sets forth our revenue, Adjusted EBITDA and volumes for the nine-month periods ended September 30, 2022 and 2021, by geographic region:

Revenue by geography

Revenue by geography	Nine-month period ended September 30, 2022		Nine-month period ended September 30, 2021	
	$ in millions	% of revenue	$ in millions	% of revenue
North America	$ 323.7	37.7%	$ 308.7	32.8%
South America	122.5	14.3%	117.1	12.5%
EMEA	412.2	48.0%	514.6	54.7%
Total revenue	**$ 858.4**	**100.0%**	**$ 940.4**	**100.0%**

Adjusted EBITDA by geography	Nine-month period ended September 30, 2022		Nine-month period ended September 30, 2021	
	$ in millions	% of Adjusted EBITDA	$ in millions	% of Adjusted EBITDA
North America	$ 258.1	40.9%	$ 243.4	38.4%
South America	95.1	15.1%	90.6	14.3%
EMEA	277.4	44.0%	300.1	47.3%
Total Adjusted EBITDA[1]	**$ 630.7**	**100.0%**	**$ 634.1**	**100.0%**

Note:

(1) Adjusted EBITDA is calculated as profit/(loss) for the period 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 the Consolidated Condensed Interim Financial Statements and depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates (pro-rata of our equity ownership). Adjusted EBITDA is not a measure of performance under IFRS as issued by the IASB and you should not consider Adjusted EBITDA as an alternative to operating income or profits or as a measure of our operating performance, cash flows from operating, investing and financing activities or as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Adjusted EBITDA may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results. See "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures".

Volume by geography	Volume produced/availability	
	Nine-month period ended September 30,	
	2022	2021
North America (GWh) (1)	4,425	3,463
North America availability(2)	100.2%	99.8%
South America (GWh) (3)	537	524
South America availability(2)	99.9%	100.0%
EMEA (GWh)	1,091	1,138
EMEA availability	102.6%	99.8%

Note:

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

(2) Availability includes only those assets that have revenue based on availability.

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

North America

Revenue increased by 4.9% to $323.7 million for the nine-month period ended September 30, 2022, compared to $308.7 million for the nine-month period ended September 30, 2021, while Adjusted EBITDA increased by 6.0% to $258.1 million for the nine-month period ended September 30, 2022, compared to $243.4 million for the nine-month period ended September 30, 2021. The increase of 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, mainly due to higher production largely driven by higher solar radiation. The increase was partially offset by lower revenue at ACT mainly due to lower revenue in the portion of the tariff related to operation and maintenance services, driven by lower operation and maintenance costs for the nine-month period ended September 30, 2022. Adjusted EBITDA increased due to the contribution from the recently acquired assets Coso, Calgary and Vento II. This increase was partially offset by lower Adjusted EBITDA at ACT and at our solar assets in North America, where operating and maintenance expenses were higher mostly due to slightly higher costs related to the scheduled major maintenance at Solana.

South America

Revenue increased by 4.6% to $122.5 million for the nine-month period ended September 30, 2022, compared to $117.1 million for the nine-month period ended September 30, 2021. The increase was mainly due to the contribution from the recently acquired assets, La Sierpe, Chile TL4 and Chile PV 3. This increase was partially offset by a decrease in revenue at our wind assets in Uruguay mainly due to lower wind resource in the second and third quarters of 2022.

Adjusted EBITDA increased by 5.0% to $95.1 million for the nine-month period ended September 30, 2022, compared to $90.6 million for the nine-month period ended September 30, 2021, mostly due to the same reasons.

EMEA

Revenue decreased to $412.2 million for the nine-month period ended September 30, 2022, which represents a decrease of 19.9% compared to $514.6 million for the nine-month period ended September 30, 2021. On a constant currency basis, revenue for the nine-month period ended September 30, 2022, was $456.2 million, which represents a decrease of 11.3% compared to the nine-month period ended September 30, 2021. Additionally, on a constant currency basis and excluding the non-recurrent solar project accounted for in the nine-month period ended September 30, 2021, revenue for the nine-month period ended September 30, 2022, increased by 4.9%.

Revenue increased (on a constant currency basis and excluding the non-recurrent solar project) at our solar assets in Spain in spite of lower production, primarily thanks to higher electricity prices net of its corresponding accounting provision (see "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting our Results of Operations—Electricity market prices"). The increase was also due to the contribution of the recently acquired assets in Italy. Revenue also increased due to higher revenue at Kaxu mainly driven by higher production during the nine-month period ended September 30, 2022, compared to the same period of previous year and to the indexation of our PPA to local inflation.

Adjusted EBITDA decreased to $277.4 million for the nine-month period ended September 30, 2022, which represents a decrease of 7.6% compared to $300.1 million for the nine-month period ended September 30, 2021. On a constant currency basis, Adjusted EBITDA for the nine-month period ended September 30, 2022, was $306.9 million which represents an increase of 2.3% compared to the nine-month period ended September 30, 2021. Additionally, on a constant currency basis and excluding the non-recurrent solar project accounted for in the nine-month period ended September 30, 2021, Adjusted EBITDA for the nine-month period ended September 30, 2022, increased by 2.6%. 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, the increase in Revenue did not translate in an increase in Adjusted EBITDA mainly due to higher costs of supplies, which are indexed to natural gas and electricity prices.

Revenue and Adjusted EBITDA by business sector

The following table sets forth our revenue, Adjusted EBITDA and volumes for the nine-month periods ended September 30, 2022, and 2021, by business sector:

Revenue by business sector	Nine-month period ended September 30, 2022			Nine-month period ended September 30, 2021		
		$ in millions	% of revenue		$ in millions	% of revenue
Renewable energy	$	652.8	76.1%	$	725.8	77.2%
Efficient natural gas & heat		81.9	9.5%		93.5	9.9%
Transmission lines		83.3	9.7%		80.4	8.6%
Water		40.4	4.7%		40.7	4.3%
Total revenue	**$**	**858.4**	**100%**	**$**	**940.4**	**100%**

	Nine-month period ended September 30, 2022			Nine-month period ended September 30, 2021		
		$ in millions	% of Adjusted EBITDA		$ in millions	% of Adjusted EBITDA
Renewable energy	$	469.8	74.5%	$	464.9	73.3%
Efficient natural gas & heat		66.8	10.6%		76.4	12.1%
Transmission lines		66.2	10.5%		64.2	10.1%
Water		27.8	4.4%		28.6	4.5%
Total Adjusted EBITDA(1)	**$**	**630.7**	**100.0%**	**$**	**634.1**	**100.0%**

Note:

(1) Adjusted EBITDA is calculated as profit/(loss) for the period 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 the Consolidated Condensed Interim Financial Statements and depreciation and amortization, financial expense and income tax expense of unconsolidated affiliates (pro-rata of our equity ownership). Adjusted EBITDA is not a measure of performance under IFRS as issued by the IASB and you should not consider Adjusted EBITDA as an alternative to operating income or profits or as a measure of our operating performance, cash flows from operating, investing and financing activities or as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Adjusted EBITDA may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results. See "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures".

Volume by business sector

Volume by business sector	Volume produced/availability nine-month period ended September 30, 2022	2021
Renewable energy (GWh) (1)	4,155	3,460
Efficient natural gas & heat (GWh) (2)	1,898	1,665
Efficient natural gas & heat availability	100.4%	99.8%
Transmission availability	99.9%	100.0%
Water availability	102.6%	99.8%

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 $652.8 million for the nine-month period ended September 30, 2022, which represents a decrease of 10.0% compared to $725.8 million for the nine-month period ended September 30, 2021. On a constant currency basis, revenue for the nine-month period ended September 30, 2022, was $697.1 million, which represents a decrease of 3.9% compared to the nine-month period ended September 30, 2021. Additionally, on a constant currency basis and excluding the non-recurrent solar project accounted for in nine-month period ended September 30, 2021, revenue for the nine-month period ended September 30, 2022, increased by 7.9%. 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 our solar assets in Spain and in Kaxu, as well as at our solar assets in North America. This increase was partially offset by a decrease in revenue at our wind assets in Uruguay, as previously described.

Adjusted EBITDA decreased to $469.8 million for the nine-month period ended September 30, 2022, which represents an increase of 1.1% compared to $464.9 million for the nine-month period ended September 30, 2021. On a constant currency basis, Adjusted EBITDA for the nine-month period ended September 30, 2022, was $499.5 million which represents an increase of 7.5% compared to the nine-month period ended September 30, 2021. Additionally, on a constant currency basis and excluding the non-recurrent solar project accounted for in the nine-month period ended September 30, 2021, Adjusted EBITDA increased by 7.7%. 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. In our solar assets in Spain, the increase in Revenue did not translate in an increase in Adjusted EBITDA mainly due to higher costs of supplies, which are indexed to natural gas and electricity prices.

Efficient natural gas & heat

Revenue decreased by 12.4% to $81.9 million for the nine-month period ended September 30, 2022, compared to $93.5 million for nine-month period ended September 30, 2021, while Adjusted EBITDA decreased by 12.6% to $66.8 million for the nine-month period ended September 30, 2022, compared to $76.4 million for the nine-month period ended September 30, 2021. Revenue decreased at ACT mainly due to lower operation and maintenance costs, since there is a portion of revenue related to operation and maintenance services plus a margin. At ACT, operation and maintenance costs were higher in 2021 as it happens in the quarters preceding any major maintenance works. This decrease was partially offset by the contribution from the recently acquired asset in Calgary. Adjusted EBITDA decreased for the same reasons.

Transmission lines

Revenue increased by 3.6% to $83.3 million for the nine-month period ended September 30, 2022, compared to $80.4 million for the nine-month period ended September 30, 2021, while Adjusted EBITDA increased by 3.1% to $66.2 million for the nine-month period ended September 30, 2022 compared to $64.2 million for the nine-month period ended September 30, 2021. The increase in revenue and Adjusted EBITDA was mainly due to the contribution of the recently acquired asset Chile TL 4.

Water

Revenue remained stable at $40.4 million for the nine-month period ended September 30, 2022, compared to $40.7 million for the nine-month period ended September 30, 2021. Adjusted EBITDA also remained stable at $27.8 million for the nine-month period ended September 30, 2022, compared to $28.6 million for nine-month period ended September 30, 2021.

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 (See “Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Investments and Acquisitions”).

As a normal 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 “Item 3.D.—Risk Factors” in our Annual Report and other factors may also significantly impact our liquidity.

Liquidity position

	As of September 30, 2022	As of December 31, 2021
	($ in millions)	
Corporate Liquidity		
Cash and cash equivalents at Atlantica Sustainable Infrastructure, plc, excluding subsidiaries	$ 105.8	$ 88.3
Revolving Credit Facility availability	440.0	440.0
Total Corporate Liquidity(1)	**$ 545.8**	**$ 528.3**
Liquidity at project companies		
Restricted Cash	230.9	254.3
Non-restricted cash	444.9	280.1
Total cash at project companies	**$ 675.8**	**$ 534.4**

Note:

(1) Corporate Liquidity means cash and cash equivalents held at Atlantica Sustainable Infrastructure plc as of September 30, 2022, and available revolver capacity as of September 30, 2022.

Cash at the project level includes $230.9 million and $254.3 million restricted cash balances as of September 30, 2022 and December 31, 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 (see "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations—Potential Implications of Abengoa developments").

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 in the future.

As of September 30, 2022, and December 31, 2021, we had $10 million of letters of credits outstanding. As a result, $440.0 million was available under our Revolving Credit Facility on each such dates.

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 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 summarizes our credit ratings as of September 30, 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 and the Revolving Credit Facility.

	Maturity	**As of September 30, 2022**	**As of December 31, 2021**
		($ in millions)	
Revolving Credit Facility	2024	$ -	-
Other Facilities[1]	2022-2026	37.5	41.7
Green Exchangeable Notes	2025	106.3	104.3
2020 Green Private Placement	2026	282.1	327.1
Note Issuance Facility 2020	2027	134.8	155.8
Green Senior Notes	2028	394.8	394.2
Total Corporate Debt[2]		**$ 955.5**	**$ 1,023.1**
Total Project Debt		**$ 4,621.9**	**$ 5,036.2**

Note:

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

(2) Accounting amounts may differ from notional amounts.

In the nine-month period ended September 30, 2022, project debt decreased by $414.3 million mainly due to foreign exchange translation differences for $303.5 million, mainly due the depreciation of the Euro against the U.S. dollar, and to the scheduled repayment of our project debt for $174.8 million.

A) *Corporate debt agreements*

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 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 ($137 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 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 ($284 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 eurodollar 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 ($9.8 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 September 30, 2022, we had $8.8 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 ($4.9 million) each. The maturity dates are December 4, 2025 and January 31, 2026, respectively, and they accrue interest at a rate per annum equal to 2.50% and 1.90%, respectively.

Commercial Paper Program

On October 8, 2019, we filed a euro commercial paper program with the Alternative Fixed Income Market (MARF) in Spain. The program had an original maturity of twelve months and has been extended twice, for annual periods. The program 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 September 30, 2022, we had €13.4 million ($13.1 million) issued and outstanding under the Commercial Paper Program at an average cost of 0.71%.

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).

B) At-The-Market Program

On February 28, 2022, we established an "at-the-market program" 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. During the nine-month period ended September 30, 2022, we issued and sold 3,423,593 ordinary shares under such program 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

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.

The financing agreement also includes 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 every six months.

See "Item 5.B –Liquidity and Capital Resources – Financing Arrangements" in our Annual Report for further detail on the rest of our financing arrangements.

Uses of liquidity and capital requirements

Cash dividends to investors

We intend to distribute a significant portion of our cash available for distribution to shareholders on an annual basis less all cash expenses including corporate debt service and corporate general and administrative expenses and less reserves for the prudent conduct of our business (including, among other things, dividend shortfall as a result of fluctuations in our cash flows), on an annual basis. We intend to distribute a quarterly dividend to shareholders. Our board of directors may, by resolution, amend the cash dividend policy at any time. 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.

The latest dividends paid and declared are presented below:

Declared	Record Date	Payment Date	$ per share
July 30, 2021	August 31, 2021	September 15, 2021	0.43
November 9, 2021	November 30, 2021	December 15, 2021	0.435
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

Investments and Acquisitions

The acquisitions and investments detailed in "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Investments and Acquisitions" have been part of the use of our liquidity in 2021 and 2022. In addition, we have made investments in assets which are currently under development or construction. We expect to continue making investments in assets in operation or under construction or development to grow our portfolio.

Our uses of liquidity also include debt service and contractual obligations (refer to our Annual Report for further detail).

Cash flow

The following table sets forth cash flow data for the nine-month periods ended September 30, 2022 and 2021:

	Nine-month period ended September 30,	
	2022	**2021**
	($ in millions)	
Gross cash flows from operating activities		
Profit/(loss) for the period	$ 1.8	$ (6.4)
Financial expense and non-monetary adjustments	628.3	661.9
Profit for the period adjusted by non-monetary items	**$ 630.1**	**$ 655.5**
Changes in working capital	$ 47.7	$ (4.6)
Net interest and income tax paid	(162.1)	(209.0)
Net cash provided by operating activities	**$ 515.7**	**$ 441.9**
Net cash used in investing activities	**$ (48.1)**	**$ (322.9)**
Net cash provided by / used in financing activities	**$ (263.1)**	**$ (207.9)**
Net increase/(decrease) in cash and cash equivalents	204.5	(88.9)
Cash and cash equivalents at beginning of the period	622.7	868.5
Translation differences in cash or cash equivalents	(45.6)	(16.0)
Cash and cash equivalents at the end of the period	**$ 781.6**	**$ 763.6**

Net cash provided by operating activities

For the nine-month period ended September 30, 2022, net cash provided by operating activities was $515.7 million, a 16.7% increase compared to $441.9 million in the nine-month period ended September 30, 2021. The increase was due to an improvement of changes in working capital and lower interest and income tax paid. Changes in working capital improved in the nine-month period ended September 30, 2022, mostly due to better collections in Spain. Our assets are collecting revenue in line with the parameters corresponding to the regulation in place at the beginning of the year, as the new parameters have not been published yet. However, we are booking revenue in line with the proposed remuneration parameters, and we expect this situation to be regularized at the end of 2022 (see "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations— Recent Developments"). Changes in working capital also increased due to lower VAT paid in the period in Spain and ACT. Net interest and income tax paid were lower in the nine-month period ended September 30, 2022 compared to the same period of the previous year as interest paid typically decrease in each asset as we progressively repay our project debt.

Net cash used in investing activities

For the nine-month period ended September 30, 2022, net cash used in investing activities amounted to $48.1 million and corresponded mainly to $45.6 million paid for acquisitions consisting mainly of Chile TL4, Chile PV 3 and Italy PV4, investments in assets under construction for $30.4 million and other investments in existing assets for $27.9 million, including the investments and replacements in Solana. These cash outflows were partially offset by $56.2 million of dividends received from associates under the equity method, of which $22.0 million corresponded to Amherst Island Partnership by AYES Canada, most of which were paid to our partner in this project.

For the nine-month period ended September 30, 2021, net cash used in investing activities amounted to $322.9 million and corresponded mainly to $337.5 million paid for the acquisitions of Vento II, Coso, Calgary, Chile PV2, Rioglass, Italy PV 1 and Italy PV 2, net of the initial cash contribution from these entities. Net cash used in investing activities also includes investments in concessional assets for $10.4 million, mainly corresponding to maintenance capital expenditure and equipment replacements at Solana for $20.1 million, partially offset by $15.6 million proceeds from the sale of a building owned by Rioglass. These cash outflows were partially offset by $24.6 million of dividends received from associates under the equity method, of which $15.8 million corresponded to Amherst Island Partnership by AYES Canada, most of which were paid to our partner in this project.

Net cash (used in) financing activities

For the nine-month period ended September 30, 2022, net cash used in financing activities amounted to $263.1 million and includes the repayment of principal of our project financing for $196.3 million and dividends paid to shareholders for $151.5 million and non-controlling interests for $26.4 million. These cash outflows were partially offset by the proceeds from the equity raised under the at-the-market programs for a net amount of $113.2 million.

For the nine-month period ended September 30, 2021, net cash used in financing activities amounted to $207.9 million and includes the repayment of principal of our project financing agreements for an approximate amount of $256.2 and $165.3 million of dividends paid to shareholders and non-controlling interests. These cash outflows were partially offset by the proceeds from the equity private placement closed in January 2021 for a net amount of $130.6 million and equity raised under the previous at-the-market program for a net amount of $24.3 million. In addition, in the second quarter of 2021 we prepaid the Note Issuance Facility 2019 for $354.2 million with the proceeds of the Green Senior Notes issued, amounting to $394.0 million, which created a net cash inflow of $39.8 million.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

Our activities are undertaken through our segments and are exposed to market risk, credit risk and liquidity risk. Risk is managed by our Risk Management and Finance Departments 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, such as exchange rate risk, interest rate risk, credit risk, liquidity risk, use of hedging instruments and derivatives and the investment of excess cash.

Market risk

We are 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 we do not carry out speculative operations. For the purpose of managing these risks, we use swaps and options on interest rates and foreign exchange rates. None of the derivative contracts signed has an unlimited loss exposure.

Foreign exchange risk

The main cash flows from our subsidiaries 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 generally denominated in the same currency in which the contract with the client is signed, a natural hedge exists for our main operations.

Our functional currency is the U.S. dollar, as most of our revenue and expenses are denominated or linked to U.S. dollars. All our companies located in North America 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, with the exception of Calgary, with revenue in Canadian 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 and La Sierpe, our solar plant in Colombia, has its revenue and expenses denominated in Colombian pesos. Project financing is typically denominated in the same currency as that of the contracted revenue agreement. This policy seeks to ensure that the main revenue and expenses streams in foreign companies are denominated in the same currency, limiting our risk of foreign exchange differences in our financial results.

Our strategy is to hedge cash distributions from our assets in Europe. We hedge the exchange rate for the distributions in euros after deducting euro-denominated interest payments and euro-denominated general and administrative expenses. 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 the Colombian peso with respect to the U.S. dollar may also affect our operating results. Apart from the impact of these translation differences, the exposure of our income statement 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.

Interest rate risk

Interest rate risk arises mainly from our financial liabilities at variable interest rate (less than 10% of our total project debt financing). We use interest rate swaps and interest rate options (caps) to mitigate interest rate risk.

As a result, the notional amounts hedged as of September 30, 2022, contracted strikes and maturities, depending on the characteristics of the debt on which the interest rate risk is being hedged, are very diverse, including the following:

- Project debt in euro: between 75% and 100% of the notional amount, with hedged maturing until 2038 at an average guaranteed strike interest rates of between 0.00% and 4.87%.

- Project debt in U.S. dollars: between 75% and 100% of the notional amount, with hedges maturing until 2038 and average strike interest rates of between 0.86% and 5.89%.

The most significant impact on our Consolidated Condensed Interim Financial Statements related to interest rates corresponds to the potential impact of changes in EURIBOR or LIBOR on the debt with interest rates based on EURIBOR or LIBOR and on derivative positions.

In relation to our interest rate swaps positions, an increase in EURIBOR or LIBOR above the contracted fixed interest rate would create an increase in our financial expense which would be positively mitigated by our hedges, reducing our financial expense to our contracted fixed interest rate. However, an increase in EURIBOR or LIBOR that does not exceed the contracted fixed interest rate would not be offset by our derivative position and would result in a net financial loss recognized in our consolidated income statement. Conversely, a decrease in EURIBOR or LIBOR below the contracted fixed interest rate would result in lower interest expense on our variable rate debt, which would be offset by a negative impact from our hedges, increasing our financial expense up to our contracted fixed interest rate, thus likely resulting in a neutral effect.

In relation to our interest rate options positions, an increase in EURIBOR or LIBOR above the strike price would result in higher interest expenses, which would be positively mitigated by our hedges, reducing our financial expense to our capped interest rate, whereas a decrease of EURIBOR or LIBOR below the strike price would result in lower interest expenses.

In addition to the above, 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.

In the event that EURIBOR and LIBOR had risen by 25 basis points as of September 30, 2022, with the rest of the variables remaining constant, the effect in the consolidated income statement would have been a loss of $1.1 million and an increase in hedging reserves of $18.9 million. The increase in hedging reserves would be mainly due to an increase in the fair value of interest rate swaps designated as hedges.

Credit risk

The credit rating of Eskom is currently CCC+ from S&P, Caa1 from Moody's and B from Fitch. Eskom is the off-taker of our Kaxu solar plant, a state-owned, limited liability company, wholly owned by the government of the Republic of South Africa. 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 addition, Pemex's credit rating is currently BBB from S&P, B1 from Moody's and BB- from Fitch. We have been experiencing delays from Pemex in collections since the second half of 2019 which have been significant in certain quarters.

In 2019, we also entered into a political risk insurance agreement with the Multinational Investment Guarantee Agency for Kaxu. The insurance provides protection for breach of contract up to $58.0 million in the event the South African Department of Energy does not comply with its obligations as guarantor. We also have a political risk insurance in place for our assets in Algeria up to $38.3 million, including two years dividend coverage. These insurance policies do not cover credit risk.

Liquidity risk

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.

The repayment profile of each project is established based on the projected cash flow generation of the business.

Item 4. CONTROLS AND PROCEDURES

Not Applicable

PART II. OTHER INFORMATION

Item 1. 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 us for 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. In the past we had 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 we currently have a 49% equity interest. The basis for the lawsuits is that the defendants, among other things, 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 Atlantica is party to various administrative and regulatory proceedings that have arisen in the ordinary course of business.

While Atlantica does not expect the above noted 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.

Item 1A. Risk Factors

None

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

***Recent sales of unregistered* securities**

None.

Use of proceeds from the sale of* registered *securities

None.

Purchases of equity securities by the issuer and affiliated purchasers

None

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not Applicable.

Item 6 Exhibits

Not Applicable

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 9, 2022

ATLANTICA SUSTAINABLE INFRASTRUCTURE PLC

By: */s/ Santiago Seage*

Name: Santiago Seage
Title: Chief Executive Officer

ATLANTICA SUSTAINABLE INFRASTRUCTURE PLC

By: */s/ Francisco Martinez-Davis*

Name: Francisco Martinez-Davis
Title: Chief Financial Officer

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